



CRADLE RESOURCES LIMITED
ACN 149 637 016

PROPOSED TO BE RENAMED "EARTHS ENERGY LIMITED"

NOTICE OF GENERAL MEETING

A General Meeting of the Company to be held at Level 20, 140 St Georges Terrace, Perth WA 6000 on Wednesday, 6 December 2023 at 10:30am (AWST)

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 accountant, solicitor or other professional advisor prior to voting.

Shareholders can also submit, and are encouraged to submit, any questions in advance of the Meeting by emailing the questions to cosec@cradleresources.com.au by no later than 5:00pm (AWST) on Thursday, 30 November 2023.

If the above arrangements with respect to the Meeting change, Shareholders will be updated via the ASX Market Announcements Platform and/or the Company's website at <https://www.cradleresources.com.au/>.

Should you wish to discuss the matters in this Notice please do not hesitate to contact the Company Secretary at +61 8 9200 3425.

CRADLE RESOURCES LIMITED

ACN 149 637 016

PROPOSED TO BE RENAMED "EARTHS ENERGY LIMITED"

NOTICE OF GENERAL MEETING

Notice is hereby given that a general meeting of Shareholders of Cradle Resources Limited (**Cradle or Company**) will be held at Level 20, 140 St Georges Terrace, Perth WA 6000 on Wednesday, 6 December 2023 at 10:30am (AWST) (**Meeting**).

The Explanatory Memorandum provides additional information on matters to be considered at the Meeting. The Explanatory Memorandum and the Proxy Form form part of the Notice.

The Directors have determined pursuant to regulations 7.11.37 and 7.11.38 of the *Corporations Regulations 2001* (Cth) that the persons eligible to vote at the Meeting are those who are registered as Shareholders on Monday, 4 December 2023 at 4:00pm (AWST).

Terms and abbreviations used in the Notice and the Explanatory Memorandum will, unless the context requires otherwise, have the meaning given to them in Schedule 1.

AGENDA

1 Resolution 1 – Change to Nature and Scale of Activities

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

"That, subject to each of the other Recompliance Resolutions being passed or the inter-conditionality of the other Recompliance Resolutions being waived by the Board, pursuant to and in accordance with, Listing Rule 11.1.2 and for all other purposes, approval is given for the Company to make a significant change to the nature and scale of its activities on the terms and conditions in the Explanatory Memorandum."

Voting Exclusion

The Company will disregard any votes cast in favour of this Resolution by or on behalf of a counterparty to the transaction that, of itself or together with one or more other transactions, will result in a significant change to the nature or scale of the entity's activities and any other person who will obtain a material benefit as a result of the transaction (except a benefit solely by reason of being a holder of ordinary securities in the entity) or an associate of that person or those persons.

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

- (a) a person as 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 that way; or
- (b) the Chairperson as proxy or attorney for a person who is entitled to vote on the Resolution, in accordance with a direction given to the Chairperson to vote on the Resolution as the Chairperson decides; or
- (c) a holder acting solely in a nominee, trustee, custodial or other fiduciary capacity on behalf of a beneficiary provided the following conditions are met:

- (i) the beneficiary provides written confirmation to the holder that the beneficiary is not excluded from voting, and is not an associate of a person excluded from voting, on the Resolution; and
- (ii) the holder votes on the Resolution in accordance with directions given by the beneficiary to the holder to vote in that way.

2 Resolution 2 – Issue of Vendor Shares to the Vendors

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

"That, subject to each of the other Recompliance Resolutions being passed or the inter-conditionality of the other Recompliance Resolutions being waived by the Board, pursuant to and in accordance with, Listing Rule 7.1 and for all other purposes, Shareholders approve and authorise the issue of 220,360,329 Shares to the Vendors (and/or their nominees) on the terms and conditions in the Explanatory Memorandum."

Voting Exclusion

The Company will disregard any votes cast in favour of this Resolution by or on behalf of the Vendors (and/or their respective nominees) and any other person who will obtain a material benefit as a result of the proposed issue of the Vendor Shares (except a benefit solely by reason of being a holder of ordinary securities in the entity) or an associate of that person or those persons.

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

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

3 Resolution 3 - Issue of Capital Raising Shares

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

"That, subject to each of the other Recompliance Resolutions being passed or the inter-conditionality of the other Recompliance Resolutions being waived by the Board, pursuant to and in accordance with, Listing Rule 7.1 and for all other purposes, Shareholders approve and authorise the issue of up to 300,000,000 Shares at an issue price of \$0.02 per Share, on the terms and conditions in the Explanatory Memorandum."

Voting Exclusion

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 the Capital Raising Offer, or who will obtain a material benefit as a result of, the proposed issue of the Capital Raising Shares (except a benefit solely by reason of being a holder of ordinary securities in the entity) or an associate of that person or those persons.

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

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

4 Resolution 4 - Issue of Capital Raising Shares to Director, Mr Grant Davey

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

"That, subject to each of the other Recompliance Resolutions being passed or the inter-conditional of the other Recompliance Resolutions being waived by the Board, pursuant to and in accordance with, Listing Rule 10.11, section 208 of the Corporations Act and for all other purposes, Shareholders authorise and approve Mr Grant Davey (and/or his nominees) participating in the Capital Raising Offer to the extent of up to 10,000,000 Capital Raising Shares, on the terms and conditions in the Explanatory Memorandum."

Voting Exclusion

The Company will disregard any votes cast in favour of this Resolution by or on behalf of Mr Grant Davey (and/or his nominees) and any other person who will obtain a material benefit as a result of the issue of the Capital Raising Shares (except a benefit solely by reason of being a holder of ordinary securities in the entity) or an associate of that person or those persons.

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

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

Voting Prohibition

A vote on this Resolution must not be cast (in any capacity) by or on behalf of Mr Grant Davey (and/or his nominee(s)) or any of his, or their, associates. However, subject to the voting exclusion above and the further voting prohibition below, this does not prevent the cast of a vote if:

- (a) it is cast by a person as a proxy appointed by writing that specifies how the proxy is to vote on this Resolution; and

- (b) it is not cast on behalf of Mr Grant Davey (and/or his nominee(s)) or any of his, or their associates.

5 Resolution 5 – Issue of Capital Raising Shares to Director, Mr Chris Bath

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

"That, subject to each of the other Recompliance Resolutions being passed or the inter-conditionality of the other Recompliance Resolutions being waived by the Board, pursuant to and in accordance with, Listing Rule 10.11, section 208 of the Corporations Act and for all other purposes, Shareholders authorise and approve Mr Chris Bath (and/or his nominees) participating in the Capital Raising Offer to the extent of up to 5,000,000 Capital Raising Shares, on the terms and conditions in the Explanatory Memorandum."

Voting Exclusion

The Company will disregard any votes cast in favour of this Resolution by or on behalf of Mr Chris Bath (and/or his nominees) and any other person who will obtain a material benefit as a result of the issue of the Capital Raising Shares (except a benefit solely by reason of being a holder of ordinary securities in the entity) or an associate of that person or those persons.

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

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

Voting Prohibition

A vote on this Resolution must not be cast (in any capacity) by or on behalf of Mr Chris Bath (and/or his nominee(s)) or any of his, or their, associates. However, subject to the voting exclusion above and the further voting prohibition below, this does not prevent the cast of a vote if:

- (a) it is cast by a person as a proxy appointed by writing that specifies how the proxy is to vote on this Resolution; and
- (b) it is not cast on behalf of Mr Chris Bath (and/or his nominee(s)) or any of his, or their associates.

6 Resolution 6 – Issue of Capital Raising Shares to Director, Mr David Wheeler

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

"That, subject to each of the other Recompliance Resolutions being passed or the inter-conditionality of the other Recompliance Resolutions being waived by the Board, pursuant to and in accordance with, Listing Rule 10.11, section 208 of the Corporations Act and for all other purposes, Shareholders authorise and approve Mr David Wheeler (and/or his nominees)

participating in the Capital Raising Offer to the extent of up to 1,250,000 Capital Raising Shares, on the terms and conditions in the Explanatory Memorandum."

Voting Exclusion

The Company will disregard any votes cast in favour of this Resolution by or on behalf of Mr David Wheeler (and/or his nominees) and any other person who will obtain a material benefit as a result of the issue of the Capital Raising Shares (except a benefit solely by reason of being a holder of ordinary securities in the entity) or an associate of that person or those persons.

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

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

Voting Prohibition

A vote on this Resolution must not be cast (in any capacity) by or on behalf of Mr David Wheeler (and/or his nominee(s)) or any of his, or their, associates. However, subject to the voting exclusion above and the further voting prohibition below, this does not prevent the cast of a vote if:

- (a) it is cast by a person as a proxy appointed by writing that specifies how the proxy is to vote on this Resolution; and
- (b) it is not cast on behalf of Mr David Wheeler (and/or his nominee(s)) or any of his, or their, associates.

7 Resolution 7 – Issue of Capital Raising Shares to Proposed Managing Director, Mr Matthew Kay

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

"That, subject to each of the other Recompliance Resolutions being passed or the inter-conditionality of the other Recompliance Resolutions being waived by the Board, pursuant to and in accordance with, section 208 of the Corporations Act and for all other purposes, Shareholders authorise and approve proposed Managing Director, Matthew Kay (and/or his nominees) participating in the Capital Raising Offer for up to 5,000,000 Capital Raising Shares, on the terms and conditions in the Explanatory Memorandum."

Voting Prohibition

A vote on this Resolution must not be cast (in any capacity) by or on behalf of Mr Matthew Kay (and/or his nominee(s)) or any of his, or their, associates. However, subject to the voting exclusion above and the further voting prohibition below, this does not prevent the cast of a vote if:

- (a) it is cast by a person as a proxy appointed by writing that specifies how the proxy is to vote on this Resolution; and

- (b) it is not cast on behalf of Mr Matthew Kay (and/or his nominee(s)) or any of his, or their associates.

8 Resolution 8 – Issue of Director Options to Director, Mr Grant Davey

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

"That, subject to each of the other Recompliance Resolutions being passed or the inter-conditional of the other Recompliance Resolutions being waived by the Board, pursuant to and in accordance with, Listing Rule 10.11, section 208 of the Corporations Act and for all other purposes, Shareholders authorise and approve the issue of 10,000,000 Director Options to Mr Grant Davey (and/or his nominees) on the terms and conditions in the Explanatory Memorandum."

Voting Exclusion

The Company will disregard any votes cast in favour of this Resolution by or on behalf of Mr Grant Davey (and/or his nominees) and any other person who will obtain a material benefit as a result of the issue of the Director Options (except a benefit solely by reason of being a holder of ordinary securities in the entity) or an associate of that person or those persons.

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

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

Voting Prohibition

In accordance with section 250BD of the Corporations Act, a vote on this Resolution must not be cast by a person appointed as a proxy, where that person is either a member of the Key Management Personnel or a Closely Related Party of such member.

However, a vote may be cast by such person if the vote is not cast on behalf of a person who is otherwise excluded from voting; and

- (a) the person is appointed as a proxy and the appointment is not cast on behalf of a person who is to vote; and
- (b) the person appointed as proxy is the Chairperson and the appointment does not specify how the Chairperson is to vote but expressly authorises the Chairperson to exercise the proxy even if the Resolution is connected with the remuneration of a member of the Key Management Personnel.

9 Resolution 9 – Issue of Termination Benefits to Director, Mr Grant Davey

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

"That, subject to each of the other Recombliance Resolutions being passed or the inter-conditionalty of the other Recombliance Resolutions being waived by the Board, pursuant to and in accordance with, Listing Rule 10.19, Part 2D.2 (including sections 200B and 200E of the Corporations Act) and for all other purposes, Shareholders authorise and approve the grant of the Director Potential Retirement Benefits associated with the 10,000,000 Director Options to be issued to Mr Grant Davey (and/or his nominees), the subject of Resolution 8, in connection with his ceasing to hold a managerial or executive office, on the terms and conditions in the Explanatory Memorandum."

Voting Exclusion

The Company will disregard any votes cast in favour of this Resolution by or on behalf of an officer of the entity or any of its child entities who is entitled to participate in a termination benefit or an associate of that person or those persons.

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

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

Voting Prohibition

A vote on this Resolution must not be cast (in any capacity) by or on behalf of Mr Grant Davey (and/or his nominee(s)) or any of his, or their, associates. However, subject to the voting exclusion above and the further voting prohibition below, this does not prevent the cast of a vote if:

- (a) it is cast by a person as a proxy appointed by writing that specifies how the proxy is to vote on this Resolution; and
- (b) it is not cast on behalf of Mr Grant Davey (and/or his nominee(s)) or any of his, or their, associates.

Further, in accordance with section 250BD of the Corporations Act, a vote on this Resolution must not be cast by a person appointed as a proxy, where that person is either a member of the Key Management Personnel or a Closely Related Party of such member.

However, a vote may be cast by such person if the vote is not cast on behalf of a person who is otherwise excluded from voting; and

- (c) the person is appointed as a proxy and the appointment is not cast on behalf of a person who is to vote; and
- (d) the person appointed as proxy is the Chairperson and the appointment does not specify how the Chairperson is to vote but expressly authorises the Chairperson to exercise the proxy even if the Resolution is connected with the remuneration of a member of the Key Management Personnel.

10 Resolution 10 – Issue of Director Options to Director, Mr Chris Bath

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

"That, subject to each of the other Recompliance Resolutions being passed or the inter-conditionality of the other Recompliance Resolutions being waived by the Board, pursuant to and in accordance with, Listing Rule 10.11, section 208 of the Corporations Act, and for all other purposes, Shareholders authorise and approve the issue of 10,000,000 Director Options to Mr Chris Bath (and/or his nominees) on the terms and conditions in the Explanatory Memorandum."

Voting Exclusion

The Company will disregard any votes cast in favour of this Resolution by or on behalf of Mr Chris Bath (and/or his nominees) and any other person who will obtain a material benefit as a result of the issue of the Director Options (except a benefit solely by reason of being a holder of ordinary securities in the entity), or an associate of that person or those persons.

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

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

Voting Prohibition

In accordance with section 250BD of the Corporations Act, a vote on this Resolution must not be cast by a person appointed as a proxy, where that person is either a member of the Key Management Personnel or a Closely Related Party of such member.

However, a vote may be cast by such person if the vote is not cast on behalf of a person who is otherwise excluded from voting and:

- (a) the person is appointed as a proxy and the appointment is not cast on behalf of a person who is to vote; and
- (b) the person appointed as proxy is the Chairperson and the appointment does not specify how the Chairperson is to vote but expressly authorises the Chairperson to exercise the proxy even if the Resolution is connected with the remuneration of a member of the Key Management Personnel.

11 Resolution 11 – Issue of Termination Benefits to Director, Mr Chris Bath

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

"That, subject to each of the other Recompliance Resolutions being passed or the inter-conditionality of the other Recompliance Resolutions being waived by the Board, pursuant to and in accordance with, Listing Rule 10.19, Part 2D.2 (including sections 200B and 200E of the Corporations Act) and for all other purposes, Shareholders authorise and approve the grant of the

Director Potential Retirement Benefits associated with the 10,000,000 Director Options to be issued to Mr Chris Bath (and/or his nominees), the subject of Resolution 10, in connection with his ceasing to hold a managerial or executive office, on the terms and conditions in the Explanatory Memorandum."

Voting Exclusion

The Company will disregard any votes cast in favour of this Resolution by or on behalf of an officer of the entity or any of its child entities who is entitled to participate in a termination benefit or an associate of that person or those persons.

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

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

Voting Prohibition

A vote on this Resolution must not be cast (in any capacity) by or on behalf of Mr Chris Bath (and/or his nominee(s)) or any of his, or their, associates. However, subject to the voting exclusion above and the further voting prohibition below, this does not prevent the cast of a vote if:

- (a) it is cast by a person as a proxy appointed by writing that specifies how the proxy is to vote on this Resolution; and
- (b) it is not cast on behalf of Mr Chris Bath (and/or his nominee(s)) or any of his, or their associates.

Further, in accordance with section 250BD of the Corporations Act, a vote on this Resolution must not be cast by a person appointed as a proxy, where that person is either a member of the Key Management Personnel or a Closely Related Party of such member.

However, a vote may be cast by such person if the vote is not cast on behalf of a person who is otherwise excluded from voting and:

- (a) the person is appointed as a proxy and the appointment is not cast on behalf of a person who is to vote; and
- (b) the person appointed as proxy is the Chairperson and the appointment does not specify how the Chairperson is to vote but expressly authorises the Chairperson to exercise the proxy even if the Resolution is connected with the remuneration of a member of the Key Management Personnel.

12 Resolution 12 – Issue of Director Options to Director, Mr David Wheeler

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

"That, subject to each of the other Recompliance Resolutions being passed or the inter-conditional of the other Recompliance Resolutions being waived by the Board, pursuant to and

in accordance with, Listing Rule 10.11, section 208 of the Corporations Act, and for all other purposes, Shareholders authorise and approve the issue of 4,000,000 Director Options to Mr David Wheeler (and/or his nominees) on the terms and conditions in the Explanatory Memorandum."

Voting Exclusion

The Company will disregard any votes cast in favour of this Resolution by or on behalf of Mr David Wheeler (and/or his nominee(s)) and any other person who will obtain a material benefit as a result of the issue of the Director Options (except a benefit solely by reason of being a holder of ordinary securities in the entity), or an associate of that person or those persons.

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

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

Voting Prohibition

In accordance with section 250BD of the Corporations Act, a vote on this Resolution must not be cast by a person appointed as a proxy, where that person is either a member of the Key Management Personnel or a Closely Related Party of such member.

However, a vote may be cast by such person if the vote is not cast on behalf of a person who is otherwise excluded from voting and:

- (a) the person is appointed as a proxy and the appointment is not cast on behalf of a person who is to vote; and
- (b) the person appointed as proxy is the Chairperson and the appointment does not specify how the Chairperson is to vote but expressly authorises the Chairperson to exercise the proxy even if the Resolution is connected with the remuneration of a member of the Key Management Personnel.

13 Resolution 13 – Issue of Termination Benefits to Director, Mr David Wheeler

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

"That, subject to each of the other Recompliance Resolutions being passed or the inter-conditionality of the other Recompliance Resolutions being waived by the Board, pursuant to and in accordance with, Listing Rule 10.19, Part 2D.2 (including sections 200B and 200E of the Corporations Act) and for all other purposes, Shareholders authorise and approve the grant of the Director Potential Retirement Benefits associated with the 4,000,000 Director Options to be issued to Mr David Wheeler (and/or his nominees), the subject of Resolution 12, in connection with his ceasing to hold a managerial or executive office, on the terms and conditions in the Explanatory Memorandum."

Voting Exclusion

The Company will disregard any votes cast in favour of this Resolution by or on behalf of an officer of the entity or any of its child entities who is entitled to participate in a termination benefit or an associate of that person or those persons.

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

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

Voting Prohibition

A vote on this Resolution must not be cast (in any capacity) by or on behalf of Mr David Wheeler (and/or his nominee(s)) or any of his, or their, associates. However, subject to the voting exclusion above and the further voting prohibition below, this does not prevent the cast of a vote if:

- (a) it is cast by a person as a proxy appointed by writing that specifies how the proxy is to vote on this Resolution; and
- (b) it is not cast on behalf of Mr David Wheeler (and/or his nominee(s)) or any of his, or their associates.

Further, in accordance with section 250BD of the Corporations Act, a vote on this Resolution must not be cast by a person appointed as a proxy, where that person is either a member of the Key Management Personnel or a Closely Related Party of such member.

However, a vote may be cast by such person if the vote is not cast on behalf of a person who is otherwise excluded from voting and:

- (a) the person is appointed as a proxy and the appointment is not cast on behalf of a person who is to vote; and
- (b) the person appointed as proxy is the Chairperson and the appointment does not specify how the Chairperson is to vote but expressly authorises the Chairperson to exercise the proxy even if the Resolution is connected with the remuneration of a member of the Key Management Personnel.

14 Resolution 14 – Issue of Management Options to Proposed Managing Director, Mr Matthew Kay

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

"That, subject to each of the other Recompliance Resolutions being passed or the inter-conditionality of the other Recompliance Resolutions being waived by the Board, pursuant to and in accordance with, Listing Rule 10.11 and for all other purposes, Shareholders authorise and approve the issue of 29,018,016 Management Options to proposed Managing Director, Mr Matthew Kay (and/or his nominees) on the terms and conditions in the Explanatory Memorandum."

Voting Exclusion

The Company will disregard any votes cast in favour of this Resolution by or on behalf of Mr Matthew Kay (and/or his nominees) and any other person who will obtain a material benefit as a result of the issue of the Management Options (except a benefit solely by reason of being a holder of ordinary securities in the entity), or an associate of that person or those persons.

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

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

Voting Prohibition

In accordance with section 250BD of the Corporations Act, a vote on this Resolution must not be cast by a person appointed as a proxy, where that person is either a member of the Key Management Personnel or a Closely Related Party of such member.

However, a vote may be cast by such person if the vote is not cast on behalf of a person who is otherwise excluded from voting and:

- (a) the person is appointed as a proxy and the appointment is not cast on behalf of a person who is to vote; and
- (b) the person appointed as proxy is the Chairperson and the appointment does not specify how the Chairperson is to vote but expressly authorises the Chairperson to exercise the proxy even if the Resolution is connected with the remuneration of a member of the Key Management Personnel.

15 Resolution 15 – Issue of Termination Benefits to Proposed Managing Director, Mr Matthew Kay

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

"That, subject to each of the other Recompliance Resolutions being passed or the inter-conditionality of the other Recompliance Resolutions being waived by the Board, pursuant to and in accordance with, Listing Rule 10.19, Part 2D.2 (including sections 200B and 200E of the Corporations Act) and for all other purposes, Shareholders authorise and approve the grant of the Kay Potential Retirement Benefits associated with the 29,018,016 Management Options to be issued to Mr Matthew Kay (and/or his nominees), the subject of Resolution 14, in connection with his ceasing to hold a managerial or executive office, on the terms and conditions in the Explanatory Memorandum."

Voting Exclusion

The Company will disregard any votes cast in favour of this Resolution by or on behalf of an officer of the entity or any of its child entities who is entitled to participate in a termination benefit or an associate of that person or those persons.

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

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

Voting Prohibition

A vote on this Resolution must not be cast (in any capacity) by or on behalf of Mr Matthew Kay (and/or his nominee(s)) or any of his, or their, associates. However, subject to the voting exclusion above and the further voting prohibition below, this does not prevent the cast of a vote if:

- (a) it is cast by a person as a proxy appointed by writing that specifies how the proxy is to vote on this Resolution; and
- (b) it is not cast on behalf of Mr Matthew Kay (and/or his nominee(s)) or any of his, or their associates.

Further, in accordance with section 250BD of the Corporations Act, a vote on this Resolution must not be cast by a person appointed as a proxy, where that person is either a member of the Key Management Personnel or a Closely Related Party of such member.

However, a vote may be cast by such person if the vote is not cast on behalf of a person who is otherwise excluded from voting and:

- (a) the person is appointed as a proxy and the appointment is not cast on behalf of a person who is to vote; and
- (b) the person appointed as proxy is the Chairperson and the appointment does not specify how the Chairperson is to vote but expressly authorises the Chairperson to exercise the proxy even if the Resolution is connected with the remuneration of a member of the Key Management Personnel.

16 Resolution 16 – Issue of Management Options to Dr Lawrence Meckel

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

"That, subject to each of the other Recompliance Resolutions being passed or the inter-conditionality of the other Recompliance Resolutions being waived by the Board, pursuant to and in accordance with, Listing Rule 7.1 and for all other purposes, Shareholders authorise and approve the issue of 6,000,000 Management Options to Dr Lawrence Meckel (and/or his nominees) on the terms and conditions in the Explanatory Memorandum."

Voting Exclusion

The Company will disregard any votes cast in favour of this Resolution by or on behalf of Dr Lawrence Meckel (and/or his nominees) and any other person who will obtain a material benefit as a result of, the proposed issue of the Management Options (except a benefit solely by reason of being a holder of ordinary securities in the entity) or an associate of that person or those persons.

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

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

17 Resolution 17 – Issue of Lead Manager Options to the Lead Manager

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

"That, subject to each of the other Recompliance Resolutions being passed or the inter-conditionality of the other Recompliance Resolutions being waived by the Board, pursuant to and in accordance with, Listing Rule 7.1 and for all other purposes, Shareholders approve and authorise the issue of 15,000,000 Lead Manager Options to Canaccord Genuity (Australia) Pty Ltd (and/or its nominees) on the terms and conditions in the Explanatory Memorandum."

Voting Exclusion

The Company will disregard any votes cast in favour of this Resolution by or on behalf of Canaccord Genuity (Australia) Pty Ltd (and/or its nominees) and any other person who will obtain a material benefit as a result of the proposed issue of the Lead Manager Options (except a benefit solely by reason of being a holder of ordinary securities in the entity) or an associate of that person (or those persons).

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

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

18 Resolution 18 – Approval of Directors and Employees Share Option 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 Rule 7.2, exception 13 and for all other purposes, Shareholders authorise and approve the Directors' and Employees' Share Option Plan (**Plan**) and the grant of Securities under the Plan, on the terms and conditions set out in the Explanatory Statement."*

Voting Exclusion

The Company will disregard any votes cast on this Resolution by any person who is eligible to participate in the Plan or an associate of that person or those persons.

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

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

Voting Prohibition

In accordance with section 250BD of the Corporations Act, a vote on this Resolution must not be cast by a person appointed as a proxy, where that person is either a member of the Key Management Personnel or a Closely Related Party of such member.

However, a vote may be cast by such person if the vote is not cast on behalf of a person who is otherwise excluded from voting; and

- (a) the person is appointed as a proxy and the appointment is not cast on behalf of a person who is to vote; and
- (b) the person appointed as proxy is the Chairperson and the appointment does not specify how the Chairperson is to vote but expressly authorises the Chairperson to exercise the proxy even if the Resolution is connected with the remuneration of a member of the Key Management Personnel.

19 Resolution 19 – Approval of Termination Benefits under the Directors and Employees Share Option Plan

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

*"That, subject to Resolution 18 being passed, for the purposes of Part 2D.2 (including sections 200B and 200E) of the Corporations Act and for all other purposes, Shareholders authorise and approve the giving of the Potential Retirement Benefits detailed in the Explanatory Memorandum to any person who is or has been a member of the Key Management Personnel or holds or has held a managerial or executive office in the Company or a related body corporate (**Relevant Personnel**) in connection with that person ceasing to hold that managerial or executive office."*

Voting Prohibition

Any Shareholder who is:

- (a) a Relevant Personnel (as detailed in this Resolution 19) or may become a Relevant Personnel in the future;

- (b) an associate of a Relevant Personnel, or of a person who may become a Relevant Personnel in the future,

and wishes to preserve the benefit of this Resolution 19 for that Relevant Personnel (or potential Relevant Personnel), must not vote on this Resolution. However, subject to the voting exclusion above and the further voting prohibition below, this does not prevent the cast of a vote if:

- (c) it is cast by a person as a proxy appointed by writing that specifies how the proxy is to vote on this Resolution; and
- (d) it is not cast on behalf of any person listed in (a) or (b) immediately above or any of their associates.

Further, in accordance with section 250BD of the Corporations Act, a vote on this Resolution must not be cast by a person appointed as a proxy, where that person is either a member of the Key Management Personnel or a Closely Related Party of such member.

However, a vote may be cast by such person if the vote is not cast on behalf of a person who is otherwise excluded from voting; and

- (e) the person is appointed as a proxy and the appointment is not cast on behalf of a person who is to vote; and
- (f) the person appointed as proxy is the Chairperson and the appointment does not specify how the Chairperson is to vote but expressly authorises the Chairperson to exercise the proxy even if the Resolution is connected with the remuneration of a member of the Key Management Personnel.

20 Resolution 20 – Ratification of Placement

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

“That, pursuant to and in accordance with Listing Rule 7.4 and for all other purposes, Shareholders ratify the prior issue of 42,500,000 Shares on the terms and conditions set out in the Explanatory Memorandum.”

Voting Exclusion

The Company will disregard any votes cast on this Resolution by the Placement Participants or an associate of that person or those persons.

