

16 November 2022

Dear Shareholder,

RE: ANNUAL GENERAL MEETING – NOTICE AND PROXY FORM

Notice is given that the Annual General Meeting (**Meeting**) of Shareholders of Pathfinder Resources Limited (ACN 085 905 997) (**Company**) will be held at 9.30 am (AWST) on Friday, 16 December 2022 at the Parmelia Hilton Hotel, 14 Mill Street, Perth, WA 6000.

As permitted by the Corporations Act 2001 (Cth), the Company will not be dispatching physical copies of the Notice of Meeting to shareholders unless a shareholder has requested to receive a hard copy. Instead, the Notice of Meeting and accompanying explanatory statement (**Meeting Materials**) are being made available to shareholders electronically and can be viewed and downloaded at the following link: www.pathfinderresources.com.au or from the ASX Company Announcements Platform at asx.com.au (ASX: PF1).

Shareholders are encouraged to complete and return your Proxy Form to the Company's share registry, Computershare, using any of the following methods:

Online	At www.investorvote.com.au
By mail	Share Registry – Computershare Investor Services Pty Limited, GPO Box 242, Melbourne Victoria 3001, Australia
By fax	1800 783 447 (within Australia) +61 3 9473 2555 (outside Australia)
By mobile	Scan the QR code on your proxy form and follow the prompts
Custodian Voting	For Intermediary Online subscribers only (custodians) please visit www.intermediaryonline.com to submit your voting intentions

Your proxy voting instruction must be received by 9:30 am (AWST) on Wednesday, 14 December 2022 being not less than 48 hours before the commencement of the Meeting. Any proxy voting instructions received after that time will not be valid for the Meeting. The Company strongly encourages all shareholders to submit their personalised Proxy Form as instructed prior to the Meeting.

Circumstances relating to COVID-19 can change rapidly and shareholders are urged to monitor applicable government guidance. The Company will update shareholders if changing circumstances will impact planning or the arrangements for the Meeting by way of announcement on ASX and the details will also be made available on our website.

In order to receive electronic communications from the Company in the future, please update your Shareholder details with Computershare Investor Services Pty Limited online by going to www.computershare.com.au/easyupdate/pf1 and following the prompts.

The Meeting Materials are important and should be read in its entirety. If shareholders are in doubt as to how they should vote, they should seek advice from their professional advisers prior to voting. If you have any difficulties obtaining a copy of the Meeting Materials please contact the Company's share registry, Computershare Investor Services Pty Limited on, 1300 850 505 (within Australia) or +61 3 9415 4000 (overseas).

Yours sincerely

Harry Spindler

Company Secretary

**PATHFINDER RESOURCES LIMITED
(TO BE RENAMED 'BATTERY AGE MINERALS LIMITED')
ACN 085 905 997**

NOTICE OF ANNUAL GENERAL MEETING

Notice is given that the Meeting will be held at:

TIME: 9.30 am (AWST)
DATE: Friday, 16 December 2022
PLACE: The Parmelia Hilton Hotel,
14 Mill Street,
Perth, Western Australia 6000

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

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

The Directors have determined pursuant to Regulation 7.11.37 of the Corporations Regulations 2001 (Cth) that the persons eligible to vote at the Meeting are those who are registered Shareholders at 7.00pm (AWST) on 14 December 2022.

Independent Expert's Report: Shareholders should carefully consider the Independent Expert's Report at Annexure A prepared for the purposes of the Shareholder approval under Resolution 21. The Independent Expert's Report comments on the fairness and reasonableness of the transaction the subject of Resolution 21 to the non-associated Shareholders. The Independent Expert has determined that the proposed issue of Performance Rights to Mr Gerard O'Donovan is NOT FAIR, BUT REASONABLE to the non-associated Shareholders.

The exploration results referred to in this Notice of Meeting were first announced in the ASX announcement referred to throughout the Notice of Meeting dated 28 October 2022 (Previous Announcement). The Company is not aware of any new information in respect to these exploration results and full details with respect to these are included in the Previous Announcement.

BUSINESS OF THE MEETING

AGENDA

1. FINANCIAL STATEMENTS AND REPORTS

To receive and consider the annual financial report of the Company for the financial year ended 30 June 2022 together with the declaration of the Directors, the Director's report, the Remuneration Report and the auditor's report.

2. RESOLUTION 1 – ADOPTION OF REMUNERATION REPORT

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

"That, for the purposes of section 250R(2) of the Corporations Act and for all other purposes, approval is given for the adoption of the Remuneration Report as contained in the Company's annual financial report for the financial year ended 30 June 2022."

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

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

3. RESOLUTION 2 – ELECTION OF DIRECTOR – MR ROBERT MARTIN

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

"That, for the purpose of clause 14.4 of the Constitution, Listing Rule 14.4 and for all other purposes, Mr Robert Martin, a Director who was appointed as an additional Director on 12 April 2022, retires, and being eligible, is elected as a Director."

4. RESOLUTION 3 – RE-ELECTION OF DIRECTOR – MR STEPHEN WINDLE

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

"That, for the purpose of clause 14.2 of the Constitution and for all other purposes, Mr Stephen Windle, a Director, retires by rotation, and being eligible, is re-elected as a Director."

5. RESOLUTION 4 – CHANGE TO NATURE AND SCALE OF ACTIVITIES – PROPOSED ACQUISITIONS

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

"That, subject to and conditional upon the passing of all Essential Resolutions, for the purpose of 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 resulting from completion of the Proposed Acquisitions, as described in the Explanatory Statement."

Short Explanation: The Company has entered into the Bleiberg Acquisition Agreement, Tidili Acquisition Agreement and Falcon Lake Acquisition Agreement in respect of the Proposed Acquisitions. If successful, the Proposed Acquisitions will result in the Company changing the nature and scale of its activities. Listing Rule 11.1.2 requires the Company to seek Shareholder approval where it proposes to make a significant change to the nature and scale of its activities. ASX has also advised the Company that it will be required to re-comply with the requirements of Chapters 1 and 2 of the Listing Rules in accordance with Listing Rule 11.1.3. Please refer to the Explanatory Statement for details.

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

6. RESOLUTION 5 – APPROVAL OF 7.1A MANDATE

To consider and, if thought fit, to pass the following resolution as a **special resolution**:

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

7. RESOLUTION 6 – ISSUE OF SHARES IN CONSIDERATION FOR PROPOSED ACQUISITION OF BLEIBERG PROJECT

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

"That, subject to and conditional upon the passing of all Essential Resolutions, for the purpose of Listing Rule 7.1 and for all other purposes, approval is given for the Company to issue the Bleiberg Deferred Consideration Shares on the terms and conditions set out in the Explanatory Statement."

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

8. RESOLUTION 7 – ISSUE OF SHARES IN CONSIDERATION FOR PROPOSED ACQUISITION OF FALCON LAKE PROJECT

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

"That, subject to and conditional upon the passing of all Essential Resolutions, for the purpose of Listing Rule 7.1 and for all other purposes, approval is given for the Company to issue the FEM Consideration Shares on the terms and conditions set out in the Explanatory Statement."

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

9. **RESOLUTION 8 – ISSUE OF SHARES IN CONSIDERATION FOR CORPORATE ADVISORY SERVICES**

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

"That, subject to and conditional upon the passing of all Essential Resolutions, for the purposes of the ASX Listing Rules and for all other purposes, approval is given for the Company to issue the Geomap Shares on the terms and conditions set out in the Explanatory Statement."

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

10. **RESOLUTION 9 – ISSUE OF CAPITAL RAISING SECURITIES**

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

"That, subject to and conditional upon the passing of all Essential Resolutions, for the purposes of Listing Rule 7.1 and for all other purposes, approval is given for the Company to issue up to 17,500,000 Shares, together with one free attaching Option for every one Share subscribed for and issued, on the terms and conditions set out in the Explanatory Statement."

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

11. **RESOLUTION 10 – APPOINTMENT OF DIRECTOR – MR GERRY FAHEY**

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

"That, subject to completion of the Proposed Acquisitions and conditional upon the passing of all Essential Resolutions, pursuant to and in accordance with the Company's Constitution and for all other purposes, Mr Gerry Fahey, having consented to act as a director of the Company, be appointed as a director of the Company with effect on and from completion of the Proposed Acquisitions."

12. **RESOLUTION 11 – APPOINTMENT OF DIRECTOR – DR DAVID PEVCIC**

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

"That, subject to completion of the Proposed Acquisitions and conditional upon the passing of all Essential Resolutions, pursuant to and in accordance with the Company's Constitution and for all other purposes, Dr David Pevcic, having consented to act as a director of the Company, be appointed as a director of the Company with effect on and from completion of the Proposed Acquisitions."

13. RESOLUTION 12 – DIRECTOR PARTICIPATION IN CAPITAL RAISING – MR SUFIAN AHMAD

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

"That, subject to and conditional upon the passing of all Essential Resolutions, for the purpose of ASX Listing Rule 10.11 and for all other purposes, approval is given for the Company to allot and issue 2,500,000 Shares, together with one free attaching Option for every one Share subscribed for and issued to Mr Sufian Ahmad (or his nominee) on the terms and conditions set out in the Explanatory Statement."

Note: A voting exclusion statement and voting prohibition statement applies to this Resolution. Please see below.

14. RESOLUTION 13 – PARTICIPATION IN CAPITAL RAISING – MR GERRY FAHEY

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

"That, subject to and conditional upon the passing of all Essential Resolutions, for the purpose of ASX Listing Rule 10.11 and for all other purposes, approval is given for the Company to allot and issue 62,500 Shares, together with one free attaching Option for every one Share subscribed for and issued to Mr Fahey (or his nominee) on the terms and conditions set out in the Explanatory Statement."

Note: A voting exclusion statement and voting prohibition statement applies to this Resolution. Please see below.

15. RESOLUTION 14 – DIRECTOR PARTICIPATION IN CAPITAL RAISING – MR ROBERT MARTIN

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

"That, subject to and conditional upon the passing of all Essential Resolutions, for the purpose of ASX Listing Rule 10.11 and for all other purposes, approval is given for the Company to allot and issue 1,250,000 Shares, together with one free attaching Option for every one Share subscribed for and issued to Mr Martin (or his nominee) on the terms and conditions set out in the Explanatory Statement."

Note: A voting exclusion statement and voting prohibition statement applies to this Resolution. Please see below.

16. RESOLUTION 15 – PARTICIPATION IN CAPITAL RAISING – DR DAVID PEVCIC

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

"That, subject to and conditional upon the passing of all Essential Resolutions, for the purpose of ASX Listing Rule 10.11 and for all other purposes, approval is given for the Company to allot and issue up to 750,000 Shares, together with one free attaching Option for every one Share subscribed for and issued to Dr Pevcic (or his nominee) on the terms and conditions set out in the Explanatory Statement."

Note: A voting exclusion statement and voting prohibition statement applies to this Resolution. Please see below.

17. RESOLUTION 16 – 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 and conditional upon the passing of all Essential Resolutions, for the purpose of section 195(4) of the Corporations Act and for all other purposes, Shareholders approve and authorise the Directors to complete the issues as contemplated in Resolutions 12 to 15 (inclusive)."

18. RESOLUTION 17 – CHANGE OF COMPANY NAME

To consider and, if thought fit, to pass the following resolution as a **special resolution**:

*"That, conditional upon the passing of all Essential Resolutions, for the purposes of section 157(1)(a) and for all other purposes, approval is given for the name of the Company to be changed to **Battery Age Minerals Limited**."*

19. RESOLUTION 18 – INCREASE IN TOTAL AGGREGATE REMUNERATION FOR NON-EXECUTIVE DIRECTORS

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

"That, for the purposes of clause 14.7 of the Constitution, Listing Rule 10.17 and for all other purposes, Shareholders approve an increase of the total aggregate amount of fees payable to non-executive Directors from \$300,000 per annum to \$500,000 per annum in accordance with the terms and conditions set out in the Explanatory Statement."

Note: A voting exclusion statement and voting prohibition statement applies to this Resolution. Please see below.

20. RESOLUTION 19 – REPLACEMENT OF CONSTITUTION

To consider and, if thought fit, to pass the following resolution as a **special resolution**:

"That, for the purposes of section 136(2) of the Corporations Act and for all other purposes, approval is given for the Company to repeal its existing Constitution and adopt a new constitution in its place in the form as signed by the chairman of the Meeting for identification purposes."

21. RESOLUTION 20 – ADOPTION OF EMPLOYEE INCENTIVE SECURITIES 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(b)) and for all other purposes, approval is given for the Company to adopt an employee incentive scheme titled "Employee Incentive Securities Plan" and for the issue of a maximum of 3,850,000 Securities under that Plan, on the terms and conditions set out in the Explanatory Statement."

Note: A voting exclusion statement and voting prohibition statement applies to this Resolution. Please see below.

22. RESOLUTION 21 – ISSUE OF PERFORMANCE RIGHTS TO MR GERARD O'DONOVAN

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

"That, subject to and conditional upon the passing of all Essential Resolutions, for the purpose of Listing Rule 7.1 and for all other purposes, approval is given for the Company to issue 1,000,000 Performance Rights to Mr Gerard O'Donovan on the terms and conditions set out in the Explanatory Statement."

Notes:

1. A voting exclusion statement applies to this Resolution. Please see below.
2. Shareholders should carefully consider the Independent Expert's Report at Annexure A prepared for the purposes of the Shareholder approval under Resolution 21. The Independent Expert's Report comments on the fairness and reasonableness of the transaction the subject of Resolution 21 to the non-associated Shareholders. The Independent Expert has determined that the proposed issue of Performance Rights to Mr Gerard O'Donovan is NOT FAIR, BUT REASONABLE to the non-associated Shareholders.

Dated: 16 November 2022

By order of the Board

**Harry Spindler
Company Secretary
Pathfinder Resources Limited**

Voting Prohibition Statement:

Resolution 1 – Adoption of Remuneration Report	A vote on this Resolution must not be cast (in any capacity) by or on behalf of either of the following persons: (a) a member of the Key Management Personnel, details of whose remuneration are included in the Remuneration Report; or (b) a Closely Related Party of such a member. However, a person (the voter) described above may cast a vote on this Resolution as a proxy if the vote is not cast on behalf of a person described above and either: (a) the voter is appointed as a proxy by writing that specifies the way the proxy is to vote on this Resolution; or (b) the voter is the Chair and the appointment of the Chair as proxy: (i) does not specify the way the proxy is to vote on this Resolution; and (ii) expressly authorises the Chair to exercise the proxy even though this Resolution is connected directly or indirectly with the remuneration of a member of the Key Management Personnel.
Resolutions 12 – 15 – Director Participation in Capital Raising	A person appointed as a proxy must not vote, on the basis of that appointment, on this Resolution if: (a) the proxy is either: (i) a member of the Key Management Personnel; or (ii) a Closely Related Party of such a member; and (b) the appointment does not specify the way the proxy is to vote on this Resolution. However, the above prohibition does not apply if: (a) the proxy is the Chair; and (b) the appointment expressly authorises the Chair to exercise the proxy even though this Resolution is connected directly or indirectly with remuneration of a member of the Key Management Personnel.
Resolution 18 – Increase in Total Aggregate Remuneration for Non-Executive Directors	A person appointed as a proxy must not vote, on the basis of that appointment, on this Resolution if: (a) the proxy is either: (i) a member of the Key Management Personnel; or (ii) a Closely Related Party of such a member; and (b) the appointment does not specify the way the proxy is to vote on this Resolution. However, the above prohibition does not apply if: (a) the proxy is the Chair; and (b) the appointment expressly authorises the Chair to exercise the proxy even though this Resolution is connected directly or indirectly with remuneration of a member of the Key Management Personnel.
Resolution 20 – Adoption of Employee Incentive Securities Plan	A person appointed as a proxy must not vote, on the basis of that appointment, on this Resolution if: (a) the proxy is either: (i) a member of the Key Management Personnel; or (ii) a Closely Related Party of such a member; and (b) the appointment does not specify the way the proxy is to vote on this Resolution. However, the above prohibition does not apply if: (a) the proxy is the Chair; and (b) the appointment expressly authorises the Chair to exercise the proxy even though this Resolution is connected directly or indirectly with remuneration of a member of the Key Management Personnel.

Voting Exclusion Statements

In accordance with Listing Rule 14.11, the Company will disregard any votes cast in favour of the Resolution set out below by or on behalf of the following persons:

Resolution 4– Change to Nature and Scale of Activities – Proposed Acquisitions	A counterparty to the transaction that, of itself or together with one or more transactions, will result in a significant change to the nature and 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 Shareholder), or an associate of that person or those persons.
Resolution 6 – Issue of Shares in consideration for proposed acquisition of Bleiberg Project	Poly Resources LLC (or its nominee) or any other person who is expected to participate in, or who will obtain a material benefit as a result of, the proposed issue (except a benefit solely by reason of being a Shareholder), or an associate of that person or those persons.
Resolution 7 – Issue of Shares in consideration for proposed acquisition of Falcon Lake Project	FEM (or its nominee) or any other person who is expected to participate in, or who will obtain a material benefit as a result of, the proposed issue (except a benefit solely by reason of being a Shareholder), or an associate of that person or those persons.
Resolution 8 – Issue of Shares in consideration for corporate advisory and introductory services	Geomap Exploration Inc (or its nominee) or any other person who is expected to participate in, or who will obtain a material benefit as a result of, the proposed issue (except a benefit solely by reason of being a Shareholder), or an associate of that person or those persons.
Resolution 9 – Issue of Capital Raising Securities	The Investors or any other person who is expected to participate in, or who will obtain a material benefit as a result of, the proposed issue (except a benefit solely by reason of being a Shareholder), or an associate of that person or those persons.
Resolutions 12 – 15 – Director participation in Capital Raising	Messrs Ahmad, Fahey and Martin and Dr Pevcic (or their nominees) and any other person who will obtain a material benefit as a result of the issue of the securities (except a benefit solely by reason of being a Shareholder or an associate of that person or those persons).
Resolution 18 – Increase in Total Aggregate Remuneration for Non-Executive Directors	A Director or an associate of that person or those persons.
Resolution 20– Adoption of Employee Incentive Securities Plan	A person who is eligible to participate in the employee incentive scheme or an associate of that person or those persons.
Resolution 21 – Issue of Performance Rights to Mr Gerard O'Donovan	Mr O'Donovan (or his nominee) or any other person who is expected to participate in, or who will obtain a material benefit as a result of, the proposed issue (except a benefit solely by reason of being a Shareholder), or an associate of that person or those persons.

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

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

Voting by proxy

To vote by proxy, please complete and sign the enclosed Proxy Form and return by the time and in accordance with the instructions set out on the Proxy Form.

In accordance with section 249L of the Corporations Act, Shareholders are advised that:

- each Shareholder has a right to appoint a proxy;
- the proxy need not be a Shareholder of the Company; and
- a Shareholder who is entitled to cast two (2) or more votes may appoint two (2) proxies and may specify the proportion or number of votes each proxy is appointed to exercise. If the member appoints two (2) proxies and the appointment does not specify the proportion or number of the member's votes, then in accordance with section 249X(3) of the Corporations Act, each proxy may exercise one-half of the votes.

Shareholders and their proxies should be aware that:

- if proxy holders vote, they must cast all directed proxies as directed; and
- any directed proxies which are not voted will automatically default to the Chair, who must vote the proxies as directed.

Voting in person

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

Should you wish to discuss the matters in this Notice of Meeting please do not hesitate to contact the Company Secretary on +61 8 6109 6689.

EXPLANATORY STATEMENT

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

The Company notes that:

- (a) the Proposed Acquisitions require Shareholder approval under the Listing Rules and therefore may not proceed if that approval is not forthcoming;
- (b) the Company is required to re-comply with ASX's requirements for admission and quotation and therefore the Proposed Acquisitions may not proceed if those requirements are not met;
- (c) ASX has an absolute discretion in deciding whether to re-admit the Company to the official list and to quote its securities and therefore the Proposed Acquisitions may not proceed if ASX exercises that discretion unfavourably; and
- (d) investors should take account of these uncertainties in deciding whether to buy or sell the Company's securities.

ASX takes no responsibility for the contents of this Notice.

1. FINANCIAL STATEMENTS AND REPORTS

In accordance with the Corporations Act, the business of the Meeting will include receipt and consideration of the annual financial report of the Company for the financial year ended 30 June 2022 together with the declaration of the Directors, the Directors' report, the Remuneration Report and the auditor's report.

The Company will not provide a hard copy of the Company's annual financial report to Shareholders unless specifically requested to do so. The Company's annual financial report is available on its website at www.pathfinderresources.com.au.

2. RESOLUTION 1 – ADOPTION OF REMUNERATION REPORT

2.1 General

The Corporations Act requires that at a listed company's annual general meeting, a resolution that the remuneration report be adopted must be put to the shareholders. However, such a resolution is advisory only and does not bind the company or the directors of the company.

The remuneration report sets out the company's remuneration arrangements for the directors and senior management of the company. The remuneration report is part of the directors' report contained in the annual financial report of the company for a financial year.

The chair of the meeting must allow a reasonable opportunity for its shareholders to ask questions about or make comments on the remuneration report at the annual general meeting.

2.2 Voting consequences

A company is required to put to its shareholders a resolution proposing the calling of another meeting of shareholders to consider the appointment of directors of the company (**Spill Resolution**) if, at consecutive annual general meetings, at least 25% of the votes cast on a remuneration report resolution are voted against adoption of the remuneration report and at the first of those annual general meetings a Spill Resolution was not put to vote. If required, the Spill Resolution must be put to vote at the second of those annual general meetings.

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

All of the directors of the company who were in office when the directors' report (as included in the company's annual financial report for the most recent financial year) was approved, other than the managing director of the company, will cease to hold office immediately before the end of the Spill Meeting but may stand for re-election at the Spill Meeting.

Following the Spill Meeting those persons whose election or re-election as directors of the company is approved will be the directors of the company.

2.3 Previous voting results

At the Company's previous annual general meeting the votes cast against the remuneration report considered at that annual general meeting were less than 25%. Accordingly, the Spill Resolution is not relevant for this Meeting.

3. RESOLUTION 2 – ELECTION OF DIRECTOR – MR ROBERT MARTIN

3.1 General

The Constitution allows the Directors to appoint at any time a person to be a Director either to fill a casual vacancy or as an addition to the existing Directors, but only where the total number of Directors does not at any time exceed the maximum number specified by the Constitution.

Pursuant to the Constitution and Listing Rule 14.4, any Director so appointed holds office only until the next annual general meeting and is then eligible for election by Shareholders but shall not be taken into account in determining the Directors who are to retire by rotation (if any) at that meeting.

Mr Robert Martin, having been appointed by other Directors on 12 April 2022 in accordance with the Constitution, will retire in accordance with the Constitution and Listing Rule 14.4 and being eligible, seeks election from Shareholders.

3.2 Qualifications and other material directorships

Mr Robert Martin is a commercial businessman with over 25 years' experience across a broad range of sectors including, mining, manufacturing, mining services and capital markets. Mr Martin previously operated a highly successful mining services company which became a leading provider of products and services to the mining industry with offices and operations located globally in key mining hubs.

Mr Martin now runs a family office in Western Australia with a focus on investing and supporting emerging private and public businesses and currently holds the

positions of Non-Executive Chairman at ASX-listed Critical Resources Limited (ASX: CRR) Non-Executive Chairman at ASX-listed Equinox Resources Limited (ASX: EQN) and Non-Executive Director at Parkd Limited (ASX: PKD).

3.3 Independence

Mr Martin has no interests, position or relationship that might influence, or reasonably be perceived to influence, in a material respect his capacity to bring an independent judgement to bear on issues before the Board and to act in the best interest of the Company as a whole rather than in the interests of an individual security holder or other party.

If elected the Board considers Mr Martin will continue to be an independent Director.

3.4 Other material information

The Company conducts appropriate checks on the background and experience of candidates before their appointment to the Board. These include checks as to a person's experience, educational qualifications, character, criminal record and bankruptcy history. The Company undertook such checks prior to the appointment of Mr Martin.

Mr Martin has confirmed that he considers he will have sufficient time to fulfil his responsibilities as a Non-Executive Director of the Company and does not consider that any other commitment will interfere with his availability to perform his duties as a Non-Executive Director of the Company.

It is proposed that Mr Martin will be appointed as Chairman of the Company at the time of the Company's relisting, upon resignation of Mr Sufian Ahmad.

3.5 Board recommendation

The Board has reviewed Mr Martin's performance since his appointment to the Board and considers that their skills and experience will continue to enhance the Board's ability to perform its role. Accordingly, the Board supports the election of Mr Martin and recommends that Shareholders vote in favour of Resolution 2.

4. RESOLUTION 3 – RE-ELECTION OF DIRECTOR – DR STEPHEN WINDLE

4.1 General

The Constitution sets out the requirements for determining which Directors are to retire by rotation at an annual general meeting.

Dr Stephen Windle, who has served as a Director since 5 October 2021 and was last re-elected on 30 November 2021, retires by rotation and seeks re-election.

4.2 Qualifications and other material directorships

Dr. Windle is a Brisbane based geologist with over 30 years' experience in exploration management, geo-metallurgy, resource modelling, and exploration technology, specialising in intrusion related copper-gold and base metals systems. Dr. Windle previously held senior roles at Xstrata, managing exploration and assisting in the feasibility studies for the Frieda River Cu-Au deposit. He subsequently spent 9 years in Peru, serving as Geology Manager for the Cu-Zn Antamina project, the largest operating polymetallic skarn ore-body in the world.

Since 2017, Dr. Windle has also provided consulting services to a number of projects hosting porphyry, skarn and epithermal systems, including the Zafranal project owned by Teck Resources and MMC (Mitsubishi Materials Corporation). Dr. Windle holds an undergraduate degree from Cambridge University and completed MSc and PhD programmes at Otago and Southampton Universities respectively

4.3 Independence

If re-elected the Board considers Dr Windle will continue to be an independent Director.

4.4 Board recommendation

The Board has reviewed Dr Windle's performance since his appointment to the Board and considers that their skills and experience will continue to enhance the Board's ability to perform its role. Accordingly, the Board supports the re-election of Dr Windle and recommends that Shareholders vote in favour of Resolution 3.

5. BACKGROUND TO THE PROPOSED ACQUISITIONS

5.1 Background

The Company is an Australian public company, which was incorporated on 18 January 1999 as IOCOM Limited and was originally admitted to the Official List on 10 December 1999, focussing on IT services.

In 2010, the Company changed its focus to exploration activities (namely on the Hamersley Iron Ore Project) and changed its name to Winmar Resources Limited. The Company pursued the Hamersley Iron Project (its previous flagship project), the Lomero Project in Spain, the Bloom Lake Claim Block in Canada and the Luapula Project in the Democratic Republic of the Congo. For various reasons, none of the previous projects were economically or commercially viable and were therefore subsequently not pursued by the Company, and after a period of two years of continuous suspension from trading on the ASX, the Company was removed from the Official List on 9 June 2020.

The Company subsequently lodged a prospectus for an initial public offering of its securities on 31 August 2020 as Winmar Resources Limited (to be renamed Pathfinder Resources Limited) and Official Quotation of the Company's Securities commenced on Wednesday 4 November 2020 as Pathfinder Resources Limited.

The Company's Securities were then suspended from Official Quotation on 8 April 2022 following consultation with ASX regarding the potential acquisition of the Bleiberg Project in Austria. ASX confirmed that Listing Rule 11.1.3 would apply to the proposed acquisition of the Bleiberg Project and that the Company would be required under Listing Rule 11.1.3 to comply with all of the requirements of Chapters 1 and 2 of the Listing Rules before completing the acquisition of the Bleiberg Project.

As at the date of this Notice, the Company's securities remain suspended and the Company has not issued any securities since being suspended. During the period of suspension, the Company has continued to maintain its interest in its existing assets.

5.2 Proposed Acquisitions

As announced on 28 October 2022, the Company has entered into binding agreements pursuant to which, at the time of re-instatement of the Company's Shares to Official Quotation, it will hold interests in the following three projects:

- (a) **the Bleiberg Project:** the Bleiberg Project (in which the Company will hold up to an 15% interest and rights to acquire up to 80%) consists of 116 exploration licences totalling 6,582.4 hectares, located approximately 130 kilometres south of the city of Salzburg, Austria. The Bleiberg Project is a well-known, 700-year-old, polymetallic zinc and lead mine site with numerous scientific publications, extensive infrastructure and known mineralized bodies;
- (b) **the Falcon Lake Project:** the Company is proposing to acquire an interest in the "lower-central" sub-claims of the Falcon Lake Project, which comprises 48 mining claims prospective for Lithium covering approximately 960 hectares of land located in the Thunder Bay Mining Division of North-western Ontario, Canada. These claims will supplement the Company's existing 166 claims in the area, which cover approximately 3,320 hectares of land (being the "east, west and upper-central sub-claims" of the Falcon Lake Project). The Project is considered a greenfield project with some historical exploration intercepting Li₂O mineralisation; and
- (c) **the Tidili Project:** the Tidili Project (in which the Company will hold a 85% interest) covers an area of 34km², located in a copper district over a broadly 200km long district that extends southwards from slightly north of Marrakech, the fourth largest city in the Kingdom of Morocco. The Tidili Project is a "greenfield" project and exploration activities to date have included some mapping and sampling,

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

The proposed acquisition of each of the New Projects (**Proposed Acquisitions**) are conditional on the Company obtaining all necessary regulatory and Shareholder approvals to effect the acquisitions and satisfying all other requirements of ASX for the reinstatement of the Company's Shares to Official Quotation. These consist of:

- (a) shareholder approvals under Listing Rules 7.1 and 11.1.2 (see Sections 6, 8, 9 and 11); and
- (b) the ASX providing in-principle advice that Listing Rule 1.1 (Condition 11) does not apply to the cash payments to be made to the relevant vendors in respect of the Proposed Acquisitions, such advice the ASX has already provided;
- (c) conditional approval being obtained from the ASX to re-admit the securities of the Company to the official list of the ASX; and
- (d) as part of its ongoing legal due diligence process, the Company will consider any consents that are required to be obtained, including any land access agreements that the Company will be required to enter into in order to access the New Projects and carry out its exploration programs. However, at this stage, the Company is unaware of any such consents.

At the date of this Notice, the Company is unaware of any additional shareholder or regulatory approvals that are required to lawfully complete the transaction.

If shareholder approval to undertake the Proposed Acquisitions is not granted, **then the Proposed Acquisitions will not proceed.**

A summary of the acquisition agreements through which the Company will acquire an interest in the New Projects is set out in Schedule 1 and further information in respect of the New Projects is set out below.

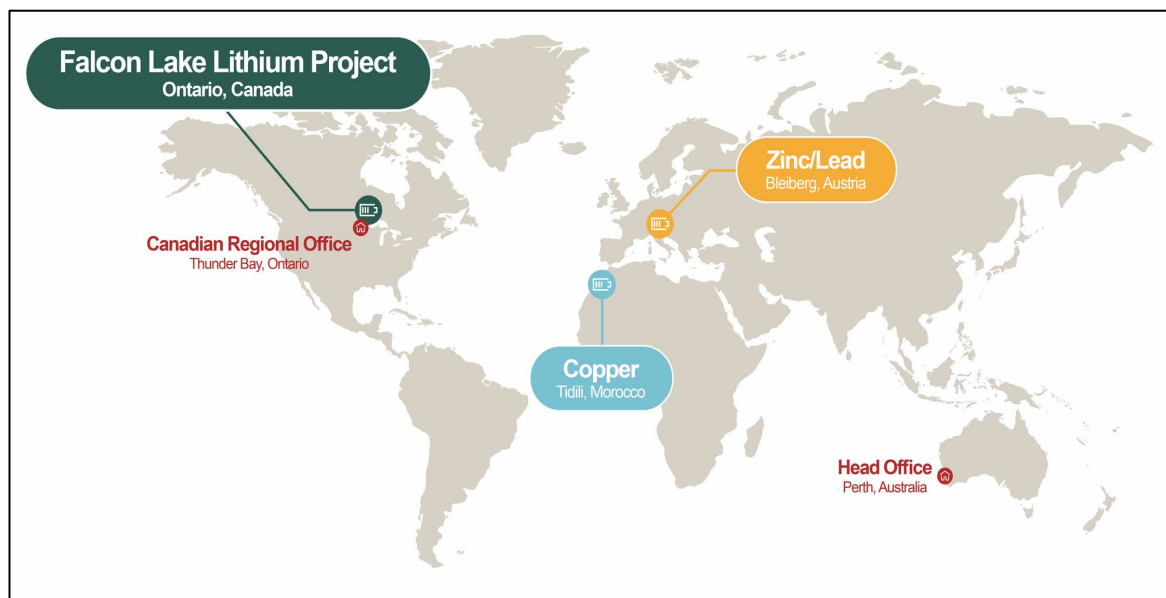


Figure 1: Project Portfolio & Proposed Office Locations

5.2.1 Bleiberg Project

On 13 October 2022, the Company entered into an agreement with Poly Resources LLC (an entity incorporated in Delaware, United States of America) (**Poly**), pursuant to which it has the exclusive right to earn up to an 80% interest in the Bleiberg Project (**Bleiberg Acquisition Agreement**), and upon earning such interest, to form a joint venture for the development and exploitation of the Bleiberg Project. Poly is a subsidiary of TSX-listed Multi-Metal Development Ltd (an entity incorporated in British Columbia) (**Multi-Metal Development**). A summary of the material terms and conditions of the Bleiberg Acquisition Agreement is set out in Schedule 1.

In accordance with the terms of the Bleiberg Acquisition Agreement, the earn-in tranches that must be satisfied by the Company, subject to shareholder approval, comprise the following:

- (a) prior to the Company's re-admission to the Official List, the Company intends to acquire an initial 15% legal and beneficial interest in the Bleiberg Project (**Bleiberg Tranche 1 Interest**) by:
 - (i) making a cash payment of C\$50,000 to Poly; and
 - (ii) issuing Poly (or its nominee) C\$177,500 worth of shares calculated based on the greater of: (a) the 10-day volume weighted average price of shares (**10-Day VWAP**) or (b) A\$0.40 (**Bleiberg T1 Deferred Consideration Shares**);

- (b) the Company will acquire a further 36% legal and beneficial interest in the Bleiberg Project (**Bleiberg Tranche 2 Interest**) within 24 months of acquiring the Bleiberg Tranche 1 Interest by:
- (i) incurring a minimum of C\$1,000,000 in expenditure on the Bleiberg Project; and
 - (ii) issuing to Poly (or its nominee) C\$377,500 worth of shares calculated based on the greater of: (a) the 10-day volume weighted average price of shares or (b) A\$0.40 (**Bleiberg T2 Deferred Consideration Shares**);
- (c) the Company will acquire an additional 14% legal and beneficial interest in the Bleiberg Project (**Bleiberg Stage 3 Interest**) within 24 months of acquiring the Bleiberg Tranche 2 Interest by incurring an additional C\$3,500,000 in expenditure on the Bleiberg Project; and
- (d) the Company will acquire a final 15% legal and beneficial interest in the Bleiberg Project (**Bleiberg Tranche 4 Interest**) within 6.5 years of the date of execution of the Bleiberg Acquisition Agreement upon completion of an independent Bankable Feasibility Study (**BFS**) that is compliant with the JORC Code and indicates that the Bleiberg Project will have a production rate of at least 100,000 tonnes per year (200 tonnes per day).

The Bleiberg T1 Deferred Consideration Shares and Bleiberg T2 Deferred Consideration Shares are hereafter together referred to as the **Bleiberg Deferred Consideration Shares**.

The number of Bleiberg Deferred Consideration Shares to be issued will be calculated based on the 10-day VWAP and the 20-day CAD/AUS exchange rate as prescribed by Bank of Canada on the day before the date of issue of the Shares.

Resolution 6 seeks Shareholder approval for the purposes of Listing Rule 7.1 for the issue of the Bleiberg Deferred Consideration Shares.

Further information in respect of the material terms and conditions of the Bleiberg Acquisition Agreement (including the other consideration payable to Poly for the acquisition of an interest in the Bleiberg Project) is set out in Schedule 1.

5.2.2 Falcon Lake Project

On 13 October 2022, the Company entered into an agreement with First Energy Metals Limited (an entity incorporated in British Columbia, Canada) (CSE:FE) (**FEM**) pursuant to which it has the exclusive right to acquire up to a 100% interest in the in the lower-central claims of the Falcon Lake Project, and in certain circumstances, to form a joint venture for the development and exploitation of the Falcon Lake Project (**Falcon Lake Acquisition Agreement**). A summary of the material terms and conditions of the Falcon Lake Acquisition Agreement is set out in Schedule 1.

The consideration payable by the Company, subject to shareholder approval, comprises the following tranches:

- (a) the Company will acquire an initial 65% legal and beneficial interest in the Falcon Lake Project (**Falcon Lake Tranche 1 Interest**) by:

- (i) issuing the amount of fully paid ordinary shares in the capital of the Company to FEM (or its nominee) equal to A\$550,000 based on a deemed issue price of A\$0.40 per Share, being 1,375,000 shares (**FEM T1 Consideration Shares**); and
 - (ii) making a cash payment of A\$100,000 to FEM;
- (b) the Company will acquire a further 25% legal and beneficial interest in the Falcon Lake Project (**Falcon Lake Tranche 2 Interest**) by:
 - (i) issuing the amount of shares equal to A\$300,000 to FEM (or its nominee), based on the 10-Day VWAP calculated on the day before the date of issue of the Shares (subject to a floor price of \$0.40 per Share) (**FEM T2 Consideration Shares**); and
 - (ii) making a cash payment of A\$50,000 to FEM.

The Company's acquisition of the Falcon Lake Tranche 1 Interest and Falcon Lake Tranche 2 Interest must have completed on or before 15 January 2023 (**End Date**).

In the event that the Falcon Lake Tranche 1 interest is not acquired prior to the End Date, then the agreement will terminate and the Company will not have a right to acquire an interest in the Falcon Lake Project.

In the event that the Falcon Lake Tranche 2 Interest is not acquired prior to the End Date, then the agreement will terminate and the Company will not have a right to acquire any further interest in the Falcon Lake Project.

The Company intends to satisfy stages 1 and 2 of this acquisition prior to its re-admission to the Official List.

The Company will acquire a final 10% legal and beneficial interest in the Falcon Lake Project (**Falcon Lake Tranche 3 Interest**), paying an amount equal to the lower of:

- (a) the price determined by an independent valuation; or
- (b) A\$2,000,000 to FEM.

Resolution 7 seeks Shareholder approval for the purposes of Listing Rule 7.1 for the issue of the FEM T1 Consideration Shares and FEM T2 Consideration Shares (together, the **FEM Consideration Shares**).

Further information in respect of the material terms and conditions of the Falcon Lake Acquisition Agreement (including the other consideration payable to FEM for the acquisition of an interest in the Falcon Lake Project) is set out in Schedule 1.

5.2.3 Tidili Project

On 13 October 2022, the Company entered into a binding agreement with the shareholders of St Ben Yaakoub Grande Travaux Minier (**BYGTM**) (a company incorporated in Morocco), the 100% legal owner of the Tidili Project, pursuant to which the Company agreed to acquire 85% of the issued capital of BYGTM (**Tidili Acquisition Agreement**). A summary of the material terms and conditions of the Tidili Acquisition Agreement is set out in Schedule 1.

5.3 New Projects

5.3.1 Falcon Lake Project

The project area is located approximately 325 km North-northeast of Thunder Bay, Ontario which is the closest port of Lake Superior for seaboard access. The Project area is located approximately 75 km northeast of Armstrong, Ontario (Figure 2)



Figure 2: Falcon Lake Lithium Project – Location.

The Falcon Lake claims can be split into four sub-claims (west, upper-central, lower-central and east sub-claims), which are based on location.

