



Star Minerals Limited

ACN 648 048 631

Notice of General Meeting and Explanatory Statement

Date of Meeting: Wednesday, 18 October 2023

Time of Meeting: 10.00am WST

Place of Meeting: 191B Carr Place, Leederville, Western Australia 6007

This is an important document. Please read it carefully.

If you are unable to attend the Meeting, please complete the Proxy Form **enclosed** and return it in accordance with the instructions set out on that form.

In compliance with ASX guidelines, each Resolution will be decided by poll, based on proxy votes and by votes from Shareholders in attendance at the General Meeting. Shareholders are strongly encouraged to vote by lodging the Proxy Form accompanying this Notice of Meeting in accordance with the instructions set out on that form **by no later than 10.00am WST on Monday, 16 October 2023**.

Notice of General Meeting

Notice is given that a General Meeting of shareholders of Star Minerals Limited ACN 648 048 631 (**Company**) will be held at **191B Carr Place, Leederville, Western Australia 6007** at **10.00am (WST)** on **Wednesday, 18 October 2023**.

Agenda

1. Resolution 1: Ratification of issue of Shares – Spark Plus

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

“That, for the purpose of Listing Rule 7.4 and for all other purposes, Shareholders ratify and approve the prior issue of 561,798 Shares to Spark Plus Pte Ltd on 28 February 2023, on the terms and conditions set out in the Explanatory Statement.”

2. Resolution 2: Ratification of issue of Shares – Pinny

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

“That, for the purpose of Listing Rule 7.4 and for all other purposes, Shareholders ratify and approve the prior issue of 4,000,000 Shares to Pinny Pty Ltd on 2 August 2023, on the terms and conditions set out in the Explanatory Statement.”

3. Resolution 3: Ratification of issue of Shares – Drillabit

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

“That, for the purpose of Listing Rule 7.4 and for all other purposes, Shareholders ratify and approve the prior issue of 2,111,000 Shares to Drillabit Pty Ltd on 2 August 2023, on the terms and conditions set out in the Explanatory Statement.”

4. Resolution 4: Approval to issue Placement Shares and Placement Options to Non- Related Party Placement Participants under the Placement

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

“That, for the purpose of Listing Rule 7.1 and for all other purposes, Shareholders approve the issue of up to 13,375,000 Placement Shares and up to 13,375,000 Placement Options to Non-Related Party Placement Participants, on the terms and conditions set out in the Explanatory Statement.”

5. Resolution 5: Approval to issue Placement Shares and Placement Options to a related party under the Placement – Ian Stuart

“That the issue of up to 1,000,000 Placement Shares, together with up to 1,000,000 Placement Options, to Ian Stuart (or his nominee) under the Placement is approved for the purposes of Listing Rule 10.11.”

6. Resolution 6: Approval to issue Placement Shares and Placement Options to a related party under the Placement – Ashley Jones

“That the issue of up to 625,000 Placement Shares, together with up to 625,000 Placement Options, to Ashley Jones (or his nominee) under the Placement is approved for the purposes of Listing Rule 10.11.”

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7. Resolution 7: Approval of Equity Incentive Plan and issue of Equity Securities under the Equity Incentive Plan

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

“That, for the purposes of Listing Rule 7.2 Exception 13 and for all other purposes, Shareholders approve the Company’s Equity Incentive Plan, a summary of which is set out in Schedule 1 to the Explanatory Statement, and for the issue of up to 10,000,000 Equity Securities under the plan in reliance on Listing Rule 7.2 Exception 13, on the terms and conditions set out in the Explanatory Statement.”

8. Resolution 8: Issue of Performance Rights to related party – Ian Stuart

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

“That, for the purposes of section 208 of the Corporations Act, Listing Rule 10.14 and for all other purposes, Shareholders approve the issue of up to 2,250,000 Performance Rights to Ian Stuart (or his nominee), a related party of the Company for the purposes of the Listing Rules, on the terms and conditions set out in the Explanatory Statement.”

9. Resolution 9: Issue of Performance Rights to related party – Gemma Lee

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

“That, for the purposes of section 208 of the Corporations Act, Listing Rule 10.14 and for all other purposes, Shareholders approve the issue of up to 1,500,000 Performance Rights to Gemma Lee (or her nominee), a related party of the Company for the purposes of the Listing Rules, on the terms and conditions set out in the Explanatory Statement.”

10. Resolution 10: Issue of Performance Rights to related party – Ashley Jones

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

“That, for the purposes of section 208 of the Corporations Act, Listing Rule 10.14 and for all other purposes, Shareholders approve the issue of up to 1,500,000 Performance Rights to Ashley Jones (or his nominee), a related party of the Company for the purposes of the Listing Rules, on the terms and conditions set out in the Explanatory Statement.”

11. Resolution 11: Approval of potential termination benefits under Equity Incentive Plan

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

“That, for a period commencing from the date this Resolution is passed and ending upon the expiry of all Equity Securities issued or to be issued under the Equity Incentive Plan, the giving of benefits to any current or future person holding a managerial or executive office of the Company or a related body corporate in connection with that person ceasing to hold such

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office is approved under and for the purposes of Part 2D.2 of the Corporations Act and for all other purposes, on the terms and conditions set out in the Explanatory Statement.”

Corporations Act voting prohibitions

Resolution	Voting prohibition
Resolutions 8 to 10	<p>In accordance with section 224 of the Corporations Act, a vote on the Resolution must not be cast (in any capacity) by or on behalf of a ‘related party’ (as defined in the Corporations Act) to whom the Resolution would permit a financial benefit to be given, or an ‘associate’ (as defined in the Corporations Act) of such a related party (Excluded Party).</p> <p>Further, in accordance with section 250BD of the Corporations Act, a person appointed as a proxy must not vote, on the basis of that appointment, on the Resolution if:</p> <ul style="list-style-type: none"> • the proxy is either: <ul style="list-style-type: none"> ○ a member of the Key Management Personnel; or ○ a Closely Related Party of such a member; and • the appointment does not specify the way the proxy is to vote on the Resolution.
Resolution 11	<p>In accordance with section 250BD of the Corporations Act, a person appointed as a proxy must not vote, on the basis of that appointment, on the Resolution if:</p> <ul style="list-style-type: none"> • the proxy is either: <ul style="list-style-type: none"> ○ a member of the Key Management Personnel; or ○ a Closely Related Party of such a member; and • the appointment does not specify the way the proxy is to vote on the Resolution. <p>Further, in accordance with section 200E(2A) of the Corporations Act, a vote on the Resolution must not be cast by any persons eligible to participate in the Equity Incentive Plan or any of their respective Associates, otherwise the benefit of the Resolution will be lost by such a person in relation to that person’s future retirement.</p>

However, these voting prohibitions do not prevent the casting of a vote on the above Resolutions if it is cast by:

1. if the vote is cast by a person as proxy appointed in writing that specifies how the proxy is to vote on the Resolution and it is not cast on behalf of an Excluded Party; or
2. the vote is cast by the Meeting Chair as proxy (other than for an Excluded Party), and the appointment expressly authorises the Meeting Chair to exercise the proxy even though the Resolution is connection directly or indirectly with remuneration of a member of the Key Management Personnel.