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

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

21 Resolution 21 – Approval to Issue Placement Options

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

“That, pursuant to and in accordance with, Listing Rule 7.1 and for all other purposes, Shareholders approve and authorise the issue of up to 42,500,000 Placement Options to Placement Participants (and/or their nominees) on the terms and conditions in the Explanatory Memorandum.”

Voting Exclusion

The Company will disregard any votes cast in favour of this Resolution by or on behalf of a Placement Participant (and/or their nominees) and any other person who will obtain a material benefit as a result of, the proposed issue of Placement Options (except a benefit solely by reason of being a holder of ordinary securities in the entity) or an associate of that person or those persons.

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

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

22 Resolution 22 – Section 195 Approval

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

“That, subject to each of the other Recompliance Resolutions being passed or the inter-conditional of the other Recompliance Resolutions being waived by the Board, pursuant to and in accordance with subsection 195(4) of the Corporations Act and for all other purposes, Shareholders approve the transactions contemplated in Resolutions 4 to 13 (inclusive).”

23 Resolution 23 – Change of Company Name

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

“That, subject to each of the other Recompliance Resolutions being passed or the inter-conditional of the other Recompliance Resolutions being waived by the Board, pursuant to and in accordance with section 157(1)(a) of the Corporations Act, and for all other purposes, approval is given for the name of the Company to be changed to 'Earths Energy Limited'”.

BY ORDER OF THE BOARD

Catherine Anderson
Company Secretary

Dated: 31 October 2023

CRADLE RESOURCES LIMITED

ACN 149 637 016

PROPOSED TO BE RENAMED "EARTHS ENERGY LIMITED"

EXPLANATORY MEMORANDUM

1 Introduction

This Explanatory Memorandum has been prepared for the information of Shareholders in connection with the business to be conducted at the Meeting.

This Explanatory Memorandum should be read in conjunction with and forms part of the Notice. The purpose of this Explanatory Memorandum is to provide information to Shareholders in deciding whether or not to pass the Resolutions.

This Explanatory Memorandum includes the following information to assist Shareholders in deciding how to vote on the Resolutions:

Section	Information Provided
2	Action to be taken by Shareholders
3	Inter-Conditional Resolutions
4	ASX Requirements and Shareholder Approvals
5	Recompliance
6	Resolution 1 - Change to Nature and Scale of Activities
7	Resolution 2 – Issue of Vendor Shares to the Vendors
8	Resolution 3 – Issue of Capital Raising Shares
9	Resolutions 4 to 7 (inclusive) – Issue of Capital Raising Shares to Related Parties
10	Resolutions 8, 10 and 12 – Issue of Director Options to Related Parties
11	Resolutions 9, 11 and 13 - Issue of Termination Benefits to Related Parties
12	Resolution 14 – Issue of Management Options to Proposed Managing Director, Mr Matthew Kay
13	Resolution 15 – Issue of Termination Benefits to Proposed Managing Director, Mr Matthew Kay
14	Resolution 16 – Issue of Management Options to Dr Lawrence Meckel
15	Resolution 17 – Issue of Lead Manager Options to the Lead Manager
16	Resolution 18 – Approval of Directors and Employees Share Option Plan
17	Resolution 19 – Approval of Termination Benefits under the Directors and Employees Share Option Plan
18	Resolution 20 – Ratification of Placement
19	Resolution 21 – Approval to issue Placement Options
20	Resolution 22 – Section 195 Approval
21	Resolution 23 – Change of Company Name
Schedules	
Schedule 1	Definitions and Interpretation
Schedule 2	Vendors
Schedule 3	Risk Factors
Schedule 4	Terms and Conditions of the Director Options (Resolutions 8, 10 and 12)
Schedule 5	Terms and Conditions of the Managing Options (Resolutions 14 and 16)

Schedule 6	Terms and Conditions of the Lead Manager Options (Resolution 17)
Schedule 7	Summary of the Terms and Conditions of the Directors and Employee Share Option Plan (Resolution 18)
Schedule 8	Terms and Conditions of the Placement Options (Resolution 21)
Schedule 9	Pro Forma Consolidated Statement of Financial Position

A Proxy Form is located at the end of this Explanatory Memorandum.

2 Action to be taken by Shareholders

Shareholders should read the Notice and this Explanatory Memorandum carefully before deciding how to vote on the Resolutions.

2.1 Proxies

A Proxy Form is enclosed with the Notice. This is to be used by Shareholders if they wish to appoint a representative (a "proxy") to vote in their place. All Shareholders are invited and encouraged to attend the Meeting or, if they are unable to attend in person, sign and return the Proxy Form to the Company in accordance with the instructions detailed in the Proxy Form. Lodgement of a Proxy Form will not preclude a Shareholder from attending and voting at the Meeting in person.

Please note that:

- (a) a proxy need not be a Shareholder;
- (b) a Shareholder may appoint a body corporate or an individual as its proxy;
- (c) a body corporate appointed as a Shareholder's proxy may appoint an individual as its representative to exercise any of the powers that the body corporate may exercise as the Shareholder's proxy; and
- (d) Shareholders entitled to cast two or more votes may appoint two proxies and may specify the proportion or number of votes each proxy is appointed to exercise, but where the proportion or number is not specified, each proxy may exercise half of the votes.

Proxy Forms must be received by the Company no later than Monday, 4 December 2023 at 10:30am (AWST) being at least 48 hours before the Meeting.

The Proxy Form provides further details on appointing proxies and lodging Proxy Forms.

2.2 Voting Prohibition by Proxy Holders (Remuneration of Key Management Personnel)

A vote on Resolutions 8 to 15 (inclusive) must not be cast by a person appointed as a proxy, where that person is either a member of the Key Management Personnel or a Closely Related Party of such member.

However, a vote may be cast by such persons if the vote is not cast on behalf of a person who is excluded from voting on Resolutions 8 to 15 (inclusive), and:

- (a) the person is appointed as a proxy that specifies the way the proxy is to vote on Resolutions 8 to 15 (inclusive); or
- (b) the person is the Chairperson and the appointment of the Chairperson as proxy does not specify the way the proxy is to vote on Resolutions 8 to 15 (inclusive), but expressly authorises the Chairperson to exercise the proxy even if the Resolution is connected with the remuneration of the Key Management Personnel.

3 Inter-Conditional Resolutions

The Reconciliation Resolutions (Resolutions 1 to 17 (inclusive), 22 and 23) are inter-conditional, meaning that each of them will only take effect if the requisite majority of Shareholders' votes at the Meeting approve all of them or if the Board decides to waive their inter-conditionality. The Board

may, at its absolute discretion and subject to the Listing Rules and Corporations Act, elect to waive this inter-conditionality in the event a particular Reconciliation Resolution is not passed but the Acquisitions could still proceed without that relevant Reconciliation Resolution being passed and the Board considers that it is in the best interests of Shareholders that the Acquisitions proceed.

For the avoidance of doubt, Resolutions 1 (Change to Nature and Scale of Activities), 2 (Issue of Vendor Shares to the Vendors) and 3 (Issue of Capital Raising Shares) will not be waived by the Board. These Resolutions must be passed by the requisite majority of Shareholders for the Acquisitions to proceed.

If any of the Reconciliation Resolutions are not approved at the Meeting and/or the inter-conditionality is not waived by the Board, then none of the Reconciliation Resolutions will take effect and the Acquisitions and other matters contemplated by these Resolutions will not be completed.

4 ASX Requirements and Shareholder Approvals

The significant change to the nature and scale of the Company's activities requires the Company to re-comply with Chapters 1 and 2 of the Listing Rules as if it were applying for admission to the Official List of ASX for the first time.

ASX has absolute discretion in deciding whether or not to reinstate the Company's Shares to the Official List and to quote its Shares on ASX and therefore the significant change to the nature and scale of the Company's activities and the Acquisitions may not proceed if ASX exercises that discretion. ASX (and its officers) take no responsibility for the contents of this Notice.

5 Reconciliation

5.1 Geothermal Energy

The geothermal energy industry has been active globally for more than 100 years, since the first geothermal power plant was built in 1904 at the Larderello dry steam field in Tuscany, Italy. Since then, geothermal power plants have been installed in 30 countries.¹ While well developed in other countries, the Australian geothermal industry is in infancy, given Australia's historic abundance and acceptance of fossil fuels.

Geothermal energy has seen a strong increase in demand over the past decade as the world drives towards zero carbon emissions. Compared to other renewable energy solutions, geothermal energy is unique as it provides a base-load alternative that produces energy on a constant 24 hour basis, which is the major challenge for alternative renewable energy solutions, such as solar and wind.

Geothermal energy is estimated to contribute more than 8% of the world's electricity generation capacity. As of January 2023, global geothermal power generation capacity was 16,127 Megawatts electric (Mwe) from 400 geothermal power plants (often consisting of several units / plants).²

Geothermal energy is a renewable energy from the natural source of heat contained within the earth. It can be extracted by drilling into the ground and then transported to the surface using fluids for uses including heating, drying and electrical generation. Geothermal energy is a form of clean and reliable heat and electricity which can be extracted on a constant 24 hour basis. It has been established as a reliable and environmentally benign source of power and will play a critical role in the sustainable and clean energy transition, alongside other renewable energy sources.

As Australia transitions to a net zero economy and reduces its reliance on fossil fuels, there are significant advantages from the use of geothermal energy, including:

- (a) reliable, dispatchable, flexible, scalable source of baseload energy – available 24 hours per day;

¹ <https://www.thinkgeoenergy.com/geothermal/geothermal-energy-production-utilisation/>.

² Think Geoenergy – 2021. <https://www.thinkgeoenergy.com/thinkgeoenergys-top-10-geothermal-countries-2022-power-generation-capacity-mw/>.

- (b) 100% renewable;
- (c) low environmental impact;
- (d) small areal footprint required for surface power plant and facilities;
- (e) low water requirements;
- (f) no storage or transportation requirements;
- (g) energy extraction without the use of fossil fuels;
- (h) broad public support in countries in which it operates; and
- (i) the highest renewable energy capacity and generation of all renewable energies.

5.2 Company Background

The Company is an Australian public company which has been admitted to the Official List (current ASX code: CXX) since August 2011.

The Company's Securities were suspended from official quotation on 13 January 2022 following the Company's demerger of its previous main undertaking in the September quarter of 2021. Since suspension from the Official List, the Directors have focused on identifying, and conducting due diligence on, potential acquisition opportunities to facilitate the re-quotation of the Company's Securities to the Official List. Having regard to current market conditions and the expertise of the current Board, these efforts have primarily concerned opportunities in the resources sector.

5.3 The Projects and Strategy

The Company plans to focus on systematically exploring early-stage geothermal targets and developing geothermal resources. This will involve a fit-for-purpose exploration program analysing subsurface geology to identify thermal resource potential at different well depths, undertaking preliminary survey and resource assessments based on offset well data, exploration location definition and exploration drilling. The results from these investigations and assessments will inform the priority targets for further exploration drilling for geothermal resources.

The Company's strategy is to follow a typical path for the maturation of an exploration play through the following stages:

- (a) exploration and appraisal activities to confirm existence of the resource and demonstrate the commercial viability;
- (b) study work such as pre-feasibility and definitive feasibility as part of the commercialisation of the resource; and
- (c) project development which involves drilling of production wells and installation of surface facilities for delivery of energy to market.

The Company's success with the strategy outlined above will determine future exploration and funding programs to advance the Projects.

The Acquisitions will form the platform on which the Company grows its resource base, with the strategy to participate in the significant growth opportunities in the renewable energy industry via a focus on geothermal opportunities, given its unique ability to provide a base-load alternative that produces energy 24/7.

In addition, the Company intends to investigate and undertake due diligence activities in respect to potential asset and company acquisition opportunities complementary to the Projects.

5.4 Acquisitions

The Company has entered into share sale agreements with:

- (a) the shareholders of Volt (each being a **Volt Vendor** as detailed in Part A of Schedule 2) (**Volt Agreement**) pursuant to which the Company agreed to acquire 84% of the entire share capital of Volt; and
- (b) the shareholders of Within (each being a **Within Vendor** as detailed in Part B of Schedule 2) (**Within Agreement**) pursuant to which the Company agreed to acquire 84% of the entire share capital of Within,

(together, the **Acquisitions**). The Company also proposes to enter into an incorporated joint venture agreement with the Vendors in respect of the Projects (**Joint Venture Agreement**).

Volt is the registered holder of various granted and pending geothermal exploration licences located in South Australia, Australia comprising the **Volt Project**.

Within is the registered holder of various granted and pending geothermal exploration licences located in Queensland, Australia, comprising the **Within Project**.

Subject to the satisfaction of certain conditions precedent (refer to Sections 5.9), completion of:

- (a) the Volt Agreement will result in the Company acquiring an indirect 84% ownership interest in the Volt Project; and
- (b) the Within Agreement will result in the Company acquiring an indirect 84% ownership interest in the Within Project.

Refer to:

- (a) Section 5.5(a) for details of the Volt Project;
- (b) Section 5.5(b) for details of the Within Project; and
- (c) Section 5.9 for summaries of the material terms of the Volt Agreement, Within Agreement and Joint Venture Agreement.

ASX has advised the Company that the Acquisitions constitute a change to the nature and scale of its activities under Listing Rule 11.1 and accordingly, the Company is required to re-comply with the admission requirements of Chapters 1 and 2 of the Listing Rules. For this reason, the Company is seeking Shareholder approval pursuant to Resolution 1 to change the nature and scale of its activities under Listing Rule 11.1.2.

Subject to Shareholders' approving the Reconciliation Resolutions and the terms of the Volt Agreement and Within Agreement, including satisfaction or waiver of the relevant conditions precedent, the Company proposes to (amongst other matters):

- (a) issue an aggregate of 220,360,329 Vendor Shares to the Vendors in consideration for the Acquisitions (Resolution 2);
- (b) undertake a capital raising up to \$6,000,000 (before costs) via a prospectus for an offer for up to 300,000,000 Shares at an issue price of \$0.02 each (Resolution 3);
- (c) issue an aggregate 21,250,000 Shares to Messrs Grant Davey, Chris Bath, David Wheeler, existing Directors, and proposed Managing Director, Mr Matthew Kay (and/or their respective nominees) as a result of their subscription for Capital Raising Shares under the Capital Raising Offer (Resolutions 4 to 7 (inclusive));
- (d) issue an aggregate 24,000,000 Options to Directors, Messrs Grant Davey, Chris Bath and David Wheeler (and/or their respective nominees) (Resolutions 8, 10 and 12);
- (e) issue 29,018,016 Management Options to proposed Managing Director, Mr Matthew Kay (Resolution 14);
- (f) issue 6,000,000 Management Options to Dr Lawrence Meckel (Resolution 16);
- (g) issue 15,000,000 Lead Manager Options to the Lead Manager (Resolution 17); and

- (h) change the name of the Company to “Earths Energy Limited” (Resolution 23).

Other than as detailed in this Notice, no fees have been paid or are payable by the Company or to any person for finding, arranging or facilitating the Acquisitions.

The Company confirms that it has made due diligence enquiries into the financial position and good standing of Volt and Within and is satisfied that the Acquisitions are in the best interests of the Company and its Shareholders.

The Company confirms that all material and accessible information available to Directors have been included in the Notice.

Other information considered material to Shareholders' decision on whether to pass the Reconciliation Resolutions is detailed in this Explanatory Memorandum, and Shareholders are advised to read this information carefully.

5.5 Projects

(a) Volt Project

The Volt Project is located in South Australia, which is Australia's largest renewable energy hub. The Volt Project comprises of secured blocks total over 12,035 km² with four contiguous geothermal exploration licences capturing geothermal resource potential between Port Augusta and Olympic Dam, and one geothermal exploration licence east of Flinders Ranges. Volt's geothermal exploration licences are detailed in the table below:

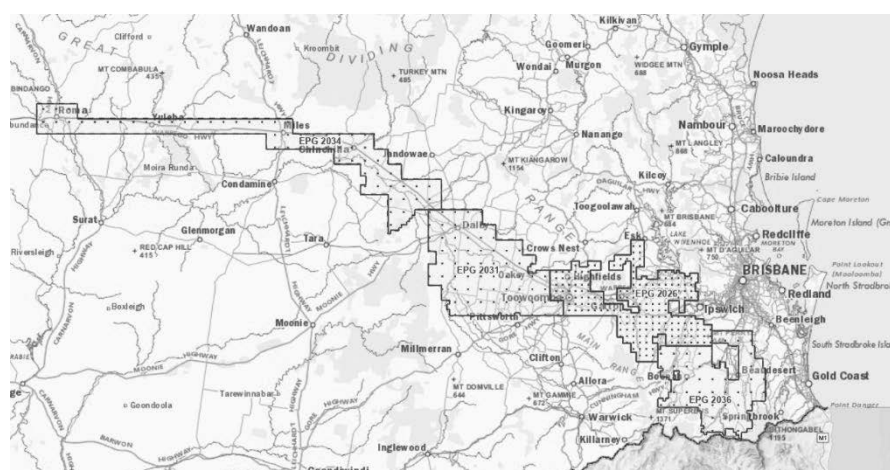
Licences	Status	Area	Grant Date	Expiry Date	Interest
Volt Project					
GEL 692	Granted	2,964 km ²	12/12/2022	11/12/2027	100%
GEL 693	Granted	2,968 km ²	12/12/2022	11/12/2027	100%
GEL 694	Granted	2,789 km ²	12/12/2022	11/12/2027	100%
GEL 695	Granted	1,538 km ²	12/12/2022	11/12/2027	100%
GEL 696	Granted	1,776 km ²	12/12/2022	11/12/2027	100%
GELA 768	Application	288 km ²	N/A	N/A	100%
TOTAL		12,323km²			

The geothermal exploration licences comprising the Volt Project have connected substations and power transmission grids between Port Augusta and Olympic Dam either within or adjacent to the licences. Figure 1 below details the location of the Volt Project.

Licences	Status	Area	Grant Date	Expiry Date	Interest
Within Project					
EPG 2026	Granted	3,239 km ²	07/07/2023	06/07/2028	100%
EPG 2031	Application	3,803 km ²	N/A	N/A	100%
EPG 2034	Application	3,856 km ²	N/A	N/A	100%
EPG 2036	Application	2,969 km ²	N/A	N/A	100%
TOTAL		13,867 km²			

The Within Project has the potential to access 300+ substations and >90% of Queensland's population via an existing distribution system (subject to relevant approvals and a viable geothermal resource being developed). Figure 2 below details the location of the Within Project.

Figure 2: Within Project Map



The geothermal exploration licences allow the Company to explore for geothermal resources within the licence areas and evaluate the feasibility of geothermal production for a period of five years. The Company believes that following successful appraisal and testing, geothermal resources at high-graded locations within the licence areas could be developed using "closed-loop" well technology which is currently under development. Refer to Section 5.5(a) for further information regarding closed-loop wells.

5.6 Future opportunities

Initial work on the Projects will focus on preliminary survey and resource assessments based on offset well data, exploration location definition and exploration drilling. Subject to exploration success, the focus will shift to resource estimates, field development and production drilling.

It is expected that the future development plans will focus on multiple 10 MWh facilities with scalability and regional diversification to manage risks. The "cookie cutter" approach to these Projects will manage financing risks by staggering capital requirements. For reference, a 10 MWh development can power approximately 7,000 homes.

5.7 Commercialisation pathway

As Australia transitions to a "Net Zero" economy and reduces its reliance on fossil fuels, there are significant advantages from the use of geothermal energy, which are detailed in Section 5.1.

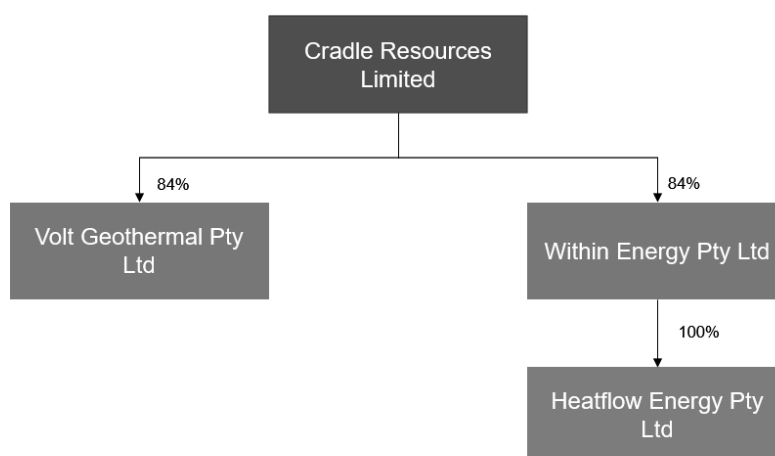
The pathway for the maturation and potential commercialisation of geothermal assets is not dissimilar to an onshore oil and gas project, with total project risks diminishing through each phase:

- (a) preliminary survey and inferred resource assessments based on offset well data;
- (b) exploration location definition and basic design;
- (c) verification drilling to feed into detailed design;
- (d) project review and planning;
- (e) field development and production drilling;
- (f) construction; and
- (g) start-up and commissioning.

5.8 Corporate Structure

The Company's corporate structure on completion of the Acquisitions and on re-quotation to the Official List is reflected in Figure 3 below.

Figure 3: Corporate Structure of the Company Following Completion of the Acquisitions



5.9 Material Contracts

(a) Volt Agreement

The Company has entered into the Volt Agreement with the Volt Vendors pursuant to which the Company will acquire an 84% interest in the entire issued share capital of Volt. In consideration for the acquisition of Volt, the Company will issue to the Volt Vendors a total of 110,180,165 Vendor Shares in the proportions details in Schedule 2.

With effect on and from completion of the Acquisitions, Mr Matthew Kay will be appointed as Managing Director of the Company.

Completion of the Volt Agreement is subject to, and conditional upon, the satisfaction or waiver of (amongst others) the following conditions precedent:

- (i) the parties having obtained all regulatory consents and approvals which are necessary for the acquisition of Volt, including all approvals required from the ASX;
- (ii) the Company having received a conditional re-admission letter from ASX on terms acceptable to the Company;
- (iii) completion of the Capital Raising Offer (refer to Section 5.10 below);
- (iv) the Company and the Volt Vendors agreeing the form of the Joint Venture Agreement; and

- (v) execution of the Volt Agreement.

If the above conditions are not satisfied or waived by the date that is four months from the execution of the Volt Agreement, the Volt Agreement may be terminated by written notice by either party.

In addition, either the Company or the Volt Vendors may terminate the Volt Agreement if the other party is in breach of an obligation under the Volt Agreement and has not rectified that breach within five business days of notice to the other party setting out the substance of the breach.

Subject to the Volt Vendors providing sufficient evidence of expenditure (to the Company's satisfaction) and ASX approval (if required), the Company has agreed to reimburse the Volt Vendors for expenditure on the Projects up to a maximum aggregate amount of \$350,000, and any such reimbursed amount will reduce the Company's obligations to expend, or procure the expenditure of, a minimum of \$3,016,978 on the Volt Project and/or the Within Project in accordance with the Joint Venture Agreement.

The Company's obligation to make further payments to the Volt Vendors as detailed the paragraph above has also been duplicated in the Within Agreement in respect of the Within Vendors. However, to the extent that any further payments are made to the Volt Vendors, such payment will reduce the entitlements of the Within Vendors to recover the equivalent payments under the Within Agreement.

The Volt Agreement also contains other standard clauses customary to an agreement of this nature, including representations, warranties and indemnities by the parties.

(b) **Within Agreement**

The Company has entered into the Within Agreement with the Within Vendors pursuant to which the Company will acquire an 84% interest in the entire issued share capital of Within. In consideration for the acquisition of Within, the Company will issue to the Within Vendors a total of 110,180,164 Vendor Shares in the proportions detailed in Schedule 2.

With effect on and from completion of the Acquisitions, Mr Matthew Kay will be appointed as Managing Director of the Company.

Completion of the Within Agreement is subject to, and conditional upon, the satisfaction or waiver of (amongst others) the following conditions precedent:

- (i) the parties having obtained all regulatory consents and approvals which are necessary for the acquisition of Within, including all approvals required from the ASX;
- (ii) the Company having received a conditional re-admission letter from ASX on terms acceptable to the Company;
- (iii) completion of the Capital Raising Offer (refer to Section 5.10 below);
- (iv) the Company and the Within Vendors agreeing the form of the Joint Venture Agreement; and
- (v) execution of the Volt Agreement.

If the above conditions are not satisfied or waived by the date that is four months from the execution of the Within Agreement, the Within Agreement may be terminated by written notice by either party.

In addition, either the Company or the Within Vendors may terminate the Within Agreement if the other party is in breach of an obligation under the Within Agreement and has not rectified that breach within five business days of notice to the other party setting out the substance of the breach.

Subject to the Within Vendors providing sufficient evidence of expenditure (to the Company's satisfaction) and ASX approval (if required), the Company has agreed to

reimburse the Within Vendors for expenditure on the Projects up to a maximum aggregate amount of \$350,000, and any such reimbursed amount will reduce the Company's obligations to expend, or procure the expenditure of, a minimum of \$3,016,978 on the Volt Project and/or the Within Project in accordance with the Joint Venture Agreement.

The Company's obligation to make further payments to the Within Vendors as detailed in the paragraph above has also been duplicated in the Volt Agreement in respect of the Volt Vendors. However, to the extent that any further payments are made to the Within Vendors, such payment will reduce the entitlements of the Volt Vendors to recover the equivalent payments under the Volt Agreement.

The Within Agreement also contains other standard clauses customary to an agreement of this nature, including representations, warranties and indemnities by the parties.

(c) **Joint Venture Agreement**

The Company has entered into the Joint Venture Agreement with the Vendors³, which governs the terms and conditions upon which Volt and Within will operate and the conduct of the joint venture which encompasses the Projects (**Joint Venture**). The terms and conditions of the Joint Venture Agreement are as follows (amongst other matters):

- (i) the Vendors³ will have no obligation to contribute funds to the Joint Venture from the Commencement Date until the earlier to occur of:
 - (A) completion of a feasibility study in respect of the Volt Project and/or the Within Project;
 - (B) expenditure in respect of the Joint Venture equalling \$15,000,000 less any amounts reimbursed to the Vendors or otherwise provided to Volt or Within in accordance with the Volt Agreement and/or the Within Agreement;
 - (C) the fifth anniversary of the Commencement Date,**(Free Carried Period);**
- (ii) the Company has agreed to expend, or procedure the expenditure of, a minimum of \$3,016,978 on the Volt Project and/or the Within Project in accordance with an approved program and budget by the second anniversary of the Commencement Date;
- (iii) after the Free Carried Period, Volt and Within may issue cash calls to the shareholders of Volt and Within requiring them to contribute funds to the Joint Venture in proportion to their respective Joint Venture interests, and a failure to answer a cash call will result in the dilution of the relevant shareholder's Joint Venture interest;
- (iv) from the Commencement Date, the board of directors of Volt and Within will comprise of the Company's nominees;
- (v) decisions relating to certain reserved matters will only be valid if approved by the board of directors of Volt and Within;
- (vi) subject to applicable law, any decision approved by the operating committee that requires an action to be taken by Volt and/or Within will be approved and ratified by the board of directors of Volt and/or Within (as applicable);
- (vii) the Company and the Vendors³ will form an operating committee which will be responsible for the overall management and operation of the Joint Venture, including the approval of work programs and budgets. The operating committee will comprise of:

³ Excluding Jadematt Investments Pty Ltd ACN 617 788146 as trustee for K Upstream Trust who will no longer be a shareholder of Volt and Within from completion of the Acquisitions.