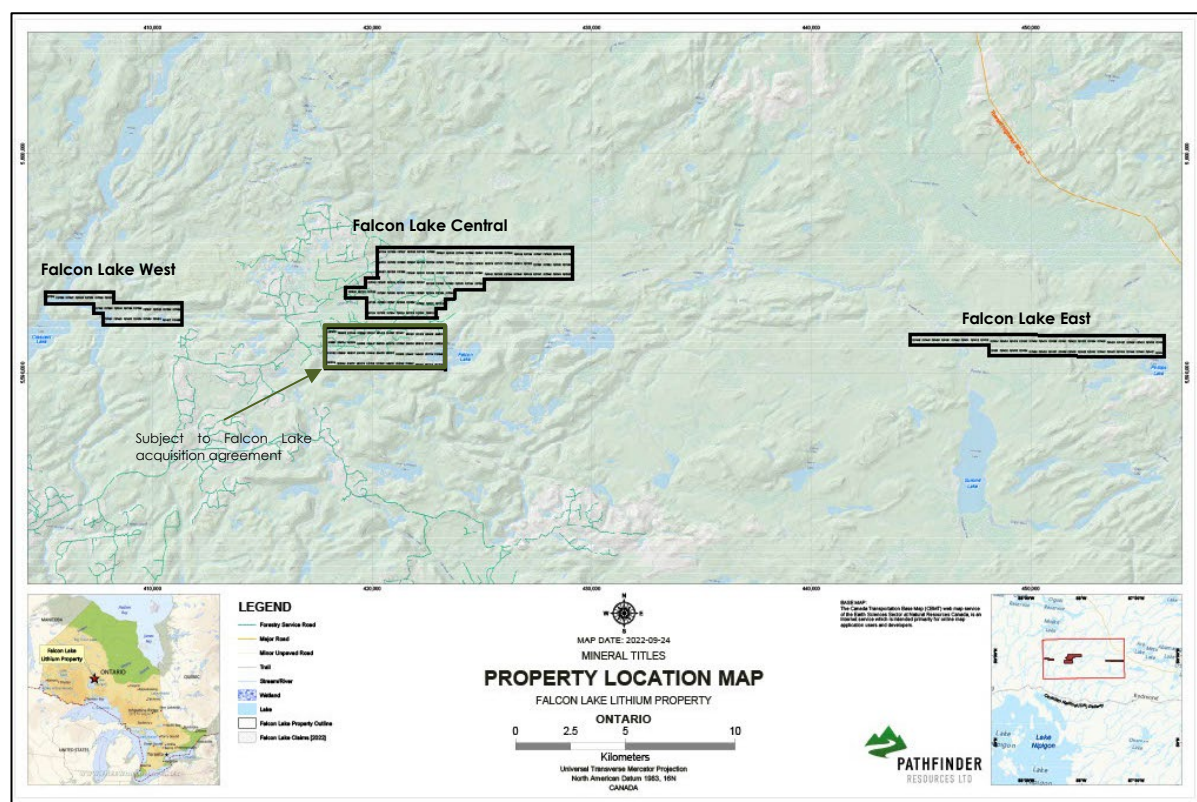


Figure 3: Falcon Lake Lithium Project, Canada – Claims

The Company is proposing to acquire the "lower central" sub-claim from FEM under the Falcon Lake Acquisition Agreement. The terms of this agreement are further summarised in Schedule 1.

The Falcon Lake Project is surrounded by other lithium developers and explorers such as Green Technology Metals, Rock Teck, Imagine Lithium and Ultra Lithium.

Nearby access to infrastructure is available with the Canadian National Rail Line running just south of PF1 claims and the proposed Little Jackfish HydroElectric Station only 10-15km away. The site is located ~3.5hours from Thunder Bay

The Falcon Lake Lithium Project covers a total of 214 mining claims covering 4,280 hectares (42.8 km²) of ground in the east-west trending Caribou Lake-O'Sullivan Greenstone Belt which extends eastward into the Onamou-Tashota Greenstone Belt (48 mining claims covering ~960 hectares (9.6km²) is subject to the Falcon Lake Acquisition Agreement (bottom rectangle of the central sub-project depicted in Figure 3 above, lower-central sub-project) whilst the balance has been independently pegged by the Company).

Pegmatite dykes in the area include the Seymour Lake Pegmatite Group, Crescent Lake Pegmatite Group and the Falcon Lake Pegmatite Group. The pegmatite dykes generally occur in two dominant orientations, the first parallel to the granite-volcanic contacts and the second northeast-trending, parallel to a structural trend in the area. The Falcon Lake Pegmatite Group is described as consisting of 7 pegmatite dykes that intrude amphibolitized mafic meta-volcanic rocks within a 0.25 km x 4.5 km area between Funnel and Falcon Lakes including the Falcon Lake Discovery Pegmatite, Falcon Lake East Pegmatite, Falcon Lake West Pegmatite, Falcon Lake Far West Pegmatite and the North Lamaune Pegmatite. These pegmatites are spodumene-subtype and have some of the highest reported tantalum-rich oxide values in Ontario, associated with manganotantalite and ferrotapiolite. Pye described these pegmatites as

consisting of coarse-grained, unaltered spodumene and blocky potassium feldspar in a groundmass of quartz, albite, muscovite and minor apatite and tourmaline.

Most of the exploration work has centred around the Falcon Lake lower-central sub-project. The Mineral Deposit Inventory ("MDI") occurrences recorded at Falcon Lake Central area by Pye (1968) including:

- Falcon Lake Discovery (MDI52I08NE00012);
- Falcon Lake Central West (FL1) (MDI52I08NE00009); and
- Falcon Lake Central East (FL2) (MDI52I08NE00013).

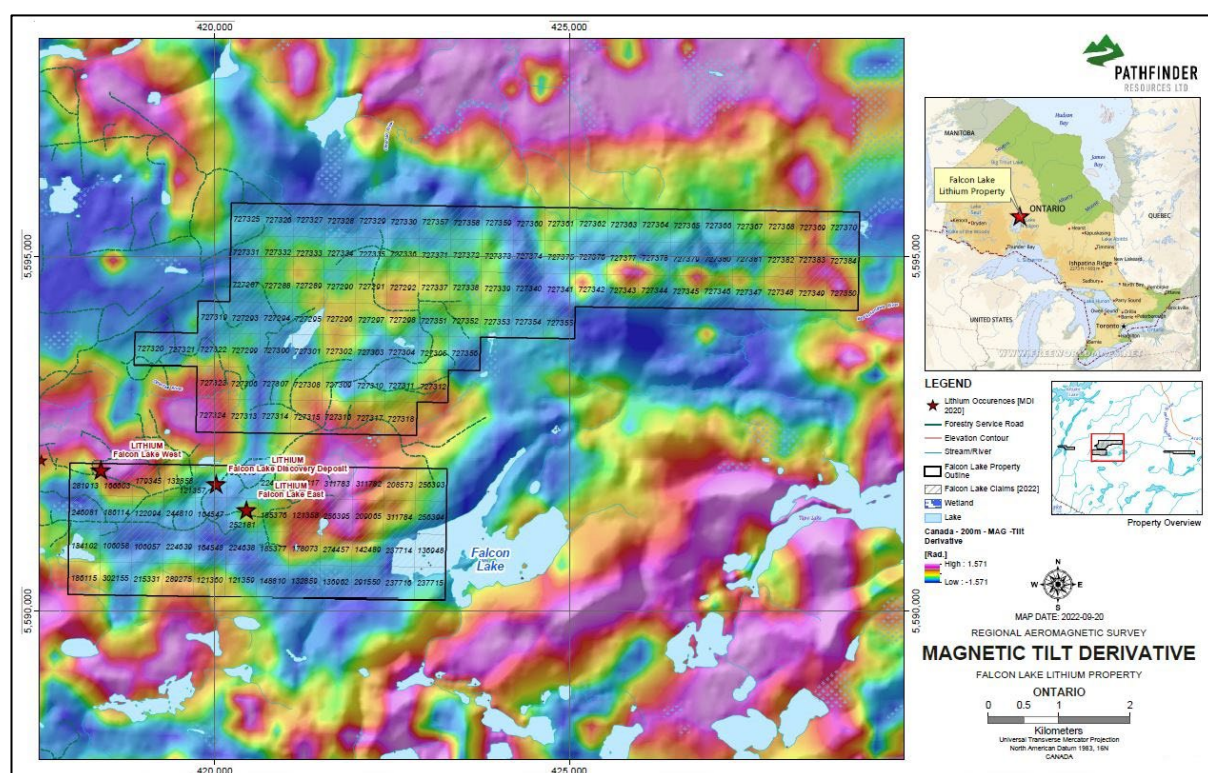


Figure 4: Falcon Lake Central – Magnetic Tilt Derivative Imaging

The first reported work on the Falcon Lake lower-central sub-project property was completed in 1956 on the Falcon Lake Discovery, Falcon Lake Central West and Falcon Lake Central East occurrences. Recent (2009 onwards) exploration includes mapping, grab and channel sampling and a small drilling program to confirm pegmatite continuity and lithium and tantalum tenor down dip from surface trenching. Drill holes intersected the lithium showings at depth, with an average width of approximately 15m and approximately 50m vertical depth from the surface. Diamond drilling has tested ~75m of the apparent 150m strike length to a vertical depth of ~50m below the surface. The southern extension of the zone has also been indicated on surface rock chip sampling. The northern extent of the dyke is truncated by an east-west trending gabbro sill. Enzyme Leach soil geochemistry could effectively expose the blind extension of this dyke north of the gabbro, where the landscape is dominated by thick overburden and outcrop is sparse.

The first reported work on the Falcon Lake lower-central sub-project was completed in 1956 by British Canadian Lithium Mines Ltd ("BCLM"). Scout drilling carried out by BCLM intersected lithium showings.

Further exploration drilling in 2016 on the Falcon Lake lower-central sub-project returned some extremely encouraging Li₂O intercepts as follows:

- 24.4m at 1.48% Li₂O from 10.9m; including
 - 9.0m at 1.95% Li₂O from 20.4m in drill hole FLDD006; and
- 21.7m at 1.09% Li₂O from 48.0m; including
 - 7.9m at 1.31% Li₂O from 49.8m in drill hole FLDD001.

The results are displayed on the Interpretive Geological cross section displayed below:

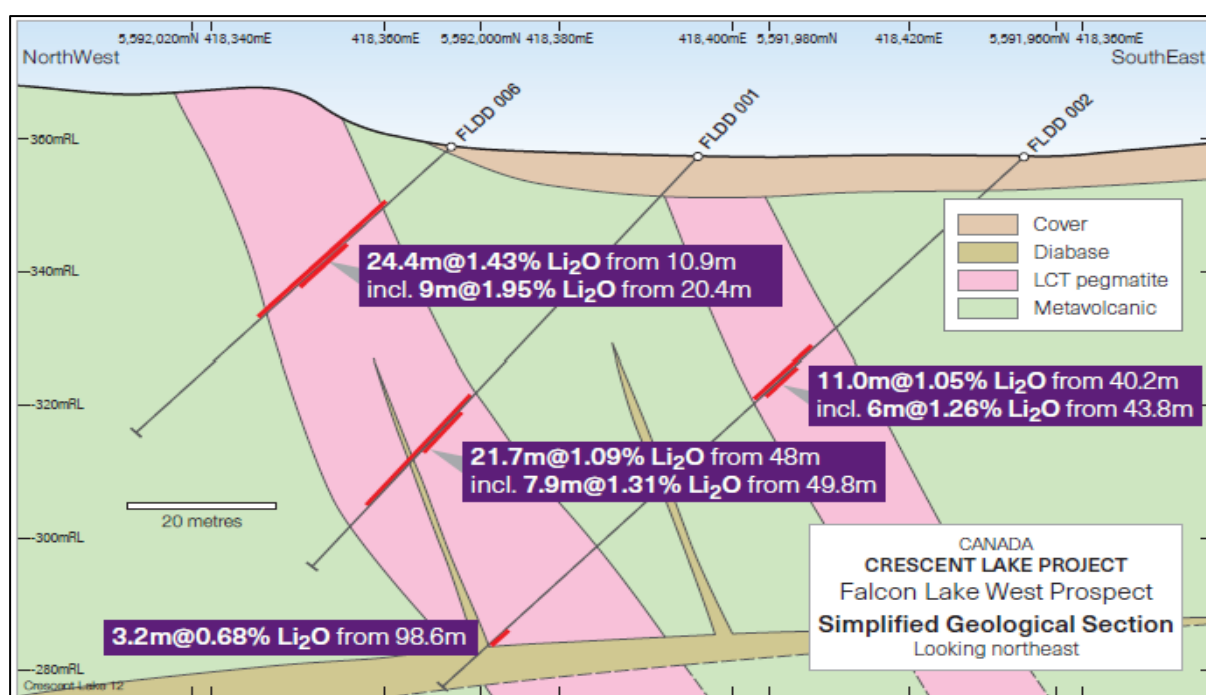


Figure 6: Falcon Lake Cross Sectional Drilling Results

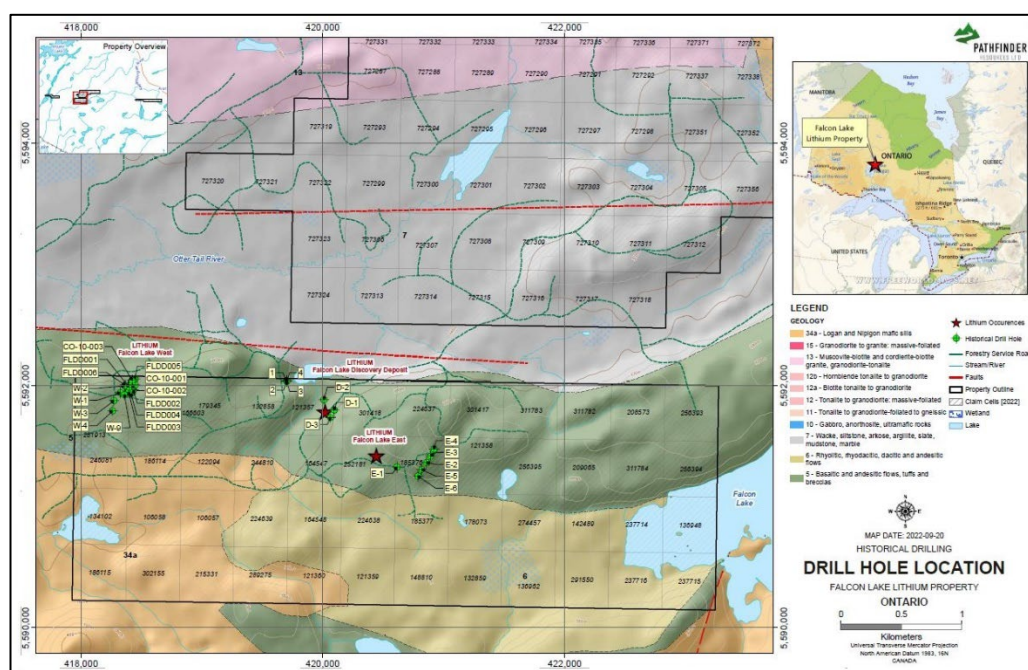


Figure 7: Falcon Lake Lower-Central – Drill Hole Location

Some of the significant drilling results from 2010 and 2016 drilling – Grade Intercepts (0.8% Li₂O Cut-off) are included in Table 2.

Hole ID	From (m)	To (m)	Width (m)	Li ₂ O %	Ta ₂ O ₅ ppm	Be ppm	Cs ppm	Nb ppm	Rb ppm
CO-10-001	69.3	83.3	14	0.99	52.5	145.4	166.0	62.5	2,081
including	69.3	74.3	5	1.25	46.6	214.7	189.8	69.4	2,862
and	79.3	83.3	4	1.50	47.9	128.7	120.1	78.7	1,658
CO-10-002	55.3	62.3	7	1.07	68.6	136.4	377.9	46.1	3,477
CO-10-003	39.4	50.4	11	1.10	50.0	115.2	83.3	62.5	1,377
including	44.4	50.4	6	1.52	48.5	156.6	84.7	79.9	1,670
FLDD001	47	73.2	26.2	0.94					
including	48	69.7	21.7	1.09					
FLDD002	34	52.2	18.2	0.82					
including	40.2	51.2	11	1.05					
FLDD003	25.7	36.9	11.2	0.89					
including	25.7	31.6	5.9	1.34					
FLDD005	55.7	58.2	2.5	0.91					
FLDD006	10.9	35.3	24.4	1.43					

* Li₂O% calculated as (Li ppm/1,000,000) x 2.153 x 100%

Table 2: Significant Intersections from 2010 and 2016 Drilling

The Falcon Lake area is relatively underexplored but has geological characteristics favouring discoveries of more lithium pegmatites. In conclusion, the Falcon Lake Property is considered to have the potential to discover lithium and rare metals pegmatites within the Falcon Lake area.

5.3.2 Tidili Project

The Tidili Project comprises one mining licence and two exploration licences which cover an area of approximately 34km² located in the Municipality of Tidili, Province of Ouarzazate, Region of Draa-Tafilalet of Morocco. The Tidili Project is located about 80km southeast of Marrakesh.

The Tidili Project is located about 50km to the northwest of Ouarzazate and belongs to the Ouarzazate Group of the Upper Neoproterozoic age. Precambrian basement terrain occupies the entire study area. It consists mainly of basic and acidic igneous rock and highly metamorphosed sedimentary facies. These terrains are affected by a network of faults, we note the development of compressive tectonic structures expressed as strike-slip and reverse faults.

The polymetallic Cu, Zn and Pb mineralisation of the Tidili area is notably subject to magmatic activity during the Pan-African orogeny which was probably remobilised by other Paleozoic tectonic events. It corresponds to the structures embedded in the supergroup formations of Ouarzazate. These faults and strike-slip structures are filled with hydrothermal fluids marked by brecciation and sometimes oxidation at the outcrop.

The geochemical analysis of the samples taken from the mineralised structures showed the polymetallic character of this mineralisation marked by high contents of base metals (copper and lead) and gold.

The Tidili Project is a "greenfield" project and exploration activities to date have included some mapping and sampling. The geochemical analysis of the samples taken from the mineralised structures showed the polymetallic character of this mineralisation marked by high contents of base metals (copper and lead) and gold.

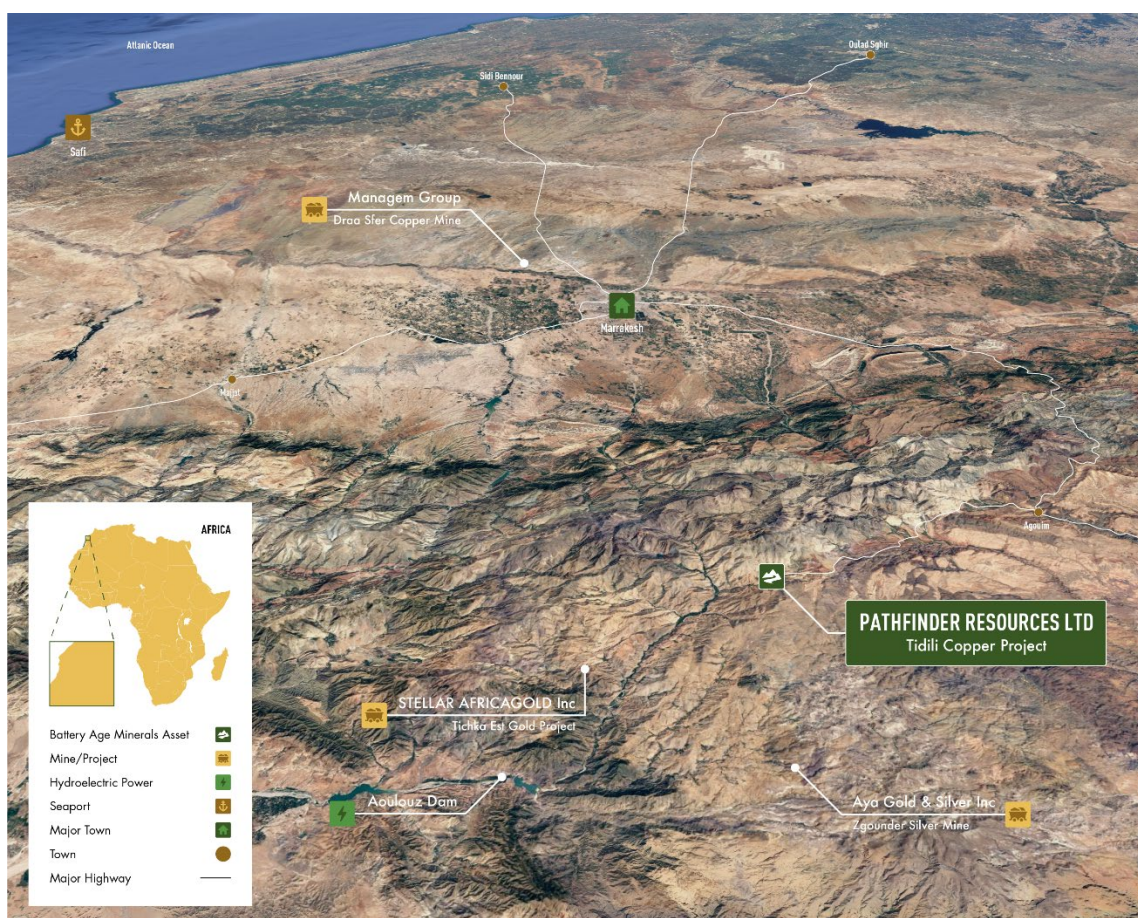


Figure 8: Tidili Project Location

Local Geology

The Tidili claim area is part of the Ouzellarh massif (Choubert, 1952; Michard et al. 2010; Toummite et al. 2012) and contains rocks whose age varies from Neoproterozoic to recent.

In the Tidili region, the Ediacaran formations consist mainly of rocks composition of basalts (rare) to andesites (common) at the bottom of the sequence, rhyodacites in the middle of the sequence, and felsic volcano-detrital-epiclastic rocks covered with basalts at the top of the sequence (Bajja et al. 1999; Ben Chra, 1997, Diallo, 1989, Zahour, 1990, Youbi, 1998; Pouclet et al. 2007).

The lithostratigraphic succession of the Amssozerte-diorite formations, related to the Askaoun granodiorite, lower porphyritic andesites and basaltic basalts (Belkacim, 2014), massive flows of dacitic to rhyolitic lava, more than 1000m thick, covered by pyroclastic ignimbrite flows, then abundant doleritic and basaltic dykes, trending N30°E to NS, ranging from 2m to 15m thick, and crossing dacitic to rhyolitic lava flows, finally basaltic lava flows dipping 30° NW. The contact between the basalts and the ignimbrites is underlain by breccia containing rhyolitic and pyroclastic fragments; these basalts are not studied here.

According to the geological map of Douarçoure at 1:50,000, the area is made up of magmatic and volcanic terrain with appointments from the formations of metamorphic detrital sediments during the Pan-African orogeny. The basement mainly constitutes Ouarzazate group facies (Figure 9).

The presence of Granites, Andesites and Rhyolites were noted in the field, materialised by schistose sedimentary and magmatic rocks and metamorphosed in an anchizonal to epizonal climate by the orogenies that affect the area.

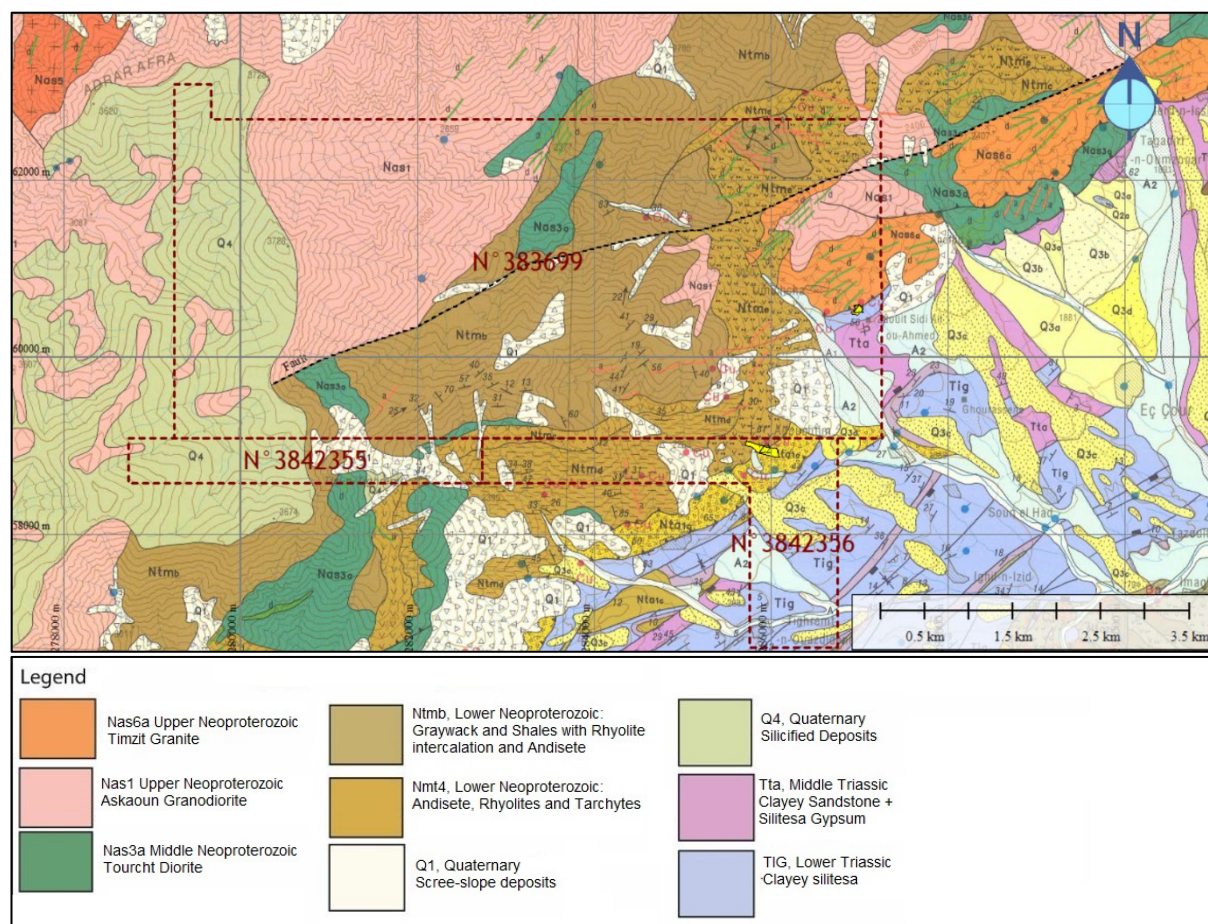


Figure 9: Tidili Project – Local Geology

Mineralisation

The claim area contains Cu and Pb mineralisation, hosted in magmatic and sedimentary rocks of the Precambrian age. The mineralised structures are faults or recesses with sometimes an oxidation which varies from one zone to another depending on the nature of the filling and the lithology of the rock. This polymetallic mineralisation is probably related to magmatic and volcanic activities.

Tidili has clear and distinctive zoning of alteration and mineralisation (Cu, Co, Zn, Ni +/- Au) which has been associated with early Granite intrusions and later hydrothermal fluids.

The mineral assembly at Tidili suggests various origins of Magma compositions that allowed massive Chlorite alteration to reach the surface with low-temperature minerals (Cu, Au +/- Ag). Structurally the area has several deformation stages S1, S2, and S3 which allowed the escape of hydrothermal fluid upwards associated with thick intense chlorite veins 70cm wide lying horizontally on the surface.

Polymetallic mineralisation at Tidili is generally vein and hydrothermal, represented by pyrite, chalcopyrite, sphalerite, galena and malachite throughout. It is carried by rhyolites, andesites, ignimbrites, and granites as well as in certain sedimentary formations of the Precambrian age. Gold has been detected in surface geochemistry samples.

Previous exploration

Limited exploration has been conducted on the Tidili claims. The previous exploration includes soil sampling, some trenching and rock chip sampling.

The surface trenching carried out so far suggests that the mineralised structure is hosted in Rhyolites and Andesites in the form of secondary mineralisation. The structure is generally oriented North-South, with a vertical dip and an average thickness of 5m.

109 Stream samples were collected for analysis. Figure 10 and Figure 11 exhibits the results of the copper and gold stream geochemistry.

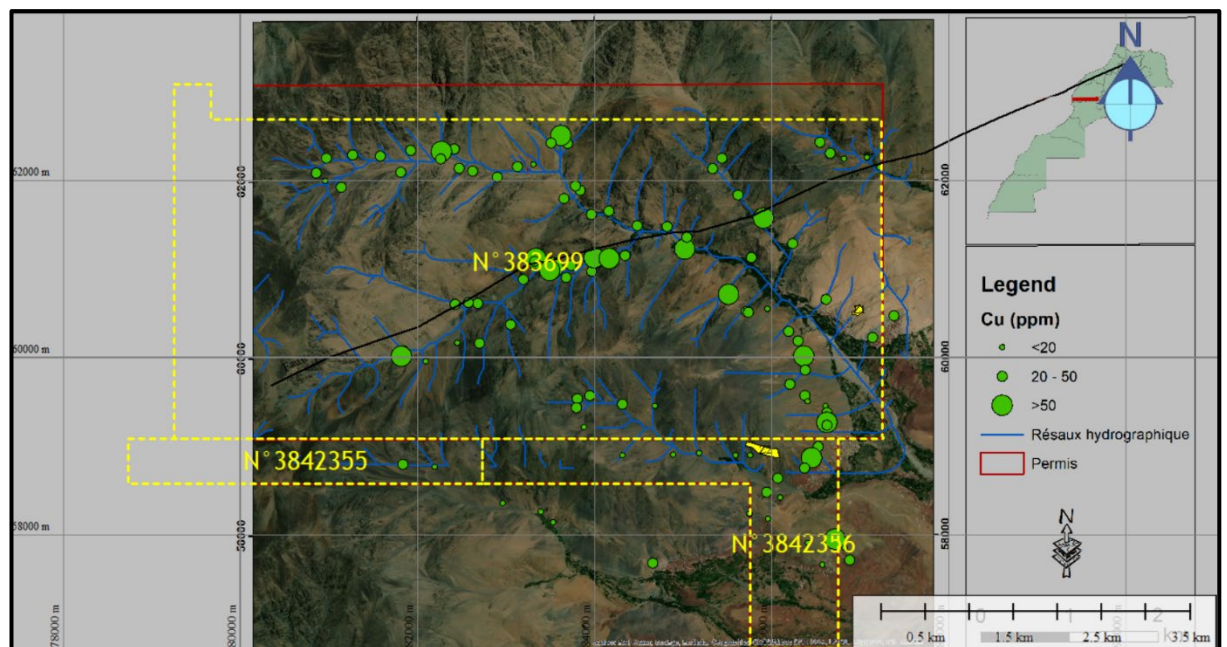


Figure 10: Tidili Project – Copper Stream Geochemistry

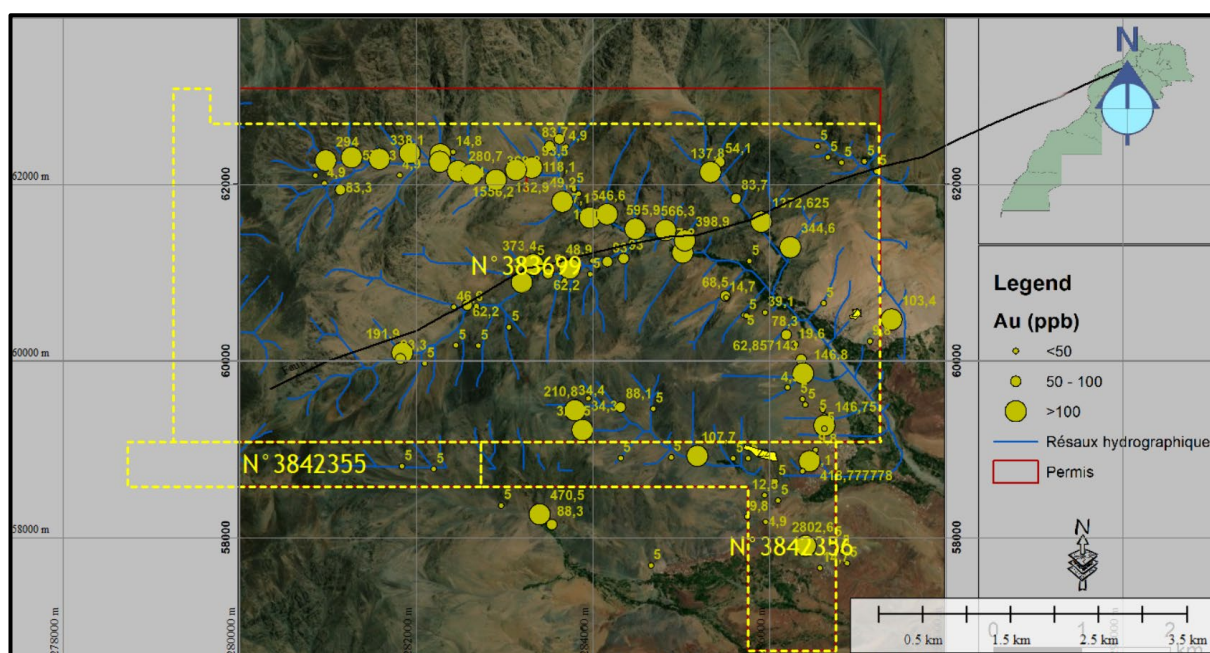


Figure 11: Tidili Project – Gold Stream Geochemistry

Twenty-eight (28) surface rock chip geochemistry samples were collected from the claim area. Rock chip sample results are included in Table 6 of Appendix D.

The geochemical analysis shows enrichment in base metals. Geochemical analyses of samples taken from mineralised structures in the Tidili showed the polymetallic character of this mineralisation. The increase in the copper content in the Tidili sector is accompanied by an increase in the percentage of lead.

5.3.3 Bleiberg Project

The Bleiberg Project comprises 116 claims totalling an area of 65.8km², located approximately 130 km south of the city of Salzburg in southern Austria within the eastern Alps region of Europe. The area has full infrastructure access with train, road, hydropower and readily available workforce.

The Bleiberg Project is situated in a raised valley west of the city of Villach in Southern Austria, which separates the Dobratsch mountain to the south from the Gailtaler Alps in the north. The Bleiberg property is one of four major lead-zinc deposits associated with the Periadriatic Lineament, a regional suture stretching from Italy through Austria and Slovenia to Romania. These deposits are hosted in Triassic lagoonal sediments

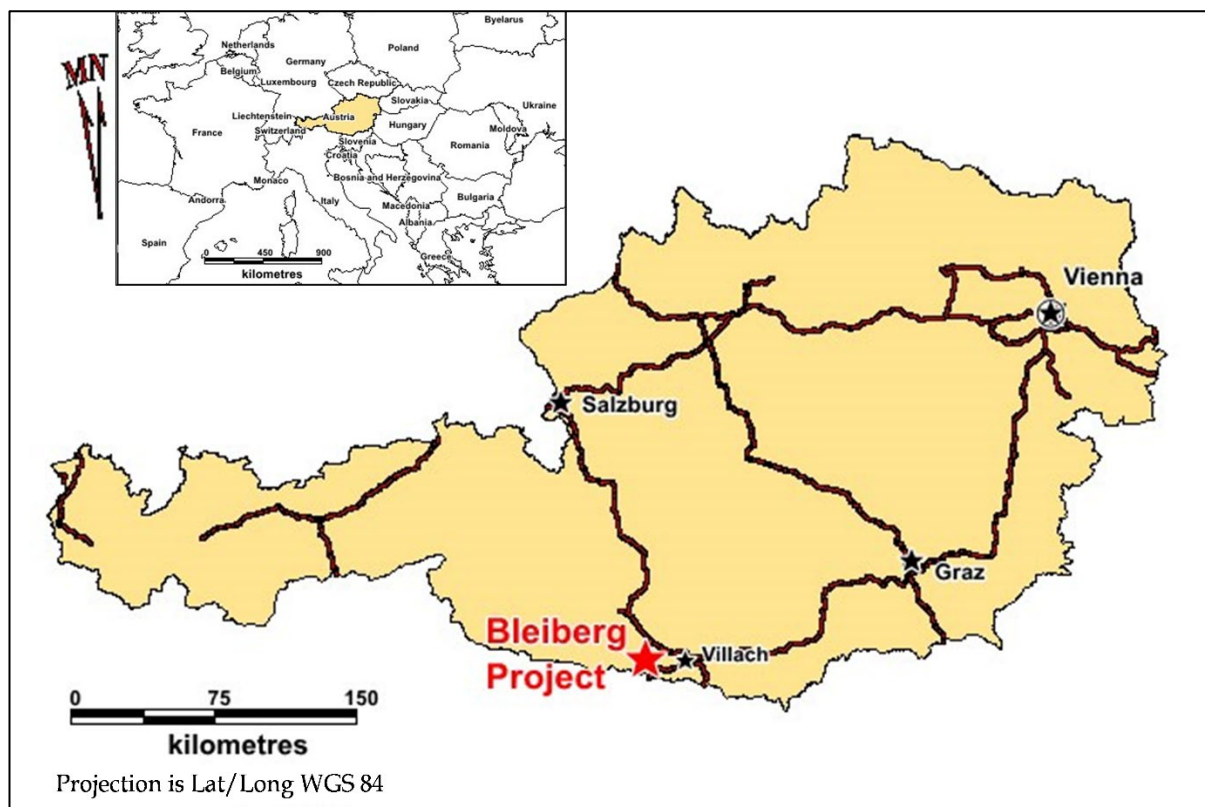


Figure 12: Bleiberg Project Location



Figure 13: Bleiberg Project Location

The Bleiberg Region of Austria is a historical lead-zinc mining area, which has been working at an industrial scale from the 16th century until 1992. The mine produced Zinc and Lead until its closure. Bleiberg region has been a producer for approximately 700 Years and was mined underground over 18 Km of strike length with approximately 1100 Km of workings and numerous shafts. The state-owned company Bleiberger Bergwerksunion operated the mine until 1992, when the entire Austrian state-owned industrial enterprise "Verstaatlichte Industrie", of which the mine was a part, went bankrupt. The Bleiberg area is one of the most important European carbonate-bound lead-zinc deposits. The deposits have been studied extensively not only by the former mine company but also by numerous universities and research institutions. Academic papers on this famous mine site are abundant. Per general scientific consensus, in 700 years of mining some 3 million tonnes of metal have been produced, with an average grade of 5% zinc, 1% lead and 200 ppm Germanium¹.

The geology of the region is characterised by sedimentary lead-zinc mineralisations in Triassic limestones (the so-called Wetterstein Formation) and intercalated carbonates. It is considered similar to the Mississippi valley type (MVT) deposit with stratabound lead and zinc mineralisation in Triassic lagoon facies limestones and intercalated carbonates. The valley is believed to have been part of a shallow marine reef and lagoon system in the Triassic period. The main minerals are Galena and Cadmian Sphalerite. Due to fault systems, the oxidation zone extends to depths of more than 600m in some areas of the district (for example the Stefanie mine, Bad Bleiberg). Within the deposit, the galena content decreases to the west (at Kreuth Max Mine, sphalerite was more abundant than galena).

Together, these rocks form a several-kilometre-wide zone that extends far up the Gail valley (to the west). Within this zone, numerous small lead-zinc deposits with similar mineralisations are located (e.g., Jaukenhdhe, Radnig near Hermagor, Férlach, Zuchengraben and Schliwagraben near St Stefan, Mitterberg, Golsernock near Stockenboi and Burg near Rubland).

¹ Zeeh,S. and Bechstadt,T. (1994). Carbonate-Hosted Pb-Zn Mineralization at Bleiberg-Kreuth (Austria): Compilation of Data and New Aspects. In: Fontbote,L. and Boni,M. editors, Sediment Hosted Pb-Zn Ores, Special Publication No. 10 of the Society for Geology Applied to Mineral Deposits. pp. 271-296.

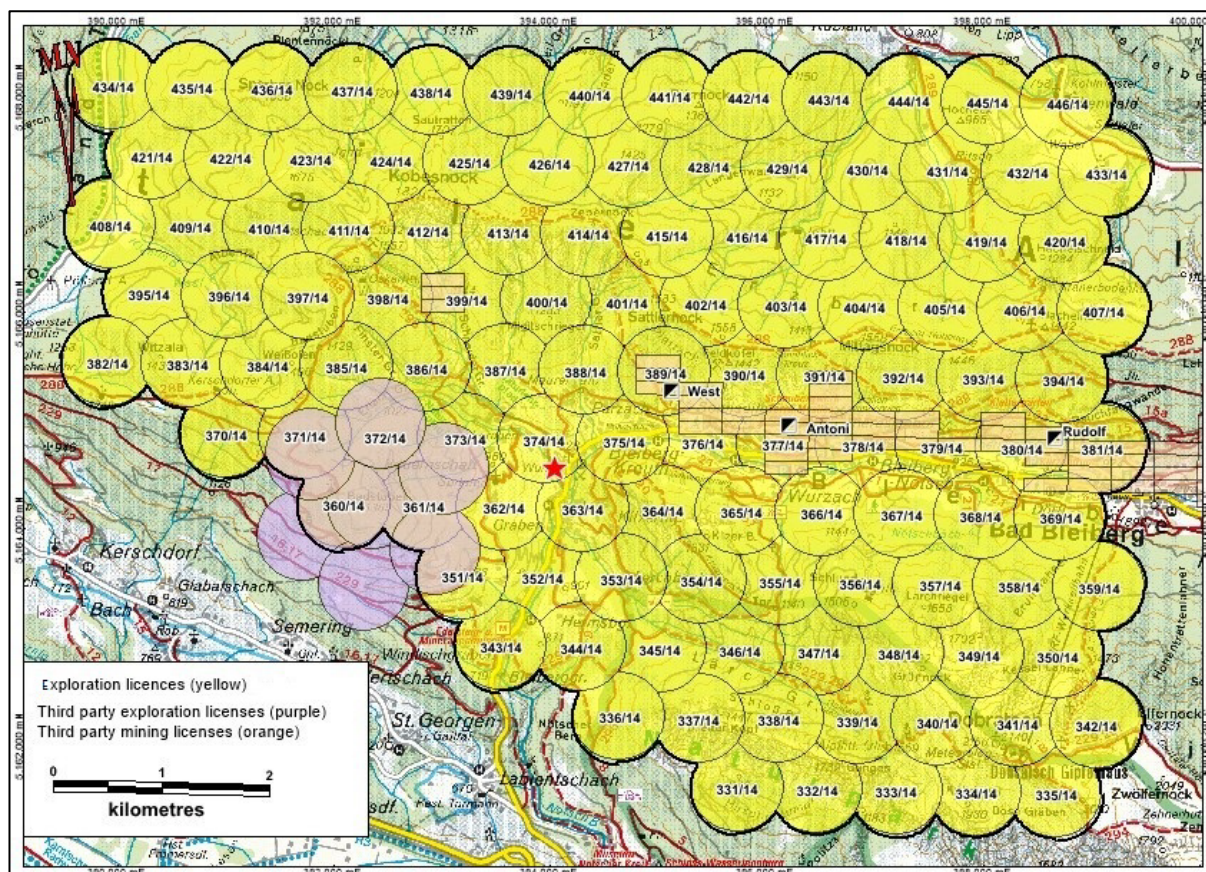


Figure 14: Bleiberg Project – Claims (yellow circles)

A portion of the claims have third-party mining licenses (shown in orange rectangles) and also some overlapping claims (shown in purple circles).