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Listing Rule voting exclusion statements

Resolution	Excluded Parties
Resolutions 1 to 3	<p>For the purposes of Listing Rules 7.5.8 and 14.11, the Company will disregard any votes cast in favour of the Resolution by or on behalf of a person who participated in the issue or is a counterparty to the agreement being approved, or an Associate of such persons.</p> <p>In relation to Resolution 1, this includes Spark Plus.</p> <p>In relation to Resolution 2, this includes Pinny.</p> <p>In relation to Resolution 3, this includes Drillabit.</p>
Resolution 4	<p>For the purposes of Listing Rules 7.3.9 and 14.11, the Company will disregard any votes cast in favour of the Resolution by or on behalf of a person who is expected to participate in, or who will obtain a material benefit as a result of, the proposed issue (except a benefit solely by reason of being a holder of Shares), or an Associate of such persons.</p> <p>In relation to Resolution 4, this includes the Non-Related Party Placement Participants.</p>
Resolutions 5 and 6	<p>For the purposes of Listing Rules 10.13.10 and 14.11, the Company will disregard any votes cast in favour of the Resolution by or on behalf of a person who is to receive the securities in question and any other person who will obtain a material benefit as a result of the issue of the securities (except a benefit solely by reason of being a holder of Shares) or an Associate of such person.</p> <p>In relation to Resolution 5, this includes Ian Stuart (and his nominee).</p> <p>In relation to Resolution 6, this includes Ashley Jones (and his nominee).</p>
Resolution 7	<p>For the purposes of Listing Rules 7.2 (exception 13) and 14.11, the Company will disregard any votes cast in favour of the Resolution by or on behalf of a person who is eligible to participate in the Equity Incentive Plan or any Associate of that person or those persons.</p>
Resolutions 8 to 10	<p>For the purposes of Listing Rules 10.15.12 and 14.11, the Company will disregard any votes cast in favour of the Resolution by or on behalf of a person referred to in:</p> <ul style="list-style-type: none"> • Listing Rule 10.14.1 (i.e. Directors); • Listing Rule 10.14.2 (i.e. an Associate of a Director); or • Listing Rule 10.14.3 (i.e. a person whose relationship with the Company or a person referred to in Listing Rules 10.14.1 or 10.14.2 is such that, in ASX's opinion, the acquisition should be approved by security holders), <p>who is eligible to participate in the Equity Incentive Plan or an Associate of that person.</p> <p>In relation to Resolution 8, this includes Ian Stuart (or his nominee).</p> <p>In relation to Resolution 9, this includes Gemma Lee (or her nominee).</p> <p>In relation to Resolution 10, this includes Ashley Jones (or his nominee).</p>

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

1. the person as proxy or attorney for a person who is entitled to vote on a Resolution, in accordance with directions given to the proxy or attorney to vote on a Resolution in that way; or

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

Notes

Terms used in this Notice of Meeting are defined in Section 9 (Interpretation) of the accompanying Explanatory Statement.

A detailed summary of the Resolution(s) is contained within the Explanatory Statement.

The resolution(s) at this Meeting will be voted on by poll and Shareholders who are entitled to vote may vote either prior to the Meeting by appointing a proxy or by poll during the Meeting.

By order of the board



Chris Achurch
Company Secretary
1 September 2023

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Proxies and representatives

Shareholders are entitled to appoint a proxy to attend and vote on their behalf. Where a shareholder is entitled to cast two or more votes at the meeting, they may appoint two proxies. Where more than one proxy is appointed, each proxy may be appointed to represent a specific proportion or number of votes the shareholder may exercise. If the appointment does not specify the proportion or number of votes each proxy may exercise, each proxy may exercise half of the votes. The proxy may, but need not, be a shareholder of the Company.

Shareholders who are a body corporate are able to appoint representatives to attend and vote at the meeting under section 250D of the Corporations Act. The Proxy Form must be signed by the shareholder or his/her attorney duly authorised in writing or, if the shareholder is a corporation, in a manner permitted by the Corporations Act.

The Proxy Form (and the power of attorney or other authority, if any, under which the Proxy Form is signed) or a copy or facsimile which appears on its face to be an authentic copy of the Proxy Form (and the power of attorney or other authority) must be deposited at, posted to, scanned and emailed or sent by facsimile transmission to the Company's share registry not less than 48 hours before the time for holding the meeting, or adjourned meeting as the case may be, at which the individual named in the Proxy Form proposes to vote.

If a representative of the corporation is to attend the meeting the appropriate "Certificate of Appointment of Corporate Representative" should be produced prior to admission. A form of the certificate may be obtained from the Company's share registry.

A Proxy Form accompanies this Notice.

Voting entitlement

For the purposes of determining voting entitlements at the Meeting, shares will be taken to be held by the persons who are registered as holding the shares at **5.00pm (WST) on Monday, 16 October 2023**.

Accordingly, transactions registered after that time will be disregarded in determining entitlements to attend and vote at the Meeting.

Signing instructions

You must sign the Proxy Form as follows in the spaces provided:

Individual:	Where the holding is in one name, the holder must sign.
Joint Holding:	Where the holding is in more than one name, either holder may sign.
Power of Attorney:	To sign under Power of Attorney, 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) does not have a Company Secretary, a Sole Director can sign alone. Otherwise this form must be signed by a Director jointly with either another Director or a Company Secretary. Please indicate the office held by signing in the appropriate place.

Explanatory Statement

This Explanatory Statement is provided to Shareholders to explain the resolutions to be put to Shareholders at the General Meeting.

The Directors recommend Shareholders read the accompanying Notice of Meeting and this Explanatory Statement in full before making any decision in relation to the resolutions.

Subject to the abstentions noted below, the Directors unanimously recommend that Shareholders vote in favour of all Resolutions. The Chairperson of the Meeting intends to vote all available undirected proxies in favour of each resolution.

Capitalised terms used in the Notice and this Explanatory Statement are defined in Section 9.

1. Resolution 1: Ratification of issue of Shares – Spark Plus

1.1 General

On 27 February 2023, the Company issued 561,798 Shares to Spark Plus Pte Ltd (**Spark Plus**) pursuant to the terms of a corporate marketing service agreement between the Company and Spark Plus (**Corporate Marketing Service Agreement**).

The Shares were issued using the Company's Listing Rule 7.1 capacity.

1.2 Resolution

Resolution 1 is an ordinary resolution to ratify and approve the issue of 561,798 Shares to Spark Plus for the purposes of Listing Rule 7.4.

1.3 Listing Rule requirements

Subject to a number of exceptions, Listing Rule 7.1 limits the amount of Equity Securities that a listed entity can issue without the approval of its Shareholders over any 12 month period to 15% of the fully paid ordinary securities it had on issue at the start of that period. The issue of the Shares to Spark Plus does not fall within any of the exceptions to Listing Rule 7.1, as set out in Listing Rule 7.2.

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

If Resolution 1 is approved, the Company's issuing capacity under Listing Rule 7.1 will be restored to the extent of the Equity Securities the subject of Resolution 1. This will allow the Company to issue further Equity Securities of an equivalent number (i.e. 561,798) in the next 12 months.

However, if Resolution 1 is not approved, the Company's issuing capacity under Listing Rule 7.1 will not be restored to the extent of the Equity Securities the subject of Resolution 1.