- (A) three nominees of Cradle;
 - (B) one nominee of the Volt Vendors³; and
 - (C) one nominee of the Within Vendors³;
- (viii) the decisions of the operating committee will be made by simple majority approval, excluding certain reserved matters which will require the unanimous approval of the operating committee;
- (ix) the quorum for a meeting of the operating committee is two members, with one having been nominated by the Company and one having been nominated by the Vendors³;
- (x) the Company will be appointed as the manager of the Joint Venture. The Company's appointment as manager may be terminated if (amongst other matters), the Company's Joint Venture interest is reduced to less than 25%. The Company's appointment as manager may be terminated by:
 - (A) the Vendors³ if the Company's Joint Venture interest is reduced to less than 25%;
 - (B) the Company with 30 days' written notice;
 - (C) by any shareholder of Volt and/or Within if the Company has been determined by a court to have committed fraud or negligence or has wilfully defaulted on its obligations under the Joint Venture Agreement or the Company is subject to any insolvency event;
- (xi) the Company's obligations as manager are to use all reasonable endeavours to, among other duties:
 - (A) prepare a work program for consideration and approval by the operating committee;
 - (B) determine the nature, location, times and manner of activities in accordance with the work program;
 - (C) prepare proposals (including Project plans or management plans) for consideration by the operating committee;
 - (D) carry out the Joint Venture operations in accordance with the work program and budget approved by the operating committee; and
 - (E) be responsible for all day to day operations of the Joint Venture;
- (xii) the Company has an option to purchase the Joint Venture interests held by the Vendors³, which may be exercised at any time following the third anniversary of the Commencement Date;
- (xiii) the Vendors³ have an option to require the Company to purchase all of their Joint Venture interests, which may be exercised at any time prior to the third anniversary of the Commencement Date;
- (xiv) the Company and the Vendors³ agree to jointly investigate and explore for geothermal resources in Queensland and South Australia (or such other region as agreed between the parties) (**Area of Interest**);
- (xv) if either the Company or the Vendors³, or their respective related bodies corporate, acquire or propose to acquire an interest in any geothermal resource project, geothermal or exploration licence or application or similar within the Area of Interest (**New Business Opportunity**), then the relevant party must bring the New Business Opportunity to the operating committee for consideration and the operating committee may resolve by simple majority approval:

- (A) to bring the New Business Opportunity within the scope of the Joint Venture, in which case the New Business Opportunity will be deemed to be a part of the Joint Venture; or
- (B) that is not interested in the New Business Opportunity, in which case the New Business Opportunity may be pursued by the party bringing it to the attention of the operating committee.

The Joint Venture Agreement will also contain other standard clauses customary to an agreement of this nature, including drag and tag provisions, representations, warranties and indemnities by the parties.

5.10 Capital Raising Offer

The Company intends to undertake a capital raising under the Prospectus to raise \$6 million (before costs) by way of an offer of 300,000,000 Shares at an issue price of \$0.02 per Share (**Capital Raising Offer**) and Resolution 3 deals with the approval of Shareholders for this to take place. The Company does not expect that the Capital Raising Offer will be underwritten.

Funds from the Capital Raising Offer and existing cash reserves will be used to fund the Acquisitions, develop the Projects, fund exploration drilling and other geological costs and activities at the Projects, to facilitate the re-quotations of the Company to the Official List and for working capital purposes. Refer to Section 5.16 for details of the proposed use of funds raised pursuant to the Capital Raising Offer.

Detailed information on the offer of Shares under the Capital Raising Offer, the capital structure and an indicative timetable will be included in the Prospectus, which will be made available after lodgement with ASIC. The Company expects to lodge the Prospectus in the coming weeks.

If the conditions of the Capital Raising Offer are not satisfied, or the Company does not receive conditional approval for re-quotations on the ASX on terms which the Board reasonably believes are capable of satisfaction, then the Company will not proceed with the Capital Raising Offer and will repay all application monies received (without interest).

5.11 Composition of Board of Directors

The qualifications, skills and experience of the Board at the date of this Notice (and following completion of the Acquisitions in the case of proposed Managing Director, Mr Matthew Kay) is as follows:

(a) **Mr Grant Davey –Executive Chairman**

Mr Grant Davey is an entrepreneur with 30 years of senior management and operational experience in the development, construction and operation of precious metals, base metals, uranium and bulk commodities throughout the world. More recently, Mr Davey has been involved in venture capital investments in several exploration and mining projects and has been instrumental in the acquisition and development of the Panda Hill niobium project in Tanzania, the Cape Ray gold project in Newfoundland and recently the acquisition of the Kaylekera Uranium mine in Malawi from Paladin Energy Limited. He is currently a Director of Frontier Energy Limited (ASX:FHE), Lotus Resources Limited and (ASX:LOT) and is a member of the Australian Institute of Company Directors.

(b) **Mr Chris Bath – Executive Director**

Mr Chris Bath is a Chartered Accountant and member of the Australian Institute of Company Directors, with over 25 years of senior management experience in the energy and resources sector both in Australia and south-east Asia. Mr Bath has been Chief Financial Officer for companies listed on AIM, ASX and JSX.

Mr Bath is currently a Director and the Chief Financial Officer of Frontier Energy Limited (ASX:FHE).

(c) **Mr David Wheeler – Non-Executive Director**

Mr David Wheeler has more than 30 years of senior executive management, directorships, and corporate advisory experience both in Australia and foreign countries and regions including the USA, UK, Europe and Asia. He is a foundation director and partner of Pathways Corporate, a boutique corporate advisory firm that undertakes assignments on behalf of a range of clients including ASX listed companies.

Mr Wheeler is a Fellow of the Australian Institute of Company Directors and has experience on both public and private boards and currently holds a number of directorships and advisory positions in Australian companies. He is currently a director of listed companies PVW Resources Limited (previously Thred Limited), Avira Resources Limited, Protean Energy Ltd, Ragnar Metals Limited, Tyranna Resources Limited, Cycliq Group Limited, Cradle Resources Limited, ColorTV Limited and OZZ Resources Limited.

(d) **Mr Matthew Kay – Proposed Managing Director**

Mr Matthew Kay BEc, MBA, FCPA, GAICD is a seasoned energy industry executive with more than 30 years of experience. Most recently he was the Managing Director of Beach Energy Limited, having quadrupled the size of the company over a 6-year period, to a circa \$4 billion listed ASX company. Mr Kay had oversight of more than 500 staff working across 10 locations in Australia and New Zealand with an annual capital expenditure of approximately \$1 billion. Despite the growth during his tenure, Mr Kay drove material sustained improvements in Beach Energy Limited's HSE performance and a commitment to Net Zero Emissions targets.

Mr Kay is also a former member of the Australian Petroleum Production and Exploration Association board and was chair of the Executive Committee. Mr Kay has extensive experience in dealing with government policy and relationships through to Prime Minister / President level.

Prior to Beach Energy Limited, Mr Kay was the Executive General Manager of strategy and commercial at Oil Search, where he led the strategy, commercial, supply chain, economics, marketing, M&A and legal functions. Prior to Oil Search, Mr Kay worked at Woodside Energy for over a decade in various leadership roles including Vice President of Corporate Development and also General Manager of Production Planning overseeing 80 production professionals including the operations reservoir management, HSE, operations finance, operations HR, engineering optimisation of LNG, domestic gas and oil production facilities and product shipping and offtake.

5.12 ASX waivers and confirmations

The completion of the Acquisitions and the Company's re-compliance with Chapters 1 and 2 of the Listing Rules for re-quotations to the Official List is subject to the receipt of a number of approvals, waivers and confirmations. ASX have provided the Company with the following waivers/confirmations:

- (a) Listing Rule 6.1: Confirmation that the terms of the Class A Management Options and Director Options are appropriate and equitable, subject to the following conditions:
 - (i) the Prospectus including:
 - (A) details of the party / parties to whom the Class A Management Options and Director Options will be issued, and the number of Class A Management Options and Director Options to be issued to each of them;
 - (B) details of the relationship between the Company and the holder of the Class A Management Options and Director Options;
 - (C) where the Class A Management Options and Director Options are being issued to incentivise Directors, a statement to that effect, details of the role the Directors will play in meeting the relevant vesting conditions, details of the existing total remuneration package of the Directors, details of the Directors' (or their associates') equity holdings in the Company and the consideration they paid for those equity securities, an explanation as to why the Company considered it necessary to further remunerate or incentivise

-
- the Directors to achieve the applicable performance milestones and details of how the Company determined the number of Class A Management Options and Director Options to be issued to Directors;
- (D) the number of Shares that the Class A Management Options and Director Options will convert into if the applicable vesting conditions are satisfied and the impact this will have on the Company's capital structure; and
 - (E) the full terms and conditions of the Class A Management Options and Director Options including:
 - (I) the vesting conditions applicable to each tranche;
 - (II) the lapse dates applicable to each tranche;
 - (III) that the Class A Management Options and Director Options are not transferable;
 - (IV) that the Class A Management Options and Director Options do not confer any right to vote, except as otherwise required by law;
 - (V) that the Class A Management Options and Director Options do not permit the holder to participate in new issues of capital such as bonus issues and entitlement issues;
 - (VI) that the Class A Management Options and Director Options do not carry an entitlement to a dividend;
 - (VII) that the Class A Management Options and Director Options do not permit the holder to participate in a return of capital, whether in a winding up, upon a reduction of capital or otherwise;
 - (VIII) that the Class A Management Options and Director Options do not carry an entitlement to participate in the surplus profit or asset of the Company upon winding up of the Company;
 - (IX) each Class A Management Option and Director Option is converted into a Share on satisfaction of the relevant vesting condition; and
 - (X) if a relevant class of Class A Management Options and Director Options is not converted into a Share by the relevant expiry date then all Class A Management Options and Director Options of that class lapse;
 - (ii) the Company making an announcement immediately upon the satisfaction of any vesting conditions, the conversion of any Class A Management Options or Director Options and the expiry of any Class A Management Options or Director Options;
 - (iii) the terms and conditions of the Class A Management Options and Director Options (including the vesting conditions) must not be amended without the prior approval of ASX and Shareholders;
 - (iv) the Company must apply for the quotation of Shares issued on conversion of the Class A Management Options and Director Options within the requisite time period; and
 - (v) the Company must disclose the following in each annual report in respect of any period during which any of the Class A Management Options and Director Options remain on issue or were converted or cancelled:
 - (A) the number of Class A Management Options and Director Options on issue during the relevant period;

- (B) a summary of the terms and conditions of the Class A Management Options and Director Options;
 - (C) whether any Class A Management Options and Director Options were converted or cancelled during the relevant period; and
 - (D) whether any vesting conditions were satisfied during that period;
- (b) Listing Rule 2.1 Condition 2: A waiver to permit the Company to issue Shares (including pursuant to the Capital Raising Offer) at an issue price below \$0.20 per Share subject to the issue price being at least \$0.02 per Share, subject to the following conditions:
- (i) the issue price of the Capital Raising Shares is not less than \$0.02 per share;
 - (ii) the terms of the waiver and the Capital Raising Shares being clearly disclosed in the Notice and in the Prospectus; and
 - (iii) the Company's Shareholders approve the issue price of the Capital Raising Shares in conjunction with the approval obtained under Listing Rule 11.1.2 in respect of the proposed Acquisitions; and
- (c) Listing Rule 1.1 condition 12: A waiver to the extent necessary to permit the Company to have Options on issue with exercise prices below \$0.20 (i.e. the Director Options (Resolutions 8, 10 and 12), Management Options (Resolutions 14 and 16), Lead Manager Options (Resolution 17) and Placement Options (Resolution 21)), subject to the terms of the waiver and the Options being clearly disclosed in the Notice and in the Prospectus. The terms of these Options are set out in the Schedules to this Notice.

5.13 Pro forma statement of financial position

An unaudited pro forma statement of financial position of the Company following completion of the Acquisitions and the Capital Raising Offer is detailed in Schedule 8.

A copy of the Company's audited financial statements for 30 June 2023, 30 June 2022, and 30 June 2021 can be obtained from <https://www.cradleresources.com.au/annual-reports/>.

5.14 Pro forma capital structure

The pro forma capital structure of the Company following completion of the Acquisitions and the Capital Raising Offer is detailed below:

	Shares	Options
Existing Securities	229,964,218 ¹	-
Issue of Placement Options	-	42,500,000 ²
Issue of Vendor Shares	220,360,329 ³	-
Capital Raising Offer	300,000,000 ⁴	-
Issue of Director Options	-	24,000,000 ⁵
Issue of Management Options	-	35,018,016 ⁶
Issue of Lead Manager Options	-	15,000,000 ⁷
Issue of Options to Staff	-	6,000,000
Total	750,324,547	122,518,016

Notes:

- Includes 42,500,000 Placement Shares issued to the Placement Participants under the Placement at an issue price of \$0.02 per Placement Share.
- Placement Options each with an exercise price of \$0.05 per Placement Option and expiring three years from the date of issue. The Placement Options may be subject to ASX-imposed escrow for a period of 12 months from the date of issue.
- The Vendor Shares will be escrowed for a period of 24 months from the date of the Company's re-quotation to the Official List. Includes 44,072,747 Vendor Shares which will be held by Mr Matthew Kay (and/or his nominee), proposed Managing Director of the Company upon completion of the Acquisitions.
- Issue of 300,000,000 Shares at an issue price of \$0.02 per Share to raise up to \$6 million.
- Director Options will have a term of five years and will be subject to the vesting conditions detailed in Schedule 4.

6. Management Options comprising of:
 - a. 11,018,016 Class A Management Options (each with a zero exercise price and expiring three years from the date of issue) to be issued to Mr Matthew Kay (and/or his nominee) as part of his remuneration as Managing Director of the Company; and
 - b. 24,000,000 Class B Management Options to be issued in three tranches, each with varying exercises prices (\$0.05, \$0.10 and \$0.15) and expiry dates (three years, four years and five years), to Messrs Kay and Meckel, and subject to the vesting conditions detailed in Schedule 5. The Management Options issued to Mr Kay may be subject to escrow restrictions for a period of 24 months from the date of the Company's re-quotation to the Official List. The Management Options issued to Dr Meckel may be subject to escrow restrictions for a period of 12 months from the date of issue.
7. Lead Manager Options to be issued to the Lead Manager for services provided in connection with the Capital Raising Offer, each varying exercise prices and expiring three years from the date of issue, subject to the vesting conditions detailed in Schedule 6. The Lead Manager Options will be subject to escrow restrictions for a period of 24 months from the date of the Company's re-quotation to the Official List

5.15 Effect of the Acquisitions on control and substantial Shareholders

No person will acquire control of, or voting power of 20% or more in, the Company as a result of the Acquisitions or the Capital Raising Offer. As at the date of the Notice, the following persons had a relevant interest in 5% or more of the Shares on issue.

Name	Number of Shares	Percentage of Shares (%)
Aviemore Capital Pty Ltd	32,300,000	14.24
Grant Davey	23,073,673	10.17
Sunset Capital Management Pty Ltd	24,424,017	10.77
Arredo Pty Ltd	16,400,000	7.23

Based on the information known as at the date of the Notice, upon completion of the Acquisitions and assuming the Company raises \$6 million (before costs) under the Capital Raising Offer, the following persons will have a relevant interest in 5% or more of the Shares on issue at that time (being 750,324,547):

Name	Number of Shares	Percentage of Shares (%)
Mimo Strategies Pty Ltd as trustee for Mimo Trust	105,772,958	14.1
Stephen Biggins as trustee from the Rescap Family Trust	70,515,305	9.4
Jadematt Investments Pty Ltd as trustee for K Upstream Trust	44,072,066	5.9

5.16 Funds available and allocation of funds

The Company intends to raise \$6 million pursuant to the Capital Raising Offer. The minimum and maximum subscription under the Capital Raising Offer is \$6 million. Upon completion of the Acquisitions and the Capital Raising Offer, the funds raised from the Capital Raising Offer (over a two-year period) will be utilised as follows:

Use of Funds	\$	%
Corporate costs ¹	\$1,816,486	30.27%
Joint Venture technical services allocation	\$232,138	3.87%
Accounting and support services	\$158,340	2.64%
Geological services	\$480,000	8.0%

Technical subsurface exploration activities	\$283,000	4.72%
HSE Adviser	\$320,000	5.33%
Native title and land access	\$91,500	1.53%
Consultants – Drilling	\$360,000	6.00%
Civil and exploration drilling	\$640,000	10.67%
Engineering	\$80,000	1.33%
HSEQ compliance requirements	\$72,000	1.20%
Title rent and fees	\$300,000	5.00%
Transaction costs	\$340,000	5.67%
Broker fees	\$300,000	5.00%
Working capital ²	\$526,536	8.78%
TOTAL	\$6,000,000	100%

1. Comprises of general administration expenses, including director fees, audit fees, insurance, legal, ASX fees, investor relations costs, share registry costs, occupancy costs, accounting and book-keeping costs.
2. General working capital including, but not limited to, expenditure in respect to the Company undertaking due diligence investigations on potential additional complementary project opportunities.

Shareholders should note that the above estimated expenditures are subject to modification on an ongoing basis depending on the progress of the Company's development activities. The above table is a statement of current intentions as at the date of the Notice. As with any budget, intervening events and new circumstances have the potential to affect the way the funds are ultimately applied. The Board reserves the right to alter the way funds are applied on this basis.

The Directors consider that following completion of the Capital Raising Offer, the Company will have sufficient working capital to carry out its stated objectives. It should however be noted that an investment in the Company is speculative and investors are encouraged to read the risk factors set out in Schedule 3.

5.17 Indicative timetable

The following is an indicative timetable for, amongst other things, completion of the Acquisitions and the Capital Raising Offer.

Event	Indicative Date ¹
Lodgement of Prospectus with ASIC	Wednesday, 8 November 2023
Capital Raising Offer opens	Wednesday, 15 November 2023
Last day for lodgement of Proxy Form	Monday, 4 December 2023
General Meeting	Wednesday, 6 December 2023
Capital Raising Offer closes	Friday, 8 December 2023
Completion of Acquisitions	Friday, 29 December 2023
Issue of Capital Raising Shares	Monday, 15 January 2024
Expected date for re-quotation to the Official List ²	Tuesday, 16 January 2024

Notes:

1. The above timetable is indicative only and subject to change. The Directors reserve the right to amend the timetable without notice and will keep Shareholders updated (via ASX announcements) on the timing of the completion of the Acquisitions as they progress.

2. The expected date for re-quotation to the Official List is subject to ASX providing the Company with a short extension of the removal deadline of 12 January 2023.

5.18 Advantages of the Acquisitions

The Directors are of the view that the following non-exhaustive list of advantages may be relevant to a Shareholder's decision on how to vote on the Reconciliation Resolutions.

- (a) The Company is currently suspended from trading on ASX. The significant change to the nature and scale of the Company's activities and completion of the Acquisitions will likely result in the re-quotation of the Company's Shares to the Official List, providing the opportunity to increase the value of the Company. Shareholders will be able to share in the growth of the Company and will also be able to buy or sell their Shares on ASX.
- (b) Following the significant change to the nature and scale of the Company's activities and completion of the Acquisitions, Shareholders will gain exposure to an opportunity in the geothermal sector.
- (c) The Volt Agreement and Within Agreement require that the Company complete the Capital Raising Offer, which will provide the Company with sufficient funds to implement exploration programs.
- (d) The potential increase in market capitalisation of the Company, following the significant change to the nature and scale of the Company's activities, completion of the Acquisitions and the Capital Raising Offer, may lead to increased coverage from investment analysts, access to improved capital market opportunities and increased liquidity which are not currently present.

5.19 Disadvantages of the Acquisitions

The Directors are of the view that the following non-exhaustive list of disadvantages may be relevant to a Shareholder's decision on how to vote on the Reconciliation Resolutions.

- (a) The Acquisitions and the Capital Raising Offer will result in the issue of Securities that will have a dilutionary effect on the holdings of existing Shareholders. On completion of the Acquisitions:
 - (i) the existing Shareholders will retain approximately 30.6% of the issued capital of the Company;
 - (ii) the Vendors (and/or their respective nominees) will hold an aggregate of 29.4%; and
 - (iii) the investors under the Capital Raising Offer will hold an aggregate of 40.0% of the issued capital of the Company.

The Company will also issue Director Options, Management Options, Placement Options and Lead Manager Options and subject to the satisfaction of vesting conditions, the interests of Shareholders will be diluted upon exercise of these Options.

- (b) The Acquisitions (and by extension a transition to the development of geothermal projects as the Company's main undertaking) may not be consistent with the objectives of all Shareholders.
- (c) There are inherent risks associated with the change in operations of the Company's activities which may not suit the risk profile or be consistent with the objectives of Shareholders. Key risks which will be faced by the Company and which Shareholders will be exposed to are summarised in Schedule 3.
- (d) The Projects may not turn out to be commercially viable. In general terms, investments in geothermal companies which are not yet in development should be considered highly speculative.

5.20 Risk Factors and Key Dependencies

The key dependencies of the Company's business model include, completion of the Acquisitions, retaining and recruiting key personnel skilled in the geothermal resources sector, access to funding and capital markets and geothermal energy being competitive with other forms of renewable energy in the markets in which the geothermal assets can participate in.

Shareholders should be aware that if the Recombliance Resolutions are approved and the Acquisitions are completed, the Company will be changing the nature and scale of its activities which will result in it being subject to various new risk factors (in addition to those that are presently applicable). Based on the information available, a non-exclusive list of these risk factors is detailed in Schedule 3.

5.21 Plans for the Company if the Recombliance Resolutions are not passed

If the Recombliance Resolutions are not passed and the Acquisitions are not completed, the Company will continue to seek potential acquisitions across all industries, including in the geothermal sector, and the Company's Shares will remain suspended from the Official List.

Further, pursuant to ASX's long term suspended entities policy in ASX Guidance Note 33, ASX will automatically remove from the Official List any entity whose securities have been suspended from trading for a continuous period of two years. As the Company's Securities have been suspended from official quotation since 13 January 2022, in the event the Acquisitions do not proceed and the Company is unable to meet the requirements of Chapters 1 and 2 of the Listing Rules, it will likely be removed from the Official List by ASX.

5.22 Restricted Securities

Chapter 9 of the Listing Rules prohibits holders of Restricted Securities from disposing of those securities or an interest in those securities or agreeing to dispose of those securities or an interest in those securities for the relevant restriction periods.

If Shareholders approve the Recombliance Resolutions ASX may, subject to the Company re-complying with Chapters 1 and 2 of the Listing Rules, classify certain Securities issued in connection with the Acquisitions and the re-quotation of the Company as Restricted Securities and may require those Securities to be held in escrow for up to 24 months from the date the Securities are re-quoted to the Official List. During the period which those Securities are prohibited from being transferred, trading in Shares may be less liquid which may affect a Shareholder's ability to dispose of their Shares in a timely manner.

The Company will announce to the ASX full details (quantity and duration) of the Securities in the Company required to be held in escrow prior to the re-quotation of the Company's Shares to the Official List.

5.23 Directors' interests in the Acquisitions

Mr Matthew Kay is a Vendor, and is proposed to be appointed as Managing Director of the Company on completion of the Acquisitions. Except as otherwise disclosed in this Notice, none of the Company's existing Directors have any interest in the Acquisitions.

5.24 ASX Disclosure Confirmations

The Company confirms that it has undertaken appropriate enquiries in respect of the Projects and of Volt and Within, including their assets and liabilities, financial position and performance, profits and losses and prospects, for the Board to be satisfied that the Acquisitions and the significant change to the nature and scale of the Company's activities and the entry into the Volt Agreement, Within Agreement and Joint Venture Agreement are in best interests of the Company and its Shareholders, subject to the satisfaction or waiver of the conditions precedent of the Volt Agreement and Within Agreement.

The Company confirms that, other than the issue of 42,500,000 Shares issued to the Placement Participants under the Placement, it has not issued any Securities in the six months preceding this Notice. The Company further confirms that, except as specifically detailed in this Notice, it does not intend to issue any further Securities prior to re-quotation to the Official List.

The Company confirms it is in compliance with its continuous disclosure obligations under Listing Rule 3.1.

5.25 Forward looking statements

The forward-looking statements in this Explanatory Memorandum are based on the Company's current expectations about future events. They are, however, subject to known and unknown risks, uncertainties and assumptions, many of which are outside the control of the Company and the Directors, which could cause actual results, performance or achievements to differ materially from future results, performance or achievements expressed or implied by the forward-looking statements in this Explanatory Memorandum. These risks include but are not limited to, the risks detailed in Schedule 3. Forward looking statements generally include those containing words such as 'anticipate', 'estimates', 'should', 'will', 'expects', 'plans' or similar expressions.

6 Resolution 1 – Change to Nature and Scale of Activities

6.1 General

Resolution 1 seeks the approval of Shareholders for a change in nature and scale of the Company's activities via the Acquisitions. Refer to Section 5 for a detailed description of the Acquisitions.

Listing Rule 11.1.2 empowers ASX to require a listed company to obtain the approval of its shareholders to undertake a significant change to the nature or scale of its activities. The Acquisitions will involve a significant change to the nature or scale of the Company's activities for these purposes and, as its usual practice, ASX has imposed the requirement under Listing Rule 11.1.2 that the Company obtain Shareholder approval for the Acquisitions.

Resolution 1 seeks the required Shareholder approval to the Acquisitions under and for the purposes of Listing Rule 11.1.2.

If Resolution 1 is passed (together with the other Recombliance Resolutions), the Company will be able to change the nature and scale of its activities, proceed with the Acquisitions and will seek to re-comply with Chapters 1 and 2 of the Listing Rules.

If, however, Resolution 1 (or the other Recombliance Resolutions) is not passed, the Company will not be able to change the nature and scale of its activities by proceeding with the Acquisitions and will remain suspended from trading. The Company will then seek alternative acquisition opportunities. If the Company has not re-complied with Chapters 1 and 2 of the Listing Rules within two years of being suspended (which occurs on 13 January 2024), under current ASX policy, ASX will seek to remove the Company from the Official List.

Resolution 1 is an ordinary resolution and is subject to the approval of the other Recombliance Resolutions.

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

6.2 Listing Rule 11.1

Chapter 11 of the Listing Rules requires shareholders to approve any significant change in the nature or scale of an ASX listed company's activities.

Where an ASX listed company seeks to change the nature or scale of its activities, it must:

- (a) under Listing Rule 11.1.1, notify ASX of the proposed change;
- (b) under Listing Rule 11.1.2, obtain shareholder approval to undertake the change, if required by ASX; and
- (c) under Listing Rule 11.1.3, meet the requirements of Chapters 1 and 2 of the Listing Rules as if the Company was applying for admission to the Official List, if required by ASX.

The Company acknowledges that:

- (a) Listing Rule 11.1.2 applies in respect of the Acquisitions and that the Company will need to obtain Shareholder approval to undertake the change in nature and scale of activities

arising from the Acquisitions. In this regard, the Company has agreed to undertake the significant change to the nature and scale of the Company's activities, subject to the satisfaction or waiver of the conditions precedent (refer to Section 5.9) including but not limited to, the obtaining of Shareholder approval; and

- (b) Listing Rule 11.1.3 applies in respect of the Acquisitions and accordingly the Company will need to re-comply with the requirements of Chapters 1 and 2 of the Listing Rules. In this regard, the Company proposes to undertake the Capital Raising Offer (the subject of Resolution 3) to satisfy the ASX re-compliance.

On the basis that Shareholders approve all of the Re-compliance Resolutions, the Company will seek to re-comply with the requirements of Chapters 1 and 2 of the Listing Rules. In accordance with these requirements, the Company will issue the Prospectus.

Trading of Shares is currently suspended and will remain suspended until the Company satisfies the requirements of Chapters 1 and 2 of the Listing Rules in accordance with Listing Rule 11.1.3. It is anticipated that the Company's Securities will be reinstated to trading on ASX in January 2024.

Details of the Acquisitions by the Company and the proposed changes to the structure and operations of the Company are detailed in Section 5.

A voting exclusion statement is included in the Notice for Resolution 1.

6.3 Board recommendation

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

7 Resolution 2 – Issue of Vendor Shares to the Vendors

7.1 General

As detailed in Section 5.4, the Company is proposing to acquire 84% of the issued share capital in both Volt and Within.

The Acquisitions will be subject to the satisfaction or waiver of certain conditions, including the requirement to obtain Shareholder approval. A detailed description of the Acquisitions is detailed in Section 5.4.

Resolution 2 seeks Shareholder approval for the issue of 220,360,329 Vendor Shares to the Vendors pursuant to Listing Rule 7.1 for the following issue of Shares:

- (a) 110,180,165 Vendor Shares to the Volt Vendors (and/or their nominees); and
- (b) 110,180,164 Vendor Shares to the Within Vendors (and/or their nominees),

in accordance with the proportions detailed in Schedule 2.