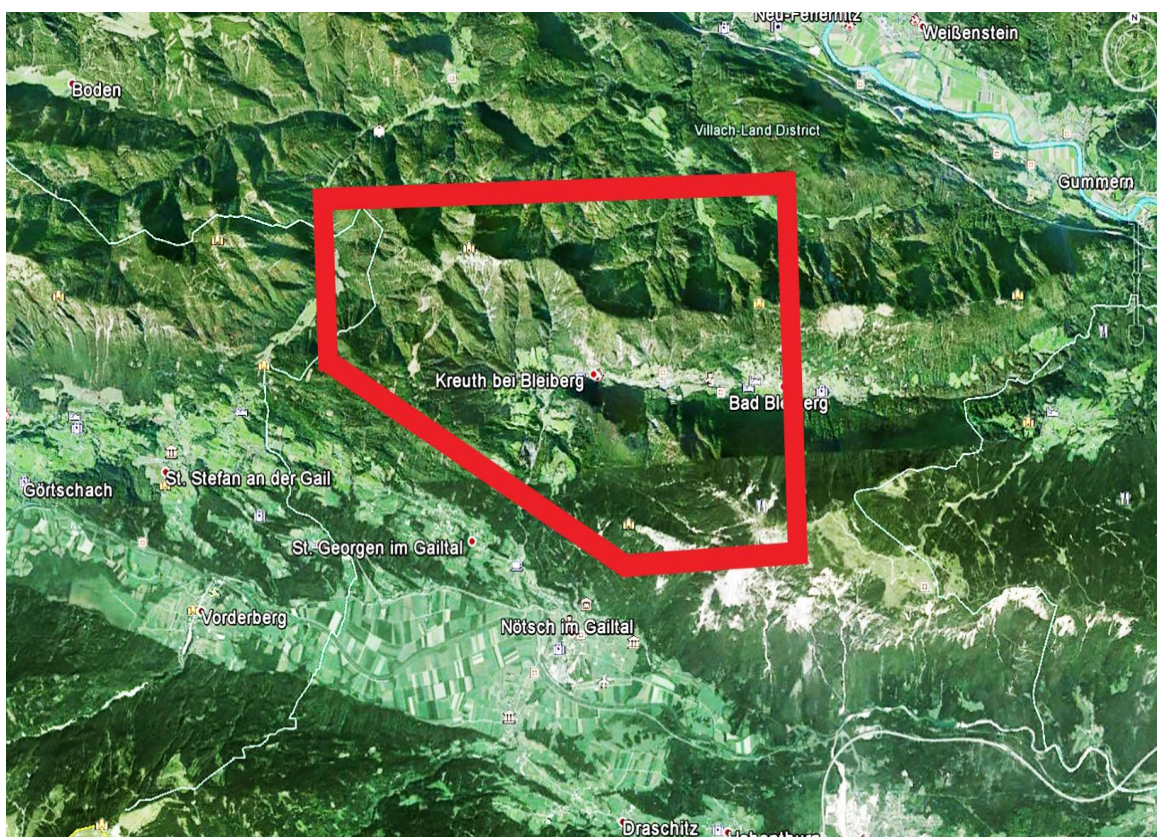


Figure 15: Bleiberg Project – Claims (red box) Topography

Local Geology

The Bleiberg property is underlain predominantly by the Wetterstein Formation carbonates except for the southeast corner, which is underlain by the Gröden sandstone. Mineralisation is associated with more or less, east-west trending faults that appear to be splays related to the Periadriatic lineament (Figure 16).

The lead-zinc deposit of Bleiberg-Kreuth belongs to mainly peritidal sediments of the Drau Range area. These lower Carnian sediments are part of the upper Wetterstein Formation, which suffered different emersion periods. The palaeogeography of the Bleiberg area is dominated by a barrier reef in the south and a denudation area in the north.

The Drau Range once was the western prolongation of the Northern Calcareous Alps. The two areas were separated probably during the Cretaceous by a transform fault. Regarding this palinspastic reconstruction, all the well-known lead-zinc deposits of the Eastern and Southern Alps are arranged in an ENE-WSW striking belt. This belt is located some distance from the mainland in the north, which was a part of the Penninic region. The metals may originally derive from this source area.

In the Bleiberg deposit, the ore mineralisation seems to be due to the evaporitic lagoonal character of the rocks and secondly to emersions and karstifications at the time of deposition of the rocks, followed by sealing shales.

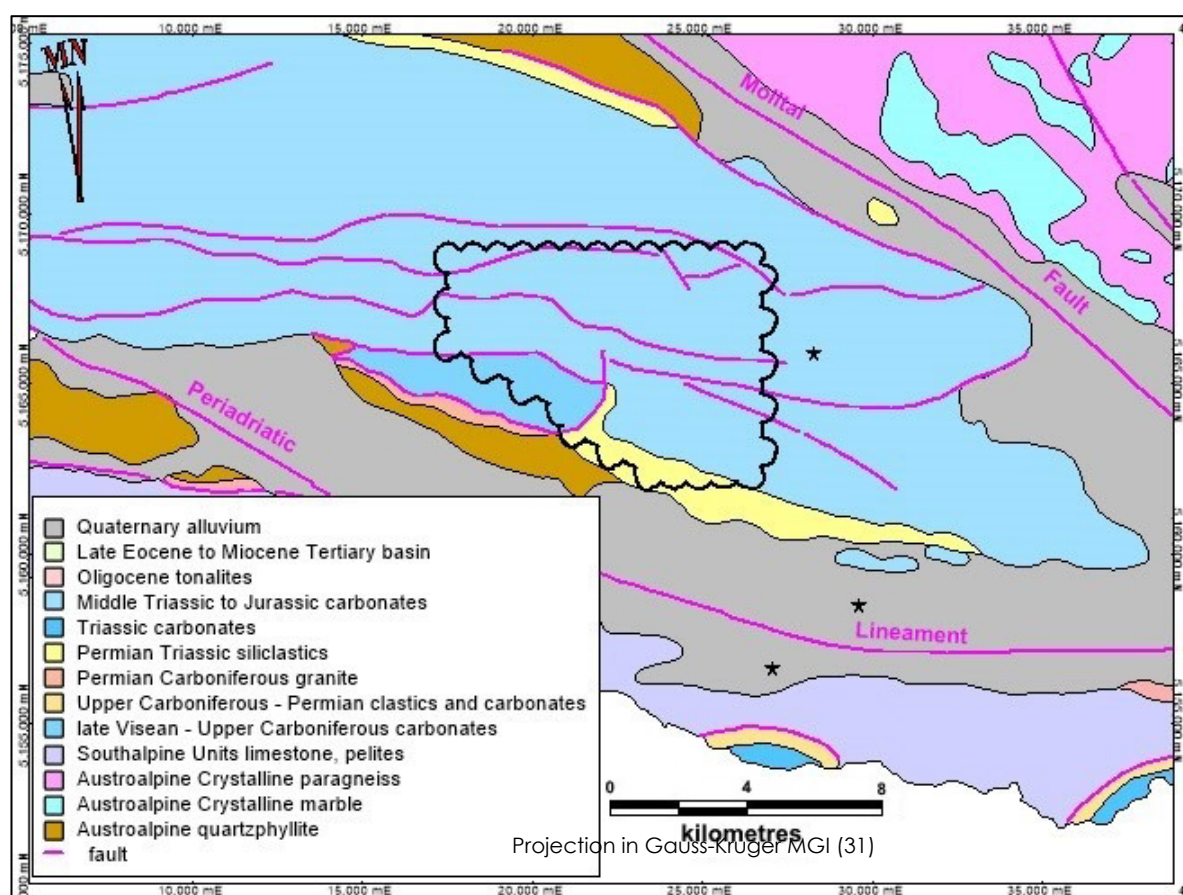


Figure 16: Bleiberg Project – Local Geology

Mineralisation

The lead-zinc mineralisation is concentrated in several different units of the Wetterstein formation as detailed in Zeeh and Bechstadt (1994):

- The Maxer Bänke, a thick cyclic sequence of shallow marine carbonates, marly limestones and greyish carbonates with a clay content of up to 10%, the green marls, occurs about 180 to 370 metres below the first Raibl shale. The green marls are interpreted to represent the product of terrigenous weathering. Concordant and discordant orebodies consisting mainly of sphalerite, galena and pyrite or marcasite occur within the Maxer Bänke. The average metal content of this sequence is about 0.4% Pb and 2.8% Zn.
- Mining at Bleiberg-Kreuth was restricted for more than six centuries to the metal-rich stratabound mineralisation of the Bleiberg Facies. Nine of the emersion layers within the 60-metre-thick Bleiberg Facies form lithostratigraphic markers used to facilitate the exploration and mapping of Alpine structures. Mineralisation occurs within oval-shaped bodies found subparallel to the bedding and within discordant fissures and veins. Sphalerite, galena and pyrite are the main ore components. Fluorite and blue-coloured anhydrite are the main accessory minerals in the western part of the mine, while barite prevails in the eastern part. The average metal content of this sequence is about 1% Pb and 5% Zn.
- A new type of mineralisation was found in 1951 in the western section of the project area, resulting in the discovery and exploitation of the Kalkscholle, Riedhartscholle and Josefischolle orebodies. The first, the Kalkscholle, was a stock-shaped orebody hosted by dolomitic rocks. The zinc mineralisation occurs as breccia networks and locally as coarse masses of sphalerite. The average metal content was 0.5% Pb and 4.5% Zn. Subsequent sedimentological and geochemical investigations located the Josefischolle and Riedhartscholle.

The increased intensity of underground exploration also located additional mineralisation, breccias containing mineralization-bearing clasts, south of the Riedhartscholle. The clasts were derived from the Riedhartscholle and the overlying Raibl Formation.

Lead-zinc mineralisation also occurs in the first Raibl dolomite, the Cardita, located to the west of the project area. The Cardita consists of subparallel massive mineralization 1 to 5 metres in thickness. The metal content is about 10% Zn+Pb with a Zn/Pb ratio of 1:6.

Deposit Style

The Bleiberg property is being explored for Mississippi Valley Type Lead-Zinc Deposits. The sedimentary Triassic Mississippi type Lead Zinc mineralisation in Bleiberg is the most important alpine type deposit. These deposits are part of an east-west mineralised belt that is approximately 1200 km in length.

Mississippi Valley-type (MVT) lead-zinc deposits are found throughout the world, characteristically distributed over hundreds of square kilometres that define individual districts. Large MVT districts include: Pine Point (1,600 km²), Tri-State (1,800 km²), Upper Silesia (2,800 km²), Southeast Missouri (3,000 km²), Upper Mississippi Valley (7,800 km²), Irish Midlands (8,000 km²), and the Alpine (10,000 km²). Pine Point contains more than 80 individual deposits and the Upper Mississippi Valley contains nearly individual 400 deposits, for example. Individual deposits vary greatly in size within a district: most deposits in the Pine Point district

are between 0.2 and 2 million tonnes with the largest at 18 million tonnes; while the average deposit size in the Upper Mississippi Valley district is between 0.1 and 0.5 million tonnes with only a few larger than 3 million tonnes. The median size of MVT deposits is 7.0 million tonnes. Some MVT hydrothermal events formed numerous districts in a large area that define huge metallogenic provinces. While individual districts can be quite distinct, deposits within individual districts typically have similar deposit attributes and ore controls.

Previous Exploration

Limited information is available regarding the exploration at the Property apart from the historical mining area (outside the claims).

Historic mining at the neighbouring Bleiberg Mine found mineralisation formed in stratiform zones ranging from 1m thick by 100m in diameter to 5m thick and several hundred meters in diameter.

The Eastern part of the structure by consensus has been mined out to a 900 meters depth and currently also is underwater.

5.4 Summary of Resolutions with respect to the Proposed Acquisitions

This Notice of Meeting sets out the Resolutions necessary to complete the Proposed Acquisitions and associated transactions.

A summary of the Resolutions with respect to the Proposed Acquisitions is set out below:

- (a) **Resolution 4:** the Proposed Acquisitions, if successfully completed, will represent a significant change in the nature and scale of the Company's operations, for which Shareholder approval is required under Listing Rule 11.1.2;
- (b) **Resolution 6:** the issue of the Bleiberg Deferred Consideration Shares to Poly in part consideration for the proposed acquisition of up to an 80% interest in the Bleiberg Project;
- (c) **Resolution 7:** the issue of the FEM Consideration Shares to FEM in part consideration for the proposed acquisition of up to a 100% interest in the Falcon Lake Project;
- (d) **Resolution 8:** the issue of the GeoMap Consideration Shares in consideration for corporate advisory and introductory services in relation to the acquisition of the Falcon Lake Project;
- (e) **Resolution 9:** approval to undertake the Capital Raising;
- (f) **Resolution 10:** the appointment of Mr Gerry Fahey as an incoming Director;
- (g) **Resolution 11:** the appointment of Dr David Pevcic as an incoming Director;
- (h) **Resolutions 12 – 16:** the participation of Messrs Ahmad, Fahey, Martin and Pevcic, Directors, in the Capital Raising;
- (i) **Resolution 17:** the change of the Company's name to "Battery Age Minerals Limited";

- (j) **Resolution 18:** the proposed increase in the total aggregate amount of fees payable to non-executive Directors from \$300,000 per annum to \$500,000 per annum;
- (k) **Resolution 19:** the replacement of the Company's Constitution;
- (l) **Resolution 20:** the adoption of an employee incentive plan; and
- (m) **Resolution 21:** the proposed issue of 1,000,000 Performance Rights to Mr Gerard O'Donovan.

Resolutions 4, 6-7 and 9-11 (together, the **Essential Resolutions**). Each of the Essential Resolutions are conditional upon the approval by Shareholders of each of the other Essential Resolutions. If any of the Essential Resolutions are not approved by Shareholders, all of the Essential Resolutions will fail, and completion of the Proposed Acquisitions will not occur.

The Company notes that Resolutions 8, 12-16, 17 and 21 are **not** Essential Resolution, but each are conditional upon all of the Essential Resolutions being passed at the Meeting.

5.5 Regulatory Matters

No person or entity will acquire a holding of Shares of, or increase their holding, to an amount in excess of 20% of all the Shares on issue at completion of the Proposed Acquisitions.

Trading in the Company's Shares is currently suspended and will remain suspended until the Company re-complies with Chapters 1 and 2 of the Listing Rules following completion of the Proposed Acquisitions. The Proposed Acquisitions are conditional on the Company obtaining all necessary regulatory and Shareholder approvals and satisfying all other requirements of ASX for the reinstatement of the Company's Shares to Official Quotation (amongst other things).

The Company has made a number of enquiries and investigations into the Bleiberg Project, Tidili Project and Lake Falcon Lower-Central Project. These enquiries consisted of Company representatives visiting the project sites are carrying out due diligence investigations, engaging local legal representatives to confirm legal ownership and structures, engaging geological consultants to prepare independent geological reports on the projects, engaged qualified accounting firms to assist and audit the tidily financial accounts,. The Company recently completed these due diligence investigations and was satisfied with the results. Consequentially, as was announced by the Company on 28 October 2022, the Company entered into the respective acquisition agreements to effect the Proposed Acquisitions (**Acquisition Agreements**).

The Board confirms that as part of its due diligence program with respect to the Acquisitions, the Company has undertaken appropriate enquiries in relation to the impact that the Acquisitions will have on the Company's assets and liabilities, financial position and performance, profits and losses and future prospects to satisfy itself that the Acquisitions are in the interests of the Company and its Shareholders.

The Board believes it is prudent to seek Shareholder approval prior to completion of the full due diligence program, so as to allow for a minimal period between the completion of the Meeting and the opening of the Capital Raising.

ASX has an absolute discretion in deciding whether or not to re-admit the Company to the Official List and to reinstate the Company's Shares to quotation on the Official List and therefore the Proposed Acquisitions may not proceed if ASX exercises that discretion. Investors should take account of these uncertainties in deciding whether or not to buy or sell the Company's Securities.

5.6 Previous Security Issues

The Company has not issued any securities in the 6 months prior to the date of this Notice.

As set out in Section 5.2.3, BYGTM is the 100% legal owner of the Tidili Project. BYGTM is proposed to be acquired by the Company. BYGTM has not issued any securities in the previous 6 months.

5.7 Business Model

The Company intends to further advance the work completed on its existing projects and, following completion of the Proposed Acquisitions, complete mineral exploration activities on its proposed New Projects.

This will be strategically managed by initially exploring the potential size and grade of a deposit, the commerciality, Internal Rate of Return via the appropriate studies and ultimately, the successful development of each of the Company's projects. Following completion of the below Proposed Acquisitions, the Company's projects will include:

- (a) the proposed Falcon Lake Project, located in Canada;
 - (b) the proposed Tidili Project, located in Morocco;
 - (c) the proposed Bleiberg Project, located in Austria;
 - (d) the existing King Tut Project, located in Argentina; and
 - (e) the existing Bloom Lake Project, located in Canada,
- (together, the **Projects**).

5.8 Key Dependencies of the Business Model

The key dependencies influencing the viability of the Company's proposed business model are:

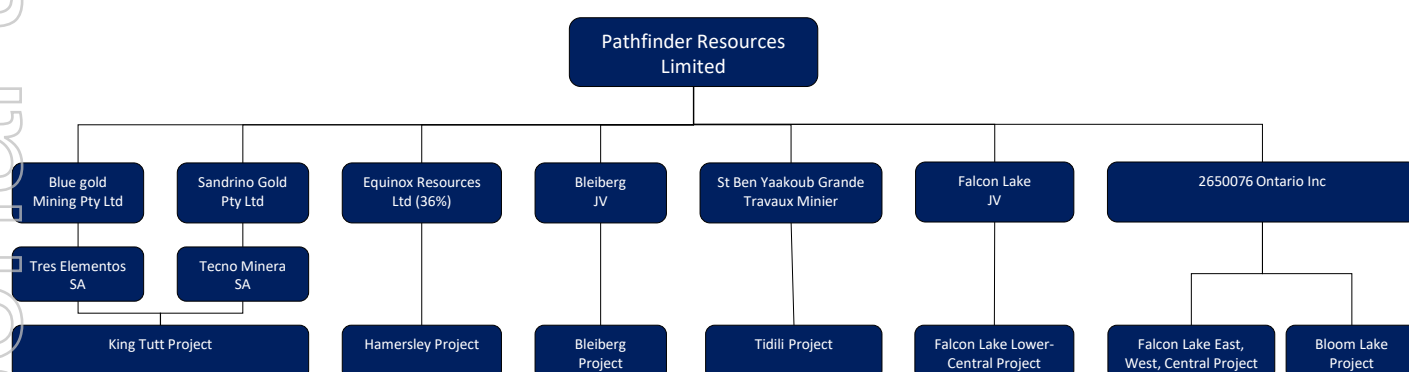
- (a) the Company's capacity to re-comply with Chapters 1 and 2 of the Listing Rules to enable re-admission to quotation of the Company's securities;
- (b) completion of the proposed acquisitions;
- (c) maintain its tenure and access to the Projects to achieve its business objective;
- (d) commodity price volatility risk. In the event that the commodities for which the Company has identified has being prospective on its projects fluctuate material, this may effect the viability of the projects.;
- (e) ability to meet resource and reserves and exploration targets. If, after further exploration on the projects, the Company is unable to delineate

a resource or reserve of sufficient size and grade, these projects may no longer be economically viable;

- (f) raising sufficient funds to satisfy expenditure requirements, exploration and operating costs. Failure to obtain sufficient financing for the Company's activities and future projects may result in delay and indefinite postponement of exploration, development or production on the Company's properties or even loss of a property interest; and
- (g) minimising environmental impact and complying with health and safety requirements. The operations and proposed activities of the Company are subject to the relevant local laws and regulations concerning the environment. The disposal of mining and process waste and mine water discharge are under constant legislative scrutiny and regulation. There is a risk that environmental laws and regulations become more onerous making the Company's operations more expensive.

5.9 Group Structure

Upon completion of the Proposed Acquisitions, the corporate structure of the Company is intended to be as follows:



5.10 Re-compliance with Chapters 1 and 2 of the Listing Rules

ASX has advised the Company that as the Proposed Acquisitions will amount to a significant change in the nature and scale of the Company's activities, the Company is required to obtain Shareholder approval for the Proposed Acquisitions and must re-comply with Chapters 1 and 2 of the Listing Rules before it can be reinstated to trading on the ASX (including any ASX requirement to treat the Company's Securities as restricted securities).

Trading in the Company's Shares is currently suspended and will remain suspended until the Company re-complies with Chapters 1 and 2 of the Listing Rules following completion of the Proposed Acquisitions. The Proposed Acquisitions are conditional on the Company obtaining all necessary regulatory and Shareholder approvals to effect the Proposed Acquisitions and satisfying all other requirements of ASX for the reinstatement to Official Quotation of the Company's Shares on the ASX (among other things).

If any of the Essential Resolutions are not approved at the Meeting, the Proposed Acquisitions will not be able to proceed, and the Company's Securities will likely remain suspended from trading.

5.11 Capital Raising

5.11.1 Background

In connection with the Company's re-compliance with Chapters 1 and 2 of the Listing Rules, the Company will complete a public offer of up to 17,500,000 Shares at an issue price of \$0.40 per Share to raise up to \$7,000,000 (**Maximum Subscription**), with a minimum subscription of \$6,500,000 (**Minimum Subscription**) (**Capital Raising**).

One free-attaching Option will be issued for every one new Share subscribed for under the Capital Raising.

5.11.2 Director and Proposed Director Participation

Pursuant to Resolutions 12 to 15, the Company is seeking Shareholder approval to enable Directors, Messrs Ahmad and Martin and the Proposed Directors, Mr Fahey and Dr Pevcic, the opportunity to participate in the Capital Raising as follows.

Director/Proposed Director	Resolution	Subscription	Shares	Options
Mr Sufian Ahmad	Resolution 12	\$1,000,000	2,500,000	2,500,000
Mr Gerry Fahey	Resolution 13	\$25,000	62,500	62,500
Mr Robert Martin	Resolution 14	\$500,000	1,250,000	1,250,000
Mr David Pevcic	Resolution 15	\$300,000	750,000	750,000

5.11.3 Underwriter

The Capital Raising will not be underwritten.

5.11.4 Lead Manager

The Company has appointed Kaai Capital (ACN 644 272 131) trading as Kaai Capital (**Kaai Capital** or **Lead Manager**) as lead manager to the Capital Raising. The Lead Manager will receive a fee of 6% of the total amount raised under the Capital Raising. The terms of the Lead Manager Mandate are set out in Schedule 1.

5.12 ASX waivers and confirmations obtained

ASX has provided in-principle advice to the Company that Listing Rule 1.1 (Condition 11) does not apply to the cash payments to be made to the relevant vendors in respect of the proposed acquisitions of the New Projects as summarised in Schedule 1 of this Notice. This in-principle advice applies until 28 December 2022 and is subject to any amendments to the Listing Rules or changes in the interpretation or administration of the Listing Rules and policies of the ASX.

ASX has granted the Company waivers from Listing Rule 7.3.4, to permit the Company to issue the Bleiberg Deferred Consideration Shares and the GeoMap Deferred Consideration Shares (as that term is defined in Section 5.25) (together, the **Deferred Consideration Shares**) after the date which is three months from the Meeting, on the following conditions:

- (a) the Deferred Consideration shares must be issued by the following dates and in any event no later 30 March 2025;
 - (i) with respect to the Bleiberg T1 Deferred Consideration Shares, 30 March 2023; and
 - (ii) with respect to the Bleiberg T2 Deferred Consideration Shares, 30 March 2025; and
 - (iii) with respect of the GeoMap Deferred Consideration Shares, 15 January 2024;
- (b) the Notice includes worked examples of the potential dilution (including the maximum dilution) that will occur to existing shareholders of the Company as a result of the issue of the Deferred Consideration shares;
- (c) the terms of issue of Deferred Consideration shares must not be varied;
- (d) for any annual reporting period during which any of the Deferred Consideration Shares have been issued or any of them remain to be issued, the Company's annual report sets out in detail the number of Deferred Consideration Shares issued during the reporting period, the number of Deferred Consideration Shares that remain to be issued and the basis on which the Deferred Consideration Shares may be issued;
- (e) in any half year report for a period during which any of the Deferred Consideration Shares have been issued or remain to be issued, the Company must include a summary statement of the number of the Deferred Consideration Shares issued during the reporting period, and the number of Deferred Consideration Shares that remain to be issued and the basis on which the Deferred Consideration Shares may be issued;
- (f) the Notice contains the full terms and conditions of the agreements pursuant to which the Deferred Consideration shares are to be issued; and
- (g) the terms of the waiver are disclosed in the Notice.

ASX has also granted the Company waivers from Listing Rule 10.13.5 to permit the issue of the Related Party Securities at the same time as securities will be issued under the Capital Raising on the following conditions:

- (a) the Related Party Securities are issued by no later than the date that the Capital Raising Shares are issued which must be no later than three (3) months after the date of the Meeting;
- (b) the Related Party Securities are issued pursuant to the relevant terms and conditions set out in the Notice of Meeting pursuant to which the Company will seek the approval required under Listing Rule 11.1.2 for the Proposed Acquisitions;

- (c) the circumstances of the Company, as determined by the ASX, have not materially changed since the Company's shareholders approved the issue of the Related Party Securities; and
- (d) the terms of the waiver are clearly disclosed in the Notice and in the prospectus to be issued in respect of the Capital Raising.

ASX has also provided the Company with a waiver from Listing Rule 1.1 condition 12 to the extent necessary to permit the Company to issue 1,000,000 Performance Rights to the Company's CEO, Gerard O'Donovan, at an issue price of less than \$0.20, subject to the following conditions:

- (a) the full terms of this waiver are disclosed to the market and, along with the terms and conditions of the Performance Rights, are clearly disclosed in the notice of meeting pursuant to which the Company will seek the approval of Shareholders to issue the Performance Rights in conjunction with the approval obtained under Listing Rules 11.1.2 for the Proposed Acquisitions; and
- (b) the full terms and conditions of the Performance Rights are clearly disclosed in the Company's prospectus to be issued in respect of the Capital Raising.

5.13 Indicative timetable

An indicative timetable for completion of the Proposed Acquisitions and the associated transactions set out in this Notice is set out below:

Event	Date*
Execution of Acquisition Agreements	13 October 2022
Notice of Meeting for the Proposed Acquisitions sent to Shareholders	16 November 2022
Lodge Prospectus with ASIC Opening date of the Capital Raising	28 November 2022
Shareholder Meeting to approve the Proposed Acquisitions	16 December 2022
Closing date of the Capital Raising	16 December 2022
Settlement of Proposed Acquisitions and the Capital Raising	23 December 2022
Re-quotation on the ASX (subject to the Company re-complying with Chapters 1 & 2 of the Listing Rules)	13 January 2022

*Please note this timetable is indicative only and the Directors reserve the right to amend the timetable as required.

5.14 Proposed Use of Funds

To assist the Company to re-comply with Chapters 1 and 2 of the Listing Rules and to support its strategy post-completion of the Proposed Acquisition, the Company intends, subject to Shareholder approval, to conduct the Capital Raising. Shareholder approval for the issue of Securities under the Capital Raising is the subject of Resolution 9. The Company is also seeking Shareholder approval under Resolutions 12 – 15 to enable Directors Ahmad, Fahey, Martin and Pevcic to participate in the Capital Raising.

The Company intends to apply funds raised from the Capital Raising, together with existing cash reserves of \$700,000, over the first two years following re-admission of the Company to the Official List of ASX as follows:

Funds available	Minimum Subscription		Maximum Subscription	
	\$	%	\$	%
Funds raised under the Capital Raising	6,500,000	90.28	7,000,000	90.9
Existing cash reserves	700,000	9.72	700,000	9.09
Total	7,200,000	100	7,700,000	100
Allocation of funds				
Falcon Lake Project	2,050,000	28.47	2,609,000	20.39
Tidili Project	1,295,000	17.99	1,570,000	33.88
Bleiberg Project	1,215,000	16.88	1,215,000	15.78
Bloom Lake Project	30,000	0.42	30,000	0.39
King Tut Project	100,000	1.39	100,000	1.30
Costs associated with the Capital Raising including lead manager, legal and technical due diligence	729,000	10.13	795,000	10.32
Administration and corporate costs ¹	1,328,000	18.44	1,328,000	17.25
Working capital & M&A budget for complementary assets ²	453,000	6.29	53,000	0.69
Total	7,200,000	100	7,700,000	100

Notes:

1. Administration costs include the general costs associated with the management and operation of the Company's business including administration expenses, management salaries, directors' fees, rent and other associated costs.
2. Working capital provides for additional capital to be used for additional exploration following the planned exploration programs or grant of additional tenements applied for by the Company and investment in new mineral exploration projects not yet identified by the Directors, including due diligence costs incurred in consideration of such projects.

The above table is a statement of current intentions as of the date of this Notice. Prospective investors should note that, as with any budget, the allocation of the funds may change depending on various intervening events and new circumstances, including the outcome of exploration and development activities (including, exploration success or failure), regulatory developments and market and general economic conditions. Accordingly, the Board reserves the right to alter the way funds are applied on this basis.

It is anticipated that the funds raised under the Capital Raising will enable two years of full operations (if the Minimum Subscription is raised). It should be noted that the Company may not be fully self-funding through its own operational cash flow at the end of this period. Accordingly, the Company may require additional capital beyond this point, which will likely involve the use of additional debt or equity funding. Future capital needs will also depend on the success or failure of the New Projects. The Board will consider the use of additional debt or equity funding where it is appropriate to accelerate growth, fund additional exploration on the New Projects or to capitalise on acquisition or investment opportunities in the resources sector.

In the event the Company raises more than the Minimum Subscription but less than the Maximum Subscription, the additional funds raised will be first applied towards the expenses of the Capital Raising and then proportionally to the exploration programs for the Falcon Lake and Tidili Projects.

The Directors and Proposed Directors consider that following completion of the Capital Raising, 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 outlined in Section 5.22.

5.15 Pro forma capital structure

The capital structure of the Company following completion of the Proposed Acquisitions and the Capital Raising (assuming both Minimum Subscription and Maximum Subscription under the Capital Raising) is set out in the table below:

	Shares		Options		Performance Shares/Performance Rights
	Minimum Subscription	Maximum Subscription	Minimum Subscription	Maximum Subscription	
Current	57,968,163	57,968,163	-	-	7,000,000
Falcon Lake Project ^{1,3}	2,125,000	2,125,000	-	-	-
Bleiberg Project ^{1,2}	498,330	498,330	-	-	-
Tidili Project	-	-	-	-	-
Capital Raising ⁴	16,250,000	17,500,000	16,250,000	17,500,000	-
Shares to be issued to corporate advisors ⁵	125,000	125,000	-	-	-
Issued to CEO ⁶					1,000,000
Total Securities at Official Quotation^{1,7}	76,966,493	78,216,493	16,250,000	17,500,000	8,000,000

Notes:

1. Refer to Schedule 1 for summaries of the material terms of the Bleiberg Acquisition Agreement and the Falcon Lake Acquisition Agreement. Refer to Sections 5.2.1 and 5.2.2 for further details.
2. An indicative Share price of \$0.40 has been used for illustration purposes. An exchange rate of Assuming an A\$:C\$ exchange rate of \$A1:C\$0.89047 is also assumed. Further information in respect of the number of Shares to be issued is set out in Section 5.2.1.
3. An indicative Share price of \$0.40 has been used for illustration purposes. Further information in respect of the number of Shares to be issued is set out in Section 5.2.2.
4. Issue of 16,250,000 Shares at an issue price of \$0.40 per Share to raise \$6,500,000 on Minimum Subscription and up to 17,500,000 Shares at an issue price of \$0.40 per Share to raise up to \$7,000,000 on Maximum Subscription, together with one Option for every new Share subscribed for and issued.
5. Further details in respect of the issue of these Shares is set out in Section 10.1.
6. Being the subject of Resolution 21, refer to Section 20 for further details.
7. The Company has also agreed to issue up to approximately 1,059,834 Shares to the Bleiberg Vendors and, subject to electing to acquire the final 10% of the Falcon Lake Project through an issue of Shares rather than the payment of cash, up to 5,000,000 Shares

to the Falcon Lake Vendors. Further details in respect of these proposed Share issues are set out in Sections 5.2.1 and 5.2.2.

5.16 Pro forma balance sheet and financial effect of the Proposed Acquisitions

The pro-forma balance sheet of the Company following completion of the Proposed Acquisitions and issues of all Securities contemplated by this Notice is set out in Schedule 2. The historical and pro-forma information is presented in an abbreviated form, insofar as it does not include all of the disclosure required by the Australian Accounting Standards applicable to annual financial statements.

The pro forma balance sheet sets out the principal effect of the Proposed Acquisitions on the consolidated total assets and total equity interests of the Company.

The Company does not expect to generate revenues from operations or sale of assets during the relevant period.

The effect of the Proposed Acquisitions on the Company's expenditure will be to increase expenditure as contemplated by the use of funds table set out above.

5.17 Composition of the Board

Upon settlement of the Proposed Acquisitions, it is intended that the Board will comprise the following:

- (a) Mr Gerry Fahey will be appointed as a Non-Executive Director (approval for which is sought pursuant to Resolution 10). Refer to Section 12.2 for details with respect to Mr Fahey's experience and qualifications;
- (b) Dr David Pevcic will be appointed as a Non-Executive Director (approval for which is sought pursuant to Resolution 11). Refer to Section 13.2 for details with respect to Mr Pevcic's experience and qualifications; and
- (c) Mr Robert Martin and Dr Stephen Windle will remain as Directors, with Mr Martin to be appointed Non-Executive Chairman and Dr Windle to remain as a Non-Executive Director.

It is also proposed that Mr Ahmad will resign upon or before completion of the re-listing.

5.18 Director and Proposed Director Interests in Securities

Directors are not required under the Constitution to hold any Shares to be eligible to act as a Director.

Details of the Directors' and the Proposed Directors' current relevant interest in the Securities of the Company are set out in the table below:

Director / Proposed Director	Shares	Options	Performance Shares
Sufian Ahmad ¹	4,142,346	Nil	Nil
Gerry Fahey	Nil	Nil	Nil
Robert Martin	Nil	Nil	Nil
Stephen Windle	Nil	Nil	Nil
David Pevcic ²	2,097,394	Nil	Nil

Notes:

1. Mr Ahmad intends to resign upon or before completion of the re-listing and holds 3,396,974 fully paid ordinary shares in the Company (Shares) directly and 745,372 Shares indirectly as follows:
 - (a) 20,000 Shares held by his spouse, Mrs Ifrah Nishat; and
 - (b) 725,372 Shares held by Sixty-Two Capital Pty Ltd, of which he is the sole director and shareholder.
2. Dr David Pevcic intends to be appointed as a director upon or before completion of the re-listing and holds 424,958 fully paid ordinary shares in the Company (Shares) directly and 1,672,436 Shares indirectly as follows:
 - (c) 52,000 Shares held by DP Super WA Pty Ltd <DS Pevcic Super Fund A/C>, of which he is a Director; and
 - (d) 1,620,436 Shares held by DDPEVCIC (WA) Pty Ltd <Dominic Family A/C>, of which he is a Director.

Pursuant to Resolutions 12 to 15, the Company is seeking Shareholder approval to enable Directors, Messrs Ahmad and Martin and proposed Directors, Mr Fahey and Dr Pevcic, the opportunity to participate in the Capital Raising.

5.19 Advantages of the Proposed 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 Essential Resolutions:

- (a) the Company will obtain an interest in the Bleiberg Project, Tidili Project and Falcon Lake Project pursuant to the Proposed Acquisitions;
- (b) the Proposed Acquisitions represent an attractive investment opportunity for the Company and have the potential to deliver value for Shareholders;
- (c) the Capital Raising will provide the Company with sufficient funds to support its strategy post-completion of the Proposed Acquisitions;
- (d) the appointment of Mr Fahey to the Board will afford the Company the benefit of his extensive expertise in mining and geology;
- (e) the potential increase in market capitalisation of the Company following completion of the Proposed Acquisitions and the associated Capital Raising may lead to access to improved equity capital market opportunities and increased liquidity; and
- (f) the Company will re-comply with the Listing Rules, ensuring its reinstatement to quotation and continued liquidity of its listed Shares (however, the Company notes that the ASX reserves the right to re-admit the Company and there is no guarantee that the Company will successfully re-comply with Chapters 1 and 2 of the Listing Rules).

5.20 Disadvantages of the Proposed 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 Essential Resolutions:

- (a) the Company will be changing the scale of its activities which may not be consistent with the objectives of all Shareholders;
- (b) the Proposed Acquisitions, Capital Raising and associated transactions the subject of this Notice will result in the issue of a significant number of Securities and new investors which will have a dilutionary effect on the holdings of Shareholders;
- (c) there are inherent risks associated with the change in nature of the Company's activities, some of which are summarised in Section 5.22 below; and
- (d) the Company's future capital requirements may require that additional funds are raised through equity, debt or a combination thereof, which could further dilute Shareholders that do not participate in such capital raisings.

5.21 Restricted Securities and Free Float

Subject to the Company re-complying with Chapters 1 and 2 of the Listing Rules and completing the Capital Raising, certain Securities on issue (including the Shares issued in consideration for the Proposed Acquisitions (**Consideration Shares**)) may 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 Official Quotation.

The Shares issued pursuant to the Capital Raising, however, will not be classified as restricted securities and will not be required to be held in escrow.

The Consideration Shares are likely to be restricted from trading for a period of 12 to 24 months after the date of re-admission of the Company to the Official List.

The Company expects to announce to the ASX full details (quantity and duration) of the Securities required to be held in escrow prior to the Company's listed securities being reinstated to trading on ASX (which reinstatement is subject to ASX's discretion and approval).

Assuming minimum subscription under the Capital Raising, the Company's 'free float' (being the percentage of Shares not subject to escrow and held by Shareholders that are not related parties of the Company (or their associates) at the time of admission to the Official List) will be approximately 85.9%, comprising all Shares issued pursuant to the Capital Raising and all Shares currently on issue (other than those held by related parties of the Company).