1.4 Listing Rule information requirements

The following information is provided in relation to Resolution 1, as required by Listing Rule 7.5:

Information required	Details
Names of persons to whom the Company issued securities or the basis upon which those persons were identified or selected	The Shares were issued to Spark Plus Pte Ltd. Spark Plus is not a 'related party' of the Company for the purposes of the Corporations Act or the Listing Rules.

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Information required	Details
Number and class of securities the Company issued	561,798 fully paid ordinary shares in the Company.
Summary of material terms of securities	The Shares are fully paid ordinary shares in the Company and rank equally with existing shares on issue.
Date(s) on which the Company issued the securities	27 February 2023.
Price or other consideration the Company received for the securities	The Shares were issued as consideration for corporate marketing services provided by Spark Plus pursuant to the Corporate Marketing Services Agreement. Each Share was valued at \$0.089, representing the 5-day VWAP ending 30 January 2023. Accordingly, the issue of Shares was valued at \$50,000.
Purpose of the issue and intended use of any funds raised	The Company did not raise any funds from the issue.
Summary of material terms of agreement securities were issued under	The Shares were issued under the Corporate Marketing Service Agreement, the material terms of which are as follows: <ul style="list-style-type: none"> • The Company engaged Spark Plus as its corporate advisor on a non-exclusive basis in relation to a roadshow package for a six month term, which commenced in January 2023. • In consideration for Spark Plus providing the corporate advisor services, the Company agreed to pay Spark Plus \$50,000 worth of ordinary shares in the Company, to be calculated on the basis of a 5-day VWAP.
Voting exclusion statement	A voting exclusion statement for Resolution 1 is included at page 4 of this Notice.

1.5 Directors' recommendation

The Directors unanimously recommend that Shareholders vote in favour of Resolution 1 so that the Company's 15% issuing capacity under Listing Rule 7.1 is restored. This will give the Company the flexibility to raise additional working capital through the offer and issue of Equity Securities.

2. Resolution 2: Ratification of issue of Shares – Pinny

2.1 General

As announced on 25 July 2023, the Company entered into a share sale agreement with Pinny Pty Ltd (**Pinny**) to acquire 100% of the share capital of MW Minerals Pty Ltd (**MW Minerals**), which holds 100% of tenement E52/3635 (**Share Sale Agreement**).

Tenement E25/3635 is located in Murchison and is adjacent to the West Bryah Project area owned by the Company. The tenement is underlain by the Narracoota formation (Palaeo-Proterozoic) and part of

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the Trillbar formation, both of which are known to host copper and gold deposits in the Bryah Basin and the greater district.

Pursuant to the terms of the Share Sale Agreement, the Company issued 4,000,000 Shares to Pinny on 2 August 2023. The Shares were issued using the Company's Listing Rule 7.1 capacity.

2.2 Resolution

Resolution 2 is an ordinary resolution to ratify and approve the issue of 4,000,000 Shares to Pinny for the purposes of Listing Rule 7.4.

2.3 Listing Rule requirements

An overview of Listing Rules 7.1 and 7.4 is set out in Section 1.3 above. The issue of the Shares to Pinny does not fall within any of the exceptions to Listing Rule 7.1, as set out in Listing Rule 7.2.

If Resolution 2 is approved, the Company's issuing capacity under Listing Rule 7.1 will be restored to the extent of the Equity Securities the subject of Resolution 2. This will allow the Company to issue further Equity Securities of an equivalent number (i.e. 4,000,000) in the next 12 months.

However, if Resolution 2 is not approved, the Company's issuing capacity under Listing Rule 7.1 will not be restored to the extent of the Equity Securities the subject of Resolution 2.

2.4 Listing Rule information requirements

The following information is provided in relation to Resolution 2, as required by Listing Rule 7.5:

Information required	Details
Names of persons to whom the Company issued securities or the basis upon which those persons were identified or selected	The Shares were issued to Pinny Pty Ltd (ACN 630 629 560). Pinny is not a 'related party' of the Company for the purposes of the Corporations Act or the Listing Rules.
Number and class of securities the Company issued	4,000,000 fully paid ordinary shares in the Company.
Summary of material terms of securities	The Shares are fully paid ordinary shares in the Company and rank equally with existing shares on issue.
Date(s) on which the Company issued the securities	2 August 2023.
Price or other consideration the Company received for the securities	The Shares were issued to Pinny as partial consideration for the acquisition of 100% of the share capital of MW Minerals. Each Share was valued at \$0.045. Accordingly, the issue of Shares was valued at \$180,000.

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Information required	Details
Purpose of the issue and intended use of any funds raised	The Company did not raise any funds from the issue.
Summary of material terms of agreement securities were issued under	<p>The Shares were issued under the Share Sale Agreement, the material terms of which are as follows:</p> <ul style="list-style-type: none">• The Company agreed to purchase, and Pinny agreed to sell, 3 ordinary shares in MW Minerals, being all of the issued shares in MW Minerals, for \$230,000, consisting of:<ul style="list-style-type: none">○ \$50,000 cash; and○ 4,000,000 ordinary shares in the Company at a deemed issue price of \$0.045 per share.• Settlement was conditional on the Company and Pinny delivering documents and obtaining approvals customary for transactions of this nature.• The Share Sale Agreement otherwise contains terms which are customary for agreements of this nature, including representations and warranties.
Voting exclusion statement	A voting exclusion statement for Resolution 2 is included at page 4 of this Notice.

2.5 Directors' recommendation

The Directors unanimously recommend that Shareholders vote in favour of Resolution 2 so that the Company's 15% issuing capacity under Listing Rule 7.1 is restored. This will give the Company the flexibility to raise additional working capital through the offer and issue of Equity Securities.

3. Resolution 3: Ratification of issue of Shares – Drillabit

3.1 General

As announced on 25 July 2023, the Company entered into a tenement sale agreement with Drillabit Pty Ltd (**Drillabit**) for the acquisition of 100% of tenement E51/2069 (**Tenement Sale Agreement**).

Pursuant to the terms of the Tenement Sale Agreement, the Company issued 2,111,000 Shares to Drillabit on 2 August 2023. The Shares were issued using the Company's Listing Rule 7.1 capacity.

3.2 Resolution

Resolution 3 is an ordinary resolution to ratify and approve the issue of 2,111,000 Shares to Drillabit for the purposes of Listing Rule 7.4.

3.3 Listing Rule requirements

An overview of Listing Rules 7.1 and 7.4 is set out in Section 1.3 above. The issue of the Shares to Drillabit does not fall within any of the exceptions to Listing Rule 7.1, as set out in Listing Rule 7.2.

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If Resolution 3 is approved, the Company's issuing capacity under Listing Rule 7.1 will be restored to the extent of the Equity Securities the subject of Resolution 3. This will allow the Company to issue further Equity Securities of an equivalent number (i.e. 2,111,000) in the next 12 months.

However, if Resolution 3 is not approved, the Company's issuing capacity under Listing Rule 7.1 will not be restored to the extent of the Equity Securities the subject of Resolution 3.