The Vendor Shares will be subject to a 24-month ASX imposed escrow period from the date the Company Shares are re-quoted to the Official List.

Resolution 2 is an ordinary resolution and is subject to the approval of the other Re-compliance Resolutions.

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

7.2 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.

Given the Vendor Shares to be issued under Resolution 2 will exceed the balance of the Company's 15% placement capacity and none of the exceptions contained in Listing Rule 7.2 apply, Shareholder approval is required in accordance with Listing Rule 7.1.

If Resolution 2 is passed, the Company will be able to proceed with the issue of Vendor Shares to the Vendors. In addition, the issue of these Vendor Shares will be excluded from the calculation of the number of equity securities that the Company can issue within the next 12 months without Shareholder approval under Listing Rule 7.1.

If Resolution 2 is not passed, the Company will not issue the Vendor Shares to the Vendors and will not proceed with the Acquisitions.

With effect on and from completion of the Acquisitions, the Company will appoint Mr Matthew Kay as the Managing Director of the Company. As such the Company is relying on Listing Rule 10.12, Exception 12 in not seeking approval under Listing Rule 10.11 for the Vendor Shares being issued to Mr Matthew Kay.

7.3 Information required by Listing Rule 7.3

For the purposes of Shareholder approval of the issue of the Vendor Shares and the requirements of Listing Rule 7.3, the following information is provided to Shareholders:

- (a) Vendor Shares will be issued to the Vendors (and/or their respective nominees) in the proportions details in Schedule 2:
 - (i) 110,180,165 Vendor Shares to the Volt Vendors (and/or their nominees); and
 - (ii) 110,180,164 Vendor Shares to the Within Vendors (and/or their nominees);
- (b) with effect on and from completion of the Acquisitions, the Company will appoint Mr Matthew Kay as Managing Director of the Company. As such, the Board considers that Shareholder approval pursuant to Listing Rule 10.11 is not required for the issue of 44,072,747 Vendor Shares to proposed Managing Director, Mr Matthew Kay, on the basis that the issuance will fall under Listing Rule 10.12, Exception 12;
- (c) the maximum number of Securities the Company intends to issue under Resolution 2 is 220,360,329 Vendor Shares, which will rank equally in all respects with the Company's existing Shares on issue;
- (d) the Company will issue the Vendor Shares no later than three months after the date of the Meeting (or such longer period of time as ASX may in its discretion allow);
- (e) the Vendor Shares are being issued to the Vendors as consideration for the Acquisitions pursuant to the Volt Agreement and Within Agreement (the material terms of each agreement are outlined in Section 5.4), and as such, no funds will be raised from the issue of the Vendor Shares; and
- (f) a voting exclusion statement is included in the Notice for Resolution 2.

7.4 Board recommendation

The Board recommends that Shareholders vote in favour of Resolution 2.

8 Resolution 3 - Issue of Capital Raising Shares

8.1 General

Resolution 3 seeks Shareholder approval to enable the Company to issue up to 300,000,000 Shares at an issue price of \$0.02 per Share (**Capital Raising Shares**) to raise up to \$6,000,000 (before costs).

The Capital Raising Shares will be issued under the prospectus to be issued by the Company to assist in re-complying with Chapters 1 and 2 of the Listing Rules, which will include the Capital Raising Offer (**Prospectus**).

Funds under the Capital Raising Offer and existing cash reserves will be used to fund the Acquisitions, further develop the Projects, fund exploration drilling and other geological costs and activities at the Projects, to facilitate the re-quotation of the Company to the Official List and for

working capital purposes. Refer to Section 5.16 for further details of the proposed use of funds raised under the Capital Raising Offer.

The Capital Raising Shares will only be issued if:

- (a) the minimum subscription of \$6 million (before costs) is raised; and
- (b) the Company receives conditional approval from ASX for the Company to be re-quoted to the Official List following the Company's compliance with Listing Rule 11.1.3 and Chapters 1 and 2 of the Listing Rules on conditions acceptable to the Company.

If the conditions of the Capital Raising Offer are not satisfied, or the Company does not receive conditional approval for re-quotations to the Official List on terms which the Board reasonably believes are capable of satisfaction, then the Company will not proceed with the same and will repay all application monies received (without interest).

Resolution 3 is an ordinary resolution and is subject to the approval of the other Reconciliation Resolutions.

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

8.2 Listing Rule 7.1

A summary of Listing Rule 7.1 is detailed in Section 7.2.

Given that the Capital Raising Shares to be issued under Resolution 3 will exceed the balance of the 15% placement capacity and none of the exceptions detailed in Listing Rule 7.2 apply, Shareholder approval is required in accordance with Listing Rule 7.1.

If Resolution 3 is passed, the Company will be able to proceed with the issue of Capital Raising Shares to raise up to \$6 million (before costs) pursuant to the Capital Raising Offer. In addition, the issue of these Capital Raising Shares will be excluded from the calculation of the number of equity securities that the Company can issue within the next 12 months without Shareholder approval under Listing Rule 7.1.

If Resolution 3 is not passed, then the Company will not be able to proceed with the issue of Capital Raising Shares to raise up to \$6 million (before costs).

With effect on and from completion of the Acquisitions, the Company will appoint Mr Matthew Kay as the Managing Director of the Company. As such the Company is rely on Listing Rule 10.12, Exception 12 in not seeking approval under Listing Rule 10.11 for the Capital Raising Shares being issued to Mr Matthew Kay.

8.3 Information required by Listing Rule 7.3

For the purposes of Shareholder approval of the issue of the Capital Raising Shares and the requirements of Listing Rule 7.3, the following information is provided to Shareholders:

- (a) the Capital Raising Shares will be issued to:
 - (i) Shareholders and members of the general public at the Board's discretion who apply for Capital Raising Shares under the Prospectus; and
 - (ii) proposed Managing Director, Mr Matthew Kay and Messrs Grant Davey, Chris Bath and David Wheeler, Directors of the Company, who intend to apply for Capital Raising Shares, subject to Resolutions 4 to 7 (inclusive) being passed, as follows:
 - (A) Mr Grant Davey: 10,000,000 Capital Raising Shares;
 - (B) Mr Chris Bath: 5,000,000 Capital Raising Shares;
 - (C) Mr David Wheeler: 1,250,000 Capital Raising Shares; and
 - (D) Mr Matthew Kay: 5,000,000 Capital Raising Shares;

- (b) none of the subscribers for Shares under the Capital Raising Offer will be related parties of the Company, other than as detailed in Section 9 or other than by reason of the Acquisitions and accordingly, the exemption under Listing Rule 10.12, Exception 12 will apply;
- (c) the maximum number of Securities the Company intends to issue under the Capital Raising Offer is 300,000,000 Shares;
- (d) the terms of the Capital Raising Shares to be issued pursuant to Resolution 3 are fully paid ordinary shares and will rank equally in all respects with the Company's existing Shares on issue;
- (e) the Company will issue the Capital Raising Shares no later than three months after the date of the Meeting (or such longer period of time as ASX may in its discretion allow);
- (f) the Capital Raising Shares will be issued at \$0.02 per Share;
- (g) proceeds from the Capital Raising Offer will be used to fund the Acquisitions, further develop the Projects, fund exploration drilling and other geological costs and activities at the Projects, to facilitate the relisting of the Company on ASX and for working capital purposes. Refer to Section 5.16 for further details of the proposed use of funds raised under the Capital Raising Offer;
- (h) the Capital Raising Shares are not being issued under an agreement; and
- (i) a voting exclusion statement is included in the Notice for Resolution 3.

8.4 Board recommendation

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

9 Resolutions 4 to 7 (inclusive) – Issue of Capital Raising Shares to Related Parties

9.1 General

Resolutions 4 to 7 (inclusive) seek Shareholder approval pursuant to Listing Rule 10.11 for the issue of an aggregate of up to 21,250,000 Capital Raising Shares to Messrs Grant Davey, Chris Bath and David Wheeler (and/or their respective nominees), existing Directors, and proposed Managing Director, Mr Matthew Kay pursuant to their respective applications under the Capital Raising Offer as follows:

- (a) Mr Grant Davey: 10,000,000 Capital Raising Shares;
- (b) Mr Chris Bath: 5,000,000 Capital Raising Shares;
- (c) Mr David Wheeler: 1,250,000 Capital Raising Shares; and
- (d) Mr Matthew Kay: 5,000,000 Capital Raising Shares,

to raise gross proceeds of approximately \$425,000.

The terms and conditions upon which Messrs Grant Davey, Chris Bath, David Wheeler and Matthew Kay will subscribe for the Capital Raising Shares will be on the same terms as other investors in the Capital Raising Offer.

Resolutions 4 to 7 (inclusive) are ordinary resolutions and are subject to the Reconciliation Resolutions being passed.

The Chairperson intends to exercise all available proxies in favour of Resolutions 4 to 7 (inclusive).

9.2 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 in sections 210 to 216 of the Corporations Act.

Messrs Grant Davey, Chris Bath and David Wheeler, current Directors, are related parties of the Company for the purposes of section 208 of the Corporations Act. Mr Matthew Kay, the proposed Managing Director, is also a related party of the Company for the purposes of section 208 of the Corporations Act. The issue of the Capital Raising Shares to each of Messrs Grant Davey, Chris Bath, David Wheeler and Matthew Kay (and/or their respective nominees) constitutes the giving of a financial benefit for the purposes of section 208 of the Corporations Act and the Board has determined that the Company will seek Shareholder approval for the purposes of section 208 of the Corporations Act.

9.3 Listing Rule 10.11

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

- 10.11.1 A related party;
- 10.11.2 A person who is, or was at any time in the 6 months before the issue or agreement, a substantial (30%+) holder in the company;
- 10.11.3 A person who is, or was at any time in the 6 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;
- 10.11.4 An associate of a person referred to in Listing Rules 10.11.1 to 10.11.3; or
- 10.11.5 A person whose relationship with the company or a person referred to in Listing Rules 10.11.1 to 10.11.4 is such that, in ASX's opinion, the issue or agreement should be approved by its shareholders,

unless it obtains shareholder approval.

Messrs Grant Davey, Chris Bath and David Wheeler are related parties of the Company as each is a Director. Therefore, Shareholder approval will be sought for the issue of the Capital Raising Shares to Messrs Grant Davey, Chris Bath and David Wheeler under Listing Rule 10.11, as none of the exceptions under Listing Rule 10.12 apply.

If Shareholder approval is obtained under Listing Rule 10.11, Shareholder approval is not required under Listing Rule 7.1.

Listing Rule 10.12, Exception 12 provides that an issue of equity securities under an agreement or transfer between the entity and a person who would not otherwise be a related party but for the fact that they believe or have reasonable grounds to believe that they are likely to become a related party in the future because of the agreement or transaction is an exception to Listing Rule 10.11.

With effect on and from completion of the Acquisitions, the Company will appoint Mr Matthew Kay as Managing Director of the Company. As such, the Board considers that Shareholder approval pursuant to Listing Rule 10.11 is not required for the issue of Capital Raising Shares to proposed Managing Director, Mr Matthew Kay, on the basis that the issuance will fall under Listing Rule 10.12, Exception 12.

If Resolutions 4 to 7 (inclusive) are passed, the Company will be able to issue up to 10,000,000 Capital Raising Shares to Mr Grant Davey (and/or his nominees), 5,000,000 Capital Raising Shares to Mr Chris Bath (and/or his nominees), 1,250,000 Capital Raising Shares to Mr David Wheeler (and/or his nominees), and 5,000,000 Capital Raising Shares to Mr Matthew Kay (and/or his nominees) and such issues will be excluded from the calculation of the number of equity securities that the Company can issue within the next 12 months without Shareholder approval under Listing Rule 7.1.

If Resolutions 4 to 7 (inclusive) are not passed, the Company will not issue the Capital Raising Shares to Messrs Grant Davey, Chris Bath, David Wheeler or Matthew Kay (and/or their respective nominees).

9.4 Information required by Listing Rule 10.13 and section 219 of the Corporations Act

For the purposes of Shareholder approval of the issue of the Capital Raising Shares to related parties and the requirements of Listing Rule 10.13 and section 219 of the Corporations Act, the following information is provided to Shareholders:

- (a) up to an aggregate of 21,250,000 Shares will be issued to each of Messrs Grant Davey, Chris Bath, David Wheeler and Matthew Kay (and/or their respective nominees) in the following amounts:
 - (i) Mr Grant Davey: 10,000,000 Capital Raising Shares;
 - (ii) Mr Chris Bath: 5,000,000 Capital Raising Shares;
 - (iii) Mr David Wheeler: 1,250,000 Capital Raising Shares; and
 - (iv) Mr Matthew Kay: 5,000,000 Capital Raising Shares,
- (b) Messrs Grant Davey, Chris Bath and David Wheeler are Directors and therefore are related parties of the Company for the purposes of Listing Rule 10.11.1. Mr Matthew Kay, the proposed Managing Director, is a related party of the Company under section 228 of the Corporations Act;
- (c) the maximum number of Capital Raising Shares the Company will issue and the value of these Capital Raising Shares (based on the issue price) are as follows:

Related Party	Number of Capital Raising Shares	Value (\$)
Mr Grant Davey	10,000,000	200,000
Mr Chris Bath	5,000,000	100,000
Mr David Wheeler	1,250,000	25,000
Mr Matthew Kay	5,000,000	100,000

- (d) the Capital Raising Shares to be issued to Messrs Grant Davey, Chris Bath, David Wheeler and Matthew Kay (and/or their respective nominees) are fully paid ordinary shares and rank equally in all respects with the Company's existing shares on issue;
- (e) the Company will issue the Capital Raising Shares to Messrs Grant Davey, Chris Bath, David Wheeler and Matthew Kay (and/or their respective nominees), no later than one month after the date of the Meeting (or such longer period of time as ASX may in its discretion allow);
- (f) the Capital Raising Shares issued to Messrs Grant Davey, Chris Bath, David Wheeler and Matthew Kay (and/or their respective nominees) will each be issued at an issue price of \$0.02 per Capital Raising Share;
- (g) proceeds from the issue of Capital Raising Shares to Messrs Grant Davey, Chris Bath, David Wheeler and Matthew Kay (and/or their respective nominees) will be used to fund the Acquisitions, further develop the Projects, fund exploration drilling and other geological costs and activities at the Projects, to facilitate the relisting of the Company on ASX and for working capital purposes. Refer to Section 5.16 for further details of the proposed use of funds raised under the Capital Raising Offer; and
- (h) the remuneration package of each of Messrs Grant Davey, Chris Bath, David Wheeler and Matthew Kay is as follows:

Director	Current Remuneration (\$)	Remuneration post completion of the Acquisitions (\$)
Grant Davey ¹	120,000	120,000

Chris Bath ¹	30,000	48,000
David Wheeler ¹	27,000	36,000
Matthew Kay ²	N/A	350,000

Notes:

1. Individual has been engaged as a consultant and therefore superannuation is not applicable.

2. Excluding superannuation.

The remuneration post completion of the Acquisitions set out in the table above does not include the value of the Director Options or Management Options proposed to be issued to the Directors or Matthew Kay (refer to Sections 10 and 12 for further details).

- (i) as at the date of this Notice, Messrs Grant Davey, Chris Bath, David Wheeler and Matthew Kay's interests in the Company are as follows:

Director	Shares	%
Grant Davey	23,073,673	10.17%
Chris Bath	1,864,245	0.82%
David Wheeler	N/A	N/A
Matthew Kay	N/A	N/A

- (j) the Capital Raising Shares the subject of Resolutions 4 to 7 (inclusive) will result in the dilution of all other Shareholders' holding in the Company of:
- (i) approximately 9% based on issued Shares as at the date of the Notice; and
 - (ii) approximately 3% based on issued Shares on completion of the Acquisitions;
- (k) the Capital Raising Shares are not being issued to Messrs Grant Davey, Chris Bath, David Wheeler and Matthew Kay (and/or their respective nominees) to remunerate or incentive them as Directors or proposed Directors; and
- (l) the Capital Raising Shares are not being issued under an agreement;
- (m) each of Messrs Grant Davey, Chris Bath, David Wheeler and Matthew Kay are Directors (or proposed Managing Director in the case of Mr Matthew Kay) and have a material personal interest in the outcome of Resolutions 4 to 7 (as applicable) on the basis that they (and/or their respective nominees) are to be issued Capital Raising Shares;
- (n) given the material personal interests of all the Directors in the outcome of Resolutions 4 to 7 (inclusive), the Board declines to make a recommendation to Shareholders in relation to Resolutions 4 to 7 (inclusive); and
- (o) voting exclusion statements are included in the Notice for Resolutions 4 to 7 (inclusive).

9.5 Board recommendation

As these Resolutions relate to Directors (and a proposed Director), the Board makes no recommendation to Shareholders as to voting.

10 Resolutions 8, 10 and 12 – Issue of Director Options to Related Parties

10.1 General

Resolutions 8, 10 and 12 seek Shareholder approval in accordance with Listing Rule 10.11 and section 208 of the Corporations Act for the grant of Director Options to the Directors, Messrs Grant Davey, Chris Bath and David Wheeler (and/or their respective nominees), subject to the

Recompliance Resolutions being passed or the inter-conditionality of the same being waived by the Board.

The proposed issue of Director Options pursuant to Resolutions 8, 10 and 12 is as follows:

Director	Class A Director Options	Class B Director Options	Total Director Options
Grant Davey	5,000,000	5,000,000	10,000,000
Chris Bath	5,000,000	5,000,000	10,000,000
David Wheeler	2,000,000	2,000,000	4,000,000
	12,000,000	12,000,000	24,000,000

Resolution 8 seeks Shareholder approval, pursuant to Listing Rule 10.11, for the issue of an aggregate of 10,000,000 Director Options to Mr Grant Davey (and/or his nominees), as part of the long-term incentive component of his remuneration as Executive Director of the Company.

Resolution 10 seeks Shareholder approval, pursuant to Listing Rule 10.11, for the issue of an aggregate of 10,000,000 Director Options to Mr Chris Bath (and/or his nominees), as part of the long-term incentive component of his remuneration as Non-Executive Director of the Company.

Resolution 12 seeks Shareholder approval, pursuant to Listing Rule 10.11, for the issue of an aggregate of 4,000,000 Director Options to Mr David Wheeler (and/or his nominees), as part of the long-term incentive component of his remuneration as Non-Executive Director of the Company.

The Board considers the grant of the Director Options to Messrs Grant Davey, Chris Bath and David Wheeler (and/or their respective nominees) to be appropriate to remunerate and incentivise the performance of the Directors, and in the Company's present circumstances, the Board considers that the grant of the Director Options to Messrs Grant Davey, Chris Bath and David Wheeler (and/or their respective nominees):

- (a) is a cost effective and efficient reward for the Company to make and is consistent with the strategic goals and targets of the Company;
- (b) preserves the cash reserves of the Company;
- (c) aligns the respective interests of the holders of the Director Options with those of the Company's Shareholders; and
- (d) incentivises the holders of the Director Options to remain directors of the Company for an extended period of time.

The number of Director Options to be issued to Messrs Grant Davey, Chris Bath and David Wheeler (and/or their respective nominees) was determined having regard to:

- (a) market levels of remuneration for comparable roles;
- (b) the particular skills and experience of the individual involved;
- (c) attracting and retaining personnel with the desired skills and experience; and
- (d) aligning individual and team behaviours with the interests of the Company's Shareholders.

The vesting conditions applicable to the Director Options are as follows:

- (e) Class A: 50% of the Director Options issued to a specific Director will vest upon the Company's Shares trading at a daily volume weighted average price of at least \$0.04 for a consecutive period of at least 20 trading days; and

- (f) Class B: 50% of the Director Options issued to a specific Director will vest upon the Company's Shares trading at a daily volume weighted average price of at least \$0.05 for a consecutive period of at least 20 trading days.

The Director Options will be unquoted with an expiry date of five years from the date of issue and a nil exercise price.

As such, the Director Options granted will only be of benefit to Messrs Grant Davey, Chris Bath and David Wheeler if the vesting conditions are satisfied.

Resolutions 8, 10 and 12 are ordinary resolutions and are subject to the Recombliance Resolutions being passed.

The Chairperson intends to exercise all available proxies in favour of Resolutions 8, 10 and 12.

10.2 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 in sections 210 to 216 of the Corporations Act.

Messrs Grant Davey, Chris Bath and David Wheeler are all Directors of the Company and are, therefore, related parties of the Company for the purposes of section 208 of the Corporations Act.

As a result, the issue of the Director Options to Messrs Grant Davey, Chris Bath and David Wheeler (and/or their respective nominees) constitutes the giving of a financial benefit for the purposes of section 208 of the Corporations Act and the Board has determined that the Company will seek Shareholder approval for the purposes of section 208 of the Corporations Act.

10.3 Listing Rule 10.11

A summary of Listing Rule 10.11 is detailed in Section 9.3.

Messrs Grant Davey, Chris Bath and David Wheeler are related parties of the Company as each is a Director. Therefore, Shareholder approval will be sought for the issue of the Director Options to Messrs Grant Davey, Chris Bath and David Wheeler (and/or their respective nominees) under Listing Rule 10.11, as none of the exceptions under Listing Rule 10.12 apply

If Resolutions 8, 10 and 12 are passed, the Company will be able to proceed with the issue of the Director Options to Messrs Grant Davey, Chris Bath and David Wheeler (and/or their respective nominees), and pursuant to Listing Rule 7.2, Exception 14, the issue of the Director Options will be excluded from the calculation of the number of equity securities that the Company can issue within the next 12 months without Shareholder approval under Listing Rule 7.1.

If Resolutions 8, 10 and 12 are not passed, the Company will not be able to proceed with the issue of the Director Options to Messrs Grant Davey, Chris Bath and David Wheeler (and/or their respective nominees) and the Company will need to consider other ways to incentivise these Directors.

10.4 Information required by Listing Rule 10.13 and section 219 of the Corporations Act

For the purposes of Shareholder approval of the issue of the Director Options to related parties and the requirements of Listing Rule 10.13 and section 219 of the Corporations Act, the following information is provided to Shareholders:

- (a) the Director Options will be issued in three tranches:

Resolution	Director	Class Director Options A	Class Director Options B	Total Director Options
Resolution 8	Grant Davey	5,000,000	5,000,000	10,000,000

Resolution 10	Chris Bath	5,000,000	5,000,000	10,000,000
Resolution 12	David Wheeler	2,000,000	2,000,000	4,000,000
TOTAL		12,000,000	12,000,000	24,000,000

- (b) Messrs Grant Davey, Chris Bath and David Wheeler are Directors and therefore are related parties of the Company for the purposes of Listing Rule 10.11.1;
- (c) the maximum number of Director Options that will be issued to Messrs Grant Davey, Chris Bath and David Wheeler is as follows:

Resolution	Director	Maximum Number of Director Options
Resolution 8	Grant Davey	10,000,000
Resolution 10	Chris Bath	10,000,000
Resolution 12	David Wheeler	4,000,000
TOTAL		24,000,000

- (d) the Director Options will be granted on the terms and conditions detailed in Schedule 4;
- (e) the Director Options will be issued no later than one month after the date of the Meeting (or such longer period of time as ASX may in its discretion allow);
- (f) each Director Option will be granted for nil consideration and no funds are being raised from the issue;
- (g) the Director Options are being issued as a cost effective reward to appropriately incentivise continued performance of the Directors. Accordingly, no funds will be raised from the issue of the Director Options;
- (h) the remuneration package of each of Messrs Grant Davey, Chris Bath and David Wheeler is as follows:

Director	Current Remuneration (\$)	Remuneration completion of Acquisitions (\$)	post the
Grant Davey	120,000	120,000	
Chris Bath	30,000	48,000	
David Wheeler	27,000	36,000	

The Directors have all been engaged as consultants and thus superannuation is not applicable. The remuneration post completion of the Acquisitions set out in the table above does not include the value of the Director Options proposed to be issued to the Directors as set out above;

- (i) the Director Options are issued under services agreement, the terms of which are as follows:
- (i) Grant Davey:

- (A) Term: Mr Davey will act as the non-executive Chairman and continue so long as he is engaged by the Company in accordance with the Corporations Act and the Listing Rules;
- (B) Fee: \$120,000 per year. Subject to Shareholder approval, Mr Davey will be issued 10,000,000 Options on the terms detailed in Schedule 4; and
- (C) Other: Mr Davey's agreement with the Company otherwise contains provisions considered standard for an agreement of this nature, including confidentiality obligations;
- (ii) Chris Bath:
- (A) Term: Mr Bath will act as a non-executive Director and continue so long as he is engaged by the Company in accordance with the Corporations Act and the Listing Rules;
- (B) Fee: \$48,000 per year post completion of the Acquisitions. Subject to Shareholder approval, Mr Bath will be issued 10,000,000 Options on the terms detailed in Schedule 4; and
- (C) Other: Mr Bath's agreement with the Company otherwise contains provisions considered standard for an agreement of this nature, including confidentiality obligations;
- (iii) David Wheeler:
- (A) Term: Mr Wheeler will act as a non-executive director and continues so long as he is engaged by the Company in accordance with the Corporations Act and the Listing Rules and the Constitution
- (B) Fee: \$36,000 per year post completion of the Acquisitions. Subject to Shareholder approval, Mr Wheeler will be issued with 4,000,000 Options on the terms detailed in Schedule 4; and
- (C) Other: Mr Wheeler's agreement with the Company otherwise contains provisions considered standard for an agreement of this nature, including confidentiality obligations;
- (j) each of Messrs Grant Davey, Chris Bath and David Wheeler abstain from making a recommendation on Resolutions 8, 10 and 12 as they have a respective interest in the outcome as the recipient of the Director Options, and therefore believe it inappropriate to make a recommendation;
- (k) based on the comments set out below, the technical value of the Director Options is as follows:

Director	Class	Number	Value per Security (\$)	Total Value (\$)
Grant Davey	A	5,000,000	0.02	100,000
Chris Bath	A	5,000,000	0.02	100,000
David Wheeler	A	2,000,000	0.02	40,000
Grant Davey	B	5,000,000	0.02	100,000
Chris Bath	B	5,000,000	0.02	100,000
David Wheeler	B	2,000,000	0.02	40,000
Total		24,000,000		480,000

This valuation imputes a total value of \$480,000 to the Director Options. The value may go up or down after the date of valuation as it will depend on the future price of a Share. As the Company has been suspended from quotation since January 2022 and thus its Shares have not traded, the proposed Capital Raising Offer price of \$0.02 per Capital Raising Share has been used for valuation purposes as trading data for the Company's Shares pre-suspension is not considered appropriate;

- (l) under the accounting standard AASB 2 share-based payments, the Company will recognise an expense in the income statement based on the fair value of the Director Options over the period from the date of issue to the exercise date. The total of the fair value of the Director Options is \$480,000 at the date of the Notice;
- (m) as at the date of this Notice, Messrs Grant Davey, Chris Bath and David Wheeler's interests in the Company are as follows:

Director	Shares	%
Grant Davey	23,073,673	10.17%
Chris Bath	1,864,245	0.82%
David Wheeler	N/A	N/A

- (n) the exercise of the Director Options will result in a dilution of all other Shareholder's holding in the Company of:
 - (i) approximately 10% based on the issued Shares as at the date of this Notice; and
 - (ii) approximately 3% based on the issued Shares on completion of the Acquisitions;
- (o) other than the information detailed in this Notice, the Company believes there is no other information that would be reasonably required by Shareholders to pass these Resolutions; and
- (p) voting exclusion statements are included in the Notice for Resolutions 8, 10 and 12.

10.5 Board recommendation

As Resolutions 8, 10 and 12 relate to Directors, the Board makes no recommendation to Shareholders as to voting.

11 Resolutions 9, 11 and 13 - Issue of Termination Benefits to Related Parties

11.1 General

Resolutions 9, 11 and 13 seek Shareholder approval in accordance with Listing Rule 10.19, Part 2D.2 of the Corporations Act (including sections 200B and 200E of the Corporations Act) and for all other purposes for the Company to give certain termination benefits to Messrs Davey, Bath and Wheeler in connection with them ceasing to be an officer of, or ceasing to hold a managerial or executive office in, the Company or a related body corporate.

If Resolution 8 is not approved at the Meeting, Resolution 9 will not be put to the Meeting.