5.22 Risk Factors

Set out below is a non-exhaustive list of the key risks associated with the Proposed Acquisitions and an investment in the Company:

Acquisition Risks

Due Diligence

The Company conducted due diligence investigations in respect of the Proposed Acquisitions. As with any due diligence investigation, if any information provided and relied upon by the Company in its due diligence investigations proves to be incorrect, incomplete or misleading, or if the Company was not provided with all relevant information or there were other failings in the due diligence performed by the Company, there is a risk that there could be historical or other issues in relation to the New Projects or the Proposed Acquisitions that could affect the success of the Proposed

	Acquisitions or otherwise impact on the Company's financial position and performance. Investors should also note that there is no assurance that the due diligence conducted was conclusive, and that all material issues and risks in respect of the Proposed Acquisitions have been, or will be, identified (including issues that are material to the decision to undertake the Proposed Acquisitions) and avoided or managed appropriately. A material adverse issue that is not identified prior to undertaking the Proposed Acquisitions could have an adverse impact on the financial performance or operations of the Company. There is a risk that issues and risks may arise that will also have a material impact on the Company (for example, the Company may later discover liabilities or defects which were not identified through due diligence or for which there is no contractual protection for the Company). This could adversely affect the operations, financial performance or position of the Company. Further, the information reviewed by the Company in conducting its due diligence investigations includes forward looking information, which is inherently unreliable and based on assumptions that may change in the future. Therefore, there is a risk that unforeseen issues and risks may arise which may also have a material impact on the Company.
Acquisition Analysis	The Company has undertaken financial, tax, legal and commercial analysis on the New Projects in order to determine their attractiveness to the Company and whether to acquire an interest in the New Projects. It is possible that, despite such analysis and the best estimate assumptions made by the Company, the conclusions drawn are inaccurate or that benefits are not realised.
Completion Risk	Pursuant to the Acquisition Agreements, the Company has a conditional right to acquire an interests in each of the New Projects. The Proposed Acquisitions constitute a significant change in the nature and scale of the Company's activities and the Company needs to re- comply with Chapters 1 and 2 of the Listing Rules as if it were seeking admission to the Official List of ASX. Trading in the Company's Shares is currently suspended and will remain suspended until the Company re- complies with Chapters 1 and 2 of the Listing Rules following settlement of the Proposed Acquisitions. There is a risk that the conditions for settlement of the Proposed Acquisitions cannot be fulfilled, including where the Company is unable to meet the requirements of the ASX for re-quotation of its Securities on the ASX. If the Proposed Acquisitions are not completed, the Company will incur costs relating to advisors and other costs without any material benefit being achieved. Should this occur, Shares will not be able to be traded on the ASX until such time as the Company has recompiled with Chapters 1 and 2 of the Listing Rules and Shareholders may be prevented from trading their Shares until such time as a successful re-compliance is completed. The Company also notes that, although FEM has completed an agreement to acquire from a third party a 100% interest in the Falcon Lake claims that the Company proposes to acquire under the Falcon Lake Acquisition Agreement, these claims are the subject of a transfer process, which is underway. The Company's acquisition of the Falcon Lake claims from FEM cannot complete until this transfer has occurred. However, the Company understands that this transfer process will complete as a matter of course and prior to the satisfaction of all of the Falcon Lake Acquisition Agreement's conditions precedent.
Dilution Risk	The Company currently has 57,968,163 Shares on issue. Pursuant to the Proposed Acquisition, the Company proposes to issue: (a) 498,330 Shares pursuant to the proposed acquisition of the Bleiberg Project; and

	(b) 2,125,000 Shares pursuant to the proposed acquisition of the Falcon Lake Project. On an undiluted basis, following the issue of the abovementioned securities and subject to the passing of the Resolutions the subject of this Notice (and assuming the Maximum Subscription under the Offer): (a) the existing Shareholders will retain approximately 74.11% of the Company's issued share capital; (b) the Bleiberg Vendors and Falcon Lake Vendors will hold approximately 3.35% of the Company's issued share capital in aggregate; (c) the investors under the Capital Raising will hold approximately 22.37% of the Company's issued share capital; (d) corporate advisors will hold approximately 0.16% of the Company's issued share capital.
Capital Raising and Re-Compliance	The Company's Shares have been suspended from trading since 3 February 2021. ASX has confirmed that the Company will be required to re-comply with Chapters 1 and 2 of the Listing Rules before its Shares are reinstated to trading. As the Company's Shares are suspended, there is currently no public market for Shares. There is no guarantee that an active trading market in the Company's Shares will develop or that prices at which Shares trade will increase following completion of the Proposed Acquisitions, the Capital Raising and re-compliance with Chapters 1 and 2 of the Listing Rules. The prices at which Shares trade may be above or below the price of the Capital Raising and may fluctuate in response to several factors.
Company Specific Risks	
Contractual Risk	The Company's interest in the Projects subject to contracts with third parties. The ability of the Company to achieve its stated objectives will depend on the performance by the parties of their obligations under these agreements. If the Company is unable to satisfy its undertakings under these agreements the Company's interest in their subject matter may be jeopardised. If any party defaults in the performance of their obligations, it may be necessary for the Company to approach a court to seek a legal remedy, which can be costly.
Sovereign Risk	The New Projects are located in Canada, Morocco and Austria and the Company's existing project is located in Argentina. Possible sovereign risks associated with operating in these jurisdictions include, without limitation, changes in the terms of mining legislation, changes to royalty arrangements, changes to taxation rates and concessions and changes in the ability to enforce legal rights. Any of these factors may, in the future, adversely affect the financial performance of the Company and the market price of its shares. No assurance can be given regarding future stability in these jurisdictions or any other country in which the Company may, in the future, have an interest. Specifically, it is possible that the current system of exploration and mine permitting in Argentina may change, resulting in impairment of rights and possibly expropriation of the Company's properties without adequate compensation.
Mineral Resource Estimates	Mineral Resource estimates have been reported in accordance with the JORC Code, 2012 Edition, and are expressions of judgements based on knowledge, experience and industry practice. Estimates that are valid when made may change significantly when new information becomes available through drilling, sampling and other similar examinations. In addition, JORC compliant Mineral Resource

	estimates are necessarily imprecise and depend to some extent on geological interpretations, as well as various economic, commercial, technical, environmental and legal assumptions which may prove to be inaccurate or invalid due to the passage of time.
Commodity price volatility and exchange rate	If the Company achieves success leading to mineral production, the revenue it will derive through the sale of commodities exposes the potential income of the Company to commodity price and exchange rate risks. Commodity prices fluctuate and are affected by many factors beyond the control of the Company. Such factors include supply and demand fluctuations for precious and base metals, technological advancements, forward selling activities and other macro-economic factors. Furthermore, international prices of various commodities are denominated in United States dollars, whereas the income and expenditure of the Company are and will be taken into account in Australian currency, exposing the Company to the fluctuations and volatility of the rate of exchange between the United States dollar and the Australian dollar as determined in international markets.
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 these employees cease their employment. The Company may not be able to replace its senior management or key personnel with persons of equivalent expertise and experience within a reasonable period of time or at all and the Company may incur additional expenses to recruit, train and retain personnel. Loss of such personnel may also have an adverse effect on the performance of the Company.
Additional Requirements for Capital	The Company's capital requirements depend on numerous factors. The Company may require further financing in addition to amounts raised under the Capital Raising. 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 and scale back its development plans and exploration programmes. 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. There is no guarantee that the Company will be able to secure the Capital Raising. If the Company is unable to secure the Capital Raising, it will require an immediate alternate source of finance. Such an alternate source of finance may not be available on terms and conditions acceptable to the Company in accordance with the Company's financial requirements and timelines.
Outstanding Approvals for the King Tut Project	The Company has been delayed in undertaking drilling at the King Tut Project as the Company has been unable to obtain the required drilling permit approval from the local government authority. In Argentina, each province is the owner of the natural resources located in their respective territories and permitting is managed by both the mining and environmental departments of each province. The King Tut Project is entirely located in the La Rioja Province. The Company has been engaging with the Mining Department, Water Department and Environmental Department of the La Rioja Province to obtain the required drilling permit approvals for its King Tut Project. As at the date of this Prospectus, the Company has been advised that the only outstanding approval that is required to be granted for the Company to commence drilling at the King Tut Project is the grant of

	an Environmental Impact Statement in relation to an updated Environmental Impact Assessment that was previously lodged by the Company. The grant of these this approval is out of the control of the Company and there is no guarantee that it will occur. However, the Company notes that the Board does not consider its investment in the King Tut Project will be material following the Company's re-admission to quotation and does not intend for the King Tut Project to form a focal point of the Company's key strategies.
Industry Specific Risks	
Tenure	Mining and exploration tenements are subject to periodic renewal. There is no guarantee that current or future tenements or future applications for production tenements will be approved. Tenements are subject to the applicable mining acts and regulations of the relevant jurisdiction. The renewal of the term of a granted tenement is also subject to the discretion of the relevant Minister. Renewal or conversion conditions may include increased expenditure and work commitments or compulsory relinquishment of areas of the tenements comprising the Company's projects. 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. Irrespective of the Company's compliance with the conditions of the tenements, and applicable mining acts and regulations, there is no guarantee that applications for forfeiture or cancellation will not be made against the tenements. Further, any exemptions from tenement conditions (if available) are subject to the discretion of the Minister and objections by third parties. If any application for forfeiture or objection to the grant of an exemption is lodged, the Company may be required to defend such applications or objections and incur significant costs.
Operating and Development	The Company's ability to achieve production, development, operating cost and capital expenditure estimates on a timely basis cannot be assured. The business of nickel mining involves many risks and may be impacted by factors including ore tonnes, yield, input prices (some of which are unpredictable and outside the Company's control), overall availability of free cash to fund continuing development activities, labour force disruptions, cost overruns, changes in the regulatory environment and other unforeseen contingencies. Other risks also exist such as environmental hazards (including discharge of pollutants or hazardous chemicals), industrial accidents and occupational and health hazards. Such occurrences could result in damage to, or destruction of, production facilities, personal injury or death, environmental damage, delays in mining, increased production costs and other monetary losses and possible legal liability to the owner or operator of the mine. The Company may become subject to liability for pollution or other hazards against which it has not insured or cannot insure, including those in respect of past mining activities for which it was not responsible. These risks also mean that there can be no assurances as to the future development of a mining operation in relation to any of the Company's projects or which the Company may acquire in the future.
Exploration	The mineral assets in which the Company will acquire an interest are at various stages of exploration, and potential investors should understand that mineral exploration and development are high-risk undertakings. There can be no assurance that exploration of these assets, or any other assets that may be acquired in the future, will result in the discovery of an economic ore deposit. Even if an apparently viable deposit is identified, there is no guarantee that it can be economically exploited. Exploration is an inherently speculative and high-risk activity that requires significant amounts of expenditure over extended periods of

	time to present a reasonable probability of success. The Company's exploration activities are subject to all the hazards and risks normally encountered in the exploration of minerals, including climatic conditions, hazards of operating vehicles and plant, technical difficulties, lack of sufficient water or power sources, industrial and environmental accident, adverse changes in government policy or legislation, lack of access to sufficient funding, lack of access to sufficient infrastructure, risks associated with operating in remote areas and other similar considerations. Conclusions drawn during mineral exploration are subject to all the uncertainties associated with all sampling techniques and to the risk of incorrect interpretation of geological, geochemical, geophysical, drilling and other data. No assurance can be given that during the exploration process mineral resources will be defined with preferred or desirable tonnages and/or grades that would result in feasible economic extraction. Substantial expense may be incurred without the requisite or expected degree of reward. Further, the costs of the Company's exploration activities may materially differ from its estimates and assumptions. No assurance can be given that the Company's cost estimates and the underlying assumptions will be realised in practice, which may materially and adversely affect the value of Shares.
Regulatory	The Company's exploration and development activities are subject to extensive laws and regulations relating to numerous matters including resource licence consents, conditions including environmental compliance and rehabilitation, taxation, employee relations, health and worker safety, waste disposal, protection of the environment, native title and heritage matters, protection of endangered and protected species and other matters. The Company also requires permits from regulatory authorities to authorise its operations. These permits relate to exploration, development, production and rehabilitation activities. Obtaining the 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 mine. 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 its tenements.
Environmental	The Company's operations and activities are subject to the environmental laws and regulations of Austria, Morocco, Canada, Argentina, the United States of America and any other places the Company may conduct business. As with most mining and exploration projects, the Company's operations and activities are expected to have an impact on the environment, particularly if advanced development proceeds at any one of the Company's existing or potential future projects. Mining operations have inherent risks and liabilities associated with safety and damage to the environment and the disposal of waste products occurring as a result of mineral exploration and production. The occurrence of any such safety or environmental incident could delay production or increase production costs. Events, such as unpredictable rainfall or fires 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. The disposal of mining and process waste and mine water discharge are under constant legislative scrutiny and regulation. There is a risk

	that environmental laws and regulations become more onerous making the Company's operations more expensive. Approvals are required for land clearing and for ground disturbing activities. Delays in obtaining such approvals can result in the delay to anticipated exploration programmes or mining activities.
Climate	There are a number of climate-related factors that may affect the operations and proposed activities of the Company. The climate change risks particularly attributable to the Company include: (a) the emergence of new or expanded regulations associated with the transitioning to a lower-carbon economy and market changes related to climate change mitigation. The Company may be impacted by changes to local or international compliance regulations related to climate change mitigation efforts, or by specific taxation or penalties for carbon emissions or environmental damage. These examples sit amongst an array of possible restraints on industry that may further impact the Company and its profitability. While the Company will endeavour to manage these risks and limit any consequential impacts, there can be no guarantee that the Company will not be impacted by these occurrences; and (b) climate change may cause certain physical and environmental risks that cannot be predicted by the Company, including events such as increased severity of weather patterns and incidence of extreme weather events and longer-term physical risks such as shifting climate patterns. All these risks associated with climate change may significantly change the industry in which the Company operates.
Native Title and First Nations	Native title, First Nations or Aboriginal heritage sites or objects may exist in the areas covered by the Company's tenements. Native title, First Nations and heritage legislation in the jurisdictions in which the Company operates may affect the Company's ability to gain access to prospective exploration areas or obtain required permits or licences. In relation to native title, the Company may seek a native title determination authorising entry onto land where native title has been claimed. If the title grants exclusive possession, the landowner may object to a notice of entry. Entry may only be granted on specific terms and conditions, and the Company may have to pay compensation to the landowner. If there is a determination of native title over an area the subject of the mining, prospecting and exploration tenements held by the Company, the native title holder's consent may be required for exploration and mining to occur. Native title could potentially impact the status, renewal and conversion of existing tenements held by the Company and may impact the future grant of new tenements. Compensation may be required to be provided by the Company to native titleholders in the form of money, transfer of property or provision of goods and services.
General Risks	
COVID-19	The coronavirus disease (COVID-19) is continuing to impact global economic markets. The Company's Share price may be adversely affected in the short to medium term by the economic uncertainty caused by COVID-19. Further, any governmental or industry measures taken in response to COVID-19 may adversely impact the Company's operations and are likely to be beyond the control of the Company. The COVID-19 pandemic may also give rise to issues, delays or restrictions in relation to land access and the Company's ability to freely move people and equipment to and from the Project and other exploration projects which may cause delays or cost increases. In addition, the effects of COVID-19 on the Company's Share price and global financial markets generally may also affect the Company's

	ability to raise equity or debt or require the Company to issue capital at a discount, which may in turn cause dilution to Shareholders. The Directors are monitoring the situation closely and have considered the impact of COVID-19 on the Company's business and financial performance. However, the situation is continually evolving, and the consequences are therefore inevitably uncertain.
Ukraine Conflict	The current evolving conflict between Ukraine and Russia (Ukraine Conflict) is impacting global economic markets. The nature and extent of the effect of the Ukraine Conflict on the performance of the Company remains unknown. The Company's Share price may be adversely affected in the short to medium term by the economic uncertainty caused by the Ukraine Conflict. The Company is continuing to closely monitor the potential secondary and tertiary macroeconomic impacts of the unfolding events, including the changing pricing of commodity and energy markets and the potential of cyber activity impacting governments and businesses. Further, any governmental or industry measures taken in response to the Ukraine Conflict, including limitations on travel and changes to import/export restrictions and arrangements involving Russia, may adversely impact the Company's operations and are likely to be beyond the control of the Company. The Company is monitoring the situation closely and considers the impact of the Ukraine Conflict on the Company's business and financial performance to, at this stage, be limited. However, the situation is continually evolving, and the consequences are therefore inevitably uncertain.
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. If activities cannot be funded, there is a risk that the Project or any other exploration projects that are held by the Company may have to be surrendered or not renewed. General economic conditions may also affect the value of the Company and its valuation regardless of its actual performance.
Competition	The industry in which the Company will be involved is subject to domestic and global competition. Although the Company will undertake all 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 Company's projects and business.
Market Conditions	Share market conditions may affect the value of the Company's Shares regardless of the Company's operating performance. Share market conditions are affected by many factors such as: (a) general economic outlook; (b) introduction of tax reform or other new legislation; (c) interest rates and inflation rates; (d) changes in investor sentiment toward particular market sectors; (e) the demand for, and supply of, capital; and (f) terrorism or other hostilities. The market price of Shares can fall as well as rise and may be subject to varied and unpredictable influences on the market for equities in general and resource 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. Shareholders and investors 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. Further, after the end of the relevant escrow periods affecting Shares in the Company, a significant sale of then tradeable Shares (or the market perception that such a sale might occur) could have an adverse effect on the Company's Share price. Refer to Section 5.21 for further details on the Shares likely to be classified by the ASX as restricted securities.
Insurance	The Company intends to insure its operations in accordance with industry practice. However, in certain circumstances the Company's insurance may not be of a nature or level to provide adequate insurance cover. The occurrence of an event that is not covered or fully covered by insurance could have a material adverse effect on the business, financial condition and results of the Company. Insurance of all risks associated with mineral exploration and production is not always available and where available the costs can be prohibitive.
Force Majeure	The Company's 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.
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 Securities under the Capital Raising.
Litigation	The Company is exposed to possible litigation risks including native title claims, 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, reputation, financial performance and financial position. The Company is not currently engaged in any litigation.

5.23 Plans for the Company if completion of the Proposed Acquisitions does not occur

If any of the Essential Resolutions are not passed and the Proposed Acquisitions are therefore not able to be complete, the Company will continue to look for alternative potential business acquisitions to enable the Company to seek a re-listing on the ASX and generate value for Shareholders. The time taken to identify and execute an alternative acquisition is uncertain and there can be no guarantee that the Company will ultimately be successful in executing an alternative acquisition.

Trading in the Company's Shares is currently suspended and will remain suspended until the Company re-complies with Chapters 1 and 2 of the Listing Rules following completion of the Proposed Acquisitions or can otherwise satisfy ASX that its level of its operations are sufficient for the purposes of Listing Rule 12.1.

5.24 Directors' interests in the Proposed Acquisitions

None of the Directors or the Proposed Director have any interest in the Proposed Acquisitions, other than as disclosed in this Notice.

5.25 Interest of Counterparties in the Company

None of the Vendors (or their associates) of the New Projects are related parties of the Company, nor do they have any interest in the Company, other than as disclosed in this Notice.

The Company has agreed to pay corporate consultants, Geomap Exploration Inc (**Geomap**) (an unrelated entity) consultant fees for the provision of corporate advisory and introductory services in relation to the acquisition of the Falcon Lake Project under a consultancy agreement (**Geomap Consultancy Agreement**).

The Company has agreed subject to obtaining Shareholder approval (sought pursuant to Resolution 8) to issue Geomap (or its nominees):

- (a) A\$50,000 worth of Shares on completion of the Falcon Lake acquisition (**Geomap Initial Consideration Shares**); and
- (b) A\$50,000 worth of Shares on the first anniversary of the completion of the Falcon Lake acquisition (**Geomap Deferred Consideration Shares**).

The number of Geomap Initial Consideration Shares and Geomap Deferred Consideration Shares to be issued will be calculated based on the 10-day volume weighted average price of Shares on the day before the date of issue of the Shares.

No other fees are payable by the Company to any person for finding, arranging or facilitating the Proposed Acquisitions.

5.26 Material Information

The Directors confirm that all accessible and material information available to the Company has been included in this Notice and that the Company is in compliance with its continuous disclosure obligations under Listing Rule 3.1.

5.27 Forward looking statements

The forward-looking statements in this Explanatory Statement are based on the Company's current expectations about future events. However, they are 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 Statement. These risks include but are not limited to, the risks detailed in Section 5.22. Forward looking statements include those containing words such as 'anticipate', 'estimates', 'should', 'will', 'expects', 'plans' or similar expressions.

6. RESOLUTION 4– CHANGE TO NATURE AND SCALE OF ACTIVITIES

6.1 General

Resolution 4 seeks the approval of Shareholders for a change in the nature and scale of the Company's activities via the Proposed Acquisitions.

A detailed description of the Proposed Acquisitions and the Projects is outlined in Section 5 above and summaries of the material terms and conditions of the Acquisition Agreements are set out in Schedule 1.

6.2 Listing Rule 11.1

Listing Rule 11.1 provides that where an entity proposes to make a significant change, either directly or indirectly, to the nature or scale of its activities, it must provide full details to ASX as soon as practicable (and before making the change) and comply with the following:

- (a) provide to ASX information regarding the change and its effect on future potential earnings, and any information that ASX asks for;
- (b) if ASX requires, obtain the approval of holders of its shares and comply with any requirements of ASX in relation to the notice of meeting; and
- (c) if ASX requires, meet the requirements of Chapters 1 and 2 of the Listing Rules as if the entity were applying for admission to the Official List.

ASX has indicated to the Company that the change in the nature and scale of the Company's activities as a result of the Proposed Acquisitions requires the Company, in accordance with Listing Rule 11.1.2, to obtain Shareholder approval and the Company must comply with any requirements of ASX in relation to the Notice of Meeting.

6.3 Listing Rule 11.1.2

The Company is proposing to undertake the Proposed Acquisitions and to re-comply with the Listing Rules.

Listing Rule 11.1.2 empowers ASX to require a listed company to obtain the approval of its shareholders to a significant change to the nature or scale of its activities. The Proposed 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 a requirement under Listing Rule 11.1.2 that the Company obtain shareholder approval to the Proposed Acquisitions.

Resolution 4 seeks the required Shareholder approval to the Proposed Acquisitions and for the purposes of Listing Rule 11.1.2.

6.4 Technical information required by Listing Rule 14.1A

If Resolution 4 and the other Essential Resolutions are passed, the Company will be able to proceed with the Proposed Acquisition, which will allow the Company to change the nature and scale of its activities.

If Resolution 4 is **not** passed, the Company will not be able to proceed with the Proposed Acquisitions. As a result, the Company will be unable to undertake the change of nature and scale of its activities and will likely remain in suspension until it can satisfy ASX that its level of its operations are sufficient for the purposes of Listing Rule 12.1. The time taken to identify and execute an alternative acquisition is uncertain and there can be no guarantee that the Company will ultimately be successful in executing an alternative acquisition.

6.5 Suspension until re-compliance with Chapters 1 and 2 of the Listing Rules

ASX has also indicated to the Company that the change in the nature and scale of the Company's activities is a back-door listing which consequently requires the Company to (in accordance with Listing Rule 11.1.3) re-comply with the admission requirements set out in Chapters 1 and 2 of the Listing Rules (including any ASX requirement to treat the Company's Securities as restricted securities).

The Company's Securities have been suspended from quotation since 8 April 2022 and, subject to Shareholder approval being obtained, will remain suspended from quotation until the Company has completed the Proposed Acquisitions and re-complied with Chapters 1 and 2 of the Listing Rules, including by satisfaction of ASX's conditions precedent to reinstatement.

7. RESOLUTION 5 – APPROVAL OF 7.1A MANDATE

7.1 General

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

However, under Listing Rule 7.1A, an eligible entity may seek shareholder approval by way of a special resolution passed at its annual general meeting to increase this 15% limit by an extra 10% to 25% (**7.1A Mandate**).

An 'eligible entity' means an entity which is not included in the S&P/ASX 300 Index and has a market capitalisation of \$300,000,000 or less. The Company is an eligible entity for these purposes.

As at the date of this Notice, the Company is an eligible entity as it is not included in the S&P/ASX 300 Index and has a current market capitalisation of \$28,984,082 (based on the number of Shares on issue and the last closing price of Shares on the ASX on 14 April 2022).

Resolution 5 seeks Shareholder approval by way of special resolution for the Company to have the additional 10% placement capacity provided for in Listing Rule 7.1A to issue Equity Securities without Shareholder approval.

If Resolution 5 is passed, the Company will be able to issue Equity Securities up to the combined 25% limit in Listing Rules 7.1 and 7.1A without any further Shareholder approval.

If Resolution 5 is not passed, the Company will not be able to access the additional 10% capacity to issue Equity Securities without Shareholder approval under Listing Rule 7.1A, and will remain subject to the 15% limit on issuing Equity Securities without Shareholder approval set out in Listing Rule 7.1.

7.2 Technical information required by Listing Rule 7.1A

Pursuant to and in accordance with Listing Rule 7.3A, the information below is provided in relation to Resolution 5:

(a) Period for which the 7.1A Mandate is valid

The 7.1A Mandate will commence on the date of the Meeting and expire on the first to occur of the following:

- (i) the date that is 12 months after the date of this Meeting;
- (ii) the time and date of the Company's next annual general meeting; and
- (iii) the time and date of approval by Shareholders of any transaction under Listing Rule 11.1.2 (a significant change in the nature or scale of activities) or Listing Rule 11.2 (disposal of the main undertaking).

(b) **Minimum price**

Any Equity Securities issued under the 7.1A Mandate must be in an existing quoted class of Equity Securities and be issued for cash consideration at a minimum price of 75% of the volume weighted average price of Equity Securities in that class, calculated over the 15 trading days on which trades in that class were recorded immediately before:

- (i) the date on which the price at which the Equity Securities are to be issued is agreed by the entity and the recipient of the Equity Securities; or
- (ii) if the Equity Securities are not issued within 10 trading days of the date in Section 7.2(b)(i), the date on which the Equity Securities are issued.

(c) **Use of funds raised under the 7.1A Mandate**

The Company intends to apply funds raised from issues of Equity Securities under the 7.1A Mandate towards building its mergers and acquisitions budget for the acquisition complementary assets and general working capital.

(d) **Risk of Economic and Voting Dilution**

Any issue of Equity Securities under the 7.1A Mandate will dilute the interests of Shareholders who do not receive any Shares under the issue.

If Resolution 5 is approved by Shareholders and the Company issues the maximum number of Equity Securities available under the 7.1A Mandate, the economic and voting dilution of existing Shares would be as shown in the table below.

The table below shows the dilution of existing Shareholders calculated in accordance with the formula outlined in Listing Rule 7.1A.2, on the basis of the last closing market price of Shares and the number of Equity Securities that are proposed to be on issue following the Capital Raising (assuming that the Minimum Subscription is raised).

The table also shows the voting dilution impact where the number of Shares on issue (Variable A in the formula) changes and the economic dilution where there are changes in the issue price of Shares issued under the 7.1A Mandate.

Number of Shares on Issue (Variable A in Listing Rule 7.1A.2)		Shares issued – 10% voting dilution	Dilution		
			Issue Price		
			\$0.25	\$0.50	\$0.75
			50% decrease	Issue Price	50% increase
			Funds Raised		
Current	76,966,493	7,696,649	\$1,924,162	\$3,848,324	\$5,772,486
50% increase	115,449,740	11,544,973	\$2,886,243	\$5,772,486	\$8,658,729
100% increase	153,932,986	15,393,298	\$3,848,324	\$7,696,649	\$11,544,973

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

The table above uses the following assumptions:

1. There will be 76,966,493 on issue on completion of the Capital Raising (this assumes that the Minimum Subscription is raised).
2. The issue price set out above is the closing market price of the Shares on the ASX on 14 April 2022 (being \$0.50).
3. The Company issues the maximum possible number of Equity Securities under the 7.1A Mandate.
4. The Company has not issued any Equity Securities in the 12 months prior to the Meeting that were not issued under an exception in Listing Rule 7.2 or with approval under Listing Rule 7.1.
5. The issue of Equity Securities under the 7.1A Mandate consists only of Shares. It is assumed that no Options are exercised into Shares before the date of issue of the Equity Securities. If the issue of Equity Securities includes quoted Options, it is assumed that those quoted Options are exercised into Shares for the purpose of calculating the voting dilution effect on existing Shareholders.
6. The calculations above do not show the dilution that any one particular Shareholder will be subject to. All Shareholders should consider the dilution caused to their own shareholding depending on their specific circumstances.
7. This table does not set out any dilution pursuant to approvals under Listing Rule 7.1 unless otherwise disclosed.
8. The 10% voting dilution reflects the aggregate percentage dilution against the issued share capital at the time of issue. This is why the voting dilution is shown in each example as 10%.
9. The table does not show an example of dilution that may be caused to a particular Shareholder by reason of placements under the 7.1A Mandate, based on that Shareholder's holding at the date of the Meeting.

Shareholders should note that there is a risk that:

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

(e) **Allocation policy under the 7.1A Mandate**

The recipients of the Equity Securities to be issued under the 7.1A Mandate have not yet been determined. However, the recipients of Equity Securities could consist of current Shareholders or new investors (or both), none of whom will be related parties of the Company.

The Company will determine the recipients at the time of the issue under the 7.1A Mandate, having regard to the following factors:

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

(f) **Previous approval under Listing Rule 7.1A**

The Company previously obtained approval from its Shareholders pursuant to Listing Rule 7.1A at its annual general meeting held on 30 November 2021 (**Previous Approval**).

During the 12 month period preceding the date of the Meeting, the Company has not issued any Equity Securities pursuant to the Previous Approval.

8. RESOLUTION 6 – ISSUE OF SHARES IN CONSIDERATION FOR PROPOSED ACQUISITION OF THE BLEIBERG PROJECT

8.1 General

Resolution 6 seeks the Shareholder approval under and for the purposes of Listing Rule 7.1 for the issue of the Bleiberg Deferred Consideration Shares in consideration for the Company's acquisition of the Bleiberg Project.

Further information with respect to the proposed acquisition of the Bleiberg Project is set out in Section 5.2.1 above.

8.2 Listing Rule 7.1

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

The proposed issue of the Shares under Resolution 6 does not fall within any of these exceptions and exceeds the 15% limit in Listing Rule 7.1. It therefore requires the approval of Shareholders under Listing Rule 7.1.

8.3 Technical Information required by Listing Rule 14.1A

If Resolution 6 and the other Essential Resolutions are passed, the Company will be able to proceed with the issue of the Bleiberg Deferred Consideration Shares. In addition, the issue of the Bleiberg Deferred Consideration Shares will be excluded from the calculation of the number of equity securities that the Company can issue without Shareholder approval under Listing Rule 7.1.

Resolution 6 is an Essential Resolution. As such, if Resolution 6 is not passed, the Company will not be able to proceed with the Proposed Acquisitions. As a result, the Company will be unable to undertake the change of nature and scale of its activities and will likely remain in suspension until it can satisfy ASX that its level of its operations are sufficient for the purposes of Listing Rule 12.1. The time taken to identify and execute an alternative acquisition is uncertain and there can be no guarantee that the Company will ultimately be successful in executing an alternative acquisition.

8.4 Technical information required by Listing Rule 7.3

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

- (a) the Shares will be issued to Poly (or their nominee);
- (b) the maximum number of Shares to be issued is:
 - (i) in respect of the Bleiberg T1 Bleiberg Consideration Shares, that number of Shares which, when multiplied by the 10-day VWAP and the 20 day CAD/AUS exchange rate as prescribed by Bank of Canada is equal to C\$177,500;
 - (ii) in respect of the Bleiberg T2 Bleiberg Consideration Shares, that number of Shares which, when multiplied by the 10-day VWAP and the 20 day CAD/AUS exchange rate as prescribed by Bank of Canada is equal to C\$377,500, within 36 months of the date of the acquisition of an initial 15% interest in the Bleiberg Project;
- (c) the Shares issued will be fully paid ordinary shares in the capital of the Company issued on the same terms and conditions as the Company's existing Shares;
- (d) in accordance with the terms of the waiver of Listing Rule 7.3.4 granted to the Company by ASX, the Bleiberg Deferred Consideration Shares will be issued by no later than:
 - (i) with respect to the Bleiberg T1 Deferred Consideration Shares, 30 March 2023; and
 - (ii) with respect to the Bleiberg T2 Deferred Consideration Shares, 30 March 2025;
- (e) the Bleiberg Deferred Consideration Shares will be issued for nil cash consideration, as consideration for the proposed acquisition of the Bleiberg Project;

- (f) the purpose of the issue of the Bleiberg Deferred Consideration Shares is to satisfy the Company's obligations under the Bleiberg Acquisition Agreement. Accordingly, no funds will be raised from the issue;
- (g) the Bleiberg Deferred Consideration Shares are being issued to Poly (or its nominees) under the Bleiberg Acquisition Agreement, a summary of the material terms of which is set at Schedule 1; and
- (h) the Bleiberg Deferred Consideration Shares are not being issued under, or to fund, a reverse takeover.

8.5 Dilution

Set out below is a worked example of the number of Shares that may be issued under Resolution 6 based on issue prices of A\$0.40 (being the floor deemed issue price for the Bleiberg Deferred Consideration Shares), A\$0.45 and A\$0.50.

Assumed issue price	Maximum number of Shares which may be issued ^{2,3}	Current Shares on issue as at the date of this Notice	Increase in the number of Shares on issue	Dilution effect on existing Shareholders
A\$0.40 ¹	1,558,166	57,968,163	59,526,329	2.69%
A\$0.45	1,385,036	57,968,163	59,353,199	2.39%
A\$0.50	1,246,533	57,968,163	59,214,696	2.15%

Notes:

- Being, the proposed public offer issue price of \$0.40 per Share.
- Rounded to the nearest whole number.
- Assuming an A\$:C\$ exchange rate of \$A1:C\$0.89047.
- The ultimate number of shares will be dependent upon the 20 day VWAP and average 20 day foreign exchange rate per the Bank of Canada.

9. RESOLUTION 7 – ISSUE OF SHARES IN CONSIDERATION FOR PROPOSED ACQUISITION OF FALCON LAKE PROJECT

9.1 General

Resolution 7 seeks Shareholder approval under and for the purposes of Listing Rule 7.1 for the issue of the FEM Consideration Shares in consideration for the Company's acquisition of the Falcon Lake Project.

Further information with respect to the proposed acquisition of the Falcon Lake Project is set out in Section 5.2.2 above.

9.2 Listing Rule 7.1

A summary of Listing Rule 7.1 is set out in Section 8.2 above.

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

9.3 Technical Information required by Listing Rule 14.1A

If Resolution 7 and the other Essential Resolutions passed, the Company will be able to proceed with the issue of the FEM Consideration Shares. In addition, the issue of the FEM Consideration Shares will be excluded from the calculation of the number of equity securities that the Company can issue without Shareholder approval under Listing Rule 7.1.

Resolution 7 is an Essential Resolution. As such, if Resolution 7 is not passed, the Company will not be able to proceed with the Proposed Acquisitions. As a result, the Company will be unable to undertake the change of nature and scale of its activities and will likely remain in suspension until it can satisfy ASX that its level of operations is sufficient for the purposes of Listing Rule 12.1. The time taken to identify and execute an alternative acquisition is uncertain and there can be no guarantee that the Company will ultimately be successful in executing an alternative acquisition.

9.4 Technical information required by Listing Rule 7.1

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

- (a) the Shares will be issued to FEM (or their nominee);
- (b) the maximum number of Shares to be issued is:
 - (i) in respect of the FEM T1 Consideration Shares, that amount of Shares equal to A\$550,000 based on a deemed issue price of A\$0.40 per Share, being 1,375,000 Shares; and
 - (ii) in respect of the FEM T2 Consideration Shares, that number of Shares which, when multiplied by the 10-day VWAP calculated on the day before the date of issue of the Shares (subject to a floor price of \$0.40 per Share) is equal to A\$300,000;
- (c) the Shares issued will be fully paid ordinary shares in the capital of the Company issued on the same terms and conditions as the Company's existing Shares;
- (d) the FEM Consideration Shares will be issued no later than 3 months after the date of the Meeting (or such later date to the extent permitted by any ASX waiver or modification of the Listing Rules) and it is intended that issue of the FRM Consideration Shares will occur on the same date;
- (e) the FEM Consideration Shares will be issued for nil cash consideration, as consideration for the proposed acquisition of the Falcon Lake Project;
- (f) the purpose of the issue of the FEM Consideration Shares is to satisfy the Company's obligations under the Falcon Lake Acquisition Agreement. Accordingly, no funds will be raised from the issue;
- (g) the FEM Consideration Shares are being issued to Poly (or its nominees) under the Falcon Lake Acquisition Agreement, a summary of the material terms of which is set at Schedule 1; and
- (h) the FEM Consideration Shares are not being issued under, or to fund, a reverse takeover.

9.5 Dilution

Set out below is a worked example of the number of Shares that may be issued under Resolution 7 based on issue prices of \$0.40 (being the floor price of the FEM Consideration Shares), \$0.45 and \$0.50.

Assumed issue price	Maximum number of Shares which may be issued ²	Current Shares on issue as at the date of this Notice	Increase in the number of Shares on issue	Dilution effect on existing Shareholders
\$0.40 ¹	7,125,000	57,968,163	65,093,163	12.29%
\$0.45	6,486,111	57,968,163	64,454,274	11.19%
\$0.50	5,975,000	57,968,164	63,943,164	10.31%

Notes:

1. Being, the proposed public offer issue price of \$0.40 per Share.
2. Rounded to the nearest whole number.

10. RESOLUTION 8 – ISSUE OF SHARES IN CONSIDERATION FOR CORPORATE ADVISORY AND INTRODUCTORY SERVICES

10.1 General

As set out in Section 5.25, the Company has also agreed to pay corporate consultants, Geomap consultant fees for the provision of corporate advisory and introductory services under the Geomap Consultancy Agreement.

The Company has agreed subject to obtaining Shareholder approval sought pursuant to this Resolution 8 to issue Geomap (or its nominees):

- (a) the Geomap Initial Consideration Shares (worth A\$50,000) on completion of the Falcon Lake acquisition; and
- (b) the Geomap Deferred Consideration Shares (worth A\$50,000) on the first anniversary of the completion of the Falcon Lake acquisition.

The number of Geomap Initial Consideration Shares and Geomap Deferred Consideration Shares to be issued will be calculated based on the 10-day volume weighted average price of Shares on the day before the date of issue of the Shares, subject to a floor price of \$0.40.

10.2 Listing Rule 7.1

A summary of Listing Rule 7.1 is set out in Section 8.2 above.

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

10.3 Technical information required by Listing Rule 14.1A

If Resolution 8 is passed, the Company will be able to proceed with the issue of the Geomap Shares. In addition, the issue of the Geomap Shares will be excluded from the calculation of the number of equity securities that the Company can issue without Shareholder approval under Listing Rule 7.1.

If Resolution 8 is not passed, the Company may not be able to proceed with the issue of the Geomap Shares and may be required to compensate Geomap via alternative means, such as cash payment.

Resolution 8 seeks Shareholder approval for the purposes of Listing Rule 7.1 for the issue of the Geomap Shares.

10.4 Technical information required by Listing Rule 7.3

Pursuant to and in accordance with Listing Rule 7.3, the following information is provided in relation to Resolution 8:

- (a) the Shares will be issued to Geomap (or their nominee);
- (b) the maximum number of Shares to be issued is that number of Shares which, when multiplied by the 10-day volume weighted average price of Shares on the day before the date of issue of the Shares, is equal to A\$100,000, subject to a floor price of \$0.40;
- (c) the Shares issued will be fully paid ordinary shares in the capital of the Company issued on the same terms and conditions as the Company's existing Shares;
- (d) the Geomap Initial Consideration Shares will be issued no later than 3 months after the date of the Meeting (or such later date to the extent permitted by any ASX waiver or modification of the Listing Rules) and it is intended that issue of the Geomap Initial Consideration Shares will occur on the same date;
- (e) in accordance with the terms of the waiver of Listing Rule 7.3.4 granted to the Company by ASX, the Geomap Deferred Consideration Shares will be issued by no later than 15 January 2024;
- (f) the Geomap Shares will be issued for nil cash consideration, as consideration for corporate advisory and introductory services in relation to the Falcon Lake Project acquisition provided by Geomap;
- (g) the purpose of the issue of the Geomap Shares is to satisfy the Company's obligations under its agreement with Geomap. Accordingly, no funds will be raised from the issue;
- (h) the Geomap Shares are being issued to Geomap under the agreement between Geomap and the Company for corporate advisory and introductory services in relation to the Falcon Lake Project acquisition, a summary of the material terms of which is set out in Section 10.1; and
- (i) the Geomap Shares are not being issued under, or to fund, a reverse takeover.

10.5 Dilution

Set out below is a worked example of the number of Shares that may be issued under Resolution 8 based on issue prices of \$0.40 (being the floor price of the Geomap Shares), \$0.45 and \$0.50.

Assumed issue price	Maximum number of Shares which may be issued ²	Current Shares on issue as at the date of this Notice	Increase in the number of Shares on issue	Dilution effect on existing Shareholders
\$0.40 ¹	250,000	57,968,163	58,218,163	0.43%
\$0.45	222,222	57,968,163	58,190,385	0.38%
\$0.50	200,000	57,968,164	58,168,164	0.34%

Notes:

1. Being, the proposed public offer issue price of \$0.40 per Share.
2. Rounded to the nearest whole number.

11. RESOLUTION 9 – ISSUE OF CAPITAL RAISING SECURITIES

11.1 General

Resolution 9 seeks Shareholder approval for the issue of up to 17,500,000 Shares at an issue price of \$0.40 per Share, together with one free attaching Option for every new Share issued to raise up to \$7,000,000 under the Capital Raising, with a Minimum Subscription of \$6,500,000. The Options offered under the Capital Raising will be exercisable at \$0.50 each on or before the date that is 3 years from the date of issue.

Pursuant to Resolutions 12 to 15, the Company is seeking Shareholder approval to enable Directors, Messrs Ahmad and Martin and the Proposed Directors, Mr Fahey and Dr Pevcic, the opportunity to participate in the Capital Raising.

The Capital Raising will be undertaken via the Prospectus to assist the Company in complying with Chapters 1 and 2 of the Listing Rules (which is required to obtain re-instatement of the Shares to trading on the Official List on completion of the Proposed Acquisitions).

It is noted that the Shares and Options the subject of the Capital Raising (**Capital Raising Securities**) will only be issued if:

- (a) the Minimum Subscription is raised;
- (b) the Company has received conditional approval from ASX for the Company to be reinstated to official quotation on ASX following the Company's compliance with Listing Rule 11.1.3 and Chapters 1 and 2 of the Listing Rules; and
- (c) the issue occurs contemporaneously with settlement of the Proposed Acquisition, which requires, amongst other things, the passing of all Essential Resolutions.

Further details of the Offer will be set out in the Prospectus.

Resolution 9 seeks the required Shareholder approval to the issue of the Capital Raising Securities under and for the purposes of Listing Rule 7.1.

11.2 Listing Rule 7.1

A summary of Listing Rule 7.1 is set out in Section 8.2 above.