3.4 Listing Rule information requirements

The following information is provided in relation to Resolution 3, as required by Listing Rule 7.5:

Information required	Details
Names of persons to whom the Company issued securities or the basis upon which those persons were identified or selected	The Shares were issued to Drillabit Pty Ltd (ACN 166 230 664). Drillabit is not a 'related party' of the Company for the purposes of the Corporations Act or the Listing Rules.
Number and class of securities the Company issued	2,111,000 fully paid ordinary shares in the Company.
Summary of material terms of securities	The Shares are fully paid ordinary shares in the Company and rank equally with existing shares on issue.
Date(s) on which the Company issued the securities	2 August 2023.
Price or other consideration the Company received for the securities	The Shares were issued to Drillabit as partial consideration for the acquisition of 100% of tenement E51/2069. Each Share was valued at \$0.045. Accordingly, the issue of Shares was valued at \$94,995.
Purpose of the issue and intended use of any funds raised	The Company did not raise any funds from the issue.

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Information required	Details
Summary of material terms of agreement securities were issued under	<p>The Shares were issued under the Tenement Sale Agreement, the material terms of which are as follows:</p> <ul style="list-style-type: none">• The Company agreed to purchase, and Drillabit agreed to sell, all interest in tenement E51/2069 for \$110,000, comprising:<ul style="list-style-type: none">○ \$15,000 in cash; and○ 2,111,000 ordinary shares in the Company at a deemed issue price of \$0.045.• In the event any rights of Drillabit in relation to the tenement are not capable of being transferred to, conferred upon or exercised by the Company in its own name, then Drillabit agrees to:<ul style="list-style-type: none">○ transfer the rights to be exercised by the Company in the name of Drillabit; and○ hold such rights on trust for the Company.• The Tenement Sale Agreement otherwise contains terms which are customary for agreements of this nature, including warranties.
Voting exclusion statement	<p>A voting exclusion statement for Resolution 3 is included at page 4 of this Notice.</p>

3.5 Directors' recommendation

The Directors unanimously recommend that Shareholders vote in favour of Resolution 3 so that the Company's 15% issuing capacity under Listing Rule 7.1 is restored. This will give the Company the flexibility to raise additional working capital through the offer and issue of Equity Securities.

4. Resolution 4: Approval to issue Shares and Options under the Placement to Non-Related Party Placement Participants

4.1 Background

The Company proposes to raise up to \$600,000 before costs through the issue of up to 15,000,000 new Shares (**Placement Shares**) at \$0.04 each (**Placement**).

Placement Participants who are "Exempt Investors" as determined by the Company will be eligible to participate in the Placement (**Non-Related Party Placement Participants**), being persons to whom, pursuant to section 708 of the Corporations Act, securities may be offered without disclosure under Chapter 6D of the Corporations Act, including any person who is a 'sophisticated investor' or 'professional investor' under the Corporations Act.

None of the Non-Related Party Placement Participants will be a 'related party' of the Company for the purposes of the Corporations Act or the Listing Rules.

The Directors (excluding Gemma Lee) have indicated that they intend to participate in the Placement on the same terms as Non-Related Party Placement Participants. More information in relation to the Directors' participation in the Placement is set out in Section 5 below.

It is proposed that each Placement Participant will also be entitled to receive one attaching Option, with an exercise price of \$0.06 and an expiry date 3 years from the date of issue (**Placement Option**) for every Placement Share to be issued to them under the Placement. The material terms of the Placement Options are summarised in Schedule 2 to this Explanatory Statement.

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4.2 Resolution

Resolution 4 is an ordinary resolution to approve the issue of up to 13,375,000 Placement Shares and 13,375,000 Placement Options to Non-Related Party Placement Participants for the purposes of Listing Rule 7.1.

4.3 Listing Rule requirements

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

The proposed issue of Placement Shares and Placement Options to Non-Related Party Placement Participants pursuant to the Placement 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.

If Resolution 4 is approved, the Company will be able to proceed with the issue of Placement Shares and Placement Options to Non-Related Party Placement Participants under the Placement and the Company will be able to raise up to \$600,000 before costs of the issue. In addition, the issue to Non-Related Party Placement Participants 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.

However, if Resolution 4 is not approved, the Company will not be able to issue 13,375,000 Placement Shares and 13,375,000 Placement Options to Non-Related Party Placement Participants under the Placement. If Resolution 4 is not approved, the Company intends to use its issuing capacity at that time under Listing Rules 7.1 and 7.1A to conduct a placement of Shares and Options. In that scenario, the Company will raise less than \$600,000 and will use up all of its existing issuing capacity under Listing Rules 7.1 and 7.1A..

4.4 Listing Rule information requirements

The following information is provided in relation to Resolution 4, as required by Listing Rule 7.3:

Information required	Details
Names of persons to whom the Company will issue securities or the basis upon which those persons were or will be identified or selected	The Placement Shares and Placement Options will be issued to Non-Related Party Placement Participants, being Exempt Investors.
Number and class of securities the Company will issue	The Company will issue up to 13,375,000 Placement Shares and up to 13,375,000 Placement Options to Non-Related Party Placement Participants under the Placement.
Summary of material terms of securities	The Placement Shares are fully paid ordinary shares in the Company and rank equally with existing shares on issue. Each Placement Option will have an exercise price of \$0.06 and an expiry date of 3 years from the date of issue. The material terms of the Placement Options are summarised in Schedule 2 to this Explanatory Statement.
Date(s) on or by which the Company will issue the securities	The Company expects to issue the Placement Shares and Placement Options on one date within 3 months after the Meeting. In any event, the Company will not issue any Shares or Placement Options later than

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	3 months (or such later date permitted by ASX) from the date of the Meeting.
Price or other consideration the Company will receive for the securities	The Placement Shares will be issued at \$0.04 each, totalling up to \$600,000. The Placement Options will be attaching options. Accordingly, the Placement Options will have an issue price of nil. The Company will receive \$900,000 in exercise payments if all Placement Options are exercised before their expiry date.
Purpose of the issue and intended use of any funds raised	The funds raised from the issue of Placement Shares under the Placement will be applied towards exploration activities at the Company's Tumblegum South Project and West Bryah Project and general working capital requirements. The purpose of offering the Placement Options will be to incentivise participation in the Placement. The Company intends to apply any funds raised on exercise of these Placement Options towards general working capital requirements at that time.
Voting exclusion statement	A voting exclusion statement for Resolution 4 is included at page 4 of this Notice.

4.5 Directors' recommendation

The Directors unanimously recommend that Shareholders vote in favour of Resolution 4 as it will enable the Company to issue the Placement Shares and the Placement Options to Non-Related Party Placement Participants under the Placement.

5. Resolutions 5 and 6: Approval to issue Shares and Options under Placement to related parties

5.1 Background

As set out in Section 4.1 above, the Company proposes to raise up to \$600,000 before costs through the issue of up to 15,000,000 Placement Shares and 15,000,000 attaching Placement Options.

The Directors (excluding Gemma Lee) have indicated that they intend to participate in the Placement on the same terms as the Non-Related Party Placement Participants as follows:

- Ian Stuart – up to 1,000,000 Placement Shares and 1,000,000 Placement Options; and
- Ashley Jones – up to 625,000 Placement Shares and 625,000 Placement Options.

5.2 Resolutions

Resolution 5 is an ordinary resolution for Shareholders to approve the issue of up to 1,000,000 Placement Shares and 1,000,000 Placement Options to Ian Stuart (or his nominee) under the Placement for the purposes of Listing Rule 10.11.

Resolution 6 is an ordinary resolution for Shareholders to approve the issue of up to 625,000 Placement Shares and 625,000 Placement Options to Ashley Jones (or his nominee) under the Placement for the purposes of Listing Rule 10.11.