If Resolution 10 is not approved at the Meeting, Resolution 11 will not be put to the Meeting.

If Resolution 12 is not approved at the Meeting, Resolution 13 will not be put to the Meeting.

Resolutions 9, 11 and 13 are ordinary resolutions.

The Chairperson intends to vote all available proxies in favour of Resolutions 9, 11 and 13.

11.2 Section 200B of the Corporations Act

In accordance with section 200B of the Corporations Act, to give a benefit in connection with a person's retirement from a managerial or executive office, the Company must obtain Shareholder approval in the manner set out in section 200E of the Corporations Act.

Section 200B of the Corporation Act applies where the benefit given to managerial or executive officers of the company, which includes a member of Key Management Personnel. Messrs Grant Davey, Chris Bath and David Wheeler's details were included in the FY23 Director's Report of the Company.

A benefit includes (amongst other things) automatic, or accelerated, vesting of share-based payments for a person or the exercise of discretion to allow a person to maintain a benefit they would not otherwise be entitled to retain on, or as a result of, retirement from their position in the company. A benefit also includes the exercise of a Board discretion to accelerate vesting of share-based payments.

The benefits for which approval is being sought under Resolutions 9, 11 and 13 (together, the **Director Potential Retirement Benefits**) include benefits that may result from automatic vesting of the Director Options or from the Board exercising discretions in relation to the Director Options. In particular, in relation to those discretions for the Director Options, the Board will have the discretion to determine what, where Messrs Grant Davey, Chris Bath or David Wheeler cease to be a Director before:

- (a) the satisfaction of any condition attaching to an issued Director Option; or
- (b) the vesting of an issued Director Option,

some or all of the Director Options will not lapse or be forfeited (if they would otherwise lapse or be forfeited) or will vest or that some or all of the vesting conditions will be waived, or will be converted into Shares which are issued or transferred to their respective nominee(s) for some or all of the Director Options.

One of the benefits for which approval is sought under Resolutions 9, 11 and 13 is the potential for Shares to be issued or transferred to Messrs Grant Davey, Chris Bath or David Wheeler upon the conversion of Director Options as a result of the automatic vesting of Director Options or the Board exercising a discretion to vest Director Options as a termination benefit.

The Director Options may vest after Messrs Grant Davey, Chris Bath or David Wheeler ceases to hold his position as a Director, which is also another benefit for which approval is sought under Resolutions 9, 11 and 13.

Refer to the terms and conditions of the Director Options in Schedule 4 for further information in relation to the potential retirement benefits for which approval is sought under Resolutions 9, 11 and 13.

11.3 Information required by section 200E of the Corporations Act

For the purposes of Shareholder approval of the issue of the Director Options to Messrs Grant Davey, Chris Bath and David Wheeler and the requirements of section 200E of the Corporations Act, the following information is provided to Shareholders:

- (a) the amount or value of the benefit inherent in the Director Options proposed to be issued to Messrs Grant Davey, Chris Bath and David Wheeler (and/or their respective nominees) pursuant to Resolutions 9, 11 and 13 is detailed in Section 10.4(k). This valuation has been based on the proposed Capital Raising Offer price of \$0.02 given that the Company has been suspended from quotation since January 2022 and the trading data for the Company's Shares pre-suspension is not considered appropriate;
- (b) the amount or value of the benefit relating to the Shares to be issued upon conversion of the Director Options (subject to the satisfaction or waiver of the relevant vesting conditions detailed in Schedule 4) in connection with Messrs Grant Davey, Chris Bath or David Wheeler ceasing to be Directors cannot presently be ascertained. However, matters, events and circumstances that will, or are likely to affect the calculation of that amount or value include:

- (i) the number of Director Options held prior to ceasing employment;
 - (ii) the outstanding vesting conditions (if any) of the Director Options and the number that vest or lapse;
 - (iii) the circumstances of, or reasons for, ceasing employment with the Company;
 - (iv) the market price of the Company's Shares on ASX at the relevant time when the Director Options are converted;
 - (v) any changes in law; and
 - (vi) the risk-free rate of return in Australia and the estimated volatility of the Company's Shares on ASX at the relevant time; and
- (c) The Company will likely calculate the value of the benefit relating to the Shares to be issued upon conversion of the Director Options at the relevant time based on the above factors and using the Share Value at that time.

11.4 Listing Rule 10.18

Listing Rule 10.18 provides that the Company must ensure that no officer of the Company or any of its child entities will be entitled to termination benefits if a change occurs in the shareholding or control of the Company or child entity. The Company considers that the Director Potential Retirement Benefits that are the subject of Shareholder approval pursuant to Resolutions 9, 11 and 13 do not infringe Listing Rule 10.18 because Messrs Grant Davey, Chris Bath and David Wheeler do not immediately become entitled to any Director Potential Retirement Benefits if a change occurs in the shareholding or control of the Company.

11.5 Listing Rule 10.19

Listing Rule 10.19 provides that without 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 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 (**5% Threshold**). For the purpose of the Listing Rules, termination benefits include 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.

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 the subject of Resolutions 9, 11 and 13 would exceed the 5% Threshold. Shareholder approval is being sought under Listing Rule 10.19 in order to give the Company flexibility, in case the value of the termination benefits exceeds the 5% Threshold.

In the event of such termination benefits crystallising to Messrs Davey, Bath and Wheeler, the Company will comply with the requirements of Listing Rule 10.19.

If Resolutions 9, 11 and 13 are passed, Messrs Davey, Bath and Wheeler will be entitled to be paid the Director Potential Retirement Benefits and the value may exceed the 5% Threshold.

If Resolutions 9, 11 and 13 are not passed, Messrs Davey, Bath and Wheeler will not be entitled to be paid the Director Potential Retirement Benefits, unless they fall within an exception under the Corporations Act or do not breach the 5% Threshold.

11.6 Board recommendation

As Resolutions 9, 11 and 13 relate to Directors, the Board makes no recommendation to Shareholders as to voting.

12 Resolution 14 – Issue of Management Options to Proposed Managing Director, Mr Matthew Kay

12.1 General

Resolution 14 seeks Shareholder approval in accordance Listing Rule 10.11, Listing Rule 10.19, Part 2D.2 (including sections 200B and 200E) of the Corporations Act for the grant of 29,018,016 Management Options to proposed Managing Director, Mr Matthew Kay (and/or his nominees), subject to the Reconciliation Resolutions being passed or the inter-conditionality of the same being waived by the Board.

The proposed issue of Management Options pursuant to Resolution 14 is as follows:

- (a) 11,018,016 Class A Management Options, comprising of:
 - (i) 5,509,008 Tranche 1 Class A Management Options; and
 - (ii) 5,509,008 Tranche 2 Class A Management Options; and
- (b) 18,000,000 Class B Management Options, comprising of:
 - (i) 6,000,000 Tranche 1 Class B Management Options;
 - (ii) 6,000,000 Tranche 2 Class B Management Options; and
 - (iii) 6,000,000 Tranche 3 Class B Management Options.

Resolution 14 seeks Shareholder approval, pursuant to Listing Rule 10.11, for the grant to an aggregate of 29,018,016 Management Options to Mr Matthew Kay (and/or his nominees), as part of the long-term incentive component of his remuneration as Managing Director of the Company.

The Board considers the grant of the Management Option to Mr Matthew Kay (and/or his nominees) to be appropriate to remunerative and incentive his performance, and in the Company's present circumstances, the Board considers that the grant of the Management Options to Mr Matthew Kay (and/or his nominees):

- (a) is a cost effective and efficient reward for the Company to make and is consistent with the strategic goals and targets of the Company;
- (b) preserves the cash reserves of the Company;
- (c) aligns the respective interests of the holders of the Director Options with those of the Company's shareholders; and
- (d) incentivises Mr Matthew Kay to remain Managing Director of the Company for an extended period of time.

The number of Management Options to be issued to Mr Matthew Kay (and/or his nominees) was determined having regard to:

- (a) market levels of remuneration for comparable roles;
- (b) Mr Matthew Kay's particular skills and experience;
- (c) attracting and retaining a managing director with the desired skills and experience; and
- (d) aligning individual and team behaviours with the interests of the Company's Shareholders.

The terms and conditions of the Management Options (including vesting conditions, expiry date and exercise prices) are detailed in Schedule 5.

As such, the Management Options granted will only be of benefit to Mr Matthew Kay if the vesting conditions are satisfied.

Resolution 14 is an ordinary resolution and is subject to the Recompliance Resolutions being passed.

The Chairperson intends to exercise all available proxies in favour of Resolution 14.

12.2 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 in sections 210 to 216 of the Corporations Act.

As there is an agreement in place for Mr Matthew Kay to be appointed as Managing Director upon completion of the Acquisitions, he is considered to be a related party of the Company for the purposes of section 208 of the Corporations Act.

The Board has determined that the grant of the Management Options to Mr Matthew Kay constitutes reasonable remuneration and has been negotiated on an arm's length basis and falls with the exception in section 211 of the Corporations Act.

12.3 Listing Rule 10.11

A summary of Listing Rule 10.11 is detailed in Section 9.3.

The issue of the Management Options to Mr Matthew Kay falls within Listing Rule 10.11.1 as Mr Matthew Kay is the proposed Managing Director of the Company and will be appointed to such position on completion of the Acquisitions. Therefore, Shareholder approval will be sought for the issue of the Management Options to Mr Matthew Kay (and/or his nominees) under Listing Rule 10.11, as none of the exceptions under Listing Rule 10.12 apply.

If Resolution 14 is passed, the Company will be able to proceed with the issue of the Management Options to Mr Matthew Kay (and/or his nominees), and pursuant to Listing Rule 7.2, Exception 14, the issue of the Management Options will be excluded from the calculation of the number of equity securities that the Company can issue within the next 12 months without Shareholder approval under Listing Rule 7.1.

If Resolution 14 is not passed, the Company will not be able to proceed with the issue of the Management Options to Mr Matthew Kay (and/or his nominees), and the Company will need to consider other ways to incentivise Mr Matthew Kay.

12.4 Information required by Listing Rule 10.13

For the purposes of Shareholder approval of the issue of the Management Options to Mr Matthew Kay (and/or his nominees) and the requirements of Listing Rule 10.13, the following information is provided to Shareholders:

- (a) the Management Options will be issued to Mr Matthew Kay (and/or his nominees), who falls within Listing Rule 10.11.1 as he is the proposed Managing Director of the Company;
- (b) an aggregate of 29,018,016 Management Options will be issued to Mr Matthew Kay (and/or his nominees), as follows:
 - (i) 11,018,016 Class A Management Options, comprising of:
 - (A) 5,509,008 Tranche 1 Class A Management Options; and
 - (B) 5,509,008 Tranche 2 Class A Management Options; and
 - (ii) 18,000,000 Class B Management Options, comprising of:
 - (A) 6,000,000 Tranche 1 Class B Management Options;
 - (B) 6,000,000 Tranche 2 Class B Management Options; and
 - (C) 6,000,000 Tranche 3 Class B Management Options.

- (c) the Management Options will be granted on the terms and conditions detailed in Schedule 5;
- (d) the Management Options will be issued no later than one month after the date of the Meeting (or such longer period of time as ASX may in its discretion allow);
- (e) the Class A Management Options have a nil exercise price and the Class B Management Options have the following exercise prices:
 - (i) Class B Tranche 1 Management Options have an exercise price of \$0.05 per Management Option;
 - (ii) Class B Tranche 2 Management Options have an exercise price of \$0.10 per Management Option;
 - (iii) Class B Tranche 3 Management Options have an exercise price of \$0.15 per Management Option;
- (f) the Class A Management Options will be granted for nil consideration and no funds are being raised from the issue;
- (g) a maximum of \$1,800,000 will be raised from the exercise of the Class B Management Options;
- (h) proceeds raised from the exercise of the Class B Management Options will be used to further develop the Projects and for working capital purposes;
- (i) Mr Matthew Kay's proposed remuneration as Managing Director is \$350,000 per annum (exclusive of superannuation);
- (j) the Management Options will be issued under a services agreement with the Company; the terms of which are as follows:
 - (i) Mr Matthew Kay will act as the Managing Director and continue so long as he is engaged by the Company in accordance with the Corporations Act and the Listing Rules;
 - (ii) Fee: \$350,000 per year, exclusive of superannuation, plus the Management Options the subject of Shareholder approval pursuant to Resolution 14; and
 - (iii) Other: Mr Matthew Kay's agreement with the Company otherwise contains provisions considered standard for an agreement of this nature, including confidentiality obligations; and
- (k) a voting exclusion statement is included in the Notice for Resolution 14.

12.5 Board recommendation

The Board recommends that Shareholders vote in favour of Resolution 14.

13 Resolution 15 – Issue of Termination Benefits to Proposed Managing Director, Mr Matthew Kay

13.1 General

Resolution 15 seeks Shareholder approval in accordance with Listing Rule 10.19, Part 2D.2 of the Corporations Act (including sections 200B and 200E of the Corporations Act) and for all other purposes for the Company to give certain termination benefits to Mr Matthew Kay in connection with his ceasing to be an officer of, or ceasing to hold a managerial or executive office in, the Company or a related body corporate.

If Resolution 14 is not approved at the Meeting, Resolution 15 will not be put to the Meeting.

Resolution 15 is an ordinary resolution.

The Chairperson intends to vote all available proxies in favour of Resolution 15.

13.2 Section 200B of the Corporations Act

A summary of section 200B of the Corporations Act is detailed in Section 11.2.

Section 200B of the Corporation Act applies where the benefit given to managerial or executive officers of the company, which includes a member of Key Management Personnel. Mr Matthew Kay is anticipated to be named as Key Management Personnel in the Director's Report of the Company for the financial year ending 30 June 2024.

A benefit includes (amongst other things) automatic, or accelerated, vesting of share-based payments for a person or the exercise of discretion to allow a person to maintain a benefit they would not otherwise be entitled to retain on, or as a result of, retirement from their position in the company. A benefit also includes the exercise of a Board discretion to accelerate vesting of share-based payments.

The benefits for which approval is being sought under Resolution 15 (together, the **Kay Potential Retirement Benefits**) include benefits that may result from automatic vesting of the Management Options or from the Board exercising discretions in relation to the Management Options. In particular, in relation to those discretions for the Management Options, the Board will have the discretion to determine what, where Mr Matthew Kay ceases to be a Director before:

- (a) the satisfaction of any condition attaching to an issued Management Option; or
- (b) the vesting of an issued Management Option,

some or all of the Management Options will not lapse or be forfeited (if they would otherwise lapse or be forfeited) or will vest or that some or all of the vesting conditions will be waived, or will be converted into Shares which are issued or transferred to their respective nominee(s) for some or all of the Management Options.

One of the benefits for which approval is sought under Resolution 15 is the potential for Shares to be issued or transferred to Mr Matthew Kay upon the conversion of Management Options as a result of the automatic vesting of Management Options or the Board exercising a discretion to vest Management Options as a termination benefit.

The Management Options may vest after Mr Matthew Kay ceases to hold his position as a Director, which is also another benefit for which approval is sought under Resolution 15.

Refer to the terms and conditions of the Management Options in Schedule 5 for further information in relation to the potential retirement benefits for which approval is sought under Resolution 15.

13.3 Information required by section 200E of the Corporations Act

For the purposes of Shareholder approval of the issue of the Management Options to Mr Matthew Kay and the requirements of section 200E of the Corporations Act, the following information is provided to Shareholders:

- (a) the amount or value of the benefit inherent in the Management Options proposed to be issued to Mr Matthew Kay pursuant to Resolution 15 is detailed in the table below. This valuation has been based on the proposed Capital Raising Offer price of \$0.02 given that the Company has been suspended from quotation since January 2022 and the trading data for the Company's Shares pre-suspension is not considered appropriate;

Class	Tranche	Number	Value per Security (\$)	Total Value (\$)
Class A	Tranche 1	5,509,008	0.02	110,180
Class A	Tranche 2	5,509,008	0.02	110,180
Class B	Tranche 1	6,000,000	0.05	300,000

Class B	Tranche 2	6,000,000	0.10	600,000
Class B	Tranche 3	6,000,000	0.15	900,000
29,018,016				2,020,360

- (b) the amount or value of the benefit relating to the Shares to be issued upon conversion of the Management Options (subject to the satisfaction or waiver of the relevant vesting conditions detailed in Schedule 5) in connection with Mr Matthew Kay ceasing to be Director cannot presently be ascertained. However, matters, events and circumstances that will, or are likely to affect the calculation of that amount or value include:
- (i) the number of Management Options held prior to ceasing employment;
 - (ii) the outstanding vesting conditions (if any) of the Management Options and the number that vest or lapse;
 - (iii) the circumstances of, or reasons for, ceasing employment with the Company;
 - (iv) the market price of the Company's Shares on ASX at the relevant time when the Management Options are converted;
 - (v) any changes in law; and
 - (vi) the risk-free rate of return in Australia and the estimated volatility of the Company's Shares on ASX at the relevant time; and
- (c) The Company will likely calculate the value of the benefit relating to the Shares to be issued upon conversion of the Management Options at the relevant time based on the above factors and using the Share Value at that time.

13.4 Listing Rule 10.18

A summary of Listing Rule 10.18 is detailed in Section 11.4.

The Company considers that the Kay Potential Retirement Benefits that are the subject of Shareholder approval pursuant to Resolution 15 do not infringe Listing Rule 10.18 because Mr Matthew Kay does not immediately become entitled to any Kay Potential Retirement Benefits if a change occurs in the shareholding or control of the Company.

13.5 Listing Rule 10.19

A summary of Listing Rule 10.19 is detailed in Section 11.5.

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 the subject of Resolution 15 would exceed the 5% Threshold. Shareholder approval is being sought under Listing Rule 10.19 in order to give the Company flexibility, in case the value of the termination benefits exceeds the 5% Threshold.

In the event of such termination benefits crystallising to Mr Matthew Kay, the Company will comply with the requirements of Listing Rule 10.19.

If Resolution 15 is passed, Mr Matthew Kay will be entitled to be paid the Kay Potential Retirement Benefits and the value may exceed the 5% Threshold.

If Resolution 15 is not passed, Mr Matthew Kay will not be entitled to be paid the Kay Potential Retirement Benefits, unless they fall within an exception under the Corporations Act or do not breach the 5% Threshold.

13.6 Board recommendation

The Board recommends that Shareholders vote in favour of Resolution 15.

14 Resolution 16 – Issue of Management Options to Dr Lawrence Meckel

14.1 General

Resolution 16 seeks Shareholder approval in accordance Listing Rule 7.1 for the grant of 6,000,000 Management Options to Dr Lawrence Meckel (and/or his nominees), proposed Head of the Company's Subsurface Division following completion of the Acquisitions, subject to the Recompliance Resolutions being passed or the inter-conditionality of the same being waived by the Board.

The Company proposes to issue an aggregate of 6,000,000 Class B Management Options to Dr Lawrence Meckel (and/or his nominees) as follows:

- (a) 2,000,000 Tranche 1 Class B Management Options;
- (b) 2,000,000 Tranche 2 Class B Management Options; and
- (c) 2,000,000 Tranche 3 Class B Management Options.

The Board considers the grant of the Management Options to Dr Lawrence Meckel (and/or his nominees) to be appropriate to remunerative and incentive his performance, and in the Company's present circumstances, the Board considers that the grant of the Management Options to Dr Lawrence Meckel (and/or his nominees):

- (a) is a cost effective and efficient reward for the Company to make and is consistent with the strategic goals and targets of the Company;
- (b) preserves the cash reserves of the Company;
- (c) aligns the respective interests of Dr Lawrence Meckel with those of the Company's Shareholders; and
- (d) incentivises Dr Lawrence Meckel to remain employed with the Company for an extended period of time.

The number of Management Options to be issued to Dr Lawrence Meckel (and/or his nominees) was determined having regard to:

- (a) market levels of remuneration for comparable roles;
- (b) Dr Lawrence Meckel's particular skills and experience;
- (c) attracting and retaining key personnel with the desired skills and experience; and
- (d) aligning individual and team behaviours with the interests of the Company's Shareholders.

The terms and conditions of the Management Options (including vesting conditions, expiry date and exercise prices) are detailed in Schedule 5.

As such, the Management Options granted will only be of benefit to Dr Lawrence Meckel if the vesting conditions are satisfied.

Resolution 16 is an ordinary resolution and is subject to the Recompliance Resolutions being passed.

The Chairperson intends to exercise all available proxies in favour of Resolution 16.

14.2 Listing Rule 7.1

A summary of Listing Rule 7.1 is detailed in Section 7.2.

While the issue of the Management Options to Dr Lawrence Meckel (and/or his nominees) does not exceed the 15% limit in Listing Rule 7.1, and can, therefore, be made without breaching 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 under Listing Rule 7.1.

If Resolution 16 is passed, the Company will be able to proceed with the issue of the Management Options to Dr Lawrence Meckel (and/or his nominees). In addition, the issue of these Management Options will be excluded from the calculation of the number of equity securities that the Company can issue within the next 12 months without Shareholder approval under Listing Rule 7.1.

If Resolution 16 is not passed, the Company can still proceed with the issue of the Management Options to Dr Lawrence Meckel (and/or his nominees) but it will reduce, to that extent, the Company's capacity to issue equity securities without Shareholder approval under Listing Rule 7.1 for 12 months following the issue.

14.3 Information required by Listing Rule 7.3

For the purposes of Shareholder approval of the issue of the Management Options and the requirements of Listing Rule 7.3, the following information is provided to Shareholders:

- (a) the Management Options will be issued to Dr Lawrence Meckel (and/or his nominees) in order to incentive Dr Lawrence Meckel in his position as Head of the Company's Subsurface Division post completion of the Acquisitions;
- (b) the maximum number of Management Options to be issued to Dr Lawrence Meckel is 6,000,000 Class B Management Options, comprising of:
 - (i) 2,000,000 Tranche 1 Class B Management Options;
 - (ii) 2,000,000 Tranche 2 Class B Management Options; and
 - (iii) 2,000,000 Tranche 3 Class B Management Options;
- (c) the Management Options will be granted on the terms and conditions detailed in Schedule 5;
- (d) the Company will issue Management Options no later than three months after the date of the Meeting (or such longer period of time as ASX may in its discretion allow);
- (e) the Class B Management Options have the following exercise prices:
 - (i) Class B Tranche 1 Management Options have an exercise price of \$0.05 per Management Option;
 - (ii) Class B Tranche 2 Management Options have an exercise price of \$0.10 per Management Option;
 - (iii) Class B Tranche 3 Management Options have an exercise price of \$0.15 per Management Option;
- (f) a maximum of \$600,000 will be raised from the exercise of the Class B Management Options;
- (g) proceeds raised from the exercise of the Class B Management Options will be used to further develop the Projects and for working capital purposes;
- (h) the Management Options will be issued under a services agreement with the Company; the terms of which are as follows:
 - (i) Dr Meckel will be engaged to provide geological consulting services as the head of the Company's subsurface division;
 - (ii) Dr Meckel's engagement commences on upon the Company's re-quotation to the Official List;
 - (iii) the fee to be paid to Dr Meckel is \$20,000 per month and the 6,000,000 Class B Management Options;
 - (iv) Dr Meckel's engagement is as a non-exclusive independent contractor;
 - (v) Dr Meckel will be eligible to participate in the Company's Plan; and

- (vi) Dr Meckel's engagement may be terminated with 90 days' notice, or with immediate effect if a party is in default and such default is not remedied within 30 business days of a request to remedy the default; and

- (i) a voting exclusion statement is included in the Notice for Resolution 16.

14.4 Board recommendation

The Board recommends that Shareholders vote in favour of Resolution 16.

15 Resolution 17 – Issue of Lead Manager Options to the Lead Manager

15.1 General

Resolution 17 seeks Shareholder approval for the issue of 15,000,000 Lead Manager Options to the Lead Manager (and/or its nominees) in connection with corporate advisory services provided to the Company in connection with the Capital Raising Offer.

The Company considers that the issue of the Lead Manager Options to the Lead Manager is a cost effective and efficient method of payment for the same and is consistent with the strategic goals and targets of the Company.

The terms and conditions of the Lead Manager Options are detailed in Schedule 6.

Resolution 17 is an ordinary resolution and is subject to the Recombinance Resolutions being passed.

The Chairperson intends to exercise all available proxies in favour of Resolution 17.

15.2 Listing Rule 7.1

A summary of Listing Rule 7.1 is detailed in Section 7.2.

While the issue of the Lead Manager Options to the Lead Manager (and/or its nominees) does not exceed the 15% limit in Listing Rule 7.1, and can, therefore, be made without breaching 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 under Listing Rule 7.1.

To do this, the Company is asking Shareholders to approve the issue of these Lead Manager Options under Listing Rule 7.1 so that it does not use up any of the 15% limit on issuing equity securities.

If Resolution 17 is passed, the Company will be able to proceed with the issue of the Lead Manager Options to the Lead Manager (and/or its nominees). In addition, the issue of these Lead Manager Options will be excluded from the calculation of the number of equity securities that the Company can issue within the next 12 months without Shareholder approval under Listing Rule 7.1.

If Resolution 17 is not passed, the Company can still proceed with the issue of the Lead Manager Options but it will reduce, to that extent, the Company's capacity to issue equity securities without Shareholder approval under Listing Rule 7.1 for 12 months following the issue.

15.3 Information required by Listing Rule 7.3

For the purposes of Shareholder approval of the issue of the Lead Manager Options and the requirements of Listing Rule 7.3, the following information is provided to Shareholders:

- (a) the Lead Manager Options will be issued to the Lead Manager (and/or its nominees);
- (b) the maximum number of Lead Manager Options to be issued to the Lead Manager (and/or its nominees) is 15,000,000, comprising of:
 - (i) 5,000,000 Class A Lead Manager Options;
 - (ii) 5,000,000 Class B Lead Manager Options; and

- (iii) 5,000,000 Class C Lead Manager Options;
- (c) the Lead Manager Options will be issued on the terms and conditions in Schedule 6;
- (d) the Lead Manager Options will be issued no later than three months after the date of the Meeting (or such longer period of time as ASX may in its discretion allow);
- (e) the Lead Manager Options have the following exercise prices:
 - (i) Class A Lead Manager Options have an exercise price of \$0.02 per Lead Manager Option;
 - (ii) Class B Lead Manager Options have an exercise price of \$0.04 per Lead Manager Option; and
 - (iii) Class C Lead Manager Options have an exercise price of \$0.06 per Lead Manager Option;
- (f) a maximum of \$600,000 will be raised from the exercise of the Lead Manager Options;
- (g) proceeds raised from the exercise of the Lead Manager Options will be used to further develop the Projects and for working capital purposes;
- (h) the Lead Manager Options are being issued under an engagement letter with the Lead Manager on the following terms:
 - (i) the Company shall pay the Lead Manager a 1% management fee and 4% equity raising fee on the gross process of the Capital Raising Offer, and the Lead Manager Options;
 - (ii) a party may terminate the engagement letter at any time, with or without cause, by giving five business days' notice to the other party; and
 - (iii) the engagement letter also contains other provisions that are considered standard and customary for an agreement of this nature; and
- (i) a voting exclusion statement is included in the Notice for Resolution 17.

15.4 Board recommendation

The Board recommends that Shareholders vote in favour of Resolution 17.

16 Resolution 18 – Approval of Directors and Employees Share Option Plan

16.1 General

The Company wishes to implement an incentive scheme to be titled the “Directors’ and Employees’ Share Option Plan” (the **Plan**) in order to:

- (a) assist in the reward, retention and motivation of Eligible Participants (as defined in the Plan);
- (b) link reward of Eligible Participants to Shareholder value creation;
- (c) align interests of Eligible Participants with Shareholders by providing an opportunity to receive Shares;
- (d) provide Eligible Participants with an opportunity to share in any future growth in value of the Company; and
- (e) provide greater incentive for Eligible Participants to focus on the Company’s longer term goals.

16.2 Background

Resolution 18 seeks Shareholder approval for the purposes of Rule 7.2, Exception 13 for the adoption of the Plan and to enable Options, and Shares upon exercise of those Options, to be issued under the Plan to Eligible Participants to be exempted from Listing Rule 7.1 for a period of three years from the date on which Resolution 18 is passed.