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

11.3 Technical information required by Listing Rule 14.1A

If Resolution 9 and the other Essential Resolutions are passed, the Company will be able to proceed with the issue of the Capital Raising Securities. In addition, the issue of the Capital Raising Securities will be excluded from the calculation of the number of equity securities that the Company can issue without Shareholder approval under Listing Rule 7.1.

Resolution 9 is an Essential Resolution. As such, if Resolution 9 is not passed, the Company will not be able to proceed with the Proposed Acquisition or the Capital Raising. As a result, the Company will be unable to undertake the change of nature and scale of its activities and will likely remain in suspension until it can satisfy ASX that its level of its operations are sufficient for the purposes of Listing Rule 12.1. The time taken to identify and execute an alternative acquisition is uncertain and there can be no guarantee that the Company will ultimately be successful in executing an alternative acquisition.

11.4 Technical information required by Listing Rule 7.3

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

- (a) aside from the Capital Raising Securities the subject of Resolutions 12 to 15 (see Section 14 for further details) the Capital Raising Securities will be issued to professional and sophisticated investors who are clients of Kaai Capital (**Investors**). The Investors will be identified through a bookbuild process, which will involve Kaai Capital seeking expressions of interest to participate in the capital raising from non-related parties of the Company;
- (b) the maximum number of Shares to be issued is 17,500,000 Shares and the maximum number of Options to be issued is equal to 100% of the number of Shares to be issued (being approximately 17,500,000 Options) as the Options will be issued free attaching with the Shares on the basis of one Option for one new Share subscribed for and issued;
- (c) the Shares issued will be fully paid ordinary shares in the capital of the Company issued on the same terms and conditions as the Company's existing Shares. The Options will be issued on the terms and conditions set out in Schedule 3;
- (d) the Capital Raising Securities will be issued no later than 3 months after the date of the Meeting (or such later date to the extent permitted by any ASX waiver or modification of the Listing Rules) and it is intended that issue of the Capital Raising Securities will occur on the same date;
- (e) the issue price will be \$0.40 per Share and nil per Option as the Options will be issued free attaching with the Shares on the basis of one Option for every two Shares subscribed for and issued;
- (f) the purpose of the issue of the Capital Raising Securities is to raise up to \$7,000,000. the Company intends to use the funds raised from the Capital Raising as set out in Section 5.14;

- (g) the Capital Raising Securities are not being issued under an agreement; and
- (h) the Capital Raising Securities are not being issued under, or to fund, a reverse takeover.

12. RESOLUTION 10 – APPOINTMENT OF DIRECTOR – MR GERRY FAHEY

12.1 General

The Company's Constitution provides that the Company may elect a person as a director by resolution passed in general meeting.

In accordance with clause 14.3 of the Constitution, Mr Gerry Fahey, subject to completion of the Proposed Acquisition, seeks election from Shareholders.

12.2 Qualifications and other material directorships

Mr Fahey has over 40 years' experience in both the international and local minerals industry. He is a specialist in mining geology, mine development and training and worked for 10 years as Chief Geologist Mining for Delta Gold where he was actively involved with the development of the Eureka, Chaka, Globe and Phoenix gold mines and the following Australian gold projects: the Kanowna Belle, Golden Feather, Sunrise and Wallaby.

Mr Fahey is currently a Director of Prospect Resources which in April 2022 sold its 87% stake in its Arcadia Lithium Project located in Zimbabwe for approximately US\$378 million cash to Zhejiang Huayou Cobalt. He is also a director of Focus Minerals Ltd and formerly a Director of CSA Global Pty Ltd, and member of the Joint Ore Reserve Committee (JORC).

12.3 Independence

If elected, the Board considers that Mr Fahey will be an independent director.

12.4 Board recommendation

The Board supports the election of Mr Fahey and recommends that Shareholders vote in favour of Resolution 10.

13. RESOLUTION 11 – APPOINTMENT OF DIRECTOR – DR DAVID PEVCIC

13.1 General

The Company's Constitution provides that the Company may elect a person as a director by resolution passed in general meeting.

In accordance with clause 14.3 of the Constitution, Dr David Pevcic, subject to completion of the Proposed Acquisition, seeks election from Shareholders.

13.2 Qualifications and other material directorships

Dr David Pevcic is a successful investor and businessman, with a principal focus on the mining and resources sector. Dr Pevcic is the founding director of several

privately owned mineral exploration companies, which have executed transactions with both ASX and TSX-listed companies.

In addition, Dr Pevcic is an advisor to Good Earth Dairy, Western Australia's first and leading camel dairy. Dr Pevcic holds a Bachelor of Science, Bachelor of Medicine and Bachelor of Surgery from the University of Western Australia, and is a Member of the Australian Institute of Company Directors.

13.3 Independence

If elected, the Board considers that Dr Pevcic will be an independent director.

13.4 Board recommendation

The Board supports the election of Dr Pevcic and recommends that Shareholders vote in favour of Resolution 11.

14. RESOLUTIONS 12 – 15 – DIRECTOR PARTICIPATION IN CAPITAL RAISING

14.1 General

Pursuant to Resolution 9, the Company is seeking Shareholder approval for the Capital Raising.

As set out above in Section 5.11.2, Messrs Ahmad and Martin and Proposed Directors, Mr Fahey and Dr Pevcic, Directors (**Related Parties**) each wish to participate in the Capital Raising on the same terms as unrelated participants (**Participation**).

Details with respect to the Participation are set out below.

Director/Proposed Director	Resolution	Subscription	Shares	Options
Mr Sufian Ahmad	Resolution 12	\$1,000,000	2,500,000	2,500,000
Mr Gerry Fahey	Resolution 13	\$25,000	62,500	62,500
Mr Robert Martin	Resolution 14	\$500,000	1,250,000	1,250,000
Dr David Pevcic	Resolution 15	\$300,000	750,000	750,000

Shareholder approval for the Participation is sought pursuant to Resolutions 12 to 15.

14.2 Chapter 2E of the Corporations Act

For a public company, or an entity that the public company controls, to give a financial benefit to a related party of the public company, the public company or entity must:

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

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

The issue of Capital Raising Securities to the Related Parties (**Related Party Securities**) constitutes giving a financial benefit and each of the Related Parties is a related party of the Company by virtue of being a Director or a Proposed Director.

In respect of Resolution 12, the Directors (other than Mr Ahmad who has a personal interest in the Resolution) consider that Shareholder approval pursuant to Chapter 2E of the Corporations Act is not required in respect of the Participation because the Related Party Securities will be issued to Mr Ahmad on the same terms as the Capital Raising Securities issued to non-related party participants in the Capital Raising and as such the giving of the financial benefit is on arm's length terms.

In respect of Resolution 13 and 15, the Directors consider that Shareholder approval pursuant to Chapter 2E of the Corporations Act is not required in respect of the Participation because the Related Party Securities will be issued to Mr Fahey and Dr Pevcic on the same terms as the Capital Raising Securities issued to non-related party participants in the Capital Raising and as such the giving of the financial benefit is on arm's length terms.

In respect of Resolution 14, the Directors (other than Mr Martin who has a personal interest in the Resolution) consider that Shareholder approval pursuant to Chapter 2E of the Corporations Act is not required in respect of the Participation because the Related Party will be issued to Mr Martin on the same terms as the Capital Raising Securities issued to non-related party participants in the Capital Raising and as such the giving of the financial benefit is on arm's length terms.

14.3 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 the approval of its shareholders.

The Participation falls within ASX Listing Rule 10.11.1 and does not fall within any of the exceptions in ASX Listing Rule 10.12. It therefore requires the approval of Shareholders under ASX Listing Rule 10.11.

Resolutions 12 to 15 seek Shareholder approval for the Participation under and for the purposes of ASX Listing Rule 10.11.

14.4 Technical information required by Listing Rule 14.1A

If Resolutions 12 to 15 are passed, the Company will be able to proceed with the issue of the Related Party Securities to the Related Parties within one month after the date of the Meeting (or such later date as permitted by any ASX waiver or modification of the Listing Rules) and will raise additional funds which will be used in the manner set out in Section 5.14 above. As approval pursuant to Listing Rule 7.1 is not required for the issue of the Shares (because approval is being obtained under Listing Rule 10.11), the issue of the Shares will not use up any of the Company's 15% annual placement capacity.

If Resolutions 12 to 15 are not passed, the Company will not be able to proceed with the issue of the Related Party Securities and no funds will be raised in respect of the Capital Raising from the Related Parties.

Resolutions 12 to 15 are not Essential Resolutions. If Resolutions 12 to 15 are not passed, the Company can still proceed with the Proposed Acquisitions.

14.5 Technical Information required by Listing Rule 10.13

Pursuant to and in accordance with Listing Rule 10.13, the following information is provided in relation to Resolutions 12 to 15:

- (a) the Related Party Securities will be issued to the following persons:
 - (i) Sufian Ahmad (or his nominee) pursuant to Resolution 12 ;
 - (ii) Gerry Fahey (or his nominee) pursuant to Resolution 13;
 - (iii) Robert Martin (or his nominee) pursuant to Resolution 14; and
 - (iv) David Pevcic (or his nominee) pursuant to Resolution 15,each of whom falls within the category set out in Listing Rule 10.11.1 by virtue of being a Director or a Proposed Director;
- (b) the maximum number of Related Parties Securities to be issued to the Related Parties (being the nature of the financial benefit proposed to be given) is 4,312,500 Shares and 4,312,500 Options, comprising:
 - (i) 2,500,000 Shares and 2,500,000 Options to Sufian Ahmad (or his nominee) pursuant to Resolution 12 ;
 - (ii) 62,500 Shares and 62,500 Options to Gerry Fahey (or his nominee) pursuant to Resolution 13;
 - (iii) 1,250,000 Shares and 1,250,000 Options to Robert Martin (or his nominee) pursuant to Resolution 14; and
 - (iv) 750,000 Shares and 750,000 Options to David Pevcic (or his nominee) pursuant to Resolution 15;
- (c) the Shares issued will be fully paid ordinary shares in the capital of the Company issued on the same terms and conditions as the Company's existing Shares;
- (d) the terms and conditions of the Options are set out in Schedule 3;

- (e) in accordance with the terms of the waiver of Listing Rule 10.3.5 granted to the Company by ASX, the Related Party Securities will be issued at the same time as securities will be issued under the Capital Raising;
- (f) the issue price will be \$0.40 per Share, being the same issue price as Shares issued to other participants in the Capital Raising. The Company will not receive any other consideration for the issue of the Shares;
- (g) the issue price of the Options will be nil. The Company will not receive any other consideration in respect of the issue of the Options (other than in respect of funds received on exercise of the Options);
- (h) the purpose of the issue of Related Party Securities under the Participation is to raise capital and to re-comply with the admission requirements in Chapters 1 and 2 of the ASX Listing Rules. The Company intends to use the funds raised in the manner set out in Section 5.14 above;
- (i) the Related Party Securities to be issued under the Participation are not intended to remunerate or incentivise the Related Parties;
- (j) the Related Party Securities are not being issued under an agreement; and
- (k) a voting exclusion statement is included in this Notice.

15. RESOLUTION 16 – SECTION 195 APPROVAL

Section 195 of the Corporations Act essentially provides that 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.

The Directors have a material personal interest in the outcome of Resolutions 12 and 14. In the absence of Resolution 16, the Directors may not be able to form a quorum at a Directors' meeting necessary to carry out the terms of these Resolutions.

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

16. RESOLUTION 17 – CHANGE OF COMPANY NAME

Section 157(1)(a) of the Corporations Act provides that a company may change its name if the company passes a special resolution adopting a new name.

Resolution 17 seeks the approval of Shareholders for the Company to change its name to 'Battery Age Minerals Limited'.

If Resolution 17 is passed the change of name will take effect when ASIC alters the details of the Company's registration.

The proposed name has been reserved by the Company and if Resolution 17 is passed, the Company will lodge a copy of the special resolution with ASIC on completion of the Proposed Acquisitions in order to effect the change.

The Board proposes this change of name on the basis that it more accurately reflects the proposed future operations of the Company.

17. RESOLUTION 18 – INCREASE IN TOTAL AGGREGATE REMUNERATION FOR NON-EXECUTIVE DIRECTORS

17.1 General

Listing Rule 10.17 provides that an entity must not increase the total aggregate amount of directors' fees payable to all of its non-executive directors without the approval of holders of its ordinary securities.

Directors' fees include all fees payable by the entity or any of its child entities to a non-executive director for acting as a director of the entity or any of its child entities (including attending and participating in any board committee meetings), superannuation contributions for the benefit of a non-executive director and any fees which a non-executive director agrees to sacrifice for other benefits. It does not include reimbursement of genuine out of pocket expenses, genuine "special exertion" fees paid in accordance with an entity's constitution, or securities issued to a non-executive director under Listing Rules 10.11 or 10.14 with the approval of the holders of its ordinary securities.

Clauses 14.7 and 14.8 of the Constitution also provide that total aggregate remuneration payable to the non-executive Directors will not exceed the sum initially set by the Constitution and subsequently increased by ordinary resolution of Shareholders in a general meeting.

The maximum aggregate amount of fees payable to the non-executive Directors is currently set at \$300,000.

Resolution 18 seeks Shareholder approval for the purposes of clause 14.8 of the Constitution and Listing Rule 10.17 to increase the total aggregate amount of fees payable to non-executive Directors to \$500,000.

The maximum aggregate amount of fees proposed to be paid to non-executive Directors per annum has been determined after reviewing similar companies listed on ASX and the Directors believe that this level of remuneration is in line with corporate remuneration of similar companies.

17.2 Technical information required by Listing Rule 10.17

If Resolution 18 is passed, the maximum aggregate amount of fees payable to the non-executive Directors will increase by \$200,000 to \$500,000. Whilst it is not envisaged that the maximum amount sought will be utilised immediately, the increase to maximum aggregate amount of fees payable may enable the Company to:

- (a) fairly remunerate both existing and any new non-executive directors joining the Board;
- (b) remunerate its non-executive Directors appropriately for the expectations placed upon them both by the Company and the regulatory environment in which it operates; and
- (c) have the ability to attract and retain non-executive directors whose skills and qualifications are appropriate for a company of the size and nature of the Company.

If Resolution 18 is not passed, the maximum aggregate amount of fees payable to non-executive Directors will remain at \$300,000. This may inhibit the ability of the

Company to remunerate, attract and retain appropriately skilled non-executive directors.

In the past three years, the Company has not issued any Securities to non-executive Directors pursuant to Listing Rules 10.11 and 10.14.

17.3 Board Recommendation

Given the interest of the non-executive Directors in this Resolution, the Board makes no recommendation to Shareholders regarding this Resolution.

18. RESOLUTION 19 – REPLACEMENT OF CONSTITUTION

18.1 General

A company may modify or repeal its constitution or a provision of its constitution by special resolution of shareholders.

Resolution 19 is a special resolution which will enable the Company to repeal its existing Constitution and adopt a new constitution (**Proposed Constitution**) which is of the type required for a listed public company limited by shares updated to ensure it reflects the current provisions of the Corporations Act and Listing Rules.

This will incorporate amendments to the Corporations Act and Listing Rules since the current Constitution was adopted on 3 September 2020.

The Directors believe that it is preferable in the circumstances to replace the existing Constitution with the Proposed Constitution rather than to amend a multitude of specific provisions.

The Proposed Constitution is broadly consistent with the provisions of the existing Constitution. The Directors believe the amendments to the Constitution are not material nor will they have any significant impact on Shareholders. It is not practicable to list all of the changes to the Constitution in detail in this Explanatory Statement, however, a summary of the proposed material changes is set out below.

A copy of the Proposed Constitution is available for review by Shareholders at the Company's website www.pathfinderresources.com.au and at the office of the Company. A copy of the Proposed Constitution can also be sent to Shareholders upon request to the Company Secretary (+61 8 6109 6689). Shareholders are invited to contact the Company if they have any queries or concerns.

18.2 Summary of material proposed changes

Use of Technology at General Meetings (clause 14)

Permanent changes to the Corporations Act came into effect on 1 April 2022 allowing the use of technology at meetings and distribution of meetings-related documents electronically (whether by a physical or electronic link or the entire document).

As a result of these reforms, wholly virtual meetings will only be allowed if expressly permitted under the company's constitution (this is included in clause 14.1 of the Proposed Constitution). The Proposed Constitution has also been qualified to be in accordance with the Corporations Act to reflect new deemed receipt of electronic NOMs as a result of amendments to the Corporations Act.

The amendments to the Proposed Constitution ensure that, whatever format of meeting is used, shareholders as a whole are given a reasonable opportunity to participate, and any technology used must allow shareholders to exercise, orally and in writing, any rights those shareholders have to ask questions and make comments.

The Proposed Constitution is updated to reflect these new requirements of the Corporations Act. The Directors consider it appropriate to update the Constitution for this amendment to allow the Company to hold wholly virtual meetings and ensure consistency with the latest reforms to the Corporations Act.

Partial (proportional) takeover provisions (new clause 37)

A proportional takeover bid is a takeover bid where the offer made to each shareholder is only for a proportion of that shareholder's shares.

Pursuant to section 648G of the Corporations Act, the Company has included in the Proposed Constitution a provision whereby a proportional takeover bid for Shares may only proceed after the bid has been approved by a meeting of Shareholders held in accordance with the terms set out in the Corporations Act.

This clause of the Proposed Constitution will cease to have effect on the third anniversary of the date of the adoption of last renewal of the clause.

Information required by section 648G of the Corporations Act

Effect of proposed proportional takeover provisions

Where offers have been made under a proportional off-market bid in respect of a class of securities in a company, the registration of a transfer giving effect to a contract resulting from the acceptance of an offer made under such a proportional off-market bid is prohibited unless and until a resolution to approve the proportional off-market bid is passed.

Reasons for proportional takeover provisions

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

Knowledge of any acquisition proposals

As at the date of this Notice of Meeting, the Directors are aware of the proposed participation by two major shareholders in the Capital raising, which may increase their substantial interest in the Company. Aside from this participation, no Director is aware of any proposal by any person to acquire, or to increase the extent of, a substantial interest in the Company.

Potential advantages and disadvantages of proportional takeover provisions

The Directors consider that the proportional takeover provisions have no potential advantages or disadvantages for them and that they remain free to make a

recommendation on whether an offer under a proportional takeover bid should be accepted.

The potential advantages of the proportional takeover provisions for Shareholders include:

- (a) the right to decide by majority vote whether an offer under a proportional takeover bid should proceed;
- (b) assisting in preventing Shareholders from being locked in as a minority;
- (c) increasing the bargaining power of Shareholders which may assist in ensuring that any proportional takeover bid is adequately priced; and
- (d) each individual Shareholder may better assess the likely outcome of the proportional takeover bid by knowing the view of the majority of Shareholders which may assist in deciding whether to accept or reject an offer under the takeover bid.

The potential disadvantages of the proportional takeover provisions for Shareholders include:

- (a) proportional takeover bids may be discouraged;
- (b) lost opportunity to sell a portion of their Shares at a premium; and
- (c) the likelihood of a proportional takeover bid succeeding may be reduced.

Recommendation of the Board

The Directors do not believe the potential disadvantages outweigh the potential advantages of adopting the proportional takeover provisions and as a result consider that the proportional takeover provision in the Proposed Constitution is in the interest of Shareholders and unanimously recommend that Shareholders vote in favour of Resolution 19.

19. RESOLUTION 20 – ADOPTION OF EMPLOYEE INCENTIVE SECURITIES PLAN

19.1 General

Resolution 20 seeks Shareholder approval for the adoption of the employee incentive scheme titled "Incentive Performance Rights and Options Plan" (**Plan**) and for the issue of incentive securities under the Plan in accordance with Listing Rule 7.2 (Exception 13(b)).

The objective of the Plan is to attract, motivate and retain key employees and the Company considers that the adoption of the Plan and the future issue of incentive securities under the Plan will provide selected employees with the opportunity to participate in the future growth of the Company.

19.2 Listing Rules 7.1 and 7.2

Listing Rule 7.1 is summarised in Section 9.1 above.

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

securities have approved the issue of equity securities under the scheme as exception to Listing Rule 7.1.

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

19.3 Technical information required by Listing Rule 14.1A

If Resolution 20 is passed, the Company will be able to issue incentive securities under the Plan to eligible participants over a period of three years. The issue of any incentive securities to eligible participants under the Plan (up to the maximum number of Securities stated in Section 19.4(c) below) will be excluded from the calculation of the number of equity securities that the Company can issue without Shareholder approval under Listing Rule 7.1.

For the avoidance of doubt, the Company must seek Shareholder approval under Listing Rule 10.14 in respect of any future issues of Performance Rights or Options under the Plan to a related party or a person whose relationship with the company or the related party is, in ASX's opinion, such that approval should be obtained.

If Resolution 20 is not passed, the Company will be able to proceed with the issue of Performance Rights and Options under the Plan to eligible participants, but any issues of Performance Rights or Options will reduce, to that extent, the Company's capacity to issue equity securities without Shareholder approval under Listing Rule 7.1 for the 12 month period following the issue of the Performance Rights or Options.

19.4 Technical information required by Listing Rule 7.2 (Exception 13)

Pursuant to and in accordance with Listing Rule 7.2 (Exception 13), the following information is provided in relation to Resolution 11:

- (a) a summary of the key terms and conditions of the Plan is set out in Schedule 4;
- (b) the Company has not issued any securities under the Plan as this is the first time that Shareholder approval is being sought for the adoption of the Share Plan; and
- (c) the maximum number of Securities proposed to be issued under the Plan, following Shareholder approval, is 3,850,000 Securities.
- (d) It is not envisaged that the maximum number of Securities for which approval is sought will be issued immediately.

20. RESOLUTION 21 – ISSUE OF PERFORMANCE RIGHTS TO MR GERARD O'DONOVAN

20.1 General

The Company is proposing to issue 1,000,000 Performance Rights to Mr O'Donovan in connection with his appointment as Chief Executive Officer of the Company which will be convertible into Shares upon achievement of the following milestones:

- (a) 250,000 Performance Rights upon the Company achieving a \$1.25 volume weighted average market price (**VWAP**) over 20 consecutive trading days on which the Company's securities have traded (**Tranche 1 Performance Rights**);
- (b) 250,000 Performance Rights upon the Company achieving a \$1.75 VWAP over 20 consecutive trading days on which the Company's securities have traded (**Tranche 2 Performance Rights**);
- (c) 200,000 Performance Rights upon the Company achieving a \$2.25 VWAP over 20 consecutive trading days on which the Company's securities have traded (**Tranche 3 Performance Rights**);
- (d) 300,000 Performance Rights upon the Company announcing a Maiden Lithium Resource at the Falcon Lake Project of 10mt at 1% Li (**Tranche 4 Performance Rights**),
- (together, **Performance Rights**).

Mr O'Donovan was appointed as Chief Executive Officer of the Company upon receipt of ASX's conditional approval of the Company's application for in principle advice as to its suitability for re-admission to the Official List. Mr O'Donovan's total remuneration package is \$286,000 per annum, comprising base salary, superannuation and any applicable taxes payable.

Listing Rule 7.1 is summarised in Section 8.1 above.

The proposed issue of the Performance Rights does not fall within any of the exceptions set out in Listing Rule 7.2 and requires the approval of Shareholders for the purposes of the ASX Listing Rules.

20.2 Independent Expert's Report

The Independent Expert's Report annexed to this Notice has been prepared by BDO Corporate Finance (WA) Pty Ltd (**BDO**) and sets out a detailed independent examination of the proposed issue of Performance Rights to enable non-associated Shareholders to assess the merits and decide whether to approve Resolution 21.

Shareholders are referred to the Independent Expert's Report prepared by BDO annexed to this Notice as Annexure A, where BDO consider that the proposed issue of Performance Rights is NOT FAIR, BUT REASONABLE to Shareholders not associated with the issue of Performance Rights, taking into account the factors noted in the Independent Expert's Report and the comments on risks made in this Explanatory Statement to Shareholders accompanying the Notice.

Shareholders are urged to carefully read the Independent Expert's Report to understand its scope, the methodology of the valuation and the sources of information and assumptions made.

The Independent Expert's Report is also available on the Company's website (<https://www.pathfinderresources.com.au/>). If requested by a Shareholder, the Company will send them a copy of the Independent Expert's Report.

20.3 Technical information required by Listing Rule 14.1A

If Resolution 21 is passed, the Company will be able to proceed with the issue of the Performance Rights. In addition, the issue of the Performance Rights will be

excluded from the calculation of the number of equity securities that the Company can issue without Shareholder approval under Listing Rule 7.1.

If Resolution 21 is not passed, the Company will not be able to proceed with the issue of the Performance Rights and may seek to remunerate Mr O'Donovan via alternative means, such as cash.

Resolution 21 seeks Shareholder approval for the purposes of Listing Rule 7.1 for the issue of the Performance Rights.

20.4 Technical information required by Listing Rule 7.3

Pursuant to and in accordance with Listing Rule 7.3, the following information is provided in relation to Resolution 21:

- (a) the Performance Rights will be issued to Mr O'Donovan.
- (b) the maximum number of Performance Rights to be issued is 1,000,000. The terms and conditions of the Performance Rights are set out in Schedule 5;
- (c) the Performance Rights will be issued to Mr O'Donovan no later than 3 months after the date of the Meeting (or such later date as permitted by any ASX waiver or modification of the Listing Rules) and it is anticipated the Incentive Performance Rights will be issued on one date;
- (d) the Performance Rights will be issued at a nil issue price, in connection with Mr O'Donovan's appointment as Chief Executive Officer of the Company;
- (e) the purpose of the issue of the Performance Rights is to satisfy the Company's obligations under Mr O'Donovan's employment agreement;
- (f) the Performance Rights are being issued to Mr O'Donovan under his employment agreement. A summary of the material terms of Mr O'Donovan's employment agreement are set out in Section 20.1 above; and
- (g) the Performance Rights are not being issued under, or to fund, a reverse takeover.

GLOSSARY

\$ or A\$ means Australian dollars.

ASIC means the Australian Securities & Investments Commission.

Associated Body Corporate means

- (a) a related body corporate (as defined in the Corporations Act) of the Company;
- (b) a body corporate which has an entitlement to not less than 20% of the voting Shares of the Company; and
- (c) a body corporate in which the Company has an entitlement to not less than 20% of the voting shares.

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

Bleiberg Acquisition Agreement has the meaning given in Section 5.2.1.

Board means the current board of directors of the Company.

Business Day means Monday to Friday inclusive, except New Year's Day, Good Friday, Easter Monday, Christmas Day, Boxing Day, and any other day that ASX declares is not a business day.

C\$ means Canadian dollars.

Capital Raising means the Company's proposed public offer of between 16,250,000 and 17,500,000 Shares at an issue price of \$0.40 per Share, together with one free attaching Option (exercisable at \$0.50 each on or before the date that is three years from the date of issue) for every two Shares subscribed for and issued, the subject of Resolution 9.

Chair means the chair of the Meeting.

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

- (a) a spouse or child of the member;
- (b) a child of the member's spouse;
- (c) a dependent of the member or the member's spouse;
- (d) anyone else who is one of the member's family and may be expected to influence the member, or be influenced by the member, in the member's dealing with the entity;
- (e) a company the member controls; or
- (f) a person prescribed by the Corporations Regulations 2001 (Cth) for the purposes of the definition of 'closely related party' in the Corporations Act.

Company or **Pathfinder** means Pathfinder Resources Limited (ACN 085 905 997) (to be renamed 'Battery Age Minerals Limited').

Constitution means the Company's constitution.

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

Directors means the current directors of the Company.

Eligible Participant means a person that is a 'primary participant' (as that term is defined in Division 1A of Part 7.12 of the Corporations Act) in relation to the Company or an Associated Body Corporate (as defined in the Corporations Act) and has been determined by the Board to be eligible to participate in the Plan from time to time.

Essential Resolution has the meaning given in Section 5.4.

Explanatory Statement means the explanatory statement accompanying the Notice.

Falcon Lake Acquisition Agreement has the meaning given in Section 5.2.2.

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

Independent's Expert Report means the report set out at Annexure A prepared by BDO Corporate Finance (WA) Pty Ltd for the purposes of the Shareholder approval under Resolution 21.

Key Management Personnel has the same meaning as in the accounting standards issued by the Australian Accounting Standards Board and means those persons having authority and responsibility for planning, directing and controlling the activities of the Company, or if the Company is part of a consolidated entity, of the consolidated entity, directly or indirectly, including any director (whether executive or otherwise) of the Company, or if the Company is part of a consolidated entity, of an entity within the consolidated group.

Listing Rules means the Listing Rules of ASX.

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

Official List means the official list of the ASX.

Official Quotation means quotation of securities on the Official List.

Option means an option to acquire a Share.

Participation has the meaning given in Section 14.1.

Performance Right means a right to acquire a Share, subject to satisfaction of any vesting conditions.

Plan means the employee incentive securities plan to be adopted by the Company, being the subject of Resolution 20 as summarised in Schedule 4.

Proposed Acquisitions means the Company's proposed acquisition of each of the New Projects as set out in Section 5.2.

Proposed Directors means Mr Gerry Fahey and Dr David Pevcic.

Prospectus means the full form prospectus to be issued by the Company in connection with the Capital Raising.

Proxy Form means the proxy form accompanying the Notice.

Resolutions means the resolutions set out in the Notice, or any one of them, as the context requires.

Section means a section of the Explanatory Statement.

Securities means the Company's issued securities.

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

Shareholder means a registered holder of a Share.

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

SCHEDULE 1 – CONTRACT SUMMARIES

Bleiberg Acquisition Agreement

The Company has entered into an acquisition agreement with Poly pursuant to which it has agreed to earn up to an 80% ownership interest in the Bleiberg Project (**Bleiberg Acquisition Agreement**), the material terms and conditions of which are summarised below:

Consideration and Earn-in Tranches	In accordance with the terms of the Bleiberg Acquisition Agreement, the earn-in tranches that must be satisfied by the Company, subject to shareholder approval, comprise the following: (a) the Company will acquire an initial 15% legal and beneficial interest in the Bleiberg Project (Bleiberg Tranche 1 Interest) prior to its re-admission to the Official List by: (i) making a cash payment of C\$50,000 to Poly; and (ii) issuing Poly (or its nominee) C\$177,500 worth of shares calculated based on the greater of: (a) the 10-day volume weighted average price of shares (10-Day VWAP) or (b) A\$0.40 (Bleiberg T1 Bleiberg Consideration Shares); (b) the Company will acquire a further 36% legal and beneficial interest in the Bleiberg Project (Bleiberg Tranche 2 Interest) within 24 months of acquiring the Bleiberg Tranche 1 Interest by: (i) incurring a minimum of C\$1,000,000 in expenditure on the Bleiberg Project; and (ii) issuing to Poly (or its nominee) C\$377,500 worth of shares calculated based on the greater of: (a) the 10-day volume weighted average price of shares or (b) A\$0.40 (Bleiberg T2 Bleiberg Consideration Shares); (c) the Company will acquire an additional 14% legal and beneficial interest in the Bleiberg Project (Bleiberg Stage 3 Interest) within 24 months of acquiring the Bleiberg Tranche 2 Interest by incurring an additional C\$3,500,000 in expenditure on the Bleiberg Project; and (d) the Company will acquire a final 15% legal and beneficial interest in the Bleiberg Project (Bleiberg Tranche 4 Interest) within 6.5 years of the date of execution of the Bleiberg Acquisition Agreement upon completion of an independent Bankable Feasibility Study (BFS) that is compliant with the JORC Code and indicates that the Bleiberg Project will have a production rate of at least 100,000 tonnes per year (200 tonnes per day).
Conditions Precedent	The Bleiberg Acquisition Agreement is subject to the satisfaction of the following conditions precedent: (a) completion of financial, legal and technical due diligence by Pathfinder on the Project, to the absolute satisfaction of Pathfinder; (b) Pathfinder undertaking a capital raising and receiving valid applications for Shares to the value of at least A\$6,500,000; (c) conditional approval being obtained from the ASX to readmit Pathfinder to the official list of the ASX on conditions acceptable to Pathfinder; (d) the Parties obtaining all necessary regulatory approvals or waivers pursuant to the ASX Listing Rules, Corporations Act or any other law to allow the Parties to lawfully complete the matters set out in this Agreement; and

- | | |
|--|---|
| | (e) the Parties obtaining all third-party approvals and consents, necessary to lawfully complete the matters set out in this Agreement. |
|--|---|

The Bleiberg Acquisition Agreement otherwise contains provisions considered standard for an agreement of its nature (including representations and warranties and confidentiality provisions).

Tidili Acquisition Agreement

The Company has entered into an acquisition agreement with BYGTM pursuant to which it has agreed to acquire an 85% ownership interest in the Tidili Project by way of acquiring 85% of BYGTM's issued shares (**BYGTM Shares**) (**Tidili Acquisition Agreement**), the material terms and conditions of which are summarised below:

Conditions Precedent	The Tidili Acquisition Agreement is subject to the satisfaction of various conditions precedent, including: (a) completion of due diligence investigations by the Company on the Tidili Project and St Ben Yaakoub Grande Travaux Minier (BYGTM); (b) conditional approval being obtained from the ASX to re-admit the securities of the Company to the official list of the ASX; (c) Pathfinder obtaining all necessary shareholder and regulatory approvals pursuant to the Corporations Act, ASX Listing Rules and any relevant law as are required to allow the parties to lawfully complete the transaction; and (d) the parties obtaining all the necessary regulatory or other third party consents, where required.
Settlement	Settlement of the Tidili Acquisition Agreement will occur five days following the satisfaction of the above listed conditions precedent (Settlement).
Free Carried Period	Following Settlement, the Tidili Vendors will continue to hold 15% of the BYGTM Shares, and therefore a 15% interest in the Tidili Project, on a free carried basis for the period commencing from the Settlement until such time as Pathfinder has completed a Bankable Feasibility Study on the Tidili Project (Free Carried Period). In consideration for the sale of 85% of the BYGTM Shares, Pathfinder will sole fund all costs incurred in connection with the activities of BYGTM, including exploration on and development of the Tidili Project and outgoings (rents, rates and associated costs), required to maintain the Tidili Project in good standing during the Free Carried Period. During the Free Carried Period: (a) Pathfinder will have sole control over all exploration programs, budgets and accounting procedures and (b) the board of directors of the BYGTM will comprise two nominees of Pathfinder and one nominee of the Tidili Vendors.

The Tidili Acquisition Agreement otherwise contains provisions considered standard for an agreement of its nature (including representations and warranties and confidentiality provisions).

Falcon Lake Acquisition Agreement

The Company has entered into an acquisition agreement with FEM pursuant to which it has agreed to earn up to a 100% ownership interest in the Falcon Lake Project (**Falcon Lake Acquisition Agreement**), the material terms and conditions of which are summarised below:

Consideration

In accordance with the terms of the Falcon Lake Acquisition Agreement, the consideration payable by the Company, subject to shareholder approval, comprises the following tranches:

- (a) the Company will acquire an initial 65% legal and beneficial interest in the Falcon Lake Project (**Falcon Lake Tranche 1 Interest**) by:
 - (i) issuing the amount of fully paid ordinary shares in the capital of the Company to FEM (or its nominee) equal to A\$550,000 based on a deemed issue price of A\$0.40 per Share, being 1,375,000 shares (**FEM T1 Consideration Shares**); and
 - (ii) making a cash payment of A\$100,000 to FEM;
- (b) the Company will acquire a further 25% legal and beneficial interest in the Falcon Lake Project (**Falcon Lake Tranche 2 Interest**) by:
 - (i) issuing the amount of shares equal to A\$300,000 to FEM (or its nominee), based on the 10-Day VWAP calculated on the day before the date of issue of the Shares (subject to a floor price of \$0.40 per Share) (**FEM T2 Consideration Shares**); and
 - (ii) making a cash payment of A\$50,000 to FEM.

The Company's acquisition of the Falcon Lake Tranche 1 Interest and Falcon Lake Tranche 2 Interest must have completed on or before the End Date.

In the event that the Falcon Lake Tranche 1 interest is not acquired prior to the End Date, then the agreement will terminate and the Company will not have a right to acquire an interest in the Falcon Lake Project.

In the event that the Falcon Lake Tranche 2 Interest is not acquired prior to the End Date, then the agreement will terminate and the Company will not have a right to acquire any further interest in the Falcon Lake Project.

The Company intends to satisfy stages 1 and 2 of this acquisition prior to its re-admission to the Official List.

The Company will acquire a final 10% legal and beneficial interest in the Falcon Lake Project (**Falcon Lake Tranche 3 Interest**), paying an amount equal to the lower of:

- (a) the price determined by an independent valuation; or
- (b) A\$2,000,000 to FEM.

Conditions Precedent

The Falcon Lake Acquisition Agreement is subject to the satisfaction of the following conditions precedent:

- (a) The acquisition by First Energy Metals Limited (an entity incorporated in British Columbia, Canada) of a 100% legal and beneficial interest in the Falcon Lake Project;
- (b) completion of financial, legal and technical due diligence by Pathfinder on the Project, to the absolute satisfaction of Pathfinder;
- (c) Pathfinder undertaking a capital raising and receiving valid applications for Shares to the value of at least \$6,500,000;
- (d) conditional approval being obtained from the ASX to readmit Pathfinder to the official list of the ASX on conditions acceptable to Pathfinder;
- (e) the Parties obtaining all necessary regulatory approvals or waivers pursuant to the ASX Listing Rules, Corporations Act or any other law to allow the Parties to lawfully complete the matters set out in this Agreement; and
- (f) the Parties obtaining all third-party approvals and consents, necessary to lawfully complete the matters set out in this Agreement.

The Falcon Lake Acquisition Agreement otherwise contains provisions considered standard for an agreement of its nature (including representations and warranties and confidentiality provisions).

Lead Manager Mandate

The Company has signed a mandate letter to engage Kaai Capital to act as lead manager of the Offer (**Lead Manager Mandate**). The material terms and conditions of which are summarised below:

Scope of Work	The Lead Manager will manage the Company's Capital Raising on a best endeavour basis, and assist with the preparation of investor presentations and term sheets (if necessary).
Term	The Lead Manager Mandate commences on the date it is accepted by the Company and continues until terminated.
Fees	(a) Under the terms of the engagement the Company will pay the Lead Manager a fee of 6% of the amount raised under the Capital Raising, with such amount to be paid within 5 business days of the completion of the Capital Raising. (b) The Company acknowledges that the Lead Manager may elect for some of the fees to be passed onto other Australian Financial Services Licence holders who assist with the Capital Raising.
Termination Events	The Mandate will terminate upon the earlier of: (a) completion of the Capital Raising, being the date securities under the Capital Raising are issued by the Company; and (b) either party providing the other party with 15 days written notice requesting termination of the Lead Manager Mandate. If either party fails to perform any material obligation under the Lead Manager Mandate and does not remedy the failure within 7 days of being required to do so by written demand, the other party may terminate the appointment with immediate effect, without prejudice to any other available right or remedy.
Expenses	The Lead Manager will be reimbursed for all reasonable out of pocket expenses (together with any applicable GST) incurred in connection with the provision of services under this Lead Manager Mandate. The Lead Manager agrees to seek the Company's consent prior to incurring any single expense greater than \$250 and if total aggregate expenses are expected to exceed \$1,000. If the Lead Manager Mandate is terminated, any outstanding expenses and fees owing by the Company to the Lead Manager shall be immediately payable.
New Transactions	Should a transaction emerge that is not covered by the terms of the Lead Manager Mandate or the Lead Manager's engagement take a materially different course to that envisaged in the Lead Manager Mandate, then the Company and the Lead Manager agree to negotiate new terms in good faith and acknowledge that those terms should reflect normal market practice for a firm of the quality of the Lead Manager, and considering the circumstances of the work the Lead Manager is required to undertake at the time.

The Lead Manager Mandate otherwise contains provisions considered standard for an agreement of its nature (including representations and warranties and confidentiality provisions).

SCHEDULE 2 – PRO FORMA STATEMENT OF FINANCIAL POSITION

	(Audited) 30 June 2022	Proforma adjustments	Minimum Subscription	Proforma adjustments	Maximum Subscription
	\$	\$	\$	\$	\$
Assets					
Current assets					
Cash and cash equivalents	928,865	5,490,317	6,419,182	469,250	6,888,431
Trade and other receivables	32,113	42,541	74,654	2,250	76,904
Prepayments	145,248	(115,818)	29,430	-	29,430
Other current assets	10,000	-	10,000	-	10,000
Total current assets	1,116,226	5,417,040	6,533,266	471,500	7,004,765
Non-current assets					
Exploration and evaluation	2,175,338	1,411,242	3,586,580	-	3,586,580
Investments	5,885,661	-	5,885,661	-	5,885,661
Right-of-use-asset	40,812	-	40,812	-	40,812
Total non-current assets	8,101,811	1,411,242	9,513,053	-	9,513,053
Total assets	9,218,037	6,828,282	16,046,319	471,500	16,517,818
Liabilities					
Current liabilities					
Trade and other payables	145,642	-	145,642	-	145,642
Borrowings	-	32,277	32,277	-	32,277
Lease liability	29,118	-	29,118	-	29,118
Total current liabilities	174,760	32,277	207,037	-	207,037
Non-Current Liabilities					
Trade and other payables	-	50,000	50,000	-	50,000
Lease liability	12,543	-	12,543	-	12,543
Total non-current assets	12,543	50,000	62,543	-	62,543
Total Liabilities	187,303	82,277	269,580	-	269,580
Net assets	9,030,734	6,746,005	15,776,739	471,500	16,248,239
Equity					
Issued capital	54,370,957	7,008,614	61,379,571	471,500	61,851,071
Reserves	(44,043)	-	(44,043)	-	(44,043)
Accumulated losses	(45,296,180)	(258,123)	(45,554,303)	-	(45,554,303)
Non-controlling Interest	-	(4,487)	(4,487)	-	(4,487)
Total Equity	9,030,734	6,746,004	15,776,739	471,500	16,248,238

SCHEDULE 3 – TERMS AND CONDITIONS OF OPTIONS

(a) **Entitlement**

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

(b) **Exercise Price**

Subject to paragraph (i), the amount payable upon exercise of each Option will be \$0.50 (**Exercise Price**).