5.3 Corporations Act requirements

Section 208(1) of the Corporations Act (set out in Chapter 2E) requires a public company to obtain the approval of its shareholders before providing a financial benefit to a 'related party' of the company for

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the purposes of the Corporations Act (e.g. a Director), unless giving the financial benefit falls within a statutory exception. Any financial benefit approved by shareholders must be provided within 15 months of the approval.

The proposed issue of Placement Shares and Placement Options to the Directors under the Placement may constitute the giving of a 'financial benefit' for the purposes of section 208 of the Corporations Act.

Section 210 of the Corporations Act provides an exception to the requirement for shareholder approval where a financial benefit is given to a related party on terms that would be reasonable in the circumstances if the public company and the related party were dealing at arm's length, or the terms are less favourable to the related party than the arm's length terms.

As the Directors would participate in the Placement on the same terms as all other Non-Related Party Placement Participants, the 'arm's length' exception under section 210 of the Corporations Act applies. On this basis, approval to issue the Placement Shares and Placement Options to Directors is not sought for the purposes of section 208 of the Corporations Act.

5.4 Listing Rule requirements

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; a related party includes a director and a person who will become a director;
- 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 Rule 10.11.1 to 10.11.4 is such that, ASX's opinion, the issue or agreement should be approved by its shareholders,

unless it obtains approval of its shareholders.

Each Director is a 'related party' of the Company under the Listing Rules. The issues of Placement Shares and Placement Options to the Directors under the Placement fall within Listing Rule 10.11.1 and do not fall within any of the exceptions in Listing Rule 10.12. It therefore requires approval of Shareholders under Listing Rule 10.11.

If either of Resolutions 5 or 6 is approved, the Company will be able to proceed with the proposed issue of Placement Shares and Placement Options to the relevant Director or their nominee under the Placement. As approval is obtained under Listing Rule 10.11, the issue of the Placement Shares and Placement Options will not use up any of the Company's 15% issuing capacity under Listing Rule 7.1.

If either of Resolutions 5 or 6 is not approved, the Company will not be able to proceed with the proposed issue of Placement Shares and Placement Options under that Resolution.

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5.5 Listing Rule information requirements

The following information is provided in relation to Resolutions 5 and 6, as required by Listing Rule 10.13:

Information required	Details
Names of persons to whom the Company will issue securities or the basis upon which those persons were or will be identified or selected	Resolution 5 – Ian Stuart Resolution 6 – Ashley Jones
Category of related party	Ian Stuart and Ashley Jones are both Directors of the Company and therefore 'related parties' under Listing Rule 10.11.1. Any nominees of the Directors who receive Placement Shares or Placement Options under the Placement may constitute 'associates' for the purposes of Listing Rule 10.11.4.
Number and class of securities the Company will issue	The Company may issue up to a total of 1,625,000 Placement Shares and 1,625,000 Placement Options to the Directors as follows: <ul style="list-style-type: none"> Resolution 5 – up to 1,000,000 Placement Shares and 1,000,000 Placement Options to Ian Stuart or his nominee. Resolution 6 - to 625,000 Placement Shares and 625,000 Placement Options to Ashley Jones or his nominee.
Summary of material terms of securities	The Placement Shares are fully paid ordinary shares in the Company and rank equally with existing shares on issue. Each Placement Option will have an exercise price of \$0.06 and an expiry date of 3 years from the date of issue. The material terms of the Placement Options are summarised in Schedule 2 to this Explanatory Statement.
Date(s) on or by which the Company will issue the securities	The Company expects to issue the Placement Shares and Placement Options on one date within 1 month after the Meeting. In any event, the Company will not issue any Shares or Placement Options later than 1 month (or such later date permitted by ASX) from the date of the Meeting.
Price or other consideration the Company will receive for the securities	The Placement Shares will be issued at \$0.04 each, totalling up to \$65,000. The Placement Options will be attaching options. Accordingly, the Placement Options will have an issue price of nil. The Company will receive \$97,500 in exercise payments if all Placement Options are exercised before their expiry date.
Purpose of the issue and intended use of any funds raised	The funds raised from the issue of Placement Shares under the Placement will be applied towards exploration activities at the Company's Tumblegum South Project and West Bryah Project and general working capital requirements. The purpose of offering the Placement Options will be to incentivise participation in the Placement. The Company intends to apply any funds raised on exercise of these Placement Options towards general working capital requirements at that time.

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	The Placement Shares and Placement Options to be issued under Resolutions 5 and 6 are not intended to remunerate or incentivise the Directors.
Voting exclusion statement	A voting exclusion statement for Resolutions 5 and 6 is included at page 4 of this Notice.

5.6 Listing Rule information requirements

(a) **Resolution 5: Issue of Placement Shares and Placement Options to a related party – Ian Stuart**

The Board, excluding Ian Stuart, recommend that Shareholders vote in favour of Resolution 5 to permit Mr Stuart or his nominee to participate in the Placement on the same basis as the Non-Related Party Placement Participants.

Mr Stuart declines to make a recommendation as he has a material personal interest in the outcome of the Resolution.

(b) **Resolution 6: Issue of Placement Shares and Placement Options to a related party – Ashley Jones**

The Board, excluding Ashley Jones, recommend that Shareholders vote in favour of Resolution 6 to permit Mr Jones or his nominee to participate in the Placement on the same basis as the Non-Related Party Placement Participants.

Mr Jones declines to make a recommendation as he has a material personal interest in the outcome of the Resolution.

6. Resolution 7: Approval of Equity Incentive Plan and issue of Equity Securities under the Equity Incentive Plan

6.1 **Background**

The Company currently operates an Equity Incentive Plan under which Directors, officers, employees and certain contractors may be offered awards pursuant to which they acquire or earn Equity Securities (e.g. Shares, Options and performance rights) in the Company.

The Equity Incentive Plan has been established with the objectives of:

- (a) establishing a method by which eligible participants can participate in the future growth and profitability of the Company through holding of equity interests in the Company;
- (b) providing an incentive and reward for eligible participants for their contributions to the Company;
- (c) attracting and retaining a high standard of executive, managerial, technical and other personnel for the benefit of the Company; and
- (d) aligning the interests of eligible participants more closely with the interests of the Shareholders, by providing an opportunity for eligible participants to hold an equity interest in the Company.

The Equity Incentive Plan was last approved by Shareholders at the Company's 2022 Annual General Meeting.

A summary of the Equity Incentive Plan is set out in Schedule 1 to this Explanatory Statement.

6.2 **Resolution**

Shareholder approval pursuant to Listing Rule 7.2 Exception 13 is being sought to approve the issue of up to 10,000,000 Equity Securities under the Equity Incentive Plan.

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6.3 Listing Rule requirements

Listing Rule 7.1 provides that an entity must not, subject to specified exceptions in Listing Rule 7.2, issue or agree to issue more Equity Securities during a 12-month period than that amount which represents 15% of the number of fully paid ordinary securities on issue at the commencement of that 12-month period.

Listing Rule 7.2 sets out exceptions to the Equity Security placement limit under Listing Rule 7.1. The Company is seeking Shareholder approval pursuant to Listing Rule 7.2 Exception 13 to allow the Company to rely on this exception to the limit on the number of securities that may be issued without Shareholder approval under Listing Rule 7.1.