A summary of the Plan, to be adopted pursuant to Resolution 18, is detailed in Schedule 7.

Resolution 18 seeks Shareholder approval to adopt the Plan to offer the opportunity for Eligible Participants to subscribe for Options, in order to increase the range of potential incentives available for eligible employees.

The Plan is intended to assist the Company to attract and retain key staff. The Board believes that grants made under the Plan will provide a powerful tool to underpin the Company's employment and engagement strategy, and that the Plan will:

- (a) enable the Company to incentivise and retain existing key management personnel and other eligible employees and contractors needed to achieve the Company's business objectives;
- (b) enable the Company to recruit, incentivise and retain additional key management personnel, and other eligible employees and contractors, needed to achieve the Company's business objectives;
- (c) link the reward of key staff with the achievement of strategic goals and the long term performance of the Company;
- (d) align the financial interest of participants of the Plan with those of Shareholders; and
- (e) provide incentives to participants under the Plan to focus on superior performance that creates Shareholder value.

If Resolution 18 is passed, Options issued under the Plan in the three years from the date on which Resolution 18 is passed will be excluded from the calculation of the number of equity securities that the Company can issue within the next 12 months without Shareholder approval under Listing Rule 7.1, effectively increasing the number of equity securities it can issue without Shareholder approval over the 12 month period following the issue date.

If Resolution 18 is not passed, the Options issued under the Plan will be included in calculating the Company's 15% placement capacity under Listing Rule 7.1, effectively decreasing the number of equity securities it can issue without Shareholder approval over the 12 month period following the issue date.

Resolution 18 is an ordinary resolution.

The Chairperson intends to exercise all available proxies in favour of Resolution 18.

16.3 Listing Rule 7.1 and Listing Rule 7.2, Exception 13

A summary of Listing Rule 7.1 is detailed in Section 7.2.

Listing Rule 7.2, Exception 13 provides an exception to Listing Rule 7.1. The effect of Shareholder approval under Listing Rule 7.2, Exception 13 is that any issues of securities under the Plan are treated as having been made with the approval of Shareholders for the purposes of Listing Rule 7.1. Approval under Listing Rule 7.2, Exception 13 lasts for a period of three years.

16.4 Information required by Listing Rule 7.2

For the purposes of Shareholder approval of the Plan and the requirements of Listing Rule 7.2, the following information is provided to Shareholders:

- (a) a summary of the terms of the Plan is detailed in Schedule 7. A full copy of the terms of the Plan can be obtained by contacting the Company Secretary;

- (b) this is the first approval sought under Listing Rule 7.2, Exception 13 with respect to the Plan and no Options are proposed to be issued under the Plan at this time;
- (c) at present there is no proposal to issue options under the Plan as the Company will only do so once further staff are recruited and key performance indicators for them are set and achieved. In any event, the maximum number of Securities proposed to be issued under the Plan following Shareholder approval would never exceed 10% of the Company's issued share capital at the relevant time; and
- (d) a voting exclusion statement is included in the Notice for Resolution 18.

16.5 Board recommendation

As the Directors are excluded from voting on this Resolution pursuant to the Listing Rules, the Directors decline to make a recommendation to Shareholders on Resolution 18.

17 Resolution 19 – Approval of Termination Benefits under the Directors and Employees Share Option Plan

17.1 General

Resolution 19 seeks Shareholder approval in accordance with Part 2D.2 of the Corporations Act (including sections 200B and 200E of the Corporations Act) and for all other purposes for the Company to give certain termination benefits to any 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 related body corporate.

If Resolution 18 is not approved at the Meeting, Resolution 19 will not be put to the Meeting.

Resolution 19 is an ordinary resolution.

The Chairperson intends to vote all available proxies in favour of Resolution 19.

17.2 Section 200B of the Corporations Act

A summary of section 200B of the Corporations Act is detailed in Section 11.2.

Section 200B of the Corporation Act applies where the benefit given to managerial or executive officers of the company, which includes a member of Key Management Personnel.

A benefit includes (amongst other things) automatic, or accelerated, vesting of share-based payments for a person or the exercise of discretion to allow a person to maintain a benefit they would not otherwise be entitled to retain on, or as a result of, retirement from their position in the company. A benefit also includes the exercise of a Board discretion to accelerate vesting of share-based payments.

The benefits for which approval is being sought under Resolution 19 (together, the **Potential Retirement Benefits**) include benefits that may result from automatic vesting of the Plan Options or from the Board exercising discretions in relation to the Plan Options. In particular, in relation to those discretions for the Plan Options, the Board will have the discretion to determine, where an participant ceases to be an Eligible Participant before:

- (a) the satisfaction of any condition attaching to an issued Plan Option; or
- (b) the vesting of an issued Plan Option,

some or all of the Plan Options will not lapse or be forfeited (if they would otherwise lapse or be forfeited) or will vest or that some or all of the vesting conditions will be waived, or will be converted into Shares which are issued or transferred to their respective nominee(s) for some or all of the Plan Options.

One of the benefits for which approval is sought under Resolution 19 is the potential for Shares to be issued or transferred to an Eligible Participant upon the conversion of Plan Options as a result

of the automatic vesting of Plan Options or the Board exercising a discretion to vest Plan Options as a termination benefit.

The Plan Options may vest after an Eligible Participant ceases to hold his/her position in the Company, which is also another benefit for which approval is sought under Resolution 19.

Refer to the terms and conditions of the Plan in Schedule 7 for further information in relation to the Potential Retirement Benefits for which approval is sought under Resolution 19.

17.3 Information required by section 200E of the Corporations Act

For the purposes of Shareholder approval of the issue of the Plan Options to an Eligible Participant and the requirements of section 200E of the Corporations Act, the following information is provided to Shareholders:

- (a) the amount or value of the benefit inherent in the Plan Options proposed to be issued to Eligible Participants in accordance with Resolution 19 cannot be ascertained in advance. However, the manner in which the amount or value of the potential benefits will be calculated, and the matters, events and circumstances that will, or are likely to affect the calculation of that amount or value include:
 - (i) the number of Plan Options held prior to ceasing employment;
 - (ii) the outstanding vesting conditions (if any) of the Plan Options and the number that vest or lapse;
 - (iii) the circumstances of, or reasons for, ceasing employment with the Company;
 - (iv) the length of service with the Company or its related bodies corporate and performance over that period of time;
 - (v) any applicable performance measures and the achievement of such measures;
 - (vi) any other factors that the Board determines to be relevant when exercising its discretion to provide Potential Retirement Benefits;
 - (vii) the manner in which the Board exercises its discretion;
 - (viii) the market price of the Company's Shares on ASX at the relevant time when the Plan Options are converted;
 - (ix) any changes in law; and
 - (x) the risk-free rate of return in Australia and the estimated volatility of the Company's Shares on ASX at the relevant time.
- (b) The Company will likely calculate the value of the benefit relating to the Shares to be issued upon conversion of the Plan Options at the relevant time based on the above factors and using the Share value at that time.

17.4 Board recommendation

As the Directors are excluded from voting on this Resolution pursuant to the Listing Rules, the Directors decline to make a recommendation to Shareholders on Resolution 19.

18 Resolution 20 – Ratification of Placement

18.1 General

As announced to ASX on 7 July 2023, 42,500,000 Shares (**Placement Shares**) were issued as part of an institutional placement to sophisticated and professional investors (**Placement**). These Placement Shares were issued at \$0.02 per Placement Share, raising a total of \$850,000. The Placement was not underwritten.

Resolution 20 seeks ratification pursuant to Listing Rule 7.4 for the issue of the Placement Shares.

Resolution 20 is an ordinary resolution.

The Chairperson intends to exercise all available proxies in favour of Resolution 20.

18.2 Listing Rule 7.4

A summary of Listing Rule 7.1 is detailed in Section 7.2.

The Company had the capacity to issue the Placement Shares pursuant to its 15% placement capacity under Listing Rule 7.1. Even where prior approval is not required, Listing Rule 7.4 permits the ratification of prior issues of Securities made without prior Shareholder approval provided the issue did not breach the 15% threshold set by Listing Rule 7.1 or the 10% threshold set by Listing Rule 7.1A (as the case may be).

The Company confirms that the issue of the Placement Shares did not breach either Listing Rule 7.1 or 7.1A. Therefore, even if Resolution 20 does not succeed, the issue of the Placement Shares will stand as they were within the Company's ability to make within the Listing Rules without Shareholder approval.

If Resolution 20 is passed, the Placement Shares will be excluded from the calculation of the number of equity securities that the Company can issue within the next 12 months without Shareholder approval under Listing Rule 7.1, effectively increasing the number of equity securities it can issue without Shareholder approval over the 12 month period following the issue date.

If Resolution 20 is not passed, the Placement Shares will be included in calculating the Company's 15% placement capacity under Listing Rule 7.1, effectively decreasing the number of equity securities it can issue without Shareholder approval over the 12 month period following the issue date.

18.3 Information Required by the Listing Rules

For the purposes of Listing Rule 7.5, the following information is provided to Shareholders:

- (a) 42,500,000 Placement Shares were issued to the following sophisticated and professional investors none of whom are related parties, members of Key Management Personnel, substantial holders or advisers of the Company or any of their associates:
 - (i) Bella Brodie Pty Ltd;
 - (ii) Cove Securities Pty Ltd;
 - (iii) Mrs Emma Morrison;
 - (iv) Sunset Capital Management Pty Ltd;
 - (v) Spring Plains Pastoral Co (Vic) Pty Ltd;
 - (vi) Mr Michael Morrison; and
 - (vii) Aralad Management Pty Ltd,(together, the **Placement Participants**);
- (b) the Placement Shares are fully paid ordinary shares and rank equally in all respects with the Company's existing Shares;
- (c) the Placement Shares were issued on 7 July 2023;
- (d) the Placement Shares were issued at \$0.02 per Placement Share;
- (e) the purpose of the Placement was to raise \$850,000 to fund the Company's recompliance with Chapters 1 and 2 of the Listing Rules and for working capital purposes;
- (f) the Placement Shares were not issued under an agreement; and
- (g) a voting exclusion statement is included in the Notice for Resolution 20.

18.4 Board Recommendation

The Board recommends that Shareholders vote in favour of Resolution 20.

19 Resolution 21 – Approval of Free Attaching Placement Options

19.1 General

Resolution 21 seeks Shareholder approval to enable the Company to issue 42,500,000 Options to the Placement Participants, exercisable at \$0.05 and expiring three years from their date of issue, which are free attaching on a 1:1 basis to the Placement Shares (**Placement Options**).

The terms and conditions of the Placement Options are detailed in Schedule 8.

The Placement Options could not be issued at the time the Placement Shares were issued due to the lack of capacity of the Company under Listing Rule 7.1 (15% of issued share capital capacity) at that time.

Therefore, the Company is now seeking Shareholder approval for the purposes of Listing Rule 7.1 to issue the Placement Options to the Placement Participants.

Resolution 21 is an ordinary resolution.

The Chairperson intends to exercise all available proxies in favour of Resolution 21.

19.2 Listing Rule 7.1

A summary of Listing Rule 7.1 is detailed in Section 7.2.

Given that the issue of the Placement Options at the time of the issue of the Placement Shares would have exceeded the balance of the Company's additional 10% placement capacity approved at the 2022 annual general meeting, and that none of the exceptions detailed in Listing Rule 7.2 apply, Shareholder approval is required to issue the Placement Options in accordance with Listing Rule 7.1.

If Resolution 21 is passed, the Company will be able to proceed with the issue of the Placement Options to the Placement Participants (and/or its nominees). In addition, the issue of these Placement Options will be excluded from the calculation of the number of equity securities that the Company can issue within the next 12 months without Shareholder approval under Listing Rule 7.1.

If Resolution 21 is not passed, the Company will not be able to issue the Placement Options.

19.3 Information required by Listing Rule 7.3

For the purposes of Shareholder approval of the issue of the Placement Options and the requirements of Listing Rule 7.3, the following information is provided to Shareholders:

- (a) the Placement Options will be issued to the Placement Participants;
- (b) the maximum number of Placement Options the Company intends to issue is 42,500,000 Placement Options;
- (c) the terms of the Placement Options to be issued pursuant to this Resolution are set out in Schedule 8;
- (d) the Company plans to issue the Placement Options upon receipt of Shareholder approval, but in any event, no later than three months after the date of the Meeting (or such longer period of time as ASX may in its discretion allow);
- (e) the Placement Options are being issued for nil consideration as they are free attaching to the Placement Shares;
- (f) a maximum of \$2,215,000 will be raised from the exercise of the Placement Options;

- (g) proceeds raised from the exercise of the Placement Options will be used to further develop the Projects and for working capital purposes;
- (h) the Placement Options will not be issued under an agreement; and
- (i) a voting exclusion statement is included in the Notice for Resolution 21.

19.4 Board recommendation

The Board recommends that Shareholders vote in favour of Resolution 21.

20 Resolution 22 – Section 195 Approval

In accordance with section 195 of the Corporations Act, a director of a public company may not vote or be present during meetings of directors when matters in which that director holds a 'material personal interest' are being considered.

As the Directors may have a material personal interest in the outcome of Resolutions 4 to 13 (inclusive), in the absence of this Resolution the Directors would not be able to form a quorum at the Directors' meetings necessary to carry out the terms of those Resolutions.

The Directors accordingly exercise their right under section 195(4) of the Corporations Act to put the issue to Shareholders to resolve.

Resolution 22 is an ordinary resolution.

21 Resolution 23 - Change of Company Name

21.1 General

Resolution 23 seeks Shareholder approval for the change of name of the Company to "Earth's Energy Limited".

The Company's current name dates back to its ownership of a Tanzanian niobium project. The change of name is therefore intended to better reflect the Company's proposed new focus as a geothermal company, particularly its near-term emphasis on exploration success and resource development opportunities.

In accordance with section 157 of the Corporations Act, if a company wants to change its name it must pass a special resolution adopting a new name.

The change of name will take effect on the date that ASIC alters the details of the Company's registration.

Resolution 23 is a special resolution and therefore requires approval of 75% of the votes cast by Shareholders present and eligible to vote.

The Chairperson intends to vote all undirected proxies in favour of Resolution 23.

21.2 Board recommendation

The Board recommends that Shareholders vote in favour of the Resolution 23.

Schedule 1

Definitions and Interpretation

1 Definitions

In the Notice and this Explanatory Memorandum, unless the context otherwise requires:

\$ means the lawful currency of Australia.

5% Threshold has the meaning given in Section 11.5.

Acquisitions has the meaning given in Section 5.4.

ASIC means the Australian Securities and Investments Commission.

ASX means ASX Limited ABN 98 008 624 691 and, where the context requires, the Australian Securities Exchange operated by ASX Limited.

AWST means Western Standard Time, being the time in Perth, Western Australia.

Board means the board of Directors from time to time.

Capital Raising Offer has the meaning given in Section 5.10.

Capital Raising Shares means Shares issued under the Capital Raising Offer.

Chairperson means the person appointed to chair the Meeting convened by the Notice.

Closely Related Party means:

- (a) a spouse or child of the member; or
- (b) has the meaning given in section 9 of the Corporations Act.

Company means Cradle Resources Limited ACN 149 637 016 (proposed to be renamed "Earths Energy Limited").

Commencement Date means the date of completion pursuant to the Volt Agreement and the Within Agreement.

Constitution means the constitution of the Company.

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

Director means any director of the Company and **Directors** means all of them.

Director Options means the Options proposed to be issued to Directors of the Company the subject of Resolutions 8, 10 and 12.

Director Potential Retirement Benefits has the meaning given in Section 11.2.

Eligible Participant has the meaning given in the Plan.

Explanatory Memorandum means the explanatory memorandum which forms part of the Notice.

Joint Venture has the meaning given in Section 5.9(c)(i).

Joint Venture Agreement has the meaning given in Section 5.4.

Key Management Personnel means 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.

Key Potential Retirement Benefits has the meaning given in Section 13.2.

Lead Manager means Canaccord Genuity (Australia) Pty Ltd.

Lead Manager Options means the Options proposed to be issued to the Lead Manager the subject of Resolution 17.

Listing Rules means the official listing rules of the ASX (as amended from time to time).

Management Options means the Options proposed to be issued to Mr Matthew Kay and Dr Lawrence Meckel the subject of Resolutions 14 and 16.

Meeting has the meaning in the introductory paragraph of the Notice.

Notice means the notice convening the Meeting and includes the agenda, Explanatory Memorandum and the Proxy Form.

Official List means the official list of the ASX.

Option means an option over a Share.

Placement has the meaning given in Section 18.

Placement Options means the Options proposed to be issued to the Placement Participants the subject of Resolution 21.

Placement Participants means sophisticated or professional investors who participated in the Placement as identified in Section 18.3(a).

Placement Shares has the meaning given in Section 18.

Plan means the Directors' and Employees' Share Option Plan.

Plan Option means an Option issued under the Plan.

Potential Retirement Benefits has the meaning given in Section 17.2.

Projects mean the geothermal projects in South Australia and Queensland held by Volt and Within as described in Section 5.5.

Prospectus has the meaning given in Section 8.1.

Proxy Form means the proxy form attached to the Notice.

Recompliance Resolutions means Resolutions 1 to 17 (inclusive), 22 and 23.

Relevant Personnel has the meaning given in Resolution 19.

Resolution means any resolution detailed in the Notice as the context requires.

Restricted Securities has the meaning defined in the Listing Rules.

Schedule means a schedule to this Explanatory Memorandum.

Section means a section of this Explanatory Memorandum.

Securities means any Shares, performance rights or Options issued by the Company.

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

Shareholder means a registered holder of a Share.

Vendors means the Volt Vendors and the Within Vendors.

Vendor Shares means a total of 220,360,329 Shares to be issued to the Vendors in consideration for the Acquisitions.

Volt means Volt Geothermal Pty Ltd ACN 651 713 683.

Volt Agreement has the meaning given in Section 5.4(a).

Volt Vendors has the meaning given in Section 5.4(a).

Within means Within Energy Pty Ltd ACN 652 405 831.

Within Agreement has the meaning given in Section 5.4(b).

Within Vendor has the meaning given in Section 5.4(b).

Schedule 2

Vendors

Part A – Volt Vendors

Volt Vendor	Number of Shares in Volt following completion of the Acquisitions	Number of Vendor Shares
Mimo Strategies Pty Ltd ACN 140 796 112 as trustee for Mimo Trust	4,666	26,476,744
Ninety35 Pty Ltd ACN 649 281 881 as trustee for 2Gen Family Trust	4,666	26,476,744
Stephen Biggins as trustee for The Rescap Family Trust	6,200	35,189,963
Jadematt Investments Pty Ltd ACN 617 788146 as trustee for K Upstream Trust	-	22,036,714

Part B – Within Vendors

Within Vendor	Number of Shares in Volt following completion of the Acquisitions	Number of Vendor Shares
Mimo Strategies Pty Ltd ACN 140 796 112 as trustee for Mimo Trust	1,250,000	52,886,479
Stephen Biggins as trustee for The Rescap Family Trust	750,000	35,257,652
Jadematt Investments Pty Ltd ACN 617 788146 as trustee for K Upstream Trust	-	22,036,033

Schedule 3

Risk Factors

Shareholders should be aware that if the proposed Acquisitions are approved, the Company will be changing the nature and scale of its activities. Based on the information available, a non-exhaustive list of risk factors are as follows:

1 Company Specific

(a) **Conditional Acquisitions and Re-compliance with Chapters 1 and 2 of the Listing Rules**

As part of the Company's change in nature and scale of activities, ASX will require the Company to re-comply with Chapters 1 and 2 of the Listing Rules. A prospectus will be issued to assist the Company to re-comply with these requirements. It is anticipated that the Shares will remain suspended until completion of the Capital Raising Offer, completion of the Acquisitions, re-compliance by the Company with Chapters 1 and 2 of the Listing Rules and compliance with any further conditions ASX imposes on such reinstatement. There is a risk that the Company will not be able to satisfy one or more of those requirements and that the Shares will consequently remain suspended from quotation.

Further, pursuant to ASX's long term suspended entities policy in ASX Guidance Note 33, ASX will automatically remove from the Official List any entity whose securities have been suspended from trading for a continuous period of two years. As the Company's Shares have been suspended from official quotation since 13 January 2022, in the event the Acquisitions do not proceed and the Company is unable to meet the requirements of Chapters 1 and 2 of the Listing Rules, it will likely be removed from the Official List by ASX.

(b) **Contractual and completion risk**

The Company has agreed to undertake the Acquisitions subject to the satisfaction of certain conditions precedent, which includes completion of the Capital Raising Offer. If any of the conditions precedent are not satisfied or waived, or any of the counterparties do not comply with their obligations, completion of the Acquisitions may be deferred or not occur. Furthermore, completion under the Volt Agreement is conditional upon completion under the Within Agreement (and vice versa).

Failure to complete the Acquisitions would mean the Company may not be able to meet the requirements of ASX for re-quotation of the Shares to the Official List, and the Company's Shares will remain suspended from quotation until such time as the Company does re-comply with the Listing Rules. If this occurs, all application money will be refunded in full (without interest) in accordance with the Corporations Act.

If the Company's Shares are not reinstated to Official Quotation by 13 January 2024, then ASX will likely remove the Company from the Official List in accordance with ASX Guidance Note 33.

(c) **Requirements for Additional Capital**

The Company's capital requirements depend on numerous factors. To develop the Projects, the Company will require further financing in addition to amounts raised pursuant to the Capital Raising Offer. There can be no assurance as to the levels of future borrowings or further capital raisings that will be required to meet the aims of the Company in developing the Projects or otherwise for the Company to undertake its business.

Any additional equity financing will dilute shareholdings, and debt financing, if available, may involve restrictions on financing and operating activities. If the Company is unable to obtain additional financing as needed, it may be required to reduce the scope of its operations or adapt the scope of the development of the Projects. There is no guarantee

that the Company will be able to secure any additional funding or be able to secure funding on terms favourable to the Company.

(d) **Restricted Securities Reducing Liquidity**

Subject to the Company being re-admitted to the Official List, certain Securities will be classified by ASX as Restricted Securities and will be required to be held in escrow for up to 24 months from the date of the Company's re-quotation to the Official List. During the period in which these Securities are prohibited from being transferred, trading in Shares may be less liquid, which may impact on the ability of a Shareholder to dispose of Shares in a timely manner.

It is expected that the Vendor Shares, the Placement Options, Management Options, Director Options and Lead Manager Options will be subject to mandatory escrow by the ASX for a period between 12 months from the date of issue to 24 months from the date of the Company's re-quotation to the Official List. ASX will make its final determinations with respect to the application of escrow to the Vendor Shares, the Placement Options, Management Options, Director Options and Lead Manager Options prior to the Company's re-quotation to the Official List.

The Company will announce to ASX full details (quantity and duration) of the Securities required to be held in escrow prior to the re-quotation of the Shares to the Official List.

(e) **Uninsurable Risks**

The Company's business is subject to a number of risks and hazards generally, including without limitation, adverse environmental conditions, industrial accidents, labour disputes, civil unrest and political instability, unusual or unexpected geological conditions, changes in the regulatory environment and natural phenomena such as inclement weather conditions, floods and earthquakes. Such occurrences could result in damage to geothermal properties or facilities, personal injury or death, environmental damage to the Company's properties or the properties of others, delays in development, monetary losses and possible legal liability.

The Company will maintain insurance coverage that is substantially consistent with the natural resource industry practice. However, there is no guarantee that such insurance or any future necessary coverage will be available to the Company at economically viable premiums (if at all) or that, in the event of a claim, the level of insurance carried by the Company now or in the future will be adequate, or that a liability or other claim would not materially and adversely affect the Company's business.

(f) **Grant of Applications**

As at the date of this Notice, geothermal exploration licences GELA 768, EPG 2031, EPG 2034 and EPG 2036 (**Applications**) are pending grant from the Department for Energy and Mining (South Australia) and Department of Resources (Queensland), respectively. There is no guarantee that the Applications will be granted, or if they are granted, that they will be granted in their entirety.

The Applications have been validly made and the Company is not aware of any further requirements for these Applications as required by the Department for Energy and Mining (South Australia) and Department of Resources (Queensland), respectively. If the Applications are not granted, the Company will not acquire an interest in these geothermal exploration licences and may seek to apply for alternative geothermal exploration licences.

(g) **Tenure and Access**

With respect to the Projects, the Company's geothermal activities are dependent upon the maintenance (including renewal) of the geothermal licences or leases in which the Company has, or acquires, an interest. Maintenance of the Company's current and future geothermal licences and leases is dependent on, amongst other things, the Company's ability to meet any conditions imposed on such licences or leases by relevant authorities, including compliance with the Company's work program

requirements which, in turn, is dependent on the Company being sufficiently funded to meet those expenditure requirements. There can be no assurance that any of the obligations required to maintain each geothermal licence or lease will be met. The termination or expiration of the Company's geothermal licences or leases may have a material adverse effect on results of operations and the business of the Company. Although, the Company has no reason to think that the geothermal exploration licences in which it currently has an interest will not be renewed, there is no assurance that such renewals will be given as a matter of course and there is no assurance that new conditions will not be imposed by the relevant granting authority. To mitigate this risk, the Company intends to carefully monitor its undeveloped land position and plan operations in order to keep key licences and leases from terminating or expiring.

(h) **Renewal**

With respect Projects, geothermal licences and leases are subject to periodic renewal. The renewal of the term of granted geothermal licences and leases is subject to compliance with the applicable legislation and regulations and the discretion of the relevant authority. Renewal conditions may include increased expenditure and work commitments or compulsory relinquishment of areas of the geothermal licences and leases. The imposition of new conditions or the inability to meet those conditions may adversely affect the operations, financial position and/or performance of the Company.

(i) **Access Risk**

The Company may be required to pay compensation to land owners, local authorities, traditional land users and others who may have an interest in the area covered by a geothermal licence or lease. The Company's ability to resolve compensation issues and compensation costs when, and if, they arise will have an impact on the future success and financial performance of the Company's operations. If the Company is unable to resolve such compensation claims on economic terms, this could have a material adverse effect on the business, results or operations and financial condition of the Company. Access to land for exploration purposes can be affected by land ownership, nature reserves and national parks, government regulation and environmental restrictions. Access is critical for exploration and development to succeed and the ability to be able to negotiate satisfactory commercial arrangements with landowners, farmers and occupiers is often essential.

(j) **Native Title**

The *Native Title Act 1993* (Cth) (**Native Title Act**) recognises and protects the rights and interests in Australia of Aboriginal and Torres Strait Islander people in land and waters, according to their traditional laws and customs. There is significant uncertainty associated with native title in Australia and this may impact on the Company's operations and future plans on the Projects.

The Company is not aware of any claims that have been made in respect of the Projects, however if a claim arose and was successful the Company may need to comply with the procedures in the Native Title Act in order to carry out its operations or to be granted any additional geothermal licences or leases. Such procedures may take considerable time, involve negotiations of significant agreements, involve negotiations for access rights and require the payment of compensation to those persons holding or claiming native title in the land which is subject of a geothermal licence or lease. Administration and determination of native title issues may result in delays or alterations to exploration programmes and additional operational costs of which may have a material adverse effect on the viability of a Project or the business of the Company.

(k) **Environmental and Other Regulatory Risk**

The Projects are subject to regulations regarding environmental matters. The governments and other authorities that administer and enforce environmental laws determine these requirements. As with most natural resource exploration and development projects, the Company's current and future activities are expected to have an impact on the environment. The Company intends to conduct its activities in an environmentally responsible manner and in accordance with applicable laws.

Geothermal operations have inherent risks and liabilities associated with safety and damage to the environment and the disposal of waste products. The occurrence of any such safety or environmental incidents could delay production or increase production costs. Events, such as unpredictable rainfall or bushfires, may impact on the Company's ongoing compliance with environmental legislation, regulations and licences. Significant liabilities could be imposed on the Company for damages, clean-up costs or penalties in the event of certain discharges into the environment, environmental damage caused by previous operations or non-compliance with environmental laws or regulations.

Further, the Company may require additional approvals from the relevant authorities before it can undertake activities that are likely to impact the environment. Failure to obtain such approvals will prevent the Company from undertaking its desired activities. The Company is unable to predict the effect of additional environmental laws and regulations, which may be adopted in the future, including whether any such laws or regulations would materially increase the Company's cost of doing business or affect its operations in any area.