(c) **Expiry Date**

Each Option will expire at 5:00 pm (WST) on the date that is three (3) years from the date of issue of the Options (**Expiry Date**). An Option not exercised before the Expiry Date will automatically lapse on the Expiry Date.

(d) **Exercise Period**

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

(e) **Notice of Exercise**

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

(f) **Exercise Date**

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

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

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

- (i) issue the number of Shares required under these terms and conditions in respect of the number of Options specified in the Notice of Exercise and for which cleared funds have been received by the Company;
- (ii) if required, give ASX a notice that complies with section 708A(5)(e) of the Corporations Act, or, if the Company is unable to issue such a notice, lodge with ASIC a prospectus prepared in accordance with the Corporations Act and do all such things necessary to satisfy section 708A(11) of the Corporations Act to ensure that an offer for sale of the Shares does not require disclosure to investors; and
- (iii) if admitted to the official list of ASX at the time, apply for official quotation on ASX of Shares issued pursuant to the exercise of the Options.
- (iv) If a notice delivered under (g)(ii) for any reason is not effective to ensure that an offer for sale of the Shares does not require disclosure to investors, the Company must, no later than 40 Business Days after becoming aware

of such notice being ineffective, lodge with ASIC a prospectus prepared in accordance with the Corporations Act and do all such things necessary to satisfy section 708A(11) of the Corporations Act to ensure that an offer for sale of the Shares does not require disclosure to investors.

(h) **Shares issued on exercise**

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

(i) **Reconstruction of capital**

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

(j) **Participation in new issues**

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

(k) **Change in exercise price**

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

(l) **Transferability**

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

SCHEDULE 4 – TERMS AND CONDITIONS OF THE COMPANY'S EMPLOYEE INCENTIVE SECURITIES PLAN

A summary of the material terms of the Company's Employee Securities Incentive Plan (**Plan**) is set out below.

Eligible Participant	Eligible Participant means a person that is a 'primary participant' (as that term is defined in Division 1A of Part 7.12 of the Corporations Act) in relation to the Company or an Associated Body Corporate (as defined in the Corporations Act) and has been determined by the Board to be eligible to participate in the Plan from time to time.
Purpose	The purpose of the Plan is to: (a) assist in the reward, retention and motivation of Eligible Participants; (b) link the reward of Eligible Participants to Shareholder value creation; and (c) align the interests of Eligible Participants with shareholders of the Group (being the Company and each of its Associated Bodies Corporate), by providing an opportunity to Eligible Participants to receive an equity interest in the Company in the form of securities (Securities).
Plan administration	The Plan will be administered by the Board. The Board may exercise any power or discretion conferred on it by the Plan rules in its sole and absolute discretion (except to the extent that it prevents the Participant relying on the deferred tax concessions under Subdivision 83A-C of the <i>Income Tax Assessment Act 1997</i> (Cth)). The Board may delegate its powers and discretion.
Eligibility, invitation and application	The Board may from time to time determine that an Eligible Participant may participate in the Plan and make an invitation to that Eligible Participant to apply for any (or any combination of) the Securities provided under the Plan on such terms and conditions as the Board decides. On receipt of an invitation, an Eligible Participant may apply for the Securities the subject of the invitation by sending a completed application form to the Company. The Board may accept an application from an Eligible Participant in whole or in part. If an Eligible Participant is permitted in the invitation, the Eligible Participant may, by notice in writing to the Board, nominate a party in whose favour the Eligible Participant wishes to renounce the invitation.
Grant of Securities	duly completed application, grant the Participant the relevant number and type of Securities, subject to the terms and conditions set out in the invitation, the Plan rules and any ancillary documentation required.
Rights attaching to Convertible Securities	A Convertible Security represents a right to acquire one or more Plan Shares in accordance with the Plan (for example, an Option or a Performance Right). Prior to a Convertible Security being exercised, the holder:

		(a) does not have any interest (legal, equitable or otherwise) in any Share the subject of the Convertible Security other than as expressly set out in the Plan; (b) is not entitled to receive notice of, vote at or attend a meeting of the shareholders of the Company; (c) is not entitled to receive any dividends declared by the Company; and (d) is not entitled to participate in any new issue of Shares (see Adjustment of Convertible Securities section below).
Vesting of Convertible Securities		Any vesting conditions which must be satisfied before Convertible Securities can be exercised and converted to Shares will be described in the invitation. If all the vesting conditions are satisfied and/or otherwise waived by the Board, a vesting notice will be sent to the Participant by the Company informing them that the relevant Convertible Securities have vested. Unless and until the vesting notice is issued by the Company, the Convertible Securities will not be considered to have vested. For the avoidance of doubt, if the vesting conditions relevant to a Convertible Security are not satisfied and/or otherwise waived by the Board, that Convertible Security will lapse.
Exercise of Convertible Securities and cashless exercise		To exercise a Convertible Security, the Participant must deliver a signed notice of exercise and, subject to a cashless exercise of Convertible Securities (see next paragraph below), pay the exercise price (if any) to or as directed by the Company, at any time following vesting of the Convertible Security (if subject to vesting conditions) and prior to the expiry date as set out in the invitation or vesting notice. An invitation may specify that at the time of exercise of the Convertible Securities, the Participant may elect not to be required to provide payment of the exercise price for the number of Convertible Securities specified in a notice of exercise, but that on exercise of those Convertible Securities the Company will transfer or issue to the 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 Convertible Securities. Market Value means, at any given date, the volume weighted average price per Share traded on the ASX over the 5 trading days immediately preceding that given date, unless otherwise specified in an invitation. A Convertible Security may not be exercised unless and until that Convertible Security has vested in accordance with the Plan rules, or such earlier date as set out in the Plan rules.
Timing of issue of Shares and quotation of Shares on exercise		As soon as practicable after the valid exercise of a Convertible Security by a Participant, the Company will issue or cause to be transferred to that Participant the number of Shares to which the Participant is entitled under the Plan rules and issue a substitute certificate for any remaining unexercised Convertible Securities held by that Participant.

Restrictions on dealing with Convertible Securities	A holder may not sell, assign, transfer, grant a security interest over or otherwise deal with a Convertible Security that has been granted to them unless otherwise determined by the Board. A holder must not enter into any arrangement for the purpose of hedging their economic exposure to a Convertible Security that has been granted to them. However, in Special Circumstances as defined under the Plan (including in the case of death or total or permanent disability of the Participant) a Participant may deal with Convertible Securities granted to them under the Plan with the consent of the Board.
Listing of Convertible Securities	A Convertible Security granted under the Plan will not be quoted on the ASX or any other recognised exchange. The Board reserves the right in its absolute discretion to apply for quotation of an Option granted under the Plan on the ASX or any other recognised exchange.
Forfeiture of Convertible Securities	Convertible Securities will be forfeited in the following circumstances: (a) where a Participant who holds Convertible Securities ceases to be an Eligible Participant (e.g. is no longer employed or their office or engagement is discontinued with the Group), all unvested Convertible Securities will automatically be forfeited by the Participant; (b) where a Participant acts fraudulently or dishonestly, negligently, in contravention of any Group policy or wilfully breaches their duties to the Group; (c) where there is a failure to satisfy the vesting conditions in accordance with the Plan; (d) on the date the Participant becomes insolvent; or (e) on the Expiry Date.
Change of control	If a change of control event occurs, or the 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 Convertible Securities 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.
Adjustment of Convertible Securities	If there is a reorganisation of the issued share capital of the Company (including any subdivision, consolidation, reduction, return or cancellation of such issued capital of the Company), the rights of each Participant holding Convertible Securities will be changed to the extent necessary to comply with the Listing Rules applicable to a reorganisation of capital at the time of the reorganisation. If Shares are issued by the Company by way of bonus issue (other than an issue in lieu of dividends or by way of dividend reinvestment), the holder of Convertible Securities is entitled, upon exercise of the Convertible Securities, to receive an issue of as many additional Shares as would have been issued to the holder if the holder held Shares equal in number to the Shares in respect of which the Convertible Securities are exercised.

	Unless otherwise determined by the Board, a holder of Convertible Securities does not have the right to participate in a pro rata issue of Shares made by the Company or sell renounceable rights.
Plan Shares	The Board may, from time to time, make an invitation to an Eligible Participant to acquire Plan Shares under the Plan. The Board will determine in its sole absolute discretion the acquisition price (if any) for each Plan Share which may be nil. The Plan Shares may be subject to performance hurdles and/or vesting conditions as determined by the Board. Where Plan Shares granted to a Participant are subject to performance hurdles and/or vesting conditions, the Participant's Plan Shares will be subject to certain restrictions until the applicable performance hurdles and/or vesting conditions (if any) have been satisfied, waived by the Board or are deemed to have been satisfied under the Rules.
Rights attaching to Plan Shares	All Shares issued or transferred under the Plan or issued or transferred to a Participant upon the valid exercise of a Convertible Security, (Plan Shares) will rank equally in all respects with the Shares of the same class for the time being on issue except for any rights attaching to the Shares by reference to a record date prior to the date of the allotment or transfer of the Plan Shares. A Participant will be entitled to any dividends declared and distributed by the Company on the Plan Shares and may participate in any dividend reinvestment plan operated by the Company in respect of Plan Shares. A Participant may exercise any voting rights attaching to Plan Shares.
Disposal restrictions on Plan Shares	If the invitation provides that any Plan Shares are subject to any restrictions as to the disposal or other dealing by a Participant for a period, the Board may implement any procedure it deems appropriate to ensure the compliance by the Participant with this restriction. For so long as a Plan Share is subject to any disposal restrictions under the Plan, the Participant will not: (a) transfer, encumber or otherwise dispose of, or have a security interest granted over that Plan Share; or (b) take any action or permit another person to take any action to remove or circumvent the disposal restrictions without the express written consent of the Company.
General Restrictions on Transfer of Plan Shares	If the Company is required but is unable to give ASX a notice that complies with section 708A(5)(e) of the Corporations Act, Plan Shares issued under the Plan (including on exercise of Convertible Securities) may not be traded until 12 months after their issue unless the Company, at its sole discretion, elects to issue a prospectus pursuant to section 708A(11) of the Act. Restrictions are imposed by Applicable Law on dealing in Shares by persons who possess material information likely to affect the value of the Shares and which is not generally available. These laws may restrict the acquisition or disposal of Shares by you during the time the holder has such information. Any Plan Shares issued to a holder under the Plan (including upon exercise of Convertible Securities) shall be subject to the terms of the Company's Securities Trading Policy.

Buy-Back	Subject to applicable law, the Company may at any time buy-back Securities in accordance with the terms of the Plan.
Employee Share Trust	The Board may in its sole and absolute discretion use an employee share trust or other mechanism for the purposes of holding Convertible Securities for holders under the Plan and delivering Shares on behalf of holders upon exercise of Convertible Securities.
Maximum number of Securities	The Company will not make an invitation under the Plan which involves monetary consideration if the number of Plan Shares that may be issued, or acquired upon exercise of Convertible Securities offered under an invitation, when aggregated with the number of Shares issued or that may be issued as a result of all invitations under the Plan during the 3 year period ending on the day of the invitation, will exceed 5% of the total number of issued Shares at the date of the invitation (unless the Constitution specifies a different percentage and subject to any limits approved by Shareholders under Listing Rule 7.2 Exception 13(b) – refer to Resolution 20 and Section 19.2.
Amendment of Plan	Subject to the following paragraph, the Board may at any time amend any provisions of the Plan rules, including (without limitation) the terms and conditions upon which any Securities have been granted under the Plan and determine that any amendments to the Plan rules be given retrospective effect, immediate effect or future effect. No amendment to any provision of the Plan rules may be made if the amendment materially reduces the rights of any Participant as they existed before the date of the amendment, other than an amendment introduced primarily for the purpose of complying with legislation or to correct manifest error or mistake, amongst other things, or is agreed to in writing by all Participants.
Plan duration	The Plan continues in operation until the Board decides to end it. The Board may from time to time suspend the operation of the Plan for a fixed period or indefinitely and may end any suspension. If the Plan is terminated or suspended for any reason, that termination or suspension must not prejudice the accrued rights of the Participants. If a Participant and the Company (acting by the Board) agree in writing that some or all of the Securities granted to that Participant are to be cancelled on a specified date or on the occurrence of a particular event, then those Securities may be cancelled in the manner agreed between the Company and the Participant.
Income Tax Assessment Act	The Plan is a plan to which Subdivision 83A-C of the <i>Income Tax Assessment Act 1997</i> (Cth) applies (subject to the conditions in that Act) except to the extent an invitation provides otherwise.

SCHEDULE 5 – TERMS AND CONDITIONS OF PERFORMANCE RIGHTS

(a) Milestones

Tranche	No. of Performance Rights to be issued	Milestone	Expiry Date
Tranche 1	250,000	Each Tranche 1 Performance Right will vest upon the Company achieving a volume weighted average price over 20 consecutive trading days (20 Day VWAP) of at least \$1.25.	Three (3) years from the date of issue.
Tranche 2	250,000	Each Tranche 2 Performance Right will vest upon the Company achieving a 20 Day VWAP of at least \$1.75.	Three (3) years from the date of issue.
Tranche 3	200,000	Each Tranche 3 Performance Right will vest upon the Company achieving a 20 Day VWAP of at least \$2.25.	Three (3) years from the date of issue.
Tranche 4	300,000	Each Tranche 4 Performance Right will vest upon the Company announcing a maiden Lithium JORC compliant resource at the Falcon Lake Project of or greater than 10mt at 1% or more of Li.	Three (3) years from the date of issue.

(b) Expiry

The Performance Rights will expire on the date which is three (3) years from the date of issue.

(c) Notification to holder

The Company shall notify the holder in writing when the Milestone has been satisfied.

(d) Conversion

Subject to paragraph (n), upon vesting, each Performance Right will, at the election of the holder, convert into one Share.

(e) Share ranking

All Shares issued upon the vesting of Performance Rights will upon issue rank pari passu in all respects with other Shares.

(f) **Application to ASX**

The Performance Rights will not be quoted on ASX. The Company must apply for the official quotation of a Share issued on conversion of a Performance Right on ASX within the time period required by the ASX Listing Rules.

(g) **Transfer of Performance Rights**

The Performance Rights are not transferable.

(h) **Lapse of a Performance Right**

If the Milestone attached to the relevant Performance Right has not been satisfied within three (3) years from the date of issue, the relevant Performance Rights will automatically lapse.

The Performance Rights will also lapse:

- (i) if the holder ceases to be an employee of the Company;
- (ii) in the event of an unauthorised transfer of the Performance Rights;
- (iii) in the event of fraud or dishonesty on the part of the holder; or
- (iv) if the Company undergoes a change of control (see paragraph (m)).

(i) **Participation in new issues**

A Performance Right does not entitle a holder (in their capacity as a holder of a Performance Right) to participate in new issues of capital offered to holders of Shares such as bonus issues and entitlement issues.

(j) **Reorganisation of capital**

If at any time the issued capital of the Company is reconstructed, all rights of a holder will be changed in a manner consistent with the applicable ASX Listing Rules and the Corporations Act at the time of reorganisation.

(k) **Adjustment for bonus issue**

If the Company makes a bonus issue of Shares or other securities to existing Shareholders (other than an issue in lieu or in satisfaction of dividends or by way of dividend reinvestment) the number of Shares or other securities which must be issued on the conversion of a Performance Right will be increased by the number of Shares or other securities which the holder would have received if the holder had converted the Performance Right before the record date for the bonus issue.

(l) **Dividend and Voting Rights**

The Performance Rights do not confer on the holder an entitlement to vote (except as otherwise required by law) or receive dividends.

(m) **Change in Control**

Subject to paragraph (n), upon:

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

then, to the extent Performance Rights have not converted into Shares due to satisfaction of the Milestone, Performance Rights will accelerate vesting conditions and will automatically convert into Shares on a one-for-one basis.

(n) **Deferral of conversion if resulting in a prohibited acquisition of Shares**

If the conversion of a Performance Right under paragraph (d) or (m) would result in any person being in contravention of section 606(1) of the Corporations Act (**General Prohibition**) then the conversion of that Performance Right shall be deferred until such later time or times that the conversion would not result in a contravention of the General Prohibition. In assessing whether a conversion of a Performance Right would result in a contravention of the General Prohibition:

- (i) holders may give written notification to the Company if they consider that the conversion of a Performance Right may result in the contravention of the General Prohibition. The absence of such written notification from the holder will entitle the Company to assume the conversion of a Performance Right will not result in any person being in contravention of the General Prohibition;
- (ii) the Company may (but is not obliged to) by written notice to a holder request a holder to provide the written notice referred to in paragraph (n)(i) within seven days if the Company considers that the conversion of a Performance Right may result in a contravention of the General Prohibition. The absence of such written notification from the holder will entitle the Company to assume the conversion of a Performance Right will not result in any person being in contravention of the General Prohibition.

(o) **No rights to return of capital**

A Performance Right does not entitle the holder to a return of capital, whether in a winding up, upon a reduction of capital or otherwise.

(p) **Rights on winding up**

A Performance Right does not entitle the holder to participate in the surplus profits or assets of the Company upon winding up.

(q) **No other rights**

A Performance Right gives the holder no rights other than those expressly provided by these terms and those provided at law where such rights at law cannot be excluded by these terms.

(r) **Subdivision 83AC-C**

Subdivision 83A-C of the Income Tax Assessment Act 1997 applies to the Performance Right.

For personal use only

For personal use only

□

PATHFINDER RESOURCES LIMITED

Independent Expert's Report

OPINION: Not fair but reasonable

18 October 2022

Financial Services Guide

18 October 2022

BDO Corporate Finance (WA) Pty Ltd ABN 27 124 031 045 ('we' or 'us' or 'ours' as appropriate) has been engaged by Pathfinder Resources Limited ('Pathfinder' or 'the Company') to provide an independent expert's report on the proposal to grant one million performance rights to Mr Gerard O'Donovan as set out in the Company's Notice of Meeting and Prospectus ('Transaction Documents'). You are being provided with a copy of our report because you have been provided with a copy of the Prospectus and this Financial Services Guide ('FSG') is included in the event you are also classified under the Corporations Act 2001 ('the Act') as a retail client.

Our report and this FSG accompanies the Transaction Documents, to you in deciding on whether to subscribe for shares in the Prospectus offering or approve the issue of performance rights.

Financial Services Guide

This FSG is designed to help retail clients make a decision as to their use of our general financial product advice and to ensure that we comply with our obligations as a financial services licensee.

This FSG includes information about:

- ◆ □ Who we are and how we can be contacted;
- ◆ □ The services we are authorised to provide under our Australian Financial Services Licence No. 316158;
- ◆ □ Remuneration that we and/or our staff and any associates receive in connection with the general financial product advice;
- ◆ □ Any relevant associations or relationships we have; and
- ◆ □ Our internal and external complaints handling procedures and how you may access them.

Information about us

We are a member firm of the BDO network in Australia, a national association of separate entities (each of which has appointed BDO (Australia) Limited ACN 050 110 275 to represent it in BDO International). The financial product advice in our report is provided by BDO Corporate Finance (WA) Pty Ltd and not by BDO or its related entities. BDO and its related entities provide professional services primarily in the areas of audit, tax, consulting, mergers and acquisition, and financial advisory services.

We and BDO (and its related entities) might from time to time provide professional services to financial product issuers in the ordinary course of business and the directors of BDO Corporate Finance (WA) Pty Ltd may receive a share in the profits of related entities that provide these services.

Financial services we are licensed to provide

We hold an Australian Financial Services Licence that authorises us to provide general financial product advice for securities to retail and wholesale clients, and deal in securities for wholesale clients. The authorisation relevant to this report is general financial product advice.

When we provide this financial service we are engaged to provide an expert report in connection with the financial product of another person. Our reports explain who has engaged us and the nature of the report we have been engaged to provide. When we provide the authorised services we are not acting for you.

General Financial Product Advice

We only provide general financial product advice, not personal financial product advice. Our report does not take into account your personal objectives, financial situation or needs. You should consider the appropriateness of this general advice having regard to your own objectives, financial situation and needs before you act on the advice. If you have any questions, or don't fully understand our report you should seek professional financial advice.

Fees, commissions and other benefits that we may receive

We charge fees for providing reports, including this report. These fees are negotiated and agreed with the person who engages us to provide the report. Fees are agreed on an hourly basis or as a fixed amount depending on the terms of the agreement. The fee payable to BDO Corporate Finance (WA) Pty Ltd for this engagement is approximately \$25,000.

Except for the fees referred to above, neither BDO, nor any of its directors, employees or related entities, receive any pecuniary benefit or other benefit, directly or indirectly, for or in connection with the provision of the report and our directors do not hold any shares in Pathfinder.

Other Assignments

BDO Audit (WA) Pty Ltd is the appointed Auditor of Pathfinder. We do not consider that this impacts on our independence in accordance with the requirements of Regulatory Guide 112 'Independence of Experts'. We have completed a conflict search of BDO affiliated organisations within Australia. This conflict search incorporates all Partners, Directors and Managers of BDO affiliated organisations. We are not aware of any circumstances that, in our view, would constitute a conflict of interest or would impair our ability to provide objective assistance in this matter.

Remuneration or other benefits received by our employees

All our employees receive a salary. Our employees are eligible for bonuses based on overall productivity but not directly in connection with any engagement for the provision of a report. We have received a fee from Pathfinder for our professional services in providing this report. That fee is not linked in any way with our opinion as expressed in this report.

Referrals

We do not pay commissions or provide any other benefits to any person for referring customers to us in connection with the reports that we are licensed to provide.

Complaints resolution*Internal complaints resolution process*

As the holder of an Australian Financial Services Licence, we are required to have a system for handling complaints from persons to whom we provide financial product advice. Complaints can be in writing addressed to The Complaints Officer, BDO Corporate Finance (WA) Pty Ltd, PO Box 700, West Perth WA 6872 or, by telephone or email using the contact details within the following report.

When we receive a complaint we will record the complaint, acknowledge receipt of the complaint in writing within 1 business day or, if the timeline cannot be met, then as soon as practicable and investigate the issues raised. As soon as practical, and not more than 30 days after receiving the complaint, we will advise the complainant in writing of our determination.

Referral to External Dispute Resolution Scheme

If a complaint is made and the complainant is dissatisfied with the outcome of the above process, or our determination, the complainant has the right to refer the matter to the Australian Financial Complaints Authority Limited ('AFCA').

AFCA is an independent company that has been established to impartially resolve disputes between consumers and participating financial services providers.

Our AFCA Membership Number is 12561. Further details about AFCA are available on its website www.afca.org.au or by contacting it directly via the details set out below.

Australian Financial Complaints Authority Limited
GPO Box 3
Melbourne VIC 3001
AFCA Free call: 1800 931 678
Website: www.afca.org.au
Email: info@afca.org.au

You may contact us using the details set out on page 1 of the accompanying report.

TABLE OF CONTENTS

1.	Introduction	1
2.	Summary and Opinion	2
3.	Scope of the Report	6
4.	Outline of the Proposed Issue of Performance Securities	8
5.	Profile of Pathfinder	11
6.	Economic analysis	17
7.	Industry analysis	20
8.	Valuation approach adopted	26
9.	Are the terms of the Performance Securities fair?	29
10.	Are the terms of the Performance Securities reasonable?	31
11.	Conclusion	34
12.	Sources of information	34
13.	Independence	34
14.	Qualifications	35
15.	Disclaimers and consents	36

Appendix 1 - Glossary and copyright notice

Appendix 2 - Valuation Methodologies

© 2022 BDO Corporate Finance (WA) Pty Ltd

18 October 2022

The Directors
Pathfinder Resources Limited
Level 50
108 St Georges Terrace
PERTH WA 6000

Dear Directors,

INDEPENDENT EXPERT'S REPORT

1. Introduction

The directors of Pathfinder Resources Limited (**'Pathfinder'** or **'the Company'**) have requested that BDO Corporate Finance (WA) Pty Ltd (**'BDO'**) prepare an independent expert's report (**'our Report'**) to express an opinion on whether the issue of 1,000,000 performance rights (**'Performance Securities'**) to Mr Gerard O'Donovan, the incoming Chief Executive Officer (**'CEO'**) of Pathfinder is fair and reasonable to non-participating security holders (**'Security Holders'**).

Our report has been prepared for inclusion in the Company's notice of meeting and prospectus. The notice of meeting includes a resolution seeking the approval of Pathfinder shareholders not associated with Mr O'Donovan for the issue of the Performance Securities. The prospectus (**'Prospectus'**) is issued by the Company for a capital raising and to facilitate re-compliance listing of the Company's shares on the Australian Securities Exchange (**'ASX'**) (**'Re-admission'**). The Prospectus will offer up to 17.5 million shares at a price of \$0.40 per share (**'Offer Price'**) to raise up to \$7 million before associated costs (**'the Capital Raising'**). The Capital Raising is subject to a minimum subscription of 16.25 million shares to raise \$6.5 million before associated costs. As part of the Capital Raising, one free attaching option (exercisable at \$0.50 each expiring three years from the date of issue) will be issued for every Pathfinder share subscribed for and issued.

As detailed below, our Report provides an opinion on whether the terms of the Performance Securities are fair and reasonable to Security Holders. According to Australian Securities Exchange (**'ASX'**) Guidance Note 19 'Performance Securities' (**'ASX GN 19'**), a performance security is a security that converts or may convert, into a given number of ordinary shares with all the usual rights attached if and when a nominated performance milestone is achieved, but otherwise has limited rights until then.

Three performance milestones attached to the Performance Securities relate to Volume Weighted Average Price (**'VWAP'**) targets and one performance milestone relates to the Company announcing a minimum lithium resource which are detailed in Section 4 of our Report.

The Company currently has seven million performance shares outstanding relating to the King Tut Project (**'King Tut Performance Shares'**). Given these securities are already on issue, they have not been considered for the purposes of this Report.

2. Summary and Opinion

2.1 Requirement for the report

The directors of Pathfinder have requested that BDO Corporate Finance (WA) Pty Ltd ('BDO') prepare an independent expert's report ('our Report') to express an opinion as to whether the proposed terms of the Performance Securities are fair and reasonable to Security Holders.

Our Report is required pursuant to ASX GN 19 because the Company is applying for Re-admission and it proposes to have performance securities on issue at the date of Re-admission ('Re-admission Date') which, in aggregate if the performance milestones are achieved, will convert to a number of ordinary shares which is greater than 10% of the number of ordinary shares that the Company proposes to have on issue at the date of Re-admission.

2.2 Approach

Our Report has been prepared having regard to ASX GN 19 and Australian Securities and Investments Commission ('ASIC') Regulatory Guides 111 '*Content of Expert's Reports*' ('RG 111'), 112 '*Independence of Experts*' ('RG 112') and 170 '*Prospective Financial Information*' ('RG 170') and Information Sheet 214: *Mining and Resources: Forward-looking Statements* ('IS 214').

In arriving at our opinion, we have assessed the terms of the Performance Securities as outlined in the body of our Report. We have considered:

- How the value of a Pathfinder share as at the Re-admission Date (prior to the vesting of the Performance Securities) compares to the value of a Pathfinder share following the achievement of the vesting conditions attached to each tranche of Performance Securities and the resulting issue of the ordinary shares on conversion of the Performance Securities; and
- Other factors which we consider to be relevant to the Security Holders in their assessment of the issue of the Performance Securities.

2.3 Opinion

We have considered the terms of the Performance Securities as outlined in the body of our Report and have concluded that:

- The Tranche 1, Tranche 2 and Tranche 3 Performance Securities are proposed to be issued on terms that are fair and reasonable to Security Holders; and
- The Tranche 4 Performance Securities are proposed to be issued on the terms that are not fair but reasonable to Security Holders.

We consider the terms of the Tranche 4 Performance Securities to be not fair as we are unable to conclude under all possible scenarios that it will be value accretive to Security Holders. If the Resource Definition Target is fully or partly equity funded then any value creation would be shared between Security Holders, the holders of the Performance Securities and new shareholders. Given there is currently insufficient reasonable grounds to make assumptions around how the applicable project will be funded, the magnitude of prospective funding, nor the magnitude of the value uplift (if any), we are unable to conclude that the Resource Definition Target is value accretive in all scenarios. Given that it is likely that the achievement of the Resource Definition Target will be value accretive, we consider the terms of the Tranche 4 Performance Securities to be reasonable.

We consider the broad strategy to align the refreshed direction of Pathfinder operations with Security Holders interests (share price accretion and resource development) has been achieved by appropriately incentivising the incoming CEO with the Performance Securities.

In summary, notwithstanding that we consider Tranche 1, Tranche 2 and Tranche 3 Performance Securities to be fair and reasonable to Security Holders, because we consider Tranche 4 Performance Securities to be not fair but reasonable to Security Holders, our overall opinion is that the proposed issue of Performance Securities to the incoming CEO, as per Resolution 21 in the Notice of Meeting, is not fair but reasonable to Security Holders.

2.4 Fairness

In section 9 we determined how the value of a Pathfinder share as at the Re-admission Date, prior to the vesting of the Performance Securities, compares to the value of a Pathfinder share assuming that each of the vesting conditions are achieved and the Performance Securities convert to ordinary shares, with our results summarised below.

As detailed in Section 9 and having regard to the guidance set out in ASX GN19, RG 111 and RG 170, our opinion in relation to whether the terms of each of the following Performance Securities are fair to Security Holders is set out below. The table below also includes a summary of the basis for our fairness opinion.

Additional detail in relation to the basis for our opinion can be found in Section 8 and 9 of our Report.

Tranche	Summary of Basis for Opinion	Conclusion
Tranche 1	The 20-day VWAP hurdle of \$1.25 represents the market value of the Company's shares at the time of achieving the Tranche 1 Milestone. Therefore, the value of a Pathfinder share following the achievement of the Milestone and the resulting issue of the ordinary shares on conversion of the Tranche 1 Performance Securities is greater than the value of a Pathfinder share as at the Re-admission Date.	Fair
Tranche 2	The 20-day VWAP hurdle of \$1.75 represents the market value of the Company's shares at the time of achieving the Tranche 1 and Tranche 2 Milestones. We have assumed both are met because if the Tranche 2 Milestone is met, the Tranche 1 Milestone must also have been met. Therefore, the value of a Pathfinder share following the achievement of the Milestones and the resulting issue of the ordinary shares on conversion of the Tranche 1 and Tranche 2 Performance Securities is greater than the value of a Pathfinder share as at the Re-admission Date.	Fair
Tranche 3	The 20-day VWAP hurdle of \$2.25 represents the market value of the Company's shares at the time of achieving the Tranche 1, Tranche 2 and Tranche 3 Milestones. We have assumed all three are met because if the Tranche 3 Milestone is met, the Tranche 1 Milestone and Tranche 2 Milestone must also have been met. Therefore, the value of a Pathfinder share following the achievement of the Tranche 1, Tranche 2 and Tranche 3 Milestones and the resulting issue of the ordinary shares on conversion of the Tranche 1, Tranche 2 and Tranche 3 Performance Securities is greater than the value of a Pathfinder share as at the Re-admission Date.	Fair

Tranche 4 In the event that the Resource Definition Target is met, the achievement of the Tranche 4 Milestone and the resulting issue of ordinary shares may be value accretive. Not fair

Notwithstanding, as detailed in Section 8 and Section 9 of our Report, the assessment of whether the achievement of the Resource Definition Target is value accretive to Security Holders, depends on a number of factors including source of funding required, magnitude of funding, and magnitude of value accretion (if value accretive at all).

If the Resource Definition Target can be fully funded by debt and/or existing cash reserves, then any value creation would flow to Security Holders and the holders of the Performance Securities. In this instance, the achievement of the Resource Definition Target, would in theory, be value accretive. However, if it is fully or partly equity funded then any value creation would be shared between Security Holders, the holders of the Performance Securities and new shareholders. Given there is currently insufficient reasonable grounds to make assumptions around how the applicable project will be funded, nor the magnitude of any prospective funding or value accretion, we are unable to conclude that the Resource Definition Target is value accretive in all scenarios, therefore we consider the Tranche 4 Performance Securities to be not fair.

2.5 Reasonableness

We have considered the analysis in Section 10 of our Report, in terms of both

- ☐ advantages and disadvantages of the issue of the Performance Securities; and
- ☐ other considerations, including:
 - ☐ the consequences of the Performance Securities not being on issue;
 - ☐ the consequences of the Milestones being achieved; and
 - ☐ the position of Security Holders if the Milestones are not achieved.

Following these considerations, it is our opinion that on balance, the advantages of issuing the Performance Securities and the achievement of meeting the Milestones are greater to Security Holders than the disadvantages.

Accordingly, in the absence of any other relevant information and/or an alternative proposal we believe that the proposed terms of the Performance Securities are reasonable for Security Holders.

The respective advantages and disadvantages considered are summarised below:

ADVANTAGES AND DISADVANTAGES			
Section	Advantages	Section	Disadvantages
10.1	The terms of the Tranche 1, Tranche 2 and Tranche 3 Performance Securities are fair	10.2	Dilution of Security Holders' interests if a Milestone is met and ordinary shares issued

ADVANTAGES AND DISADVANTAGES

Section	Advantages	Section	Disadvantages
10.1	The Milestones are structured in such a way to align the interests of Security Holders and the holders of the Performance Securities	10.2	The terms of the Tranche 4 Performance Securities are not fair. Despite being not fair, the achievement of the Tranche 4 Milestone may be value accretive.
10.1	By issuing the Performance Securities, it allows the Company to incentivise, retain and reward its CEO and invest a greater portion of the cash raised from the Re-admission on its projects		

Other key matters we have considered include:

Section	Description
10.3	Consequences of the Performance Securities not being issued
10.4	Consequences of the Milestones being achieved

□

3. Scope of the Report

3.1 Purpose of the Report

ASX Listing Rule 6.1 requires that the terms that apply to each class of equity securities must, in ASX's opinion, be appropriate and equitable. ASX GN 19 requires an expert to be commissioned to prepare an independent expert's report that complies with RG 111, and to express an opinion on whether the terms of the Performance Securities are fair and reasonable.

Relevantly, under GN 19 the requirement for an independent expert report arises if:

- ☐ The entity is applying for quotation on the ASX, and
- ☐ It has or proposes to have performance securities on issue at the date of its Re-admission to quotation, and
- ☐ The number of ordinary shares into which those performance securities will convert in aggregate if the applicable milestone is achieved, is greater than 10% of the number of ordinary shares the entity proposes to have on issue at the Re-admission Date (taking into account any ordinary shares that the entity may be issuing in connection with its listing).

The Directors of Pathfinder have engaged BDO as an independent expert as the issue of the Performance Securities on the Re-admission of Pathfinder to the ASX represent a parcel of derivatives, when added to the outstanding King Tut Performance Shares, in excess of 10% of the issued capital at the Re-admission Date (see Section 4). Pathfinder has sought approval from ASX to waive the requirement for BDO to opine on the existing King Tut Performance Shares.

However, we note the potential dilution to Security Holders as a result of the issue of shares upon vesting of the Performance Securities, excluding the King Tut Performance Shares, is minimal as the Performance Securities account for 1.73% of outstanding ordinary Pathfinder shares currently on issue.

3.2 Regulatory guidance

Neither the Listing Rules nor the Corporations Act defines the meaning of 'fair and reasonable'. In determining whether the terms of the Performance Securities are fair and reasonable, we have had regard to the views expressed by ASIC in RG 111. This regulatory guide provides guidance as to what matters an independent expert should consider to assist security holders to make informed decisions about transactions.

One of the matters to be considered under RG 111 is whether a proposed issue constitutes a control transaction. In circumstances where a transaction is considered a control transaction, RG 111 requires the expert to consider the value inclusive of a control premium. We do not consider the issue or vesting of the Performance Securities to be a control transaction.

We are also required to have regard to ASX GN 19 which states:

"in determining their opinion on fairness and reasonableness, ASX would expect the independent expert to assume that the relevant performance milestone(s) have been met, assess the impact that would have on the value of the entity compared to the situation if the relevant performance milestone(s) were not met, and then determine whether the resulting number of ordinary shares to be issued by the entity to the holder of the performance shares is fair and reasonable in the circumstances.

...

ASX would have no objection to an independent expert expressing a broader view on an issue of performance securities, for example, a statement that while the expert is not able to conclude that the issue is fair or reasonable (as applicable), they regard it as being in the interests of the entity and non-participating security holders to proceed with the issue.”

3.3 Adopted basis of evaluation

RG 111 states that a transaction is fair if the value of the offer price or consideration is equal to or greater than the value of the securities subject of the offer.

In order to conduct this assessment, we are required to compare the value of a Pathfinder share prior to the Company achieving the Milestones with the value of a Pathfinder share following the achievement of the Milestones. This comparison should be made assuming a knowledgeable and willing, but not anxious buyer and a knowledgeable and willing, but not anxious seller acting at arm's length.

RG 111 states that a transaction is reasonable if it is fair. It might also be reasonable if despite being 'not fair' the expert believes that there are sufficient reasons for security holders to accept the offer in the absence of any alternate options.

Having regard to the above, BDO sought to conduct this comparison in two parts:

- ☐ A comparison between the value of a Pathfinder share as at the Re-admission Date and the value of a Pathfinder share following the achievement of each of the Milestones and the resulting issue of the ordinary shares on conversion of the Performance Securities (fairness - see Section 9 'Are the terms of the Performance Securities fair?'); and
- ☐ An investigation into other significant factors to which Security Holders might give consideration, after reference to the value derived above (reasonableness - see Section 10 'Are the terms of the Performance Securities reasonable?')

This assignment is a Valuation Engagement as defined by Accounting Professional & Ethical Standards Board professional standard APES 225 'Valuation Services' ('APES 225').

A Valuation Engagement is defined by APES 225 as follows:

'an Engagement or Assignment to perform a Valuation and provide a Valuation Report where the Valuer is free to employ the Valuation Approaches, Valuation Methods, and Valuation Procedures that a reasonable and informed third party would perform taking into consideration all the specific facts and circumstances of the Engagement or Assignment available to the Valuer at that time.'

This Valuation Engagement has been undertaken in accordance with the requirements set out in APES 225.

☐

4. Outline of the Proposed Issue of Performance Securities

Upon completion of the Re-admission, the Company intends to offer a total of one million Performance Securities to Mr O'Donovan in his capacity as incoming CEO of Pathfinder. A breakdown of the Performance Securities intended to be offered is set out below.

Tranche	Number of Performance Securities	Vesting condition	Expiry date
Tranche 1	250,000	Each Tranche 1 Performance Right will vest upon the Company achieving a volume weighted average price over 20 consecutive trading days (20 Day VWAP) of at least \$1.25.	3 years from issue date
Tranche 2	250,000	Each Tranche 2 Performance Right will vest upon the Company achieving a 20 Day VWAP of at least \$1.75.	3 years from issue date
Tranche 3	200,000	Each Tranche 3 Performance Right will vest upon the Company achieving a 20 Day VWAP of at least \$2.25.	3 years from issue date
Tranche 4	300,000	Each Tranche 4 Performance Right will vest upon the Company announcing a maiden Lithium JORC compliant resource at the Falcon Lake Project of or greater than 10mt at 1% or more of Li.	3 years from issue date

Source: Notice of Meeting

Each Performance Security represents the right to acquire a fully paid ordinary share in the Company, subject to the satisfaction of the Share Price Targets and the Resource Definition Target, which are detailed below.

Share Price Targets

The Share Price Target Performance Securities (700,000 Performance Securities) will vest subject to the achievement of the Share Price Targets which are as follows:

- Tranche 1 Performance Securities: 250,000 of the Performance Securities will vest upon the Company achieving a volume weighted average price over 20 consecutive trading days ('20-day VWAP') of at least \$1.25;
- Tranche 2 Performance Securities: 250,000 of the Performance Securities will vest upon the Company achieving a 20-day VWAP of at least \$1.75; and
- Tranche 3 Performance Securities: 200,000 of the Performance Securities will vest upon the Company achieving a 20-day VWAP of at least \$2.25.