Listing Rule 7.2 Exception 13 sets out an exception to Listing Rule 7.1 for the issue of Equity Securities under an employee incentive scheme (e.g. the Equity Incentive Plan) that has either been approved by the entity's shareholders in general meeting or summarised in the entity's prospectus for its admission to ASX. For a period of 3 years from date of last shareholder approval or the entity's prospectus (as applicable), Equity Securities issued to persons who are not related parties of the entity under the Equity Incentive Plan are not counted in the calculation of the entity's 15% issuing capacity under Listing Rule 7.1.

If Resolution 7 is passed, the issue of securities under the Equity Incentive Plan to eligible participants within 3 years of the date of the Meeting will be excluded from the calculation of the Company's placement capacity under Listing Rule 7.1.

If Resolution 7 is not passed, the Company may still issue securities under the Equity Incentive Plan to eligible participants however, any issue of securities will reduce the Company's capacity to issue Equity Securities without Shareholder approval under Listing Rule 7.1 for the 12 months following the date of the issue of the securities.

6.4 Listing Rule information requirements

The following information is provided in relation to Resolution 7, for the purposes of Listing Rule 7.2 Exception 13(b):

- (a) A summary of the Equity Incentive Plan is set out in Schedule 1 to this Explanatory Statement.
- (b) Since 30 November 2022, being the date of the Company's 2022 Annual General Meeting at which Shareholders approved the issue of up to 4,000,000 Equity Securities under the Equity Incentive Plan, the Company has not issued any Equity Securities under the Equity Incentive Plan. The Company previously issued 2,500,000 Class B Performance Rights to Directors and the Chief Executive Officer under the Equity Incentive Plan (issued before the Company's admission to ASX in October 2021).
- (c) A voting exclusion statement for Resolution 7 is included at page 4 of this Notice.

The maximum number of Equity Securities proposed to be issued under the Plan, following Shareholder approval, will be 10,000,000 Equity Securities (being approximately 16.75% of the number of the Company's fully paid ordinary shares on issue as at the date of the Notice). It is not envisaged that the maximum number of Securities for which approval is sought will be issued immediately.

6.5 Directors' recommendation

Noting that the Directors may have a personal interest in the outcome of Resolution 7 by virtue of them being eligible to participate in the Equity Incentive Plan, the Directors recommend that Shareholders vote in favour of Resolution 7. This will give the Board the flexibility to issue securities to eligible participants under the Equity Incentive Plan without using the Company's issuing capacity under Listing Rule 7.1.

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7. Resolutions 8, 9 and 10: Issue of Performance Rights to Related Parties

7.1 Background

The Company proposes to issue up to 5,250,000 Performance Rights to its Directors under its Equity Incentive Plan, which will vest into Shares in three tranches, subject to the performance milestones set out in Section 7.3 and on the terms set out in Schedule 3.

Under the Equity Incentive Plan, Directors, officers, employees and certain contractors may be given the opportunity to acquire or earn equity awards such as Shares, Options or Performance Rights.

The Performance Rights are intended to be a long-term performance-based incentive for each Director which aligns their interests with the success of the Company.

7.2 Resolutions

Resolution 8 is an ordinary resolution to approve the issue of up to 2,250,000 Performance Rights to Ian Stuart (or his nominee).

Resolution 9 is an ordinary resolution to approve the issue of up to 1,500,000 Performance Rights to Gemma Lee (or her nominee).

Resolution 10 is an ordinary resolution to approve the issue of up to 1,500,000 Performance Rights to Ashley Jones (or his nominee).

7.3 Terms of Performance Rights

The Performance Rights will convert into Shares, at the execution of the holder, upon vesting. The Performance Rights will vest subject to satisfaction of the following performance milestones:

- (a) in relation to one third of the Performance Rights, by the date that is 3 years from the grant date of the Performance Rights, the Company's share price trades on or above a 20-day VWAP of \$0.08, being an 82% increase from the closing price of the Company's shares of \$0.044 as at 31 August 2023 (**Tranche 1 Performance Rights**);
- (b) in relation to one third of the Performance Rights, by the date that is 3 years from the grant date of the Performance Rights, the Company's share price trades on or above a 20-day VWAP of \$0.10, being a 127% increase from the closing price of the Company's shares of \$0.044 as at 31 August 2023 (**Tranche 2 Performance Rights**); and
- (c) in relation to one third of the Performance Rights, by the date that is 3 years from the grant date of the Performance Rights, the Company's share price trades on or above a 20-day VWAP of \$0.12, being a 173% increase from the closing price of the Company's shares of \$0.043 as at 31 August 2023 (**Tranche 3 Performance Rights**).

The proposed material terms of the Performance Rights are summarised in Schedule 3.

7.4 Corporations Act requirements – related party financial benefits

Section 208(1) of the Corporations Act (set out in Chapter 2E) requires a public company to obtain the approval of its shareholders before providing a financial benefit to a 'related party' of the company for the purposes of the Corporations Act (e.g. a Director), unless giving the financial benefit falls within a statutory exception. Any financial benefit approved by shareholders must be provided within 15 months of the approval.

The proposed issue of Performance Rights to the Directors would constitute the giving of a financial benefit for the purposes of section 208 of the Corporations Act.

While the issue of these Performance Rights may fall within the 'reasonable remuneration' exception under section 211 of the Corporations Act, the Board considers it appropriate to seek Shareholder approval given all Directors are proposed to be issued with the Performance Rights.

7.5 Listing Rule requirements

Listing Rule 10.14 requires an entity to obtain the approval of its shareholders before issuing or agreeing to issue Equity Securities (including Performance Rights) under an employee incentive

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scheme (e.g. the Equity Incentive Plan) to a 'related party' of the Company for the purposes of the Listing Rules, subject to certain specific exceptions in Listing Rule 10.16.

None of the exceptions apply to the proposed issue of Performance Rights under Resolutions 8 to 10. Accordingly, Shareholder approval under Listing Rule 10.14 is required.

Approval pursuant to Listing Rule 7.1 is not required for the issue of the Performance Rights to the Directors, as approval is being obtained under Listing Rule 10.14. Accordingly, the issue of these Performance Rights will not be included in the calculation of the Company's 15% issuing capacity under Listing Rule 7.1.

7.6 Corporations Act and Listing Rule information

The following information is provided in relation to Resolutions 8, 9 and 10, as required by section 219 of the Corporations Act and Listing Rule 10.15:

(a) Name of related parties/recipients of securities

Resolution 8 – Ian Stuart (or his nominee), Non-Executive Chairman

Resolution 9 – Gemma Lee (or her nominee), Non-Executive Director

Resolution 10 – Ashley Jones (or his nominee), Non-Executive Director

(b) Relevant category in Listing Rule 10.14

Directors of the Company.

(c) Nature of financial benefit to be given/number and class of securities proposed to be issued

5,250,000 Performance Rights as follows:

- 2,250,000 Performance Rights to Ian Stuart (or his nominee);
- 1,500,000 Performance Rights to Gemma Lee (or her nominee); and
- 1,500,000 Performance Rights to Ashley Jones (or his nominee).

(d) Remuneration package of related parties

The table below sets out each Director's current remuneration package. The amounts are exclusive of superannuation.