There can be no assurance that new environmental laws, regulations or stricter enforcement policies, once implemented, will not oblige the Company to incur significant expenses and undertake significant investments in such respect which could have a material adverse effect on the Company's business, financial condition and results of operations.

(l) Operations

The operations of the Company may be affected by various operational risks and hazards, including:

- (i) inability to develop the Company's assets into an economic business;
- (ii) failure to locate or identify economically recoverable geothermal resources due to poor geological and reservoir conditions;
- (iii) limitations on activities due to seasonable or adverse weather patterns;
- (iv) alternations to programmes and budgets;
- (v) operational and technical difficulties encountered in geophysical surveys, drilling and brush activities;
- (vi) mechanical failure of operating plant and equipment, industrial and environmental accidents and other force majeure events;
- (vii) industrial action, disputes or disruptions;
- (viii) unavailability of transport or drilling equipment to allow access and geological and geophysical investigations;
- (ix) shortage or unavailability of manpower or appropriately skilled manpower;
- (x) unexpected shortages or increases in the cost of consumables, spare parts and plant and equipment; or
- (xi) prevention or restriction of access by reason of inability to obtain consents or approvals.

These risks and hazards could also result in damage to, or destruction of, production facilities, personal injury, environmental damage, business interruption, monetary losses and potential legal liability. While the Company intends to maintain insurance with coverage consistent with industry practice, no assurance can be given that the Company will be able to obtain such insurance coverage at reasonable rates (or at all), or that any coverage it obtains will be adequate and available to cover such claims.

The exploration and operational costs of the Company will be based on certain assumptions with respect to the method and timing of exploration and the nature of the

operating activity. By their nature, these estimates and assumptions are subject to significant uncertainties and, accordingly, the actual costs may materially differ from these estimates and assumptions. Accordingly, no assurance can be given that any cost estimates and the underlying assumptions will be realised in practice, which may materially and adversely affect the Company's viability.

There can be no assurance that any geothermal exploration licence, or any other geothermal licence or lease acquired in the future, will result in the discovery of a geothermal resource. Even if an apparently viable geothermal resource is identified, there is no guarantee that it can be economically exploited. The development timeframe for a project is dependent in part on obtaining various approvals and permits. The time it requires to obtain such approvals is in many cases not certain. To the extent that these approvals, permits and licences are issued at the discretion of the relevant regulatory authorities, there is no certainty that the Company will be able to obtain the grant of these approvals within any proposed timeframe, or at all.

(m) **Exploration**

Any future exploration activities of the Company may be affected by a range of factors including geological conditions, limitations on activities due to seasonal weather patterns or adverse weather conditions, unanticipated operational and technical difficulties, difficulties in commissioning and operating plant and equipment, mechanical failure or plant breakdown, unanticipated metallurgical problems which may affect extraction costs, industrial and environmental accidents, industrial disputes, unexpected shortages and increases in the costs of consumables, spare parts, plant, equipment and staff, changing government regulations and many other factors beyond the control of the Company.

The success of the Company will also depend upon the Company, being able to maintain title to the geothermal licences and leases comprising the Projects and obtaining all required approvals for their contemplated activities. In the event that exploration programmes prove to be unsuccessful this could lead to a diminution in the value of the Projects, a reduction in the cash reserves of the Company and possible relinquishment of one or more of the geothermal exploration licences comprising the Projects.

2 Industry Specific Risks

(a) **Exploration Risk**

The exploration costs of the Company are based on certain assumptions with respect to the method and timing of exploration. By their nature, these estimates and assumptions are subject to significant uncertainty, and accordingly, the actual costs may materially differ from the estimates and assumptions. Accordingly, no assurance can be given that the cost estimates and the underlying assumptions will be realised in practice, which may materially and adversely impact the Company's viability.

One of the biggest risks facing the Company is that the proposed exploration programs will not result in discovery of a geothermal resource. Exploration by its nature is a high-risk endeavour and consequently there can be no assurance that the exploration described in this Prospectus, or any other projects that may be acquired in the future, will result in discovery of an economic geothermal resource. Should a discovery be made, there is no guarantee that it will be commercially viable for a host of technical factors beyond the control of the Company. While the Directors will make an effort to reduce the above risks through their geological knowledge and exploration experience, and in employing the best expertise, a commercially viable discovery is not at all certain and success can never be guaranteed.

Exploration, project development and exploitation of resources by their nature contain elements of significant risk. Ultimate and continuous success of these activities is dependent on many factors such as:

- (i) the discovery of a suitably large and economically exploitable geothermal resource;
- (ii) access to adequate capital for flow testing;
- (iii) successful conclusions to bankable feasibility studies;
- (iv) access to adequate capital for project development;
- (v) securing and maintaining title to geothermal licences and leases;
- (vi) obtaining consents and approvals necessary for the conduct of exploration and energy generation;
- (vii) access to competent operational management and prudent financial administration, including the availability and reliability of appropriately skilled and experienced employees; and
- (viii) costs overruns in drilling and other equipment failure.

Adverse weather conditions over a prolonged period can adversely affect exploration and development operations and the timing of revenues.

Whether or not income will result from development within any of the geothermal licences and leases depends on the successful establishment of operations. Factors including costs, geological reality, consistency and reliability of the geothermal reservoir, will affect successful project development and production operations.

(b) Resource and Reserves Estimate Risk

The Company is engaged in exploration appraisal and development which is inherently highly speculative and involves significant risk. Estimating prospective resource, contingent resource and reserves is subject to significant assumptions and uncertainties associated with technical data and interpretation of that data, the application of technology to access and recover the resources, future commodity prices and future development and operating costs.

There can be no guarantees that the Company will successfully be able to convert prospective resources into contingent resources, and there is no guarantee that the Company will be able to successfully convert contingent resources into reserves.

For these reasons, estimates of the economically recoverable reserves attributable to any particular group of properties, classification of such reserves based on risk of recovery and estimates of future net revenues expected therefrom, prepared by different engineers or by the same engineer at different times, may vary substantially. The actual production, revenues, taxes and development and operating expenditures of the Company with respect to these reserves will vary from such estimates, and such variances could be material.

Reserve and resource estimates are expressions of judgement based on knowledge, experience and industry practice. Estimates which were valid when initially calculated may alter significantly when new information or techniques become available. In addition, by their very nature resource and reserve estimates are imprecise and depend to some extent on interpretations which may prove to be inaccurate. As further information becomes available through additional fieldwork and analysis, the estimates are likely to change. This may result in alternations to development plans which may, in turn, adversely affect the Company's operations.

(c) Project Development

Possible future development of geothermal operations at any of the Projects is dependent on a number of factors including, but not limited to, the acquisition and/or delineation of economically recoverable resources and reserves, favourable geological conditions, receiving the necessary approvals from all relevant authorities and parties, seasonal weather patterns, unanticipated technical and operational difficulties

encountered in extraction and production activities, mechanical failure of operating plant and equipment, shortages or increases in the price of consumables, spare parts and plant and equipment, cost overruns, access to the required level of funding and contracting risk from third parties providing essential services.

If the Company commences production on any of the Projects, its operations may be disrupted by a variety of risks and hazards which are beyond the control of the Company. No assurance can be given that the Company will achieve commercial viability through the development of the Projects.

The risks associated with the development of a geothermal licence or lease will be considered in full should any of the Projects reach that stage and will be managed with ongoing consideration of stakeholder interests.

(d) Equipment and Availability

The Company's ability to undertake geothermal exploration activities is dependent upon its ability to source and acquire appropriate equipment. Equipment is not always available and the market for geothermal exploration equipment experiences fluctuations in supply and demand. If the Company is unable to source appropriate equipment economically or at all then this would have a material adverse effect on the Company's financial or trading position.

(e) Changes in Legislation

Any material adverse changes in government, policies, legislation or shifts in political attitude in Australia that affect geothermal licences and leases, and exploration activities, tax, laws, royalty regulations, government subsidies and environmental issues may affect the viability of a Project or the Company.

No assurance can be given that amendments to current laws and regulations or new rules and regulations will not be enacted, or that existing rules and regulations will not be applied in a manner which could substantially limit or affect the Company's exploration.

3 General Risks

(a) Economic

General economic conditions, introduction of tax reform, new legislation, movements in interest and inflation rates and currency exchange rates may have an adverse effect on the Company's exploration, development and production activities, as well as on its ability to fund those activities.

(b) Climate Change Risk

There has been increasing concern by the public and regulators globally on climate change issues. As a natural resources company, the Company is exposed to physical risks associated with climate change. Physical risks resulting from climate change can be acute or chronic. Acute physical risks refer to those that are event-driven, including increased severity of extreme weather events, such as cyclones or floods. Chronic physical risks refer to longer term shifts in climate patterns (for example, sustained higher temperatures) that may cause sea level rises or chronic heat waves. The transition and physical risks associated with climate change (including also regulatory responses to such issues and associated costs) may significantly affect the Company's operating and financial performance.

(c) Competition Risk

There is a risk that the Company will not be able to compete profitably in supplying geothermal energy. The potential exists for the nature and extent of the competition to change, which may impact the viability of the Company's Projects or future operations.

The natural resource industry is subject to domestic and global competition. Although the Company will undertake reasonable due diligence in its business decisions and operations, the Company will have no influence or control over the activities or actions of its competitors, which activities or actions may, positively or negatively, affect the operating and financial performance of the Projects.

(d) **Occupational Health and Safety Risk**

Geothermal exploration activities have inherent risks and hazards. The Company is committed to providing a safe and healthy workplace and environment for its personnel, contractors and visitors. The Company will provide appropriate instructions, equipment, preventative measures, first aid information, medical facilities and training to all stakeholders through its occupational health and safety management systems. While the Company is dedicated to achieving high quality safety performance at its sites, a serious site safety incident may expose the Company to significant penalties and the Company may be liable for compensation to the injured personnel. These liabilities may not be covered by the Company's insurance policies (when in place) or, if they are covered, may exceed the Company's policy limits or be subject to significant deductibles. Also, any claim under the Company's insurance policies (when in place) could increase the Company's future costs of insurance. Accordingly, any liabilities for workplace accidents could have a material adverse impact on the Company's liquidity and financial results.

It is not possible to anticipate the effect on the Company's business from any changes to workplace occupational health and safety legislation. Changes to this legislation may have an adverse impact on the financial performance and/or financial position of the Company.

(e) **Market Conditions**

Share market conditions may affect the value of the Company's quoted securities regardless of the Company's operating performance. Share market conditions are affected by many factors such as:

- (i) general economic outlook;
- (ii) introduction of tax reform or other new legislation;
- (iii) interest rates and inflation rates;
- (iv) changes in investor sentiment toward particular market sectors;
- (v) the demand for, and supply of, capital; and
- (vi) terrorism or other hostilities.

The market price of securities can fall and rise and may be subject to varied and unpredictable influences on the market for equities in general and resource exploration stocks in particular.

Neither the Company nor the Directors warrant the future performance of the Company or any return on an investment in the Company.

Applicants should be aware that there are risks associated with any securities investment. Securities listed on the stock market, and in particular securities of exploration companies experience extreme price and volume fluctuations that have often been unrelated to the operating performance of such companies. These factors may materially affect the market price of the Shares regardless of the Company's performance.

(f) **Taxation**

The acquisition and disposal of Shares will have tax consequences, which will differ depending on the individual financial affairs of each investor. All potential investors in

the Company are urged to obtain independent financial advice about the consequences of acquiring Shares from a taxation viewpoint and generally.

To the maximum extent permitted by law, the Company, its officers and each of their respective advisors accept no liability and responsibility with respect to the taxation consequences of subscribing for Shares under this Prospectus.

(g) Reliance on Key Personnel

The responsibility of overseeing the day-to-day operations and the strategic management of the Company depends substantially on its senior management and its key personnel. There can be no assurance given that there will be no detrimental impact on the Company if one or more of the Directors or employees ceases their involvement with the Company.

(h) Agents and Contractors

The Directors are unable to predict the risk of the insolvency or managerial failure by any of the contractors used (or to be used in the future) by the Company in any of its activities or the insolvency or other managerial failure by any of the other service providers used (or to be used in the future) by the Company for any activity.

(i) Counterparty Risk

The Company will likely enter into a number of commercial agreements with third parties. There is a risk that the counterparties may not meet their obligations under those agreements.

The ability of the Company to achieve its stated objectives will depend on the performance by the counterparties, with whom the Company has contracted, or will contract with, of their obligations under the relevant agreements. If any party defaults in the performance of its obligations, it may be necessary for the Company to approach a court to seek a legal remedy, which can be costly.

(j) Force Majeure

The Projects now or in the future may be adversely affected by risks outside the control of the Company including labour unrest, civil disorder, war, subversive activities or sabotage, fires, floods, explosions or other catastrophes, epidemics or quarantine restrictions.

(k) Litigation Risks

The Company is exposed to possible litigation risks including tenure disputes, environmental claims, occupational health and safety claims and employee claims. Further, the Company may be involved in disputes with other parties in the future which may result in litigation. Any such claim or dispute if proven, may impact adversely on the Company's operations, financial performance and financial position.

(l) Regulatory Risks

The Company's exploration and development activities are subject to extensive laws and regulations relating to numerous matters including resource licence consent, conditions including environmental compliance and rehabilitation, taxation, employee relations, health and worker safety, waste disposal, protection of the environment, protection of endangered and protected species and other matters. The Company requires permits from regulatory authorities to authorise the Company's operations. These permits relate to exploration, development, production and rehabilitation activities.

Obtaining necessary permits can be a time-consuming process and there is a risk that the Company will not obtain these permits on acceptable terms, in a timely manner or at all. The costs and delays associated with obtaining necessary permits and complying with these permits and applicable laws and regulations could materially delay or restrict the Company from proceeding with the development of a project or the operation or

development of a geothermal licence or lease. Any failure to comply with applicable laws and regulations or permits, even if inadvertent, could result in material fines, penalties or other liabilities. In extreme cases, failure could result in suspension of the Company's activities or forfeiture of one or more of the geothermal licences or leases.

(m) **Accounting Standards**

Australian Accounting Standards (**AAS**) are adopted by the Australian Accounting Standards Board (**AASB**) and are not within the control of the Company and its Directors. The AASB may, from time to time, introduce new or refined AAS, which may affect the future measurement and recognition of key statement of profit or loss and statement of financial position items. There is also a risk that interpretation of existing AAS, including those relating to the measurement and recognition of key statement of profit or loss or statement of financial position items may differ.

Any changes to the AAS or to the interpretation of those standards may have an adverse effect on the reported financial performance and position of the Company.

Schedule 4

Terms and Conditions of the Director Options (Resolutions 8, 10 and 12)

The terms and conditions of the Director Options are as follows:

1 Entitlement

Each Director Option entitles the holder of the Director Option (**Holder**) to subscribe for one Share upon exercise of the Director Option.

2 Exercise Price

The exercise price of each Director Option is nil (**Exercise Price**).

3 Expiry Date

Each Director Option will expire at 5:00pm (AWST) on the date which is five years from the date of issue (**Expiry Date**). A Director Option not exercised before the Expiry Date will automatically lapse on the Expiry Date.

4 Exercise Period and Vesting Conditions

Each Director Option is exercisable at any time prior to the Expiry Date (**Exercise Period**) upon the achievement of the following conditions (**Vesting Conditions**):

Tranche	Number of Director Option	Vesting Condition
Class A	50% of Director Options issued to a specific Director	The Company's Shares trade at a daily volume weighted average price of at least \$0.04 for a consecutive period of at least 20 trading days.
Class B	50% of Director Options issued to a specific Director	The Company's Shares trade at a daily volume weighted average price of at least \$0.05 for a consecutive period of at least 20 trading days.

5 Lapsing of Director Options

5.1 Definitions

Bad Leaver means a Holder who ceases to be a director and does not meet the Good Leaver criteria.

Good Leaver means a Holder who ceases to be a director of the Company in any of the following circumstances:

- (a) the Holder and Board have agreed in writing that the Holder has entered into bona fide retirement;
- (b) the Holder and the Board have agreed in writing that the Holder's role has been made redundant;
- (c) the Holder's role has been terminated without cause;

- (d) the Board has determined (in its sole and absolute discretion) that:
 - (i) Special Circumstances apply to the Holder; or
 - (ii) the Holder is no longer able to perform their duties under their engagement or employment arrangements with the Company due to poor health, injury or disability;
- (e) the Holder's death; or
- (f) any other circumstance determined by the Board in writing.

Special Circumstance means the total and permanent disablement of the Holder such that the Holder is unlikely ever to engage in any occupation for which the Holder is reasonably qualified by education, training or experience.

5.2 General

Subject to the Board's absolute discretion, any vested and unexercised and/or unconverted Director Options and unvested Director Options shall automatically lapse for no consideration on the earliest to occur of the following:

- (a) where the Holder is a Bad Leaver;
- (b) where the Holder has engaged in fraudulent or dishonest actions;
- (c) if the applicable Vesting Conditions are not achieved by the Expiry Date;
- (d) if the Board determines in its reasonable opinion that the applicable Vesting Conditions have not been met or cannot be met prior to the Expiry Date;
- (e) the Expiry Date;
- (f) the receipt by the Company of notice from the Holder that the Holder has elected to surrender the Director Options; or
- (g) any other circumstances specified in any offer letter pursuant to which the Director Options were issued.

5.3 Good Leaver

- (a) Subject to clause 5.3(b), where the Holder becomes a Good Leaver, the Board may at any time, in its sole and absolute discretion, do one or more of the following:
 - (i) permit unvested Director Options held by the Good Leaver to vest;
 - (ii) permit such unvested Director Options held by the Good Leaver or his or her nominee(s) to continue to be held by the applicable Holder, with the Board having the discretion to amend the Vesting Conditions or reduce the Exercise Period of such unvested Director Options; or
 - (iii) determine that the unvested Director Options will lapse.
- (b) Where a person is a Good Leaver due to a Special Circumstance, the nominated beneficiary shall be entitled to benefit from any exercise of the above discretionary powers by the Board.

5.4 Bad Leaver

Where the Holders becomes a Bad Leaver:

- (a) all vested and unexercised and/or unconverted Director Options; and
 - (b) all unvested Director Options,
- will lapse.

6 Notice of Exercise

The Director Options may be exercised by the Holder during the Exercise Period by notice in writing to the Company in the manner specified in the Director Option certificate (**Notice of Exercise**). Any Notice of Exercise received by the Company will be deemed to be a notice of the exercise of that Director Options as at the date of receipt.

7 Minimum Exercise of Director Options

Director Options must be exercised in multiples of ten thousand (10,000) unless fewer than ten thousand (10,000) Director Options are held by a Holder.

8 Shares issued on exercise

Shares issued on exercise of the Director Options rank equally with the then Shares of the Company and are free of all encumbrances, liens and third-party interests. Upon issue of the Shares, the Holder agrees to become a member of the Company and to be bound by the Constitution.

9 Quotation of Shares

If admitted to the Official List at the time, the Company will apply to ASX for official quotation of the Shares issued upon the exercise of the Director Options.

10 Timing of Issue of Shares and Quotation of Shares on Exercise

Within five (5) Business Days after receipt of a Notice of Exercise given in accordance with these terms and conditions, the Company will:

- (a) issue the number of Shares required under these terms and conditions in respect of the number of Director Options specified in the Notice of Exercise; and
- (b) if admitted to the Official List at the time, apply for official quotation on ASX of Shares issued pursuant to the exercise of the Director Options.

11 Participation in new issues

A Holder is not entitled to:

- (a) notice of, or to vote or attend at, a meeting of the Shareholders;
- (b) receive any dividends declared by the Company; or
- (c) participate in any new issues of Securities offered to Shareholders during the term of the Director Options,

unless and until the Director Options are exercised and a Holder is issued Shares.

12 Adjustment for bonus issue of Shares

If the Company makes a bonus issue of Shares or other Securities to existing Shareholders (other than an issue in lieu of, or in satisfaction of, dividends or by way of dividend reinvestment):

- (a) the number of Shares which must be issued on the exercise of a Director Option will be increased by the number of Shares which the Holder would have received if the Holder had exercised the Director Option before the record date for the bonus issue; and
- (b) no change will be made to the Exercise Price.

13 Adjustment for rights issue

If the Company makes an issue of Shares pro rata to existing Shareholders (other than an issue in lieu of, or in satisfaction of, dividends or by way of dividend reinvestment) there will be no adjustment to the Exercise Price of a Director Option.

14 Adjustment for reorganisation

If there is any reorganisation of the capital of the Company, the rights of a Holder will be varied to comply with the Listing Rules that apply to the reorganisation at the time of the reorganisation.

15 Quotation of Director Options

The Company will not seek official quotation of any Director Options.

16 Director Options not transferable

The Director Options are not transferrable.

17 Change of control

If a Change of Control Event occurs in relation to the Company, or the Company's Board determines that such an event is likely to occur, the Board may in its discretion determine the manner in which any or all of the Holder's Director Options will be dealt with, including, without limitation, in a manner that allows the Holder to participate in and/or benefit from any transaction arising from or in connection with the Change of Control Event.

A Change of Control Event means:

- (a) a change in control (as defined in section 50AA of the Corporations Act) of the Company;
- (b) where members of the Company approve any compromise or arrangement for the purpose of, or in connection with, a scheme for the reconstruction of the Company or its amalgamation with any other body corporate or bodies corporate (other than a scheme that does not involve a change in the ultimate beneficial ownership of the Company), which will, upon becoming effective, result in any person (either alone or together with its associates) owning more than fifty per cent (50%) of the Company's Shares;
- (c) where a person becomes the legal or the beneficial owner of, or has a relevant interest in, more than fifty per cent (50%) of the Company's Shares;
- (d) where a person becomes entitled to acquire, hold or has an equitable interest in more than fifty per cent (50%) of the Company's Shares; or
- (e) where a takeover bid is made to acquire more than fifty per cent (50%) of the Company's Shares (or such lesser number of Shares that when combined with the Shares that the bidder (together with its associates) already owns will amount to more than 50% of the Company's Shares) and the takeover bid becomes unconditional and the bidder

(together with its associates) has a relevant interest in more than 50% of the Company's Shares,

but, for the avoidance of doubt, does not include any internal reorganisation of the structure, business and/or assets of the Company.

Schedule 5

Terms and Conditions of Management Options (Resolutions 14 and 16)

Other than their respective exercise prices, vesting conditions and expiry dates, the terms and conditions of the Management Options are as follows:

1 Entitlement

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

2 Exercise Price, Expiry Date and Vesting Conditions

Each Management Option is exercisable at any time prior to the Expiry Date detailed in the table below (**Exercise Period**) subject to the payment of the relevant Exercise Price and the satisfaction of the following conditions (**Vesting Conditions**):

Class	Tranche	Exercise Price	Vesting Condition	Expiry Date
Class A	Tranche 1	Nil	The Company's Shares trade at a daily volume weighted average price of at least \$0.04 for a consecutive period of at least 20 trading days.	5:00pm (AWST) on the date which is three years from the date of issue.
	Tranche 2	Nil	The Company achieving a market capitalisation (calculated by reference to the 30-day volume weighted average price) that is four times greater than the Company's market capitalisation immediately post completion of the Acquisitions based on the Capital Raising Offer price (\$0.02 per Share).	5:00pm (AWST) on the date which is three years from the date of issue.
Class B	Tranche 1	\$0.05	One year from the date of the Company's re-quotation to the ASX.	5:00pm (AWST) on the date which is three years from the date of issue.
	Tranche 2	\$0.10	Two years from the date of the Company's re-quotation to the ASX.	5:00pm (AWST) on the date which is four years from the date of issue.
	Tranche 3	\$0.15	Three years from the date of the Company's re-quotation to the ASX.	5:00pm (AWST) on the date which is five years from the date of issue.

3 Lapsing of Management Options

3.1 Definitions

Bad Leaver means a Holder who ceases to be a director or employee and does not meet the Good Leaver criteria.

Good Leaver means a Holder who ceases to be a director or employee of the Company in any of the following circumstances:

- (a) the Holder and Board have agreed in writing that the Holder has entered into bona fide retirement;
- (b) the Holder and the Board have agreed in writing that the Holder's role has been made redundant;
- (c) the Holder's role has been terminated without cause;
- (d) the Board has determined (in its sole and absolute discretion) that:
 - (i) Special Circumstances apply to the Holder; or
 - (ii) the Holder is no longer able to perform their duties under their engagement or employment arrangements with the Company due to poor health, injury or disability;
- (e) the Holder's death; or
- (f) any other circumstance determined by the Board in writing.

Special Circumstance means the total and permanent disablement of the Holder such that the Holder is unlikely ever to engage in any occupation for which the Holder is reasonably qualified by education, training or experience.

3.2 General

Subject to the Board's absolute discretion, any vested and unexercised and/or unconverted Management Options and unvested Management Options shall automatically lapse for no consideration on the earliest to occur of the following:

- (a) where the Holder is a Bad Leaver;
- (b) where the Holder has engaged in fraudulent or dishonest actions;
- (c) if the applicable Vesting Conditions are not achieved by the Expiry Date;
- (d) if the Board determines in its reasonable opinion that the applicable Vesting Conditions have not been met or cannot be met prior to the Expiry Date;
- (e) the Expiry Date;
- (f) the receipt by the Company of notice from the Holder that the Holder has elected to surrender the Management Options; or
- (g) any other circumstances specified in any offer letter pursuant to which the Management Options were issued.

3.3 Good Leaver

- (a) Subject to clause 3.3(b), where the Holder becomes a Good Leaver, the Board may at any time, in its sole and absolute discretion, do one or more of the following:
 - (i) permit unvested Management Options held by the Good Leaver to vest;
 - (ii) permit such unvested Management Options held by the Good Leaver or his or her nominee(s) to continue to be held by the applicable Holder, with the Board

having the discretion to amend the Vesting Conditions or reduce the Exercise Period of such unvested Management Options; or

- (iii) determine that the unvested Management Options will lapse.
- (b) Where a person is a Good Leaver due to a Special Circumstance, the nominated beneficiary shall be entitled to benefit from any exercise of the above discretionary powers by the Board.

3.4 **Bad Leaver**

Where the Holders becomes a Bad Leaver:

- (a) all vested and unexercised and/or unconverted Management Options; and
 - (b) all unvested Management Options,
- will lapse.

4 **Notice of Exercise**

The Management Options may be exercised by the Holder during the Exercise Period by notice in writing to the Company in the manner specified in the Management Option certificate (**Notice of Exercise**) and payment of the Exercise Price for each Management Option being exercised by electronic funds transfer or other means of payment acceptable to the Company. Any Notice of Exercise received by the Company will be deemed to be a notice of the exercise of that Management Option as at the date of receipt.

5 **Minimum Exercise of Management Options**

Management Options must be exercised in multiples of ten thousand (10,000) unless fewer than ten thousand (10,000) Management Options are held by a Holder.

6 **Shares issued on exercise**

Shares issued on exercise of the Management Options rank equally with the then Shares of the Company and are free of all encumbrances, liens and third party interests. Upon issue of the Shares, the Holder agrees to become a member of the Company and to be bound by the Constitution.

7 **Quotation of Shares**

If admitted to the Official List at the time, the Company will apply to ASX for official quotation of the Shares issued upon the exercise of the Management Options.

8 **Timing of Issue of Shares and Quotation of Shares on Exercise**

Within five (5) Business Days after receipt of a Notice of Exercise given in accordance with these terms and conditions and payment of the applicable Exercise Price for each Management Option being exercised, the Company will:

- (a) issue the number of Shares required under these terms and conditions in respect of the number of Management Options specified in the Notice of Exercise and for which cleared funds have been received by the Company; and
- (b) if admitted to the Official List at the time, apply for official quotation on ASX of Shares issued pursuant to the exercise of the Management Options.

9 Participation in new issues

A Holder is not entitled to:

- (a) notice of, or to vote or attend at, a meeting of the Shareholders;
- (b) receive any dividends declared by the Company; or
- (c) participate in any new issues of Securities offered to Shareholders during the term of the Management Options,

unless and until the Management Options are exercised and the Holder is issued Shares.