The Performance Securities will expire three years from the date of issue. When each milestone is achieved, the Performance Rights in the applicable Tranche will vest and will be convertible into Pathfinder shares on a one-for-one basis

Resource Definition Target

The Tranche 4 Performance Securities (300,000 Performance Securities) will vest upon the Company announcing a maiden Lithium JORC compliance resource at the Falcon Lake Project of or greater than 10mt at 1% or more of Li ('Resource Definition Target Performance Securities').

Capital Structure

The table below outlines the impact on the interests in Pathfinder held by Security Holders prior to and following vesting of the Performance Securities. The maximum level of dilution to Security Holders' interests arise in the event that all outstanding performance rights and options on issue vest and convert into ordinary shares, which result in Security Holders being diluted to a holding of 87.87% of the issued capital of Pathfinder.

	Ref.	Shares	Performance Securities
Shares outstanding at date of our Report		57,968,163	
King Tut Performance Shares outstanding at date of our Report	a)		7,000,000
Total		57,968,163	7,000,000
% holding following vesting of King Tut Performance Shares		89.23%	10.77%
CEO Tranche 1 Performance Securities			250,000
CEO Tranche 2 Performance Securities			250,000
CEO Tranche 3 Performance Securities			200,000
CEO Tranche 4 Performance Securities			300,000
Total		57,968,163	8,000,000
% holding following vesting of Performance Securities		87.87%	12.13%

Source: BDO analysis

a) King Tut Performance Shares

As mentioned previously in Section 3.1, Pathfinder has obtained approval from ASX waiving the requirement for an opinion to be provided on the existing King Tut Performance Shares. Given the lack of exploration and development at the King Tut Project to date, the likelihood of the King Tut Performance Shares vesting is low.

Proposed issue of additional shares and options

We note that additional shares and options are proposed to be issued as part of the Re-admission to the ASX. We are not required to consider any proposed issue of securities apart from the Performance Securities discussed above.

We outline below a summary of the additional shares and options proposed for issue as part of the Re-admission:

	Ref.	Shares		Options	
		Minimum Subscription	Maximum Subscription	Minimum Subscription	Maximum Subscription
Bleiberg Project	a)	498,330	498,330		
Falcon Lake Project	b)	2,125,000	2,125,000		
Capital Raising	c)	16,250,000	17,500,000	16,250,000	17,500,000
Corporate Advisor Shares	d)	125,000	125,000		
Total		18,998,330	20,248,330	16,250,000	17,500,000

Source: Pathfinder Notice of Meeting

a) **Bleiberg Project**

Subject to shareholder approval, Pathfinder will acquire an initial 15% interest in the Bleiberg Project by:

- Making a cash payment of C\$75,000 to the vendors of the Bleiberg Project; and
- Issuing C\$177,500 worth of shares. Assuming a deemed issue price of \$0.40 per share (in line with the capital raising price) and CAD/AUD exchange rate of 0.89, the Company will issue 498,330 ordinary shares to the vendors of the Bleiberg Project.

b) **Falcon Lake Project**

Subject to shareholder approval, Pathfinder will acquire an initial 90% interest in the Falcon Lake Project by:

- Making a cash payment of A\$150,000 to the vendors of the Falcon Lake Project; and
- Issuing A\$850,000 worth of shares. Assuming a deemed issue price of \$0.40 per share, the Company will issue 2,125,000 ordinary shares to the vendors.

c) **Capital Raising**

As part of Pathfinder's Re-admission to the ASX, Pathfinder is undertaking a capital raising to issue between 16.25 million and 17.50 million ordinary shares in Pathfinder at an issue price of \$0.40 per share to raise between \$6.50 million and \$7.00 million before costs ('**Capital Raising**'). As part of the Capital Raising, one new Option will be issued for every new share subscribed for and issued. Each Option has an exercise price of \$0.50 and a life of three years from issue date.

d) **Corporate Advisor Shares**

Subject to shareholder approval, Pathfinder has agreed to issue 125,000 ordinary shares to corporate consultants, Geomap, for the provision of corporate advisory and introductory services.

Further details of the additional shares and options proposed for issue can be found in the Explanatory Memorandum within the Notice of Meeting.

□

5. Profile of Pathfinder

5.1 History

Pathfinder is an ASX-listed precious and base metals explorer with primary operations located in the Andean Mountains of Argentina and Bloom Lake in Canada. The Company was incorporated in 1999 and is headquartered in Perth, Australia.

Initial operations focused on providing IT services as IOCOM Limited through their admission to the ASX on 10 December 1999, prior to diverting its focus to mineral exploration activities pertaining to the Company's Hamersley Iron Ore Project in Western Australia, the Lomero Project in Spain, the Bloom Lake Claim Block in Canada and the Luapula Project in the Democratic Republic of the Congo. Accordingly, the Company changed its name to Winmar Resources Limited at this time.

A lack of an economically or commercially viable solution to develop these projects saw the Company experience a two-year period of suspension from trading on the ASX in which led to a delisting on 9 June 2020. Upon the successful admission to ASX on 30 October 2020 rebranded under the name of Pathfinder, the Company primarily focused on the development of its newly acquired King Tut Project located in Argentina.

Divestment of their former flagship project, the Hamersley Iron Ore Project, to Equinox Resources Limited ('Equinox') on 6 October 2021 allowed the Company to shift its focus to the potential acquisition of the Falcon Lake Project located in Canada, the Tidili Project located in Morocco and the Bleiberg Project located in Austria, causing a temporary suspension of the Company's securities to date.

During the period of suspension, the Company has maintained its interest in its existing assets, with modest exploration works completed.

The current board of directors of are:

- ☐ Mr. Sufian Ahmad - Non-Executive Chairman;
- ☐ Mr. Robert Martin - Non-Executive Director; and
- ☐ Mr. Stephen Windle - Non-Executive Director.

5.2 The King Tut Project

Located in the La Rioja province in the northwest region of Argentina, the King Tut Project covering approximately 3000 hectares includes a historic gold and cobalt mining operation in which was shortly mined during the 1950's and early 1980's by surface and underground workings. The King Tut Project has substantial access to critical infrastructure including power, roads, rail power and labour.

In 2020, the Company appointed Condor Prospecting Pty Ltd to complete an initial geological and exploration program to shortly commence geological mapping in which yielded results revealing the high-grade mineralisation extending over an area of at least 120 metres ('m') wide and 200m long.

The first stage of the exploration program focused on accurately geologically mapping the surface extent of the mineralisation and surrounding geological units at the King Tut Project.

Subsequently in March 2021, the Company progressed its maiden drilling program upon the appointment of ConoSur Drilling S.A. to complete the maiden diamond drilling program.

Given the absence of exploration drilling undertaken at the King Tut Project, the Company plans to continue to progress its maiden diamond drilling program with the aim to expand the current resource base to a JORC compliant standard.

Since the current suspension of the Company from the ASX started in April 2022, little exploration has been completed at the King Tut Project.

5.3 The Bloom Lake Project

The Bloom Lake Cobalt Project is located peripheral to an area of former high-grade silver-cobalt mines at Gowganda situated in Canada. Approximately 85km northwest of the town of Cobalt, historical mining occurred from 1910 to 1980 which produced 60.2 million ounces ('oz') of silver and 1.3 million pounds ('lb') of cobalt up until the end of 1969.

In 2021, the Company commenced a sampling campaign at the Bloom Lake Project whereby results revealed high-grade copper and cobalt mineralisation.

On 4 February 2022, the Company announced the achievement of high-grade sample results of copper and cobalt, and outlined its commitment to minimum expenditure requirements to maintain the Bloom Lake Project in good standing.

Since the current suspension of the Company from the ASX, little exploration has been completed at the Bloom Lake Project.

5.4 Proposed Acquisitions

Following the re-instatement of the Company's shares to the ASX, it will hold interests in the following projects, subject to shareholder approval:

The Falcon Lake Project

Located in the Thunder Bay mining division of north western Ontario, Canada, the Falcon Lake Project covers approximately 960 hectares of land comprising of 48 mining claims prospective for lithium. These claims will supplement Pathfinder's existing 166 claims in the area. The Falcon Lake Project is considered a greenfield project with historical exploration intercepting Li₂O mineralisation.

The Company will acquire an initial 90% interest in the Falcon Lake Project.

The Tidili Project

Covering an area of 49 square kilometres, the Tidili Project is located in a copper district along a 200-kilometre-long district which extends southwards from Marrakech, Morocco. Previous exploration activities have been restricted to geological mapping and sampling.

The Company will acquire an initial 85% interest in the Tidili Project.

The Bleiberg Project

Comprising of 116 exploration licences covering a total of 6,582 hectares the Bleiberg Project is situated approximately 130km south of Salzburg, Austria. Historical operations at the Bleiberg Project involved a polymetallic zinc and lead mine site with defined mineralised bodies accompanied by substantial infrastructure and known mineralised bodies.

The Company will acquire an initial 15% interest in the Bleiberg Project.

Detailed information on the proposed project acquisitions can be found in Section 6 of the Explanatory Statement within the Notice of Meeting.

5.5 Historical Balance Sheet

	Audited 30-Jun-22	Audited 30-Jun-21	Audited 30-Jun-20
Statement of Financial Position	\$	\$	\$
CURRENT ASSETS			
Cash and cash equivalents	928,865	3,412,277	936
Trade and other receivables	32,113	47,093	68,157
Prepayments	145,248	50,062	12,433
Other current assets	10,000	29,978	-
TOTAL CURRENT ASSETS	1,116,226	3,539,410	81,526
NON-CURRENT ASSETS			
Exploration and evaluation asset	2,175,338	1,814,678	116,524
Investment accounted for using equity method	5,885,661	-	-
Property, plant and equipment	-	9,759	-
Right-of-use of asset	40,812	-	-
TOTAL NON-CURRENT ASSETS	8,101,811	1,824,437	116,524
TOTAL ASSETS	9,218,037	5,363,847	198,050
CURRENT LIABILITIES			
Trade and other payables	145,642	146,768	736,901
Provisions	-	35,672	-
Borrowings	-	46,370	1,131,633
Lease liabilities	29,118	-	-
TOTAL CURRENT LIABILITIES	174,760	228,810	1,868,534
NON-CURRENT LIABILITIES			
Lease liability	12,543	-	-
TOTAL NON-CURRENT LIABILITIES	12,543	-	-
TOTAL LIABILITIES	187,303	228,810	1,868,534
NET ASSETS	9,030,734	5,135,037	(1,670,484)
EQUITY			
Issued capital	54,370,957	54,370,957	45,772,527
Options reserve	(44,043)	(84,798)	564,000
Accumulated losses	(45,296,180)	(49,151,122)	(48,007,011)
TOTAL EQUITY	9,030,734	5,135,037	(1,670,484)

Source: Pathfinder's audited financial statements for the years ended 30 June 2022, 30 June 2021 and 30 June 2020

Commentary on Historical Statements of Financial Position

- Cash and cash equivalents decreased from \$3.41 million as at 30 June 2021 to \$0.93 million as at 30 June 2022. The decrease in cash held was primarily the result of a final settlement of the claim from Airguide International Pte Ltd involving a single cash payment of US\$482,500, payments to suppliers and employees amounting to \$1.99 million and payments for exploration and evaluation of \$0.47 million.

- Exploration and evaluation asset of \$2.18 million as at 30 June 2022 comprised of the net carrying amount of the Company's King Tut Project (\$2.04 million) and the Bloom Lake Copper-Cobalt Project (\$0.14 million), following the divestment of the Hamersley Iron Ore Project to Equinox on 26 July 2021.
- Investment accounted for using equity method of \$5.89 million as at 30 June 2022 primarily related to the divestment of the Hamersley Iron Ore Project to Equinox.

5.6 Historical Statement of Comprehensive Income

	Audited year ended 30-Jun-22	Audited year ended 30-Jun-21	Audited year ended 30-Jun-20
Statement of Profit or Loss and Other Comprehensive Income	\$	\$	\$
Income			
Other income	9,708	15,613	5,466
Expenses			
Compliance and regulatory expenses	(183,538)	(211,211)	(95,991)
Consulting and professional fees	(366,624)	(454,968)	(86,808)
Depreciation	(28,965)	-	-
Employee benefits expense	(384,832)	(262,787)	(163,991)
Exploration expenditure	(65,374)	(232,859)	-
Impairment of exploration assets	-	-	(102,026)
Impairment of investments	-	-	(31,127)
Litigation settlement	(617,513)	-	-
Share based payments	-	-	(422,807)
Share of loss of associated accounting using equity method	(1,114,340)	-	-
Other gains	7,000,000	243,457	-
Other expenses	(391,453)	(175,261)	(150,683)
Results from operating activities	3,857,069	(1,078,016)	(1,047,967)
Finance income	2,041	8,286	65
Finance expense	(4,167)	(158,381)	(172,647)
Loss before income tax	3,854,943	(1,228,111)	(1,220,549)
Income tax expense	-	-	-
Loss for the year from continuing operations	3,854,943	(1,228,111)	(1,220,549)
Other comprehensive income	40,755	(84,798)	-
Total comprehensive loss for the period	3,895,698	(1,312,909)	(1,220,549)

Source: Pathfinder's audited financial statements for the years ended 30 June 2022, 30 June 2021 and 30 June 2020

Commentary on Historical Statements of Financial Position

- Other income for the year ended 30 June 2022 solely comprised of management fees.
- Consulting and professional fees for the year ended 30 June 2022 decreased by \$0.09 million from the year ended 30 June 2021 in which amounted to \$0.45 million. This balance was largely attributable to legal fees incurred of \$0.32 million relating to the dispute with Airguide International.

- Litigation settlement entails the claim from Airguide, mentioned in Section 5.5, settled for a cash payment of US\$482,500 (AU\$617,000).
- Share of loss associate accounting for using equity methods of \$1.11 million for the year ended 30 June 2022 is the result of the Company's net loss regarding their equity investment in Equinox.
- Other gains of \$7.00 million for the year ended 30 June 2022 reflects the Company's equity investment in associate, Equinox, following the divestment of the Hamersley Iron Ore Project to Equinox completed on 6 October 2021. Pertinent to Equinox' IPO raising (before costs) through the offer of 45 million shares at an issue price of \$0.20 per share, the Company received 35,000,000 shares and 6,650,000 performance shares and subsequently owns a total interest of 36.65% in Equinox.

5.7 Capital Structure

The share structure of Pathfinder as at 27 September 2022 is outlined below:

	Number
Total Ordinary Shares on Issue	57,968,163
Top 20 Shareholders	30,210,173
Top 20 Shareholders - % of shares on issue	52.12%

Source: Pathfinder's Annual Report for the year ended 30 June 2022

The range of shares held in Pathfinder as at 27 September 2022 is as follows:

Range of Shares Held	No. of Ordinary Shareholders	No. of Ordinary Shares	Percentage of Issued Shares (%)
1-1,000	87	26,027	0.04%
1,001-5,000	472	1,324,558	2.28%
5,001-10,000	131	1,035,415	1.79%
10,001-100,000	220	6,809,370	11.75%
100,001 - and over	87	48,772,793	84.14%
TOTAL	997	57,968,163	100.00%

Source: Pathfinder's Annual Report for the year ended 30 June 2022

The ordinary shares held by the most significant shareholders as at 27 September 2022 are detailed below:

Name	No of Ordinary Shares Held	Percentage of Issued Shares (%)
Lesko Constructions Pty Ltd <Super Fund A/C/>	3,076,981	5.31%
Ms Chunyan Niu	2,662,000	4.52%
Condor Prospecting Pty Ltd	2,388,438	4.12%
Mr Mena Habib	2,249,307	3.88%
Total Top 4	10,376,726	17.38%
Others	47,591,437	82.62%
Total Ordinary Shares on Issue	57,968,163	100.00%

Source: Pathfinder's Annual Report for the year ended 30 June 2022

6. Economic analysis

Pathfinder primarily exposed to the risks and opportunities of the Australian and Canadian markets through its operations and its listing on the ASX. As such, we have presented an economic analysis on the Australian economy and the Canadian Economy.

6.1 Australia

Overview

In its September 2022 Statement of Monetary Policy, the Reserve Bank of Australia ('RBA') elucidated caution around rising inflationary pressures, projecting consumer price inflation to peak at 7.75% in the latter half of 2022 and forecasted to stabilise above 4% in 2023 and 3% in 2024, in line with the aim of returning inflation to the 2% to 3% target range.

Both the Australian and global outlooks for growth and inflation remain uncertain in light of substantial geopolitical disruptions, emerging from several supply side factors, pandemic related disturbances in China and Russia's invasion of Ukraine. Moreover, it is uncertain how the withdrawal of extraordinary policy support will affect consumer demand. In many advanced economies, inflation has exceeded the initial forecasts published earlier in the year, as well as central banks' inflation targets, and remains a key source of market volatility.

Following a weakening in the outlook for global growth, bond yields have reversed prior increases perceived in the first half of 2022, whilst equity prices have contracted, as the market outlook remains uncertain amongst market participants. A previous wave of high commodity prices spawned the Australian equity market to outperform other developed markets reaching a peak in April 2022, to decline in recent weeks in the wake of easing global supply constraints. In Australia and most advanced economies, fixed borrowing rates have risen sharply creating a resistance to new lending at fixed rates causing a decline to levels observed in early 2020. As a result, a reduction in household spending and consumer confidence has become increasingly apparent.

The RBA has executed four consecutive monthly cash rate raises of 0.5%, beginning in June 2022, which at the time was the single largest rise in 22 years, to settle at a current cash target rate of 2.35%. The raising of rates represented a direct response to external pressures around global supply chain and energy price concerns, as well as domestic pressures in the form of tight labour markets, recent flooding in New South Wales and capacity restraints throughout the economy. The RBA has indicated that further rate raises are likely to be forthcoming, guided by the transpiring of several global macroeconomic and domestic events in an attempt to control inflation.

Economic Indicators

Inflation in Australia has increased quicker than expected but remains lower than in many advanced economies. In headline terms, inflation was 6.1% over the year to June 2022, and in underlying terms, it was 4.9%. Additionally, the inflation outlook is higher than forecast earlier in the year, with headline annual inflation expected to peak in the latter half of 2022. As supply side issues are rectified, inflation is forecast to ease. However, with labour market conditions becoming increasingly tight, labour costs are expected to pick up in the coming years. Inflation is expected to normalise to approximately 4% in 2023 and further fall to around 3% over 2024.

The behaviour of household spending continues to be a critical source of uncertainty, as higher inflation and interest rates persist in tightening household budgets. Consumer confidence has also fallen, and housing

prices in some markets are declining after posting notable increases in recent years. However, growth in the labour market has partially neutralised this trend, as increased work hours and overall employment levels have incited an increase in household savings. Consequently, the household saving rate remains higher than pre pandemic levels.

The labour market has generated significant momentum on the back of the pandemic, and demand for labour is strong. The unemployment rate is currently 3.4%, which is the lowest rate in almost 50 years. Demand for employment has been met by firms increasing headcount and hours of existing staff, as restrictions and capacity limits are abolished across the country. Relatedly, labour underutilisation has declined significantly across most industries, and has been particularly prominent in industries where employment has grown strongly, such as professional services. The level of job vacancies remain very high at a time where labour participation rates and the ratio of employment to working-age population are already at historical highs.

The combination of a tight labour market and a higher inflationary environment means that firms are generally better at compensating employees with higher wages and other benefits to attract and retain staff. However, despite low unemployment rates, wage growth has not matched inflation, and consequently, real wages have declined. Consumer sentiment has fallen as households maintain a pessimistic outlook in light of declining real incomes and rising living costs. The expected decline in consumer spending will likely be cushioned by strong household balance sheets, however, more recent evidence from liaison and business surveys indicate that larger wage increases have been occurring or are planned in many private-sector firms.

Despite depreciating significantly against the United States dollar in early 2020, the Australian dollar recovered rapidly on the back of strong demand for Australian commodity exports. From mid-May 2021, the Australian dollar entered a depreciating trend against the United States dollar, however, this trend reversed from February 2022 onwards, following several price shocks to key commodity markets after Russia's invasion of Ukraine. The currencies of Australia and other commodity exporting countries have depreciated over April to July 2022, with recent depreciation in the Australian dollar further linked to weaker forecast activity in China.

Source: www.rba.gov.au Statement by Phillip Lowe, Governor: Monetary Policy Decision dated 6 September 2022 and prior periods, www.rba.gov.au Statement on Monetary Policy August 2022 and prior periods, budget.gov.au Australian Government 2022-23 Budget Overview and imf.org World Economic Outlook dated July 2022.

6.2 Canada

Domestic Growth and Overview

The Bank of Canada forecasts economic growth to be 4.25% in 2022 and 3.25% in 2023. The Canadian economy grew strongly over the first half of 2022, largely owing to the removal of public health restrictions, greater foreign demand, and rises in commodity prices. As indicated by the Bank of Canada's Business Outlook Survey, hiring intentions of Canadian employers registered record highs heading into 2022, as wide labour shortages were evident across the country. Positive growth and employment conditions have been marred by increasing inflation, largely as a result of strong demand coupled with supply side constraints and increased prices of inputs.

Inflation

Inflation is expected to persist at close to 6% over the first half of 2022. The Bank of Canada attributes elevated inflation levels to current global supply chain issues and higher energy prices. As a result of monetary policy support, and the dissipation of supply chain issues, inflation is expected to ease to the 2%

target in 2024. As events unfold further in Ukraine, it is possible that upward revisions will be made on inflation estimates as economic sanctions on Russia's energy and resource sectors become more prevalent in the long-term. Moreover, Canada's natural resources sector, particularly its natural gas and oil industry, positions the country to capitalise on the impending energy supply and inflationary shocks across Europe. It is expected that Canada will assist European countries in reducing their dependence on Russian energy imports, and as a result, Canada can expand its role as a geopolitically stable and dependable source of fossil fuels.

Unemployment

Over May 2022, the Labour Force Survey conducted by Statistics Canada depicted an increase in domestic employment by approximately 40,000 jobs, being a 0.2% decrease in the unemployment rate down to 5.1%. The employment increase was largely driven by gains in full-time work amongst women, which was spread across multiple industries, but led by the wholesale and retail trade industries. The Bank of Canada has reported that a number of measures indicate strong Canadian labour market health, including employment and total hours working surpassing pre-COVID-19 levels. Employers are struggling to fill labour shortages, as strong demand for products and services has led to need for workforces to expand. Wage growth has recovered to near pre-COVID-19 levels, with firms reporting a difficulty in retaining staff due to the willingness of the current workforce to change jobs in search of higher wages.

Outlook

There is a high degree of uncertainty surrounding economic projections in light of the conflict in Eastern Europe. As such, it is likely that revisions will be made to the Bank of Canada's growth projections of 4.25% in 2022 and 3.25% in 2023, as the global economy reacts to the conflict, and as economic sanctions on Russia become more tangible beyond the short-term. However, it should be noted that financial conditions remain accommodative across Canada.

Source: www.bankofcanada.ca Monetary Policy Report April 2022 www.nbc.ca Monthly Economic Monitor February 2022, www.Bloomberg.com Canada Oil Can Help Replace Russia Crude Imports to US 9 March 2022, Statistics Canada.

7. Industry analysis

Pathfinder's key operational focus following Re-admission to the ASX will concentrate on the exploration of the Falcon Lake Project which is prospective for lithium, the Tidili Project which is prospective for Copper and the Bleiberg Project which is prospective for zinc, lead and germanium. We also note the Performance Securities include the Resource Definition Target relating to lithium resource discovery at the Falcon Lake project.

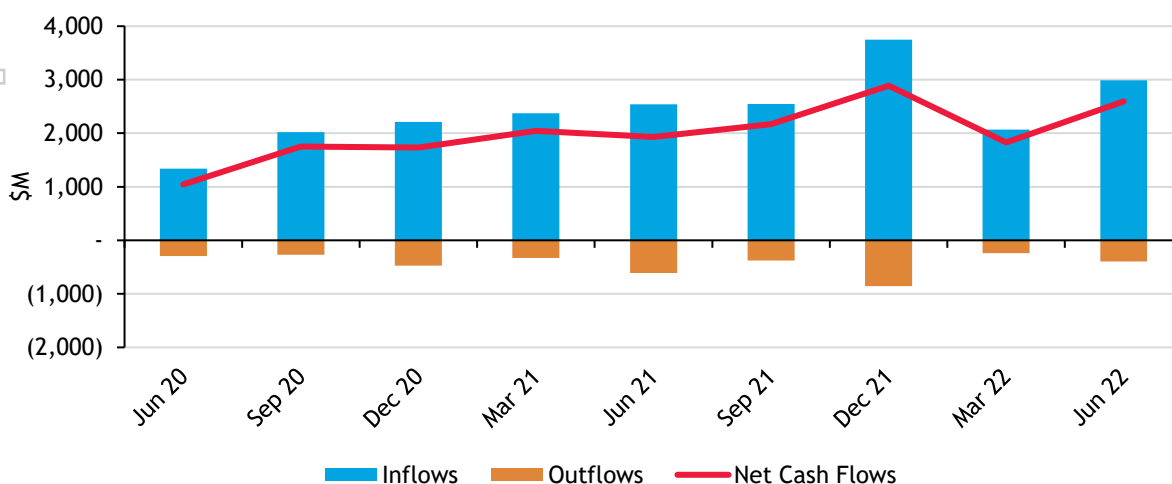
As such, we have presented an industry analysis of exploration sector as well as an industry analysis of the lithium mining industry, on the basis that this is a key commodity underpinning the Company's future operations.

7.1 Exploration Sector

BDO reports on the financial health and cash positions of ASX-listed exploration companies based on the quarterly Appendix 5B reports lodged with the ASX. ASX-listed mining and oil and gas exploration companies are required to lodge an Appendix 5B report each quarter, outlining the company's cash flows, their financing facilities available and management's expectation of future funding requirements. BDO's report for the June quarter of 2022 indicates a notable turnaround, from the March 2022 quarter, with growth posted across exploration expenditure and capital raisings back to record levels. Notably, total exploration spending breached the \$1 billion mark for the first time since the commencement of our analysis in 2013.

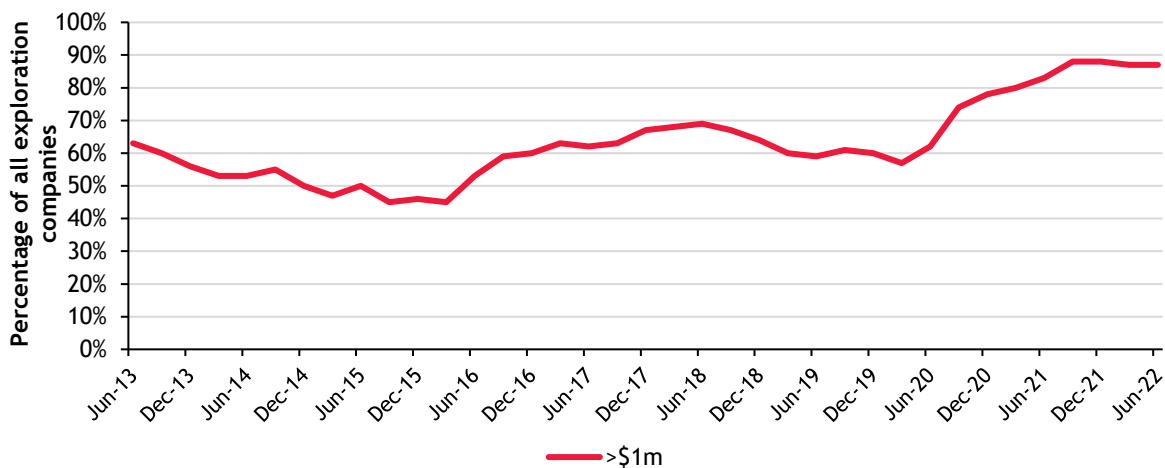
Financing cash inflows for the June 2022 quarter totalled \$2.99 billion, representing a 45% increase from the June 2021 quarter and more notably, the second highest amount of funds raised in a quarter since the start of our analysis in June 2013. In addition, financing inflows averaged \$3.90 million per company, which is 7% higher than the two-year average of \$3.65 million since June 2020. The sharp increase was mainly driven by the increased number of large capital raisings undertaken over the June 2022 quarter and comprised mainly lithium, uranium and gold explorers. In particular, there has been a broad decline in the proportion of companies reporting financing inflows since the September 2021 quarter despite the total quantum of financing inflows growing consecutively each quarter (with exception of the March 2022 quarter). This provides confidence of the overall fund-raising ability of exploration companies, and their ability to do so in large volumes.

Financing Cash Flows (\$M)



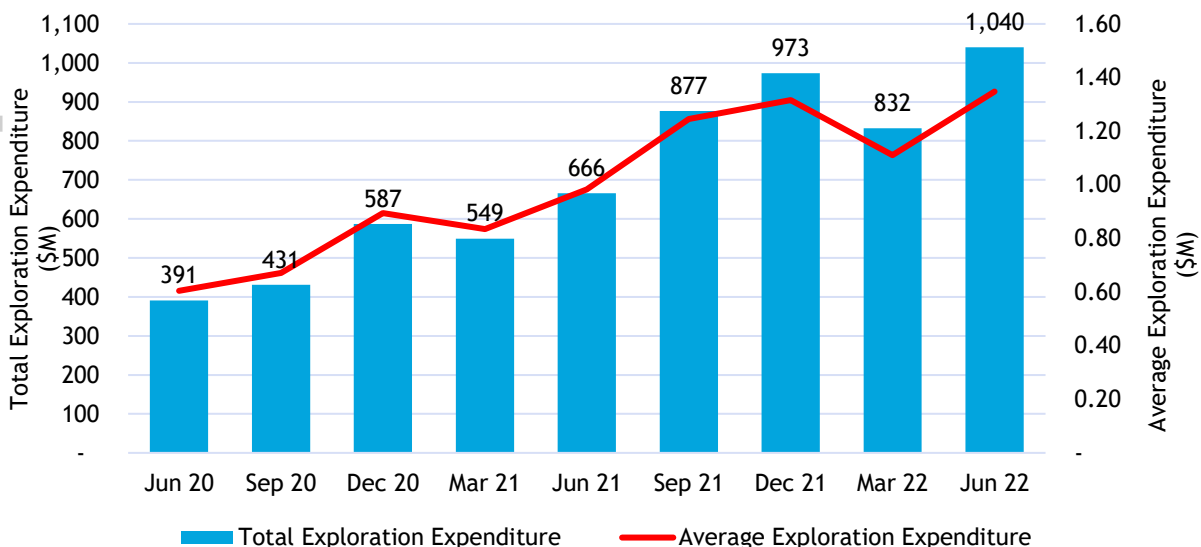
Exploration companies continued to have a strong cash position in the June 2022 quarter and remained largely in line with the last three quarters, with 87% of exploration companies reporting a cash balance of over \$1 million as at 30 June 2022. When compared to the 70% long term average since the June 2017 quarter, this indicates that the sector's cash position remains at some of the strongest levels we have observed since the commencement of our analysis in June 2013. The long term graph below further demonstrates that the current cash position remains at one of the strongest levels observed since BDO commenced this analysis in June 2013.

ASX Explorers' Cash Balance (%)



Exploration expenditure in the June 2022 quarter exceeded the \$1 billion mark, which is unprecedented in the nine years that BDO has conducted this analysis, representing a 25% increase from the March 2022 quarter. In addition, the average exploration spend per company also increased to a nine-year high of \$1.35 million, 21% more than the \$1.11 million in the March 2022 quarter. This comes as a reassuring indicator (especially after the observed slowdown in the March 2022 quarter) that exploration activity within the sector remains strong and that explorers are still investing in the drill bit at historically high levels.

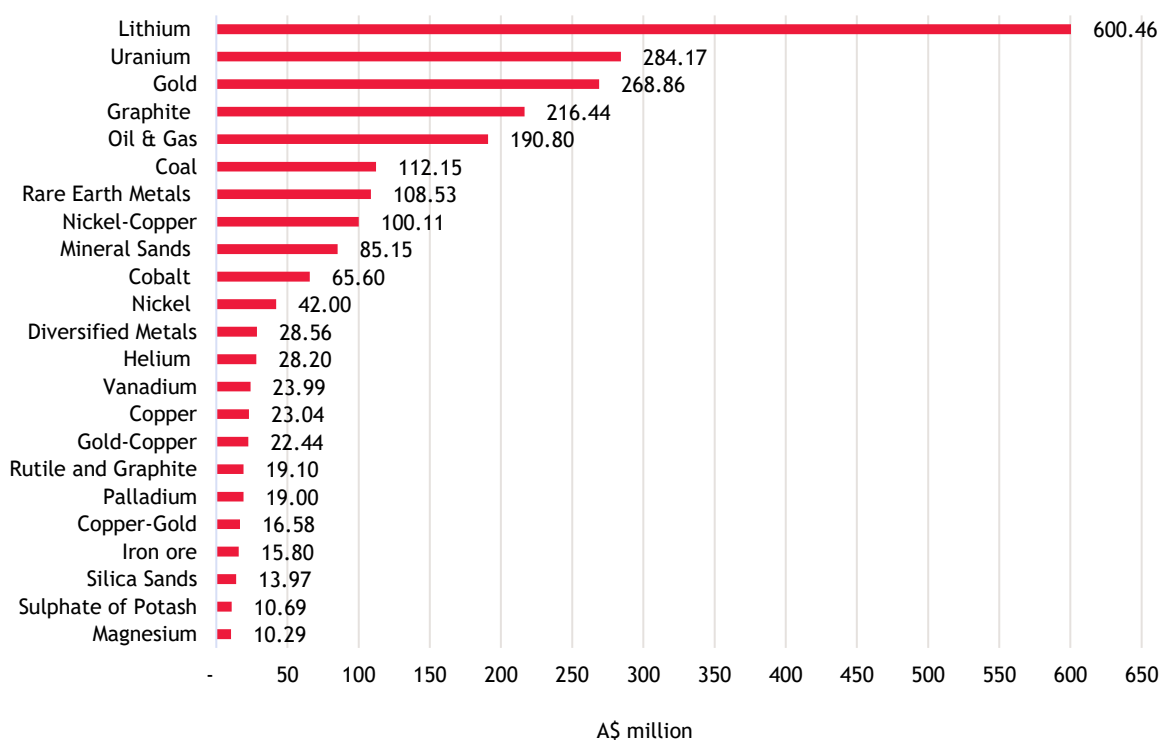
Total Exploration Expenditure - Last Two Years (\$M)



Net investing outflows in the June 2022 quarter remained largely unchanged from the March 2022 quarter, with minor declines in large outflows of more than \$750k and large inflows of \$1 million or more. However, the level of investment spending was still relatively strong in the context of the last two years, since being subdued through 2020 and early 2021 due to economic uncertainty and travel restrictions stemming from the global pandemic.

In the June 2022 quarter, 61 companies successfully raised capital of \$10 million or more, being 17 more than the 44 companies observed in the previous quarter, with uranium company, Paladin Energy Limited, sourcing the most funds.

Financing Inflow by Commodity - Top 61 Explorers June Quarter 2022



Lithium eclipsed other commodities for the June 2022 quarter, signifying the continued strength in market appetite for battery mineral investments. The rise of battery minerals is linked to the global trends of rising electric vehicle adoption and lower carbon emission targets. This ties largely into the central theme of Environmental, Social and Governance ('ESG'), which is at the forefront of the minds of explorers and investors alike. The backing of funds for lithium, nickel, graphite and cobalt also reflects the growing urgency faced by electric vehicle manufacturers to secure the raw materials that underpin the widespread electrification of global transport.

Pathfinder, having a growing focus on battery mineral exposure with the proposed acquisition of the Falcon Lake Project, may be well-positioned to benefit from this access to funding.

Source: BDO Explorer Quarterly Cash Update: June 2022 and March 2022.

7.2 Lithium

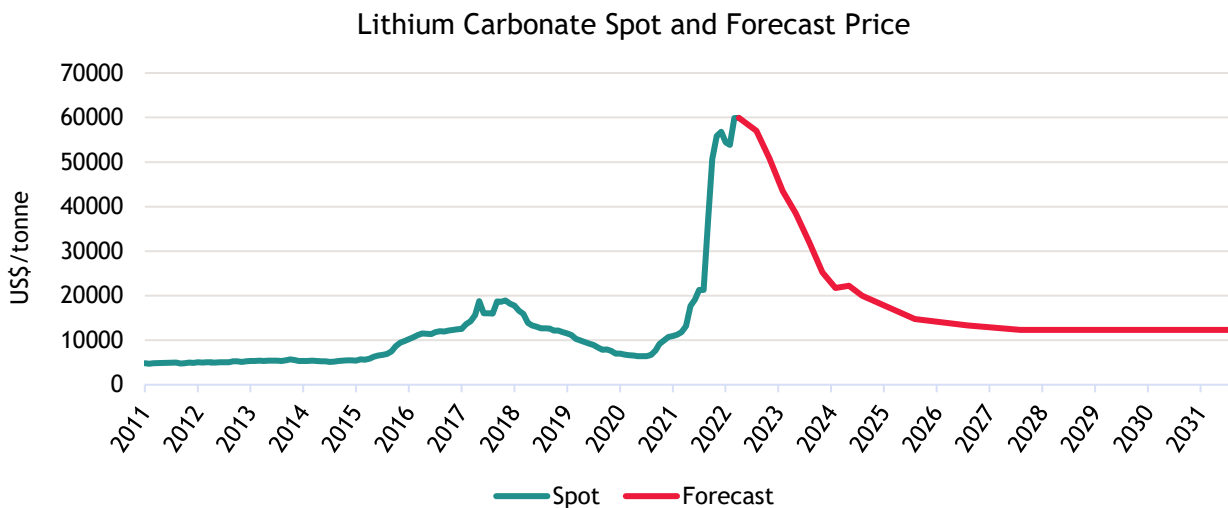
Lithium is a soft, silver-white metal belonging to the alkali metal group of chemical elements and is the lightest and least dense metal. It has excellent potential for power generation due to its reactivity, however, does not occur naturally as a metal in nature. Lithium occurs rather as chemical compounds which are extracted from ores of spodumene or from subsurface brines. Other sources of lithium include minerals such as lepidolite or petalite, and non-conventional sources.

Lithium's use in batteries has increased significantly in recent years as rechargeable lithium batteries are used extensively in the growing market for portable electronic devices and increasingly in electric tools, EVs and grid storage applications. It is also used to strengthen and improve resistance in glasses and ceramics, along with being alloyed with aluminium and copper to reduce weight in airframe structural components.

Growth in the electric car manufacturing industry particularly is a key driver for lithium demand, as major players within the industry, including Tesla, expand production and increasingly target mainstream markets. This has driven many electric car manufacturers to form strategic alliances and joint ventures with lithium mining companies to establish a reliable, diversified supply of lithium.

Lithium prices

Lithium trade is usually confined to a small number of producers and their customers, and as such, contract terms such as pricing are privately negotiated. Furthermore, there are an extensive range of products that can be made from lithium which leads to a range of prices that are dependent on the product and its purity.



Source: S&P Global Market Intelligence, Consensus Economics

The figure above illustrates the historical fluctuations in lithium carbonate spot prices from September 2012 to September 2022 and the consensus economics forecast for lithium carbonate prices through to 2031.

The strong performance of the lithium price over 2016 and 2017 was reversed in the subsequent years through to 2020 as a correction in the oversupply and the delay in demand across the industry played out. Just as higher prices incentivised the rapid commissioning of production capacity throughout the supply

chain, the slide in lithium prices has led to output curtailments or suspensions of production. Subsequently, prices fell below US\$10,000/t in 2020.

The combination of the existing aforementioned supply issues and a substantial increase in consumer demand since 2021 has placed significant upward price pressures on lithium. A substantial portion of consumer demand is driven by Tesla and other auto makers, as global EV sales have grown considerably. Additionally, global supply side issues, originating from the COVID-19 pandemic have further exacerbated prices in the lithium market, with spot prices exceeding US\$56,000/t in April 2022.

On 29 May 2022, Goldman Sachs released a commodity research report on battery metals, forecasting a downward trend in the lithium price over a two year period, declining to US\$16,372/t by 2023. Goldman Sachs analysts forecast the correction to be created by the positive long term EV demand expectations, creating a short term supply excess. Long terms forecasts by Goldman Sachs estimated a recovery, where a demand surge will overcome the short term supply growth.

Lithium prices continued to rapidly incline through the course of June 2022 to reach record high levels surpassing US\$59,000/t in July and August 2022, primarily the result of the continuous global adoption of electric vehicles prompting an apparent supply and demand imbalance evident by the persisting high prices. The recently surpassed 'Inflation Reduction Act' introduced in the United States to promote the clean energy, including the use of electric vehicles, is set to exacerbate demand and mining activity.