Director	Cash remuneration (including superannuation)	Non-cash remuneration
Ian Stuart	\$50,000	750,000 Class B Performance Rights
Gemma Lee	\$36,667	Nil
Ashley Jones	\$36,667	375,000 Class B Performance Rights

(e) Number of securities previously issued to recipient and average acquisition price paid

The table below sets out details of the Equity Securities the Company previously issued to the Directors under the Equity Incentive Plan. None of the Directors paid any cash consideration for these securities.

Director	Non-cash remuneration
Ian Stuart	750,000 Class B Performance Rights

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Gemma Lee	Nil
Ashley Jones	375,000 Class B Performance Rights

(f) **Details of financial benefit/securities proposed to be issued, and reason for issue**

A summary of the material terms of the Performance Rights is set out in Schedule 3.

The Performance Rights represent a cost-effective performance-based incentive (as opposed to alternative forms of incentives, such as cash compensation) which preserve the Company's cash reserves and allow the Company to apply a greater portion of its available cash on its operations.

The Performance Rights align the interests of the recipient Directors with the operational success of the Company in that they will only vest if the specific performance milestones, which are linked to the performance of the Company, are satisfied.

(g) **Value of financial benefit to be given/securities proposed to be issued**

The Performance Rights are estimated to be valued as follows:

- the Tranche 1 Performance Rights at \$0.0356 each;
- the Tranche 2 Performance Rights at \$0.0339 each; and
- the Tranche 3 Performance Rights at \$0.0322 each.

This is based on a Trinomial Barrier option valuation conducted by the Company applying the following key assumptions and variables:

Variable	Assumption
Valuation Model	Trinomial Barrier Option Valuation
Underlying share price	\$0.04
Strike Price	Nil
Volatility	100%
Barrier	(a) in relation to the Tranche 1 Performance Rights, \$0.08; (b) in relation to the Tranche 2 Performance Rights, \$0.10; and (c) in relation to the Tranche 3 Performance Rights, \$0.12.
Interest Rate	3.00%
Term	3 years

Based on the above valuations, the estimated value of the financial benefits to be provided to the Directors is as follows:

- \$76,275 to Ian Stuart;
- \$50,850 to Gemma Lee; and
- \$50,850 to Ashley Jones.

(h) **Date by which financial benefit will be given/securities will be issued**

It is anticipated that the Performance Rights will be issued within 5 Business Days of the Meeting, but in any case, no later than 3 years after the date of the Meeting.

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(i) **Price at which financial benefit will be provided/securities will be issued or formula for calculation of price**

The Performance Rights will be issued for nil cash consideration.

(j) **Summary of material terms of the Equity Incentive Plan**

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

(k) **Terms of any loan related to acquisition of securities**

Not applicable.

(l) **Equity Incentive Plan details**

The Company will publish details of any securities or rights issued under the Equity Incentive Plan in its annual report for the financial year in which securities or rights are issued, along with a statement that approval for the issue was obtained under Listing Rule 10.14.

(m) **New participants**

Any additional persons covered by Listing Rule 10.14 (i.e. Directors, 'associates' (as defined in the Listing Rules) of Directors or persons whose relationship with the Company or a person referred to in Listing Rules 10.14.1 or 10.14.2 is such that, in ASX's opinion, the acquisition should be approved by security holders) who become entitled to participate in an issue of securities or rights under the Equity Incentive Plan after Resolutions 9, 10 and 11 are approved, but were not named in this Notice, will not participate until approval is obtained under Listing Rule 10.14.

(n) **Security holdings of related parties**

The table below set out details of the Equity Securities of the Company in which the Directors have a relevant interest (direct or indirect).

Director	Securities
Ian Stuart	30,000 Shares 750,000 Class B Performance Rights
Gemma Lee	Nil
Ashley Jones	30,000 Shares 375,000 Class B Performance Rights

(o) **Voting power of related parties**

The table below sets out each Director's current voting power in the Company, as well as the potential change in such voting power if the Performance Rights are granted and vest resulting in the issuance of Shares (assuming no other Shares are issued, including under existing Performance Rights).

Director	Current voting power	Potential voting power
Ian Stuart	0.05%	3.68%
Gemma Lee	0.00%	2.45%

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Ashley Jones	0.05%	2.50%
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(p) **Potential dilutive effect of financial benefit/securities proposed to be issued**

Up to 5,250,000 Shares may be issued if all Performance Rights are issued under Resolutions 8 to 10, and those Performance Rights subsequently vest. This represents a potential aggregate dilutive effect to existing Shareholders of approximately 8.09%. This assumes that the Company has 59,672,799 Shares on issue and does not issue any other Shares before that time.

(q) **Historical trading history**

The most recent available data concerning the price of the Company's Shares traded on ASX in the last 6 months is summarised in the table below.

	Highest close	Lowest close	Last close
Price	\$0.074	\$0.040	\$0.044
Date	24 March 2023	14 to 16 June 2023 23 to 26 June 2023	31 August 2023

(r) **Funds raised from financial benefit**

The Company will not raise any funds from the issue of Performance Rights under Resolutions 8 to 10. These Performance Rights are proposed to be granted under the Company's Equity Incentive Plan for nil cash consideration.

(s) **Related parties' interests in Resolutions**

Ian Stuart has a material personal interest in the outcome of Resolution 8 and will be the only Director to receive a benefit from that Resolution.

Gemma Lee has a material personal interest in the outcome of Resolution 9 and will be the only Director to receive a benefit from that Resolution.

Ashley Jones has a material personal interest in the outcome of Resolution 10 and will be the only Director to receive a benefit from that Resolution.

(t) **Other information**

The Directors do not consider there is any further information which the Shareholders would reasonably require in order to decide whether or not to approve Resolutions 8 to 10, other than as set out in this Section 7.

(u) **Voting exclusion statement**

A voting exclusion statement for Resolutions 8, 9 and 10 is included at page 4 of this Notice.

7.7 Directors' recommendations

(a) **Resolution 8: Issue of Performance Rights to a related party – Ian Stuart**

The Board, excluding Ian Stuart, considers the issue of Performance Rights to Mr Stuart is reasonable given the Company's size and stage of development, and accordingly recommend Shareholders vote in favour of Resolution 8.

Mr Stuart declines to make a recommendation as he has a material personal interest in the outcome of the Resolution.

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(b) **Resolution 9: Issue of Performance Rights to a related party – Gregory Almond**

The Board, excluding Gemma Lee, considers the issue of Performance Rights to Ms Lee is reasonable given the Company's size and stage of development, and accordingly recommend Shareholders vote in favour of Resolution 9.

Ms Lee declines to make a recommendation as she has a material personal interest in the outcome of the Resolution.

(c) **Resolution 10: Issue of Performance Rights to a related party – Ashley Jones**

The Board, excluding Ashley Jones, considers the issue of Performance Rights to Mr Jones is reasonable given the Company's size and stage of development, and accordingly recommend Shareholders vote in favour of Resolution 10.

Mr Jones declines to make a recommendation as he has a material personal interest in the outcome of the Resolution.

8. Resolution 11: Approval of potential termination benefits under Equity Incentive Plan

8.1 Background

The Corporations Act contains certain limitations in relation to the payment of "termination benefits" to persons who hold a "managerial or executive office". The Listing Rules also provide certain limitations in relation to the payment of "termination benefits" to officers of listed companies.