10 Adjustment for bonus issue of Shares

If the Company makes a bonus issue of Shares or other Securities to existing Shareholders (other than an issue in lieu of, or in satisfaction of, dividends or by way of dividend reinvestment):

- (a) the number of Shares which must be issued on the exercise of a Management Option will be increased by the number of Shares which the Holder would have received if the Holder had exercised the Management Option before the record date for the bonus issue; and
- (b) no change will be made to the Exercise Price.

11 Adjustment for rights issue

If the Company makes an issue of Shares pro rata to existing Shareholders (other than an issue in lieu of in satisfaction of dividends or by way of dividend reinvestment) the Exercise Price of a Management Option will be reduced according to the following formula:

$$O' = O - \frac{E[P - (S + D)]}{N + 1}$$

where:

- O' = the new Exercise Price of the Management Option.
- O = the old Exercise Price of the Management Option.
- E = the number of underlying Shares into which one Management Option is exercisable.
- P = average market price per Share weighted by reference to volume of the underlying Shares during the five trading days ending on the day before the ex rights date or ex entitlement date.
- S = the subscription price of a Share under the pro rata issue.
- D = the dividend due but not yet paid on the existing underlying Shares (except those to be issued under the pro rata issue).
- N = the number of Shares with rights or entitlements that must be held to receive a right to one new Share.

12 Adjustment for reorganisation

If there is any reorganisation of the capital of the Company, the rights of the Holder will be varied to comply with the Listing Rules that apply to the reorganisation at the time of the reorganisation.

13 Quotation of Management Options

The Company will not seek official quotation of any Management Options.

14 Management Options not transferable

The Management Options are not transferrable.

15 Lodgement Requirements

Cheques shall be in Australian currency made payable to the Company and crossed 'Not Negotiable' for the application for Shares on the exercise of the Management Options.

16 Change of control

If a Change of Control Event occurs in relation to the Company, or the Company's Board determines that such an event is likely to occur, the Board may in its discretion determine the manner in which any or all of the Holder's Management Options will be dealt with, including, without limitation, in a manner that allows the Holder to participate in and/or benefit from any transaction arising from or in connection with the Change of Control Event.

A Change of Control Event means:

- (a) a change in control (as defined in section 50AA of the Corporations Act) of the Company;
- (b) where members of the Company approve any compromise or arrangement for the purpose of, or in connection with, a scheme for the reconstruction of the Company or its amalgamation with any other body corporate or bodies corporate (other than a scheme that does not involve a change in the ultimate beneficial ownership of the Company), which will, upon becoming effective, result in any person (either alone or together with its associates) owning more than fifty per cent (50%) of the Company's Shares;
- (c) where a person becomes the legal or the beneficial owner of, or has a relevant interest in, more than fifty per cent (50%) of the Company's Shares;
- (d) where a person becomes entitled to acquire, hold or has an equitable interest in more than fifty per cent (50%) of the Company's Shares; or
- (e) where a takeover bid is made to acquire more than fifty per cent (50%) of the Company's Shares (or such lesser number of Shares that when combined with the Shares that the bidder (together with its associates) already owns will amount to more than 50% of the Company's Shares) and the takeover bid becomes unconditional and the bidder (together with its associates) has a relevant interest in more than 50% of the Company's Shares,

but, for the avoidance of doubt, does not include any internal reorganisation of the structure, business and/or assets of the Company.

Schedule 6

Terms and Conditions of the Lead Manager Options (Resolution 17)

The terms and conditions of the Lead Manager Options are as follows:

1 Entitlement

Each Lead Manager Option entitles the holder of the Lead Manager Option (**Holder**) to subscribe for one Share upon exercise of the Lead Manager Option.

2 Exercise Price and Expiry Date

Each Lead Manager Option is exercisable at any time prior to the Expiry Date detailed in the table below (**Exercise Period**) subject to the payment of the relevant Exercise Price detailed in the table below. A Lead Manager Option not exercised before the Expiry Date will automatically lapse on the Expiry Date.

Tranche	Number of Lead Manager Options	Exercise Price	Expiry Date
Class A	5,000,000 Lead Manager Options	\$0.02	5:00pm (AWST) on the date which is three years from the date of issue.
Class B	5,000,000 Lead Manager Options	\$0.04	5:00pm (AWST) on the date which is three years from the date of issue.
Class C	5,000,000 Lead Manager Options	\$0.06	5:00pm (AWST) on the date which is three years from the date of issue.

3 Notice of Exercise

The Lead Manager Options may be exercised by the Holder during the Exercise Period by notice in writing to the Company in the manner specified in the Lead Manager Option certificate (**Notice of Exercise**) and payment of the Exercise Price for each Lead Manager Option being exercised in Australian currency by electronic funds transfer or other means of payment acceptable to the Company. Any Notice of Exercise received by the Company will be deemed to be a notice of the exercise of that Lead Manager Option as at the date of receipt.

4 Minimum Exercise of Lead Manager Options

Lead Manager Options must be exercised in multiples of ten thousand (10,000) unless fewer than ten thousand (10,000) Lead Manager Options are held by a Holder.

5 Shares issued on exercise

Shares issued on exercise of the Lead Manager Options rank equally with the then Shares of the Company and are free of all encumbrances, liens and third party interests. Upon issue of the Shares, the Holder agrees to become a member of the Company and to be bound by the Constitution.

6 Quotation of Shares

If admitted to the Official List at the time, the Company will apply to ASX for official quotation of the Shares issued upon the exercise of the Lead Manager Options.

7 Timing of Issue of Shares and Quotation of Shares on Exercise

Within five (5) Business Days after receipt of a Notice of Exercise given in accordance with these terms and conditions and payment of the applicable Exercise Price for each Lead Manager Option being exercised, the Company will:

- (a) issue the number of Shares required under these terms and conditions in respect of the number of Lead Manager Options specified in the Notice of Exercise; and
- (b) if admitted to the Official List at the time, apply for official quotation on ASX of Shares issued pursuant to the exercise of the Lead Manager Options.

8 Participation in new issues

A Holder is not entitled to:

- (a) notice of, or to vote or attend at, a meeting of the Shareholders;
- (b) receive any dividends declared by the Company; or
- (c) participate in any new issues of Securities offered to Shareholders during the term of the Lead Manager Options,

unless and until the Lead Manager Options are exercised and a Holder is issued Shares.

9 Adjustment for bonus issue of Shares

If the Company makes a bonus issue of Shares or other Securities to existing Shareholders (other than an issue in lieu of, or in satisfaction of, dividends or by way of dividend reinvestment):

- (a) the number of Shares which must be issued on the exercise of a Lead Manager Option will be increased by the number of Shares which the Holder would have received if the Holder had exercised the Lead Manager Option before the record date for the bonus issue; and
- (b) no change will be made to the Exercise Price.

10 Adjustment for rights issue

If the Company makes an issue of Shares pro rata to existing Shareholders (other than an issue in lieu of in satisfaction of dividends or by way of dividend reinvestment) the Exercise Price of a Lead Manager Option will be reduced according to the following formula:

$$O' = O - \frac{E[P - (S + D)]}{N + 1}$$

where:

- O' = the new Exercise Price of the Lead Manager Option.
- O = the old Exercise Price of the Lead Manager Option.
- E = the number of underlying Shares into which one Lead Manager Option is exercisable.
- P = average market price per Share weighted by reference to volume of the underlying Shares during the five trading days ending on the day before the ex rights date or ex entitlement date.
- S = the subscription price of a Share under the pro rata issue.
- D = the dividend due but not yet paid on the existing underlying Shares (except those to be issued under the pro rata issue).
- N = the number of Shares with rights or entitlements that must be held to receive a right to one new Share.

11 Adjustment for reorganisation

If there is any reorganisation of the capital of the Company, the rights of a Holder will be varied to comply with the Listing Rules that apply to the reorganisation at the time of the reorganisation.

12 Quotation of Lead Manager Options

The Company will not seek official quotation of any Lead Manager Options.

13 Lead Manager Options not transferable

The Lead Manager Options are not transferrable.

14 Lodgement Requirements

Cheques shall be in Australian currency made payable to the Company and crossed 'Not Negotiable' for the application for Shares on the exercise of the Lead Manager Options.

15 Change of control

If a Change of Control Event occurs in relation to the Company, or the Company's Board determines that such an event is likely to occur, the Board may in its discretion determine the manner in which any or all of the Holder's Lead Manager Options will be dealt with, including, without limitation, in a manner that allows the Holder to participate in and/or benefit from any transaction arising from or in connection with the Change of Control Event.

A Change of Control Event means:

- (a) a change in control (as defined in section 50AA of the Corporations Act) of the Company;
- (b) where members of the Company approve any compromise or arrangement for the purpose of, or in connection with, a scheme for the reconstruction of the Company or its amalgamation with any other body corporate or bodies corporate (other than a scheme that does not involve a change in the ultimate beneficial ownership of the Company), which will, upon becoming effective, result in any person (either alone or

together with its associates) owning more than fifty per cent (50%) of the Company's Shares;

- (c) where a person becomes the legal or the beneficial owner of, or has a relevant interest in, more than fifty per cent (50%) of the Company's Shares;
- (d) where a person becomes entitled to acquire, hold or has an equitable interest in more than fifty per cent (50%) of the Company's Shares;
- (e) where a takeover bid is made to acquire more than fifty per cent (50%) of the Company's Shares (or such lesser number of Shares that when combined with the Shares that the bidder (together with its associates) already owns will amount to more than 50% of the Company's Shares) and the takeover bid becomes unconditional and the bidder (together with its associates) has a relevant interest in more than 50% of the Company's Shares,

but, for the avoidance of doubt, does not include any internal reorganisation of the structure, business and/or assets of the Company.

Schedule 7

Summary of the Terms and Conditions of the Directors and Employees Share Option Plan (Resolution 18)

The following is a summary of the key terms and conditions of the Plan to be adopted by the Company:

- (a) **(Eligibility and Grant of Plan Options):** The Board may grant options to acquire Shares under the Plan (**Plan Options**) to any full or part time employee or director of the Company or subject to, and in accordance with, any necessary ASIC relief being obtained, a casual employee or contractor of the Company (**Eligible Participant**). Options may be granted by the Board at any time.
- (b) **(No Consideration):** Unless the Plan Options are quoted on ASX, Plan Options will be issued for nil cash consideration.
- (c) **(Conversion):** Each Plan Option is exercisable into one Share ranking equally in all respect with the existing issued Shares.
- (d) **(Exercise Price and Expiry Date):** The exercise price and expiry date for Plan Options granted under the Plan will be determined by the Board prior to the grant of the Plan Options.
- (e) **(Exercise Restrictions):** The Plan Options granted under the Plan may be subject to conditions on exercise as may be fixed by the Board prior to grant of the Plan Options (**Exercise Conditions**). Any Exercise Condition imposed by the Board must be set out in the offer for the Plan Options.
- (f) **(Cashless Exercise):** An offer may specify that at the time of exercise of the Plan Options, the Eligible Participant may elect not to be required to provide payment of the exercise price for the number of Plan Options specified in a notice of exercise, but that on exercise of those Plan Options the Company will transfer or issue to the Eligible Participant that number of Shares equal in value to the positive difference between the Market Value of the Shares at the time of exercise and the exercise price that would otherwise be payable to exercise those Plan Options. Market Value means, at any given date, the volume weighted average price per Share traded on the ASX over the five trading days immediately preceding that given date, unless otherwise specified in an offer.
- (g) **(Renounceability):** Eligible Participants may renounce their offer in favour of a nominee (the Eligible Participants and their nominees are each Participants).
- (h) **(Lapsing of Plan Options):** Unless the Board determines otherwise, subject to the terms of the offer made to a Participant, an unexercised Plan Option will lapse:
 - (i) On the Eligible Participant ceasing to be an Eligible Participant:
 - (A) if any Exercise Conditions have not been met by the date the relevant person ceases to be an Eligible Participant (Ceasing Date); or
 - (B) where any Exercise Conditions have been met by the Ceasing Date or the Plan Option is not subject to any Exercise Conditions, the Participant does not exercise the Plan Option within a period of 6 months after the Ceasing Date (or a further date as determined by the Board after the Ceasing if any Exercise Condition is unable to be met; or

-
- (ii) if any Exercise Condition is unable to be met; or
 - (iii) if the expiry date has passed.
- (i) **(Share Restriction Period):** Shares issued on the exercise of Plan Options may, at the discretion of the Board, be subject to a restriction that they may not be transferred or otherwise dealt with until a restriction period has expired, as specified in the offer for the Plan Options.
 - (j) **(Disposal of Options):** Plan Options will not be transferable and will not be quoted on the ASX, unless the offer provides otherwise or the Board in its absolute discretion approves.
 - (k) **(Trigger Events):** The Company may permit Plan Options to be exercised in certain circumstances where there is a change in control of the Company (including by takeover) or entry into a scheme of arrangement.
 - (l) **(Participation):** There are no participating rights or entitlements inherent in the Plan Options and Optionholders will not be entitled to participate in new issues of capital offered to Shareholders of the Company during the currency of the Plan Options.
 - (m) **(Change in exercise price):** A Plan Option will not confer a right to a change in exercise price or a change in the number of underlying Shares over which the Plan Option can be exercised.
 - (n) **(Reorganisation):** If at any time the capital of the Company is reorganised (including consolidation, subdivision, reduction or return), all rights of a Participant are to be changed in a manner consistent with the Corporations Act and the ASX Listing Rules at the time of the reorganisation.
 - (o) **(Limitations on Offers):** The Company must have reasonable grounds to believe, when making an offer under the Plan that the number of Shares to be received on exercise of an Plan Options, when aggregated with the number of Shares issued or that may be issued as a result of offers made at any time during the previous 3 year period under an employee incentive scheme covered by an ASIC Class Order or an ASIC exempt arrangement of a similar kind to an employee incentive scheme, will not exceed 5% of the total number of Shares on issue at the date of the offer.

Schedule 8

Terms and Conditions of the Placement Options (Resolution 21)

The terms and conditions of the Placement Options are as follows:

1 Entitlement

Each Placement Option entitles the holder of the Placement Option (**Holder**) to subscribe for one Share upon exercise of the Placement Option.

2 Exercise Price

The amount payable upon exercise of each Placement Option will be \$0.05 (**Exercise Price**).

3 Expiry Date

Each Placement Option will expire at 5:00pm (AWST) on the date which is three years from the date of issue (**Expiry Date**). A Placement Option not exercised before the Expiry Date will automatically lapse on the Expiry Date.

4 Exercise Period

Each Placement Option is exercisable at any time prior to the Expiry Date (**Exercise Period**).

5 Notice of Exercise

The Placement Options may be exercised by the Holder during the Exercise Period by notice in writing to the Company in the manner specified in the Placement Option certificate (**Notice of Exercise**) and payment of the Exercise Price for each Placement Option being exercised in Australian currency by electronic funds transfer or other means of payment acceptable to the Company. Any Notice of Exercise received by the Company will be deemed to be a notice of the exercise of that Placement Option as at the date of receipt.

6 Minimum Exercise of Placement Options

Placement Options must be exercised in multiples of ten thousand (10,000) unless fewer than ten thousand (10,000) Placement Options are held by a Holder.

7 Shares issued on exercise

Shares issued on exercise of the Placement Options rank equally with the then Shares of the Company and are free of all encumbrances, liens and third-party interests. Upon issue of the Shares, the Holder agrees to become a member of the Company and to be bound by the Constitution.

8 Quotation of Shares

If admitted to the Official List at the time, the Company will apply to ASX for official quotation of the Shares issued upon the exercise of the Placement Options.

9 Timing of Issue of Shares and Quotation of Shares on Exercise

Within five (5) Business Days after receipt of a Notice of Exercise given in accordance with these terms and conditions and payment of the applicable Exercise Price for each Placement Option being exercised, the Company will:

- (a) issue the number of Shares required under these terms and conditions in respect of the number of Placement Options specified in the Notice of Exercise and for which cleared funds have been received by the Company; and
- (b) if admitted to the Official List at the time, apply for official quotation on ASX of Shares issued pursuant to the exercise of the Placement Options.

10 Participation in new issues

A Holder is not entitled to:

- (a) notice of, or to vote or attend at, a meeting of the Shareholders;
- (b) receive any dividends declared by the Company; or
- (c) participate in any new issues of Securities offered to Shareholders during the term of the Placement Options,

unless and until the Placement Options are exercised and the Holder holds Shares.

11 Adjustment for bonus issue of Shares

If the Company makes a bonus issue of Shares or other Securities to existing Shareholders (other than an issue in lieu of, or in satisfaction of, dividends or by way of dividend reinvestment):

- (a) the number of Shares which must be issued on the exercise of a Placement Option will be increased by the number of Shares which the Holder would have received if the Holder had exercised the Placement Option before the record date for the bonus issue; and
- (b) no change will be made to the Exercise Price.

12 Adjustment for rights issue

If the Company makes an issue of Shares pro rata to existing Shareholders (other than an issue in lieu of in satisfaction of dividends or by way of dividend reinvestment) the Exercise Price of a Placement Option will be reduced according to the following formula:

$$O' = O - \frac{E[P - (S + D)]}{N + 1}$$

where:

- O' = The new Exercise Price of the Placement Option.
- O = The old Exercise Price of the Placement Option.
- E = The number of underlying Shares into which one Placement Option is exercisable.
- P = The average market price per Share weighted by reference to volume of the underlying Shares during the 5 trading days ending on the day before the ex rights date or ex entitlement date.

- S = The subscription price of a Share under the pro rata issue.
- D = The dividend due but not yet paid on the existing underlying Shares (except those to be issued under the pro rata issue).
- N = The number of Shares with rights or entitlements that must be held to receive a right to one new Share.

13 Adjustment for reorganisation

If there is any reorganisation of the capital of the Company, the rights of the Holder will be varied to comply with the Listing Rules that apply to the reorganisation at the time of the reorganisation.

14 Quotation of Placement Options

The Company will not seek official quotation of the Placement Options.

15 Placement Options transferable

The Placement Options are transferrable subject to compliance with the Corporations Act.

16 Lodgement Requirements

Cheques shall be in Australian currency made payable to the Company and crossed 'Not Negotiable' for the application for Shares on the exercise of the Placement Options.

17 Change of control

If a Change of Control Event occurs in relation to the Company, or the Company's Board determines that such an event is likely to occur, the Board may in its discretion determine the manner in which any or all of the Holder's Placement Options will be dealt with, including, without limitation, in a manner that allows the Holder to participate in and/or benefit from any transaction arising from or in connection with the Change of Control Event.

A Change of Control Event means:

- (a) a change in control (as defined in section 50AA of the Corporations Act) of the Company;
- (b) where members of the Company approve any compromise or arrangement for the purpose of, or in connection with, a scheme for the reconstruction of the Company or its amalgamation with any other body corporate or bodies corporate (other than a scheme that does not involve a change in the ultimate beneficial ownership of the Company), which will, upon becoming effective, result in any person (either alone or together with its associates) owning more than fifty per cent (50%) of the Company's Shares;
- (c) where a person becomes the legal or the beneficial owner of, or has a relevant interest in, more than fifty per cent (50%) of the Company's Shares;
- (d) where a person becomes entitled to acquire, hold or has an equitable interest in more than fifty per cent (50%) of the Company's Shares; or
- (e) where a takeover bid is made to acquire more than fifty per cent (50%) of the Company's Shares (or such lesser number of Shares that when combined with the Shares that the bidder (together with its associates) already owns will amount to more than 50% of the Company's Shares) and the takeover bid becomes unconditional and the bidder

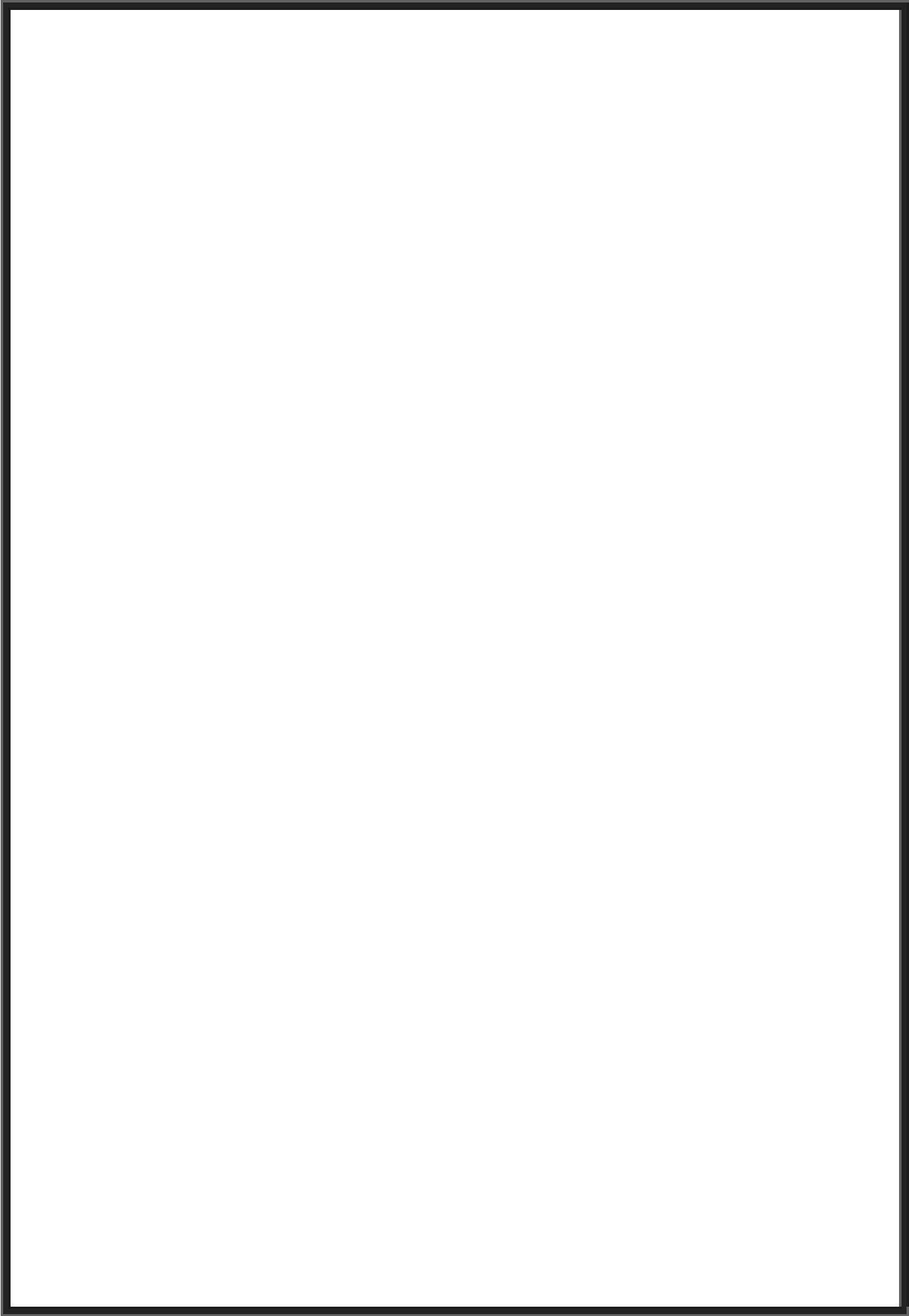
(together with its associates) has a relevant interest in more than 50% of the Company's Shares,

but, for the avoidance of doubt, does not include any internal reorganisation of the structure, business and/or assets of the Company.

Schedule 9

Pro Forma Consolidated Statement of Financial Position

		Cradle			
		Audited as at	Subsequent	Pro-forma	Pro-forma
		30-Jun-23	events	adjustments	after issue
	Notes	\$	\$	\$	\$
CURRENT ASSETS					
Cash and cash equivalents		4,877	850,000	5,477,865	6,332,742
Trade and other receivables		26,309	-	11,095	37,404
TOTAL CURRENT ASSETS		31,186	850,000	5,488,960	6,370,146
NON CURRENT ASSETS					
Exploration expenditure		-	-	6,137,053	6,137,053
Intangible		-	-	1,855	1,855
TOTAL NON CURRENT ASSETS		-	-	6,138,908	6,138,908
TOTAL ASSETS		31,186	850,000	11,627,868	12,509,054
CURRENT LIABILITIES					
Trade and other payables		247,397	-	142,002	389,399
Employee benefits		-	-	37,844	37,844
TOTAL CURRENT LIABILITIES		247,397	-	179,846	427,243
NON CURRENT LIABILITIES					
Borrowings		-	-	436,585	436,585
TOTAL NON CURRENT LIABILITIES		-	-	436,585	436,585
TOTAL LIABILITIES		247,397	-	616,431	863,828
NET ASSETS/(LIABILITIES)		(216,211)	850,000	11,011,437	11,645,226
EQUITY					
Contributed equity		11,034,280	850,000	10,107,206	21,991,486
NCI		-	-	904,231	904,231
Accumulated losses		(11,250,491)	-	-	(11,250,491)
TOTAL EQUITY		(216,211)	850,000	11,011,437	11,645,226



LODGE YOUR VOTE



ONLINE

<https://investorcentre.linkgroup.com>



BY MAIL

Cradle Resources 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

*During business hours Monday to Friday



ALL ENQUIRIES TO

Telephone: 1300 554 474

Overseas: +61 1300 554 474

LODGE A PROXY FORM

This Proxy Form (and any Power of Attorney under which it is signed) must be received at an address given above by **10:30am (WST) on Monday, 4 December 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).

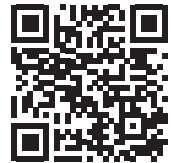


BY MOBILE DEVICE

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.

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

QR Code



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 attend 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 attend 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.

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

NAME SURNAME
ADDRESS LINE 1
ADDRESS LINE 2
ADDRESS LINE 3
ADDRESS LINE 4
ADDRESS LINE 5
ADDRESS LINE 6



X99999999999

PROXY FORM

I/We being a member(s) of Cradle Resources Limited and entitled to attend and vote hereby appoint:

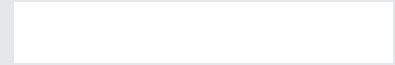
STEP 1

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 **10:30am (WST) on Wednesday, 6 December 2023 at Level 20, 140 St Georges Terrace, Perth WA 6000 (the Meeting)** and at any postponement or adjournment of the Meeting.

Important for Resolutions 4 to 15, 18 & 19: 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 4 to 15, 18 & 19, 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.

STEP 2

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*
1 Change to Nature and Scale of Activities	☐	☐	☐	13 Issue of Termination Benefits to Director, Mr David Wheeler	☐	☐	☐
2 Issue of Vendor Shares to the Vendors	☐	☐	☐	14 Issue of Management Options to Proposed Managing Director, Mr Matthew Kay	☐	☐	☐
3 Issue of Capital Raising Shares	☐	☐	☐	15 Issue of Termination Benefits to Proposed Managing Director, Mr Matthew Kay	☐	☐	☐
4 Issue of Capital Raising Shares to Director, Mr Grant Davey	☐	☐	☐	16 Issue of Management Options to Dr Lawrence Meckel	☐	☐	☐
5 Issue of Capital Raising Shares to Director, Mr Chris Bath	☐	☐	☐	17 Issue of Lead Manager Options to the Lead Manager	☐	☐	☐
6 Issue of Capital Raising Shares to Director, Mr David Wheeler	☐	☐	☐	18 Approval of Directors and Employees Share Option Plan	☐	☐	☐
7 Issue of Capital Raising Shares to Proposed Managing Director, Mr Matthew Kay	☐	☐	☐	19 Approval of Termination Benefits under the Directors and Employees Share Option Plan	☐	☐	☐
8 Issue of Director Options to Director, Mr Grant Davey	☐	☐	☐	20 Ratification of Placement	☐	☐	☐
9 Issue of Termination Benefits to Director, Mr Grant Davey	☐	☐	☐	21 Approval to Issue Placement Options	☐	☐	☐
10 Issue of Director Options to Director, Mr Chris Bath	☐	☐	☐	22 Section 195 Approval	☐	☐	☐
11 Issue of Termination Benefits to Director, Mr Chris Bath	☐	☐	☐	23 Change of Company Name	☐	☐	☐
12 Issue of Director Options to Director, Mr David Wheeler	☐	☐	☐				



* 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.

STEP 3

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).

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