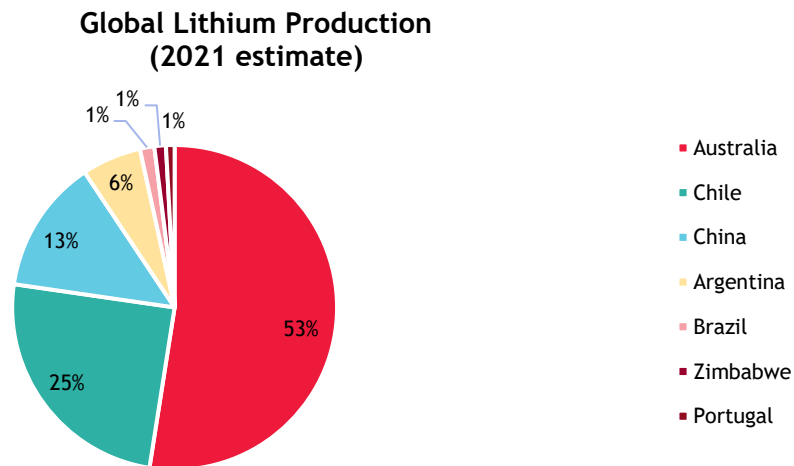
In parallel, suppliers have faced a surge in shipment and royalty costs attributable to supply chain barriers and growth in lithium product prices. Recent suspensions on lithium operations in China caused by record-breaking heat waves have further aggravated supply-side challenges.

The remainder of 2022 is predicted to aid market tightness through the commencement of new and restarting lithium projects, particularly evident in major producing countries including the Wodgina Mine in Western Australia, recently recommencing production in May 2022, and the Cauchauri-Olaroz Project located in Argentina targeting first production by the third quarter of 2022.

Similarly, Consensus Economics forecasts lithium carbonate prices to be US\$57,500/t in December 2022, with prices forecast to decline quarter on quarter to approximately US\$12,000/t by December 2027. This decline is expected as a result of general supply chain issues being rectified and new producers entering the market to meet growing EV demand.

Lithium production and reserves

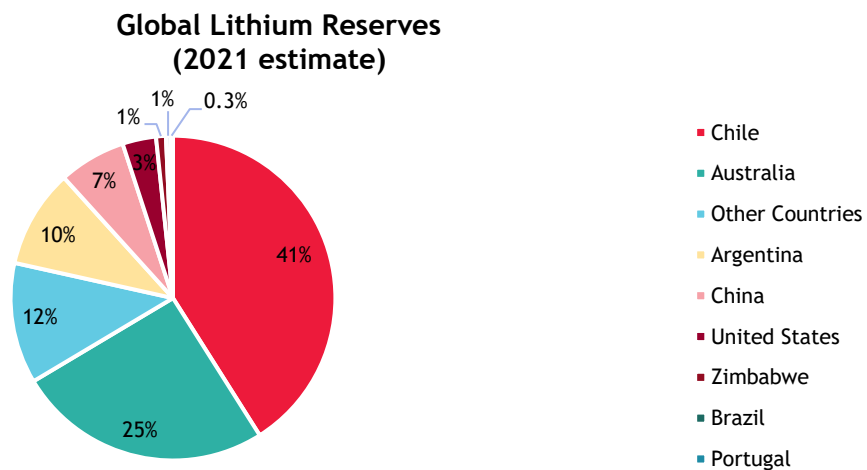
In 2021, Australia was the leading producer of Lithium, contributing approximately 55,000 tonnes of lithium, equating to 52.5% of global lithium production.



Source: USGS, January 2022

*Excluding undisclosed United States production data

Whilst Chile is the second largest producer of lithium, it holds the largest amount in reserves by a substantial margin. As of 2021, Chile held approximately 9.2 million tonnes of lithium, accounting for approximately 41% of global reserves, followed by Australia which held approximately 5.7 million tonnes, representing 25% of global reserves.



Source: USGS, January 2022

□

8. Valuation approach adopted

As detailed in Sections 2 and 3 of our Report, in assessing whether the terms of the Performance Securities are fair and reasonable to Security Holders, we have assessed the value of a Pathfinder share as at the Re-admission Date (prior to vesting) and compared it to the value of a Pathfinder share following the achievement of the Milestones and the resulting issue of ordinary shares on conversion of the Performance Securities.

8.1 Value of a Pathfinder share as at the Re-admission Date

In our assessment of the value of a Pathfinder share at the Re-admission Date, we have chosen to employ a market based assessment as our valuation methodology. The market approach involves determining the value of a Pathfinder share by considering recent or prospective market sales and precedent transactions involving the sale of the Company's shares, commonly in the form of a placement or other capital raising.

A key factor in determining the appropriateness of using this methodology is whether the acquirer of the shares is an unrelated third party and whether the level of interest subscribed for in the company's equity is substantial enough to reflect the underlying value of the company. These factors need to fulfil the definition of an arm's length transaction between a willing buyer and willing seller for the shares in that company.

We consider the market based assessment to be an appropriate valuation methodology, due to the re-admission and offer of between 16.25 million and 17.50 million shares in the Company at an issue price of \$0.40 each to raise up to \$7 million (before costs). Immediately following the completion of the Re-admission and capital raising, Pathfinder will have between 74,218,163 and 75,468,163 shares on issue, excluding any Pathfinder shares to be issued in lieu of project acquisitions that are subject to shareholder approval.

We consider that the offer of Pathfinder's shares under the Prospectus will represent an arm's length transaction between a large number of willing buyers and a willing seller, in which the price subscribed for under the offer is a strong indicator of market value. On an undiluted basis, the number of shares subscribed for under the public offer equates to an interest of up to approximately 30.19%, which we consider to be substantial enough for it to reflect the Company's fair value. Therefore, we have determined that the Offer Price of \$0.40 per share is the best indicator of the fair value of a Pathfinder share upon quotation on the ASX.

8.2 Value of a Pathfinder share following the achievement of the Milestones

As detailed in Section 4, the Performance Securities vest subject to the achievement of pre-determined Share Price Targets and Resource Definition Targets.

ASX GN 19 states:

"in determining their opinion on fairness and reasonableness, ASX would expect the independent expert to assume that the relevant performance milestone(s) have been met, assess the impact that would have on the value of the entity compared to the situation if the relevant performance milestone(s) were not met, and then determine whether the resulting number of ordinary shares to be issued by the entity to the holder of the performance shares is fair and reasonable in the circumstances."

Under RG 111.91, an expert's opinion should be based on reasonable grounds, with the grounds being set out in the report. Similarly, RG 111.112 states that an expert should not include forward-looking information unless there are reasonable grounds for the forward-looking information.

We note that RG 170 ordinarily relates to prospective financial information, however RG 111.114 states that RG 170 provides useful guidance for the inclusion of forward-looking information that does not fall within the definition of 'prospective financial information'. RG 170.17 states that the making of a forward-looking statement must have reasonable grounds, or it will be taken to be misleading.

In order to compare the value of Pathfinder prior to and after meeting a milestone, we must consider whether there are reasonable grounds to make forward-looking assumptions underpinning the future value of the Company. If there are sufficient reasonable grounds to do so, an assessment as to how the change in value of Pathfinder compares to the value of the Company's shares as at the Re-admission Date can be undertaken and hence an assessment of fairness can be derived. However, if there are insufficient reasonable grounds to make forward-looking assumptions on value, we are unable to express an opinion on value and therefore, by default, the Performance Securities would be considered to be not fair.

Valuation approach used in assessing the value of a Pathfinder share assuming that the Tranche 1, Tranche 2 and Tranche 3 Performance Securities vest

The Tranche 1, Tranche 2 and Tranche 3 Performance Securities vest subject to the achievement of Share Price Targets (20-day VWAP hurdle) specified for each respective tranche. The detailed terms of the Performance Securities can be found in Section 4 of our Report, as well as the Explanatory Statement in the Notice of Meeting.

In assessing the value of a Pathfinder share following the achievement of the aforementioned VWAP hurdles, we assume the following:

- ☐ The 20-day VWAP represents the market value of the Company's shares at the time of meeting the Milestone. This market value of the Company's shares is then used to determine the implied market capitalisation at that point in time;
- ☐ The number of shares on issue following the achievement of the Milestones is increased to reflect that the Performance Securities are immediately converted to ordinary shares;
- ☐ We have considered whether the achievement of the aforementioned will result in the Capital Raising Options being in-the-money and whether a notional exercise of options should be considered. The Capital Raising Options will be in-the-money should the Tranche 1, Tranche 2 and Tranche 3 Milestones be achieved. We note that the exercise of the Capital Raising Options would not alter our conclusion. Further, we have not adjusted for the exercise of these options because our Report is required to assess the terms of the Performance Securities, and we consider our analysis to be more meaningful to Security Holders if the Performance Securities are considered in isolation; and
- ☐ All other things remain equal.

Valuation approach used in assessing the value of a Pathfinder share assuming that the Tranche 4 Performance Securities vest

As detailed in Section 4 of our Report, the Tranche 4 Performance Securities vest on achievement and announcement by the Company of a maiden Lithium JORC compliant resources at the Falcon Lake Project of or greater than 10mt at 1% or more of Li.

We have considered the terms of Tranche 4 Performance Securities and have determined that we have insufficient reasonable grounds, in accordance with RG170, to quantify any uplift in value to Pathfinder on completion of the Resource Definition Target.

We note that while the Resource Definition Target milestone would likely result in value accretion, we are unable to quantify the extent of the value uplift, nor the timing of achieving it (should it be achieved). Given that there are currently insufficient reasonable grounds on which to assess the quantum of the value uplift associated with achieving the performance milestone, we are unable to conclude on fairness.

□

9. Are the terms of the Performance Securities fair?

Having regard to the guidance set out ASX GN 19, RG 111 and RG 170, our opinion in relation to whether the proposed terms of the Performance Securities are fair to Security Holders is set out below.

In arriving at our opinion on whether the proposed terms of the Performance Securities are fair, we have assessed the value of a Pathfinder share as at the Re-admission Date and compared it to the value of a Pathfinder share following the achievement of each tranche's respective Share Price Targets and Resource Definition Targets.

As detailed in Section 8, we consider the value of a Pathfinder share as at the Re-admission Date to be \$0.40, being the Offer Price as part of the Prospectus.

Where an opinion of not fair has been given, we note that, although the achievement of the milestones may be value accretive, there is insufficient reasonable grounds on which to assess the quantum of the value uplift or its timing. Therefore, because of this inability to quantify the value uplift and timing, by default, the Performance Securities are not fair.

Share Price Target Performance Securities (Tranche 1, Tranche 2 and Tranche 3)

As outlined in Section 8, the vesting of the Share Price Target Performance Securities is dependent on an uplift in the value of the Company, implied by an increase in the 20-day VWAP of the Company's shares. In assessing the value of a Pathfinder share following achievement of the 20-day VWAP hurdle attached to each tranche of Performance Securities, we have assumed the following:

- The 20-day VWAP represents the market value of the Company's shares at the time of meeting the Milestones. This market value of the Company's shares is then used to determine the implied market capitalisation at that point in time;
- The number of shares on issue following the achievement of the Milestones is increased to reflect that the Performance Securities are immediately converted to ordinary shares; and
- All other things remain equal.

Item	Tranche 1	Tranche 2	Tranche 3
Value of Pathfinder at Re-admission			
Shares on issue at Re-admission prior to Capital Raising	57,968,163	57,968,163	57,968,163
Offer Price (a)	\$ 0.40	\$ 0.40	\$ 0.40
Market capitalisation of Pathfinder at Re-admission	\$ 23,187,265	\$ 23,187,265	\$ 23,187,265
Value of Pathfinder following vesting of the Performance Securities			
Shares on issue at Re-admission	57,968,163	57,968,163	57,968,163
Shares to be issued upon conversion of Tranche 1	250,000	250,000	250,000
Shares to be issued upon conversion of Tranche 2	n/a	250,000	250,000
Shares to be issued upon conversion of Tranche 3	n/a	n/a	200,000
Shares on issue following vesting (b)	58,218,163	58,468,163	58,668,163
20-day VWAP	\$ 1.25	\$ 1.75	\$ 2.25
Market capitalisation of Pathfinder on achievement of hurdle (c)	\$72,772,704	\$102,319,285	\$132,003,367
Value per share following vesting (d) = (c)/(b)	1.25	1.75	2.25
Offer Price (a)	0.40	0.40	0.40
Value accretive? (d) > (a)	Yes	Yes	Yes
Conclusion	Fair	Fair	Fair

Source: BDO analysis

Based on the above and applying the fairness test outlined in ASX GN 19, the proposed terms of the Share Price Target Performance Securities are fair to Security Holders, as the value of a Pathfinder share following the achievement of the Share Price Targets is greater than the value of a Pathfinder share at the Re-admission Date.

Resource Definition Target Performance Securities (Tranche 4)

As stated in Section 8, we have considered the terms of Tranche 4 Performance Securities and have determined that we have insufficient reasonable grounds, in accordance with RG170, to quantify any uplift in value to Pathfinder on completion of the Resource Definition Target.

We note that while the Resource Definition Target milestone may result in value accretion, we are unable to quantify the extent of the value uplift (if any), nor the timing of achieving it (should it be achieved). Given that there are currently insufficient reasonable grounds on which to assess the quantum of any value uplift associated with achieving the performance milestone, we are unable to assess fairness, and therefore conclude the issue of the Resource Definition Target Performance Securities is not fair to Security Holders.

□

10. Are the terms of the Performance Securities reasonable?

In assessing whether the Performance Securities are reasonable for Security Holders, we have considered the advantages and disadvantages associated with issuing the Performance Securities, the consequences of the Performance Securities not being on issue, the consequences of the Milestones being achieved, and the position of Security Holders should the Milestones not be achieved.

Giving consideration to each of the points set out below, we consider the Performance Securities to be reasonable.

10.1 Advantage of issuing the Performance Securities

We have considered the following advantages when assessing whether the terms of the Performance Securities are reasonable.

Advantage	Description
The terms of the Tranche 1, Tranche 2 and Tranche 3 Performance Securities are fair	As set out in Section 7, the terms of the Tranche 1, Tranche 2 and Tranche 3 Performance Securities are fair. Therefore, in accordance with the principles of RG 111, if the terms of the Tranche 1, Tranche 2 and Tranche 3 Performance Securities are fair, they are reasonable.
The Milestones are structured in such a way to align the interests of Security Holders and the holders of the Performance Securities	Performance securities are widely considered to be a method of remuneration that aligns the interests of management with the shareholders of a company. In particular, the Performance Securities with the Share Price Targets are specifically linked to the 20-day VWAP of the Company's shares, therefore aligning the interests of the incoming CEO (as recipient of the Performance Securities) and Security Holders. Our analysis of the Resource Definition Target also shows that Pathfinder announcing a maiden Lithium resource at Falcon Lake Project may be value accretive, however it will depend on (a) the funding required (if any) in order to progress the Company's project to a point where it can determine a maiden resource and (b) the extent of any value uplift. Therefore, the Performance Securities are structured in a way to align the interests of Security Holders and the holder of the Performance Securities.
By issuing the Performance Securities, it allows the Company to retain its key management personnel and invest a greater portion of the cash raised from the Capital Raising on its projects	The Performance Securities are being issued to Mr O'Donovan in his capacity as incoming CEO, as outlined in Section 4 of our Report. By remunerating the Company's key management personnel via the issue of Performance Securities, it allows the Company to retain its people which may give it a greater chance of delivering value to Security Holders. As detailed in Section 6.14 of the Notice of Meeting, the Company has allocated a total of approximately \$5 million of the gross funds raised under the Capital Raising to drilling, seismic and geoscience project related costs. If the Performance Securities were not issued, it is likely that a greater portion of the funds raised under the Re-admission would be spent on corporate costs.

10.2 Disadvantages of issuing the Performance Securities

We have considered the following disadvantages when assessing whether the terms of the Performance Securities are reasonable.

Disadvantage	Description
Potential dilution of Security Holders' interests if a Milestone is met and ordinary shares issued	The impact of issuing the Performance Securities is that if the Milestones are met, Security Holders' interests in the Company will be diluted. The Performance Securities (if vested) will represent 1.70% of the Company's issued capital, therefore if all Performance Securities are converted to shares, existing Security Holders' interests will be diluted to 98.30%. Assuming the vesting of the King Tut Performance Shares and the Performance Securities, Security Holders' interests will be diluted 87.87%, however we consider this to be unlikely to occur given the current standing of the King Tut Project. As detailed in Section 9 of our Report, we note that despite the interests of Security Holders decreasing following vesting of the Performance Securities, it is likely that the value of their interest will increase. Further, we note that following the vesting of the Performance Securities, no individual holder of Performance Securities will obtain control, therefore there is no change of control implications associated with the vesting of the Performance Securities.
The terms of the Tranche 4 Performance Securities are not fair. Despite being not fair, the achievement of the Tranche 4 Milestone may be value accretive	We have concluded that the terms of the Tranche 4 Performance Securities are not fair. However, the basis for this opinion is that we do not currently have sufficient reasonable grounds to make assumptions regarding (a) how the achievement of a Lithium resource discovery will be funded, or (b) the extent of the value uplift, if any. If it will be funded entirely by debt and/or existing cash reserves and there is value uplift in the project then, in theory, the achievement of the Tranche 4 Milestone may be value accretive to Security Holders. However, if it is wholly or partly funded by equity then any value generated will need to be shared between Security Holders, holders of the Performance Securities and new shareholders. The proportion of the value to be split between these three parties is unknown, therefore we are unable to conclude that the Tranche 4 Performance Securities are value accretive.

10.3 Consequences of the Performance Securities not being issued

The Performance Securities are being issued to the Company's incoming CEO, Mr Gerard O'Donovan. If the Performance Securities were not on issue, it is likely that the Company would remunerate Mr O'Donovan via alternate means. Alternatives available to the Company could be shares, options or cash, which are considered further in the table below.

Form of remuneration

Potential consequences to Security Holders

Shares

Shares would align the interests of Directors and key management personnel with Security Holders, however these would be dilutive to Security Holders' interests. Further, by issuing shares the Company does not ensure that its key people are retained for a minimum term as Directors and key management personnel would not be prohibited from leaving the business and selling their shares.

There is also a possibility that the risk tolerance of the incoming CEO does not align with Security Holders as Mr O'Donovan is being issued the shares at nil cost.

Options

Options are an effective way of aligning the interests of Directors and key management personnel with Security Holders as options only have value to the holder when at some point over the life of the option, the underlying share value exceeds the exercise price. Therefore, Directors and key management personnel are incentivised to create value for other shareholders. An added benefit of an option is that when exercised, it provides cash for the Company.

However, a characteristic of an option is that it has no downside risk. Therefore, in the event that the options are significantly out-of-the-money, there is a possibility that the risk tolerance of the incoming CEO may not be consistent with those of Security Holders.

Cash

If additional remuneration was paid to the incoming CEO via fees or higher salaries, then the benefit would be that Security Holders would not be diluted. However, a cash payment means that the incoming CEO will not have the additional incentive to create value for Security Holders.

Further, additional cash remuneration would have meant that less cash could be invested in the Company's projects, which may limit the ability of the Company to generate value for Security Holders. Alternatively, additional funds may need to be raised, which would dilute Security Holders' interests (assuming they do not participate in the additional raising).

We note that if the Milestones are not achieved, assuming no other share issues, Security Holders collectively will continue to hold the same interest in the Company.

10.4 Consequences of the Milestones being achieved

If the Milestones are achieved, assuming that no additional equity funding is required, then Security Holders collectively will have their interests diluted as outlined previously in Section 10.2 of this Report. However, the achievement of the Milestones are value accretive, therefore the value of Security Holders' interests will increase (all else being equal).

As detailed in Section 9 of our Report, it is possible that depending on the quantum and price of the equity funding required to progress the Company's Falcon Lake Project to a point where it defines a lithium resource (the achievement of the Resource Definition Target), may result in a decrease in the value of Security Holders' interests.

11. Conclusion

We have considered the terms of the Performance Securities as outlined in the body of our Report and have concluded that:

- the Tranche 1, Tranche 2 and Tranche 3 Performance Securities are proposed to be issued on terms that are fair and reasonable to Security Holders; and
- the Tranche 4 Performance Securities are proposed to be issued on terms that are not fair but reasonable to Security Holders.

We consider the terms of the Tranche 4 Performance Securities to be not fair as we are unable to conclude under all possible scenarios that it will be value accretive to Security Holders. If the Resource Definition Target is fully or partly equity funded then any value creation would be shared between Security Holders, the holders of the Performance Securities and new shareholders. Given there is currently insufficient reasonable grounds to make assumptions around how the applicable project will be funded, the magnitude of prospective funding, nor the magnitude of the value uplift (if any), we are unable to conclude that the Resource Definition Target is value accretive in all scenarios. Given that it is likely that the achievement of the Resource Definition Target will be value accretive, we consider the terms of the Tranche 4 Performance Securities to be reasonable.

We consider the broad strategy to align the refreshed direction of Pathfinder operations with Security Holders interests (share price accretion and resource development) has been achieved by appropriately incentivising the incoming CEO with the Performance Securities.

In summary, notwithstanding that we consider Tranche 1, Tranche 2 and Tranche 3 Performance Securities to be fair and reasonable to Security Holders, because we consider Tranche 4 Performance Securities to be not fair but reasonable to Security Holders, our overall opinion is that the proposed issue of Performance Securities to the incoming CEO, as per Resolution 21 in the Notice of Meeting, is not fair but reasonable to Security Holders.

12. Sources of information

This report has been based on the following information:

- Notice of Meeting issued by Pathfinder on or about the date of this Report;
- The Terms of the Performance Securities;
- Share registry information;
- Information in the public domain; and
- Discussions with Directors and Management of Pathfinder.

13. Independence

BDO Corporate Finance (WA) Pty Ltd is entitled to receive a fee of \$25,000 (excluding GST and reimbursement of out of pocket expenses). The fee is not contingent on the conclusion, content or future use of this Report. Except for this fee, BDO Corporate Finance (WA) Pty Ltd has not received and will not receive any pecuniary or other benefit whether direct or indirect in connection with the preparation of this report.

BDO Corporate Finance (WA) Pty Ltd has been indemnified by Pathfinder in respect of any claim arising from BDO Corporate Finance (WA) Pty Ltd's reliance on information provided by Pathfinder, including the non provision of material information, in relation to the preparation of this report.

Prior to accepting this engagement BDO Corporate Finance (WA) Pty Ltd has considered its independence with respect to Pathfinder and any of their respective associates with reference to ASIC Regulatory Guide 112 'Independence of Experts'. In BDO Corporate Finance (WA) Pty Ltd's opinion it is independent of Pathfinder and their respective associates.

Neither the two signatories to this report nor BDO Corporate Finance (WA) Pty Ltd, have had within the past two years any professional relationship with Pathfinder, or their associates, other than in connection with the preparation of this report.

The provision of our services is not considered a threat to our independence as auditors under Professional Statement APES 110 - Professional Independence. The services provided have no material impact on the financial report of Pathfinder.

A draft of this report was provided to Pathfinder and its advisors for confirmation of the factual accuracy of its contents. No significant changes were made to this report as a result of this review.

BDO is the brand name for the BDO International network and for each of the BDO Member firms.

BDO (Australia) Ltd, an Australian company limited by guarantee, is a member of BDO International Limited, a UK company limited by guarantee, and forms part of the international BDO network of Independent Member Firms. BDO in Australia, is a national association of separate entities (each of which has appointed BDO (Australia) Limited ACN 050 110 275 to represent it in BDO International).

14. Qualifications

BDO Corporate Finance (WA) Pty Ltd has extensive experience in the provision of corporate finance advice, particularly in respect of takeovers, mergers and acquisitions.

BDO Corporate Finance (WA) Pty Ltd holds an Australian Financial Services Licence issued by the Australian Securities and Investments Commission for giving expert reports pursuant to the Listing rules of the ASX and the Corporations Act.

The persons specifically involved in preparing and reviewing this report were Sherif Andrawes and Adam Myers of BDO Corporate Finance (WA) Pty Ltd. They have significant experience in the preparation of independent expert reports, valuations and mergers and acquisitions advice across a wide range of industries in Australia and were supported by other BDO staff.

Sherif Andrawes is a Fellow of the Institute of Chartered Accountants in England & Wales and a Fellow of Chartered Accountants Australia & New Zealand. He has over 35 years' experience working in the audit and corporate finance fields with BDO and its predecessor firms in London and Perth. He has been responsible for over 500 public company independent expert's reports under the Corporations Act or ASX Listing Rules and is a CA BV Specialist. These experts' reports cover a wide range of industries in Australia with a focus on companies in the natural resources sector. Sherif Andrawes is the Corporate Finance Practice Group Leader of BDO in Western Australia, the Global Head of Natural Resources for BDO and a former Chairman of BDO in Western Australia.

Adam Myers is a member of Chartered Accountants Australia & New Zealand and the Joint Ore Reserves Committee. Adam's career spans over 25 years in the Audit and Assurance and Corporate Finance areas.

Adam is a CA BV Specialist and has considerable experience in the preparation of independent expert reports and valuations in general for companies in a wide number of industry sectors.

15. Disclaimers and consents

This report has been prepared at the request of Pathfinder for inclusion in the Prospectus and Notice of Meeting. Pathfinder engaged BDO Corporate Finance (WA) Pty Ltd to prepare an independent expert's report to consider whether the issue of performance securities is fair and reasonable to non-participating security holders.

BDO Corporate Finance (WA) Pty Ltd hereby consents to this report accompanying the Company's Prospectus and Notice of Meeting. Apart from such use, neither the whole nor any part of this report, nor any reference thereto may be included in or with, or attached to any document, circular resolution, statement or letter without the prior written consent of BDO Corporate Finance (WA) Pty Ltd.

BDO Corporate Finance (WA) Pty Ltd takes no responsibility for the contents of the Prospectus or Notice of Meeting other than this report.

We have no reason to believe that any of the information or explanations supplied to us are false or that material information has been withheld. It is not the role of BDO Corporate Finance (WA) Pty Ltd acting as an independent expert to perform any due diligence procedures on behalf of the Company. The Directors of the Company are responsible for conducting appropriate due diligence in relation to Pathfinder. BDO Corporate Finance (WA) Pty Ltd provides no warranty as to the adequacy, effectiveness or completeness of the due diligence process.

The opinion of BDO Corporate Finance (WA) Pty Ltd is based on the market, economic and other conditions prevailing at the date of this report. Such conditions can change significantly over short periods of time.

With respect to taxation implications it is recommended that individual Shareholders obtain their own taxation advice, in respect of offering under the Prospectus, tailored to their own particular circumstances. Furthermore, the advice provided in this report does not constitute legal or taxation advice to the Shareholders of Pathfinder, or any other party.

The statements and opinions included in this report are given in good faith and in the belief that they are not false, misleading or incomplete.

The terms of this engagement are such that BDO Corporate Finance (WA) Pty Ltd is required to provide a supplementary report if we become aware of a significant change affecting the information in this report arising between the date of this report and prior to the date of the meeting or during the offer period.

Yours faithfully

BDO CORPORATE FINANCE (WA) PTY LTD



Sherif Andrawes
Director



Adam Myers
Director

Appendix 1 - Glossary of Terms

Reference	Definition
20-day VWAP	Volume weighted average price over 20 consecutive trading days
The Act	The Corporations Act 2001 Cth
APES 225	Accounting Professional & Ethical Standards Board professional standard APES 225 'Valuation Services'
ASIC	Australian Securities and Investments Commission
ASX	Australian Securities Exchange
BDO	BDO Corporate Finance (WA) Pty Ltd
Capital Raising	Pathfinder will offer up to 17.5 million shares at a price of \$0.40 per share to raise \$7 million before associated costs. The Capital Raising is subject to a minimum subscription of 16.25 million shares to raise \$6.5 million before associated costs. As part of the Capital Raising, one free attaching option (exercisable at \$0.50 each expiring three years from the date of issue) will be issued for every Pathfinder share subscribed for and issued.
CEO	Chief Executive Officer
The Company	Pathfinder Resources Limited
Corporations Act	The Corporations Act 2001 Cth
DCF	Discounted Future Cash Flows
EBIT	Earnings before interest and tax
EBITDA	Earnings before interest, tax, depreciation and amortisation
ESG	Environmental, Social and Governance
Equinox	Equinox Resources Limited
FME	Future Maintainable Earnings
GN 19	Guidance Note 19 'Performance Securities'
IS 214	Information Sheet 214: Mining and Resources: Forward-looking Statements

Reference	Definition
JORC Code	The Australasian Code for Reporting of Exploration Results, Mineral Resources and Ore Reserves (2012 Edition)
King Tut Performance Shares	Seven million performance shares outstanding relating to performance milestones at the King Tut Project
NAV	Net Asset Value
QMP	Quoted market price
RBA	Reserve Bank of Australia
Re-admission	Re-compliance of the Company's shares on the ASX
Re-admission Date	Date on which the Company's shares complete the re-compliance process to be listed on the ASX
Regulations	Corporations Act Regulations 2001 (Cth)
Resource Definition Target Performance Securities	The Tranche 4 Performance Securities (300,000 Performance Securities) that will vest upon the Company announcing a maiden Lithium JORC compliance resource at the Falcon Lake Project of or greater than 10mt at 1% or more of Li
Offer Price	\$0.40 per Pathfinder share
Our Report	This Independent Expert's Report prepared by BDO
Pathfinder	Pathfinder Resources Limited
Performance Securities	One million performance rights to be issued to incoming CEO Mr Gerard O'Donovan
Prospectus	Prospectus to be issued by Pathfinder for a capital raising and to facilitate re-compliance listing of Pathfinder's shares on the ASX
RG 111	Content of expert reports (March 2011)
RG 112	Independence of experts (March 2011)
RG 170	Prospective Financial Information
Security Holders	Shareholders of Pathfinder not associated with Mr O'Donovan
Share Price Target Performance Securities	Performance Securities vesting subject to achievement of various 20-day VWAP milestones
Sum-of-Parts	A combination of different methodologies used together to determine an overall value where separate assets and liabilities are valued using different methodologies

Reference	Definition
Valmin Code	Australasian Code for Public Reporting of Technical Assessments and Valuations of Mineral Assets (2015 Edition)
Valuation Engagement	An Engagement or Assignment to perform a Valuation and provide a Valuation Report where the Valuer is free to employ the Valuation Approaches, Valuation Methods, and Valuation Procedures that a reasonable and informed third party would perform taking into consideration all the specific facts and circumstances of the Engagement or Assignment available to the Valuer at that time.
VWAP	Volume Weighted Average Price
WACC	Weighted Average Cost of Capital

Copyright © 2022 BDO Corporate Finance (WA) Pty Ltd

All rights reserved. No part of this publication may be reproduced, published, distributed, displayed, copied or stored for public or private use in any information retrieval system, or transmitted in any form by any mechanical, photographic or electronic process, including electronically or digitally on the Internet or World Wide Web, or over any network, or local area network, without written permission of the author. No part of this publication may be modified, changed or exploited in any way used for derivative work or offered for sale without the express written permission of the author.

For permission requests, write to BDO Corporate Finance (WA) Pty Ltd, at the address below:

The Directors

BDO Corporate Finance (WA) Pty Ltd

Level 9, Mia Yellagonga Tower 2

5 Spring Street

Perth, WA 6000

Australia



Appendix 2 - Valuation Methodologies

Methodologies commonly used for valuing assets and businesses are as follows:

1 *Net asset value ('NAV')*

Asset based methods estimate the market value of an entity's securities based on the realisable value of its identifiable net assets. Asset based methods include:

- Orderly realisation of assets method
- Liquidation of assets method
- Net assets on a going concern method

The orderly realisation of assets method estimates fair market value by determining the amount that would be distributed to entity holders, after payment of all liabilities including realisation costs and taxation charges that arise, assuming the entity is wound up in an orderly manner.

The liquidation method is similar to the orderly realisation of assets method except the liquidation method assumes the assets are sold in a shorter time frame. Since wind up or liquidation of the entity may not be contemplated, these methods in their strictest form may not be appropriate. The net assets on a going concern method estimates the market values of the net assets of an entity but does not take into account any realisation costs.

Net assets on a going concern basis are usually appropriate where the majority of assets consist of cash, passive investments or projects with a limited life. All assets and liabilities of the entity are valued at market value under this alternative and this combined market value forms the basis for the entity's valuation.

Often the FME and DCF methodologies are used in valuing assets forming part of the overall Net assets on a going concern basis. This is particularly so for exploration and mining companies where investments are in finite life producing assets or prospective exploration areas.

These asset based methods ignore the possibility that the entity's value could exceed the realisable value of its assets as they do not recognise the value of intangible assets such as management, intellectual property and goodwill. Asset based methods are appropriate when an entity is not making an adequate return on its assets, a significant proportion of the entity's assets are liquid or for asset holding companies.

2 *Quoted Market Price Basis ('QMP')*

A valuation approach that can be used in conjunction with (or as a replacement for) other valuation methods is the quoted market price of listed securities. Where there is a ready market for securities such as the ASX, through which shares are traded, recent prices at which shares are bought and sold can be taken as the market value per share. Such market value includes all factors and influences that impact upon the ASX. The use of ASX pricing is more relevant where a security displays regular high volume trading, creating a liquid and active market in that security.

3 *Capitalisation of future maintainable earnings ('FME')*

This method places a value on the business by estimating the likely FME, capitalised at an appropriate rate which reflects business outlook, business risk, investor expectations, future growth prospects and other entity specific factors. This approach relies on the availability and analysis of comparable market data.

The FME approach is the most commonly applied valuation technique and is particularly applicable to profitable businesses with relatively steady growth histories and forecasts, regular capital expenditure requirements and non-finite lives.

The FME used in the valuation can be based on net profit after tax or alternatives to this such as earnings before interest and tax ('EBIT') or earnings before interest, tax, depreciation and amortisation ('EBITDA'). The capitalisation rate or 'earnings multiple' is adjusted to reflect which base is being used for FME.

4 Discounted future cash flows ('DCF')

The DCF methodology is based on the generally accepted theory that the value of an asset or business depends on its future net cash flows, discounted to their present value at an appropriate discount rate (often called the weighted average cost of capital). This discount rate represents an opportunity cost of capital reflecting the expected rate of return which investors can obtain from investments having equivalent risks.

Considerable judgement is required to estimate the future cash flows which must be able to be reliably estimated for a sufficiently long period to make this valuation methodology appropriate.

A terminal value for the asset or business is calculated at the end of the future cash flow period and this is also discounted to its present value using the appropriate discount rate.

DCF valuations are particularly applicable to businesses with limited lives, experiencing growth, that are in a start up phase, or experience irregular cash flows.

5 Market Based Assessment

The market based approach seeks to arrive at a value for a business by reference to comparable transactions involving the sale of similar businesses. This is based on the premise that companies with similar characteristics, such as operating in similar industries, command similar values. In performing this analysis it is important to acknowledge the differences between the comparable companies being analysed and the company that is being valued and then to reflect these differences in the valuation.

PF1RM

MR RETURN SAMPLE
123 SAMPLE STREET
SAMPLE SUBURB
SAMPLETOWN VIC 3030

Need assistance?



Phone:

1300 850 505 (within Australia)
+61 3 9415 4000 (outside Australia)



Online:

www.investorcentre.com/contact



YOUR VOTE IS IMPORTANT

For your proxy appointment to be effective it must be received by **9:30am (AWST) on Wednesday, 14 December 2022.**

Proxy Form

How to Vote on Items of Business

All your securities will be voted in accordance with your directions.

APPOINTMENT OF PROXY

Voting 100% of your holding: Direct your proxy how to vote by marking one of the boxes opposite each item of business. If you do not mark a box your proxy may vote or abstain as they choose (to the extent permitted by law). If you mark more than one box on an item your vote will be invalid on that item.

Voting a portion of your holding: Indicate a portion of your voting rights by inserting the percentage or number of securities you wish to vote in the For, Against or Abstain box or boxes. The sum of the votes cast must not exceed your voting entitlement or 100%.

Appointing a second proxy: You are entitled to appoint up to two proxies to attend the meeting and vote on a poll. If you appoint two proxies you must specify the percentage of votes or number of securities for each proxy, otherwise each proxy may exercise half of the votes. When appointing a second proxy write both names and the percentage of votes or number of securities for each in Step 1 overleaf.

A proxy need not be a securityholder of the Company.

SIGNING INSTRUCTIONS FOR POSTAL FORMS

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

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

Power of Attorney: If you have not already lodged the Power of Attorney with the registry, please attach a certified photocopy of the Power of Attorney to this form when you return it.

Companies: Where the company has a Sole Director who is also the Sole Company Secretary, this form must be signed by that person. If the company (pursuant to section 204A of the Corporations Act 2001) does not have a Company Secretary, a Sole Director can also sign alone. Otherwise this form must be signed by a Director jointly with either another Director or a Company Secretary. Please sign in the appropriate place to indicate the office held. Delete titles as applicable.

PARTICIPATING IN THE MEETING

Corporate Representative

If a representative of a corporate securityholder or proxy is to participate in the meeting you will need to provide the appropriate "Appointment of Corporate Representative". A form may be obtained from Computershare or online at www.investorcentre.com/au and select "Printable Forms".

Lodge your Proxy Form:

XX

Online:

Lodge your vote online at www.investorvote.com.au using your secure access information or use your mobile device to scan the personalised QR code.

Your secure access information is



Control Number: 999999

PIN: 99999

For Intermediary Online subscribers (custodians) go to www.intermediaryonline.com

By Mail:

Computershare Investor Services Pty Limited
GPO Box 242
Melbourne VIC 3001
Australia

By Fax:

1800 783 447 within Australia or
+61 3 9473 2555 outside Australia



PLEASE NOTE: For security reasons it is important that you keep your SRN/HIN confidential.

You may elect to receive meeting-related documents, or request a particular one, in electronic or physical form and may elect not to receive annual reports. To do so, contact Computershare.



Change of address. If incorrect, mark this box and make the correction in the space to the left. Securityholders sponsored by a broker (reference number commences with 'X') should advise your broker of any changes.



IND

Proxy Form

Please mark ☒ to indicate your directions

STEP 1 Appoint a Proxy to Vote on Your Behalf

XX

I/we being a member/s of Pathfinder Resources Limited hereby appoint

☐ the Chairman of the Meeting OR

PLEASE NOTE: Leave this box blank if you have selected the Chairman of the Meeting. Do not insert your own name(s).

or failing the individual or body corporate named, or if no individual or body corporate is named, the Chairman of the Meeting, as my/our proxy to act generally at the meeting on my/our behalf and to vote in accordance with the following directions (or if no directions have been given, and to the extent permitted by law, as the proxy sees fit) at the Annual General Meeting of Pathfinder Resources Limited to be held at The Parmelia Hilton Hotel, 14 Mill Street, Perth, Western Australia on Friday, 16 December 2022 at 9:30am (AWST) and at any adjournment or postponement of that meeting.

Chairman authorised to exercise undirected proxies on remuneration related resolutions: Where I/we have appointed the Chairman of the Meeting as my/our proxy (or the Chairman becomes my/our proxy by default), I/we expressly authorise the Chairman to exercise my/our proxy on Resolutions 1, 12, 13, 14, 15, 18, 20 and 21 (except where I/we have indicated a different voting intention in step 2) even though Resolutions 1, 12, 13, 14, 15, 18, 20 and 21 are connected directly or indirectly with the remuneration of a member of key management personnel, which includes the Chairman.

Important Note: If the Chairman of the Meeting is (or becomes) your proxy you can direct the Chairman to vote for or against or abstain from voting on Resolutions 1, 12, 13, 14, 15, 18, 20 and 21 by marking the appropriate box in step 2.

STEP 2 Items of Business

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

	For	Against	Abstain		For	Against	Abstain
1 Adoption of Remuneration Report	☐	☐	☐	12 Director Participation in Capital Raising - Mr Sufian Ahmad	☐	☐	☐
2 Election of Director - Mr Robert Martin	☐	☐	☐	13 Director Participation in Capital Raising - Mr Gerry Fahey	☐	☐	☐
3 Election of Director - Mr Stephen Windle	☐	☐	☐	14 Director Participation in Capital Raising - Mr Robert Martin	☐	☐	☐
4 Change to Nature and Scale of Activities - Proposed Acquisitions	☐	☐	☐	15 Director Participation in Capital Raising - Dr David Pevcic	☐	☐	☐
5 Approval of 7.1A Mandate	☐	☐	☐	16 Section 195 approval	☐	☐	☐
6 Issue of Shares in consideration for proposed acquisition of Bleiberg Project	☐	☐	☐	17 Change of Company name	☐	☐	☐
7 Issue of Shares in consideration for proposed acquisition of Falcon Lake Project	☐	☐	☐	18 Increase in Total Aggregate Remuneration for Non-Executive Directors	☐	☐	☐
8 Issue of Shares in consideration for corporate advisory services	☐	☐	☐	19 Replacement of Constitution	☐	☐	☐
9 Issue of Capital Raising Securities	☐	☐	☐	20 Adoption of Employee Incentive Securities Plan	☐	☐	☐
10 Appointment of Director - Mr Gerry Fahey	☐	☐	☐	21 Issue of Performance Rights to Mr Gerard O'Donovan	☐	☐	☐
11 Appointment of Director - Dr David Pevcic	☐	☐	☐				

The Chairman of the Meeting intends to vote undirected proxies in favour of each item of business. In exceptional circumstances, the Chairman of the Meeting may change his/her voting intention on any resolution, in which case an ASX announcement will be made.

SIGN

Signature of Securityholder(s) This section must be completed.

Individual or Securityholder 1

Securityholder 2

Securityholder 3

Sole Director & Sole Company Secretary

Director

Director/Company Secretary

/ /
Date

Update your communication details (Optional)

Mobile Number

Email Address

By providing your email address, you consent to receive future Notice of Meeting & Proxy communications electronically