As is common with employee incentive schemes, the Equity Incentive Plan provides the Board with the discretion to, amongst other things, determine that some or all of the Equity Securities granted to a participant under the Equity Incentive Plan (**Plan Securities**) will not lapse in the event of that participant ceasing their engagement with the Company before such Plan Securities have vested. This "accelerated vesting" of Plan Securities may constitute a "termination benefit" prohibited under the Corporations Act, regardless of the value of such benefit, unless Shareholder approval is obtained.

8.2 Resolution

Resolution 11 is an ordinary resolution to approve the giving of benefits under the Equity Incentive Plan to a person by the Company in connection with that person ceasing to be an officer of, or ceasing to hold a managerial or executive office in, the Company (or a subsidiary of the Company) for the purposes of Part 2D.2 of the Corporations Act.

8.3 Corporation Act requirements – Part 2D.2

Under section 200B of the Corporations Act, a company may only give a person a benefit in connection with them ceasing to hold a "managerial or executive office" (as defined in the Corporations Act) if an exemption applies or if the benefit is approved by shareholders in accordance with section 200E of the Corporations Act.

As set out in Section 8.1 above, under the terms of the Equity Incentive Plan and subject to the Listing Rules, the Board has the discretion to vary the terms or conditions of the Plan Securities.

However, the Board must obtain the consent of the participant in the Equity Incentive Plan before making any amendment to the terms of any granted Plan Security which reduces the rights of the participant in relation to that Plan Security, other than an amendment made primarily to:

- comply with legislation;
- correct any manifest error or mistake; or
- take into consideration possible adverse tax implications.

The Board has the power to determine that some or all of a participant's Plan Securities will not lapse in the event of the participant ceasing employment or office before the vesting of their Plan Securities. The

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Board's current intention is to only exercise this discretion where the person leaves employment or office without fault on their part.

The exercise of the Board's discretion may constitute a "benefit" for the purposes of section 200B of the Corporations Act. The Company is therefore seeking Shareholder approval for the exercise of the Board's discretion in respect of any current or future participant in the Equity Incentive Plan who holds:

- a managerial or executive office in, or is an officer of, the Company (or subsidiary of the Company) at the time of their leaving or at any time in the three years prior to their leaving; and
- Plan Securities at the time of their leaving.

8.4 Value of termination benefits

If Resolution 11 is approved, the value of the termination benefits may be disregarded when applying section 200F(2)(b) or section 200G(1)(c) of the Corporations Act (i.e. the approved benefit will not count towards the statutory cap under the Corporations Act).

The value of the termination benefits that the Board may give under the Equity Incentive Plan cannot be determined in advance. This is because there are various matters which will or are likely to affect that value. In particular, the value of a particular benefit will depend on factors such as the Company's Share price at the time of vesting and the number of Plan Securities that will vest or otherwise be affected. The following additional factors may also affect the termination benefit's value:

- the participant's length of service and the status of the vesting conditions attaching to the relevant Plan Securities at the time the participant's employment or office ceases; and
- the number of unvested Plan Securities that the participant holds at the time they cease employment or office.

In accordance with Listing Rule 10.19, the Company will ensure that no officer of the Company or any of its subsidiaries will, or may be, entitled to termination benefits if the value of those benefits and the termination benefits that are or may be payable to all officers together exceed 5% of the equity interests of the Company as set out in the latest accounts given to ASX under the Listing Rules.

8.5 Directors' recommendation

The Board unanimously recommends that Shareholders vote in favour of Resolution 11.

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9. Interpretation

In the Notice of General Meeting and this Explanatory Statement, the following terms have the following meaning unless the context otherwise requires:

A\$ or \$	Australian dollars.
ASIC	The Australian Securities & Investments Commission.
Associate	Has the meaning given to that term in the Listing Rules.
ASX	ASX Limited (ACN 008 624 691) or the financial market known as the Australian Securities Exchange operated by ASX Limited, as the context requires.
Board	The Board of Directors of the Company.
Business Day	Has the meaning given to that term in Chapter 19 of the Listing Rules.
Chairperson	The chair of the General Meeting.
Closely Related Party	Has same meaning given to that term in section 9 of the Corporations Act, being, in relation to a member of Key Management Personnel: (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) (currently none are prescribed).
Company	Star Minerals Limited ACN 633 936 526.
Corporations Act	The <i>Corporations Act 2001</i> (Cth).
Director	A director of the Company.
Drillabit	Drillabit Pty Ltd (ACN 166 230 664).
Equity Incentive Plan	The Company's Equity Incentive Plan.
Equity Security	Has the meaning given to that term in ASX Listing Rule 19.12, and includes a Share, a right to a Share or Option, an Option, a convertible Security and any Security that ASX decides to classify as an Equity Security.
Exempt Investor	An investor to whom, pursuant to section 708 of the Corporations Act, securities may be offered without disclosure under Chapter 6D of the Corporations Act, including a 'sophisticated investor' or 'professional investor' under the Corporations Act.
Explanatory Statement	This explanatory statement which accompanies and forms part of the Notice.
General Meeting	or The general meeting of Shareholders or any adjournment thereof, convened by the Notice.

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Key Management Personnel	Has the same meaning as the definition of that term in section 9 of the Corporations Act, being those persons having authority and responsibility for planning, directing and controlling the activities of the Company, directly or indirectly, including any Director (whether executive or otherwise).
Listing Rules	The Listing Rules of ASX, as amended from time to time.
Non-Related Party Placement Participant	Has the meaning given to that term in Section 4.1.
Notice of General Meeting or Notice of Party	The notice of general meeting which accompanies this Explanatory Statement.
Option	An option to subscribe for a Share.
Pinny	Pinny Pty Ltd (ACN 630 629 560).
Placement	Has the meaning given to that term in Section 4.1.
Placement Option	An attaching Option issued under the Placement, with an exercise price of \$0.06 and an expiry 3 years from the date of issue and otherwise on the terms summarised in Schedule 2 to this Explanatory Statement.
Placement Participant	An investor in the Placement.
Placement Share	Has the meaning given to that term in Section 4.1.
Proxy Form	A proxy form accompanying the Notice.
Resolution	A resolution set out in the Notice.
Section	A section of this Explanatory Statement.
Share	A fully paid ordinary share in the Company.
Shareholder	The holder of a Share.
Spark Plus	Spark Plus Pte Ltd.
WST	Australian Western Standard Time, being the time in Perth, Western Australia.

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Schedule 1 – Summary of Equity Incentive Plan

Item	Details
Eligibility	<p>The following persons of the Company are eligible to participate in the Equity Incentive Plan:</p> <ul style="list-style-type: none"> • an employee of the Company or any of its Associated Entities; • a director of the Company or any of its Associated Entities; • an individual who provides services to the Company or any of its Associated Entities; • any other person who is a 'primary participant' as defined in section 1100L(1)(a) of the Corporations Act in relation to the Company or any of its Associated Entities; or • any other person who is a 'related person' as defined in section 1100L(1)(b) of the Corporations Act of a 'primary participant' referred to above, <p>(Eligible Persons).</p>
Awards	<p>Awards issued under the Equity Incentive Plan includes any share-based incentive award, including:</p> <ul style="list-style-type: none"> • shares; • options to subscribe for a share issued in accordance with the Equity Incentive Plan and subject to the satisfaction of any vesting conditions, performance conditions and/or exercise conditions and payment of the relevant exercise price; or • performance rights which provide entitlements to be issued with shares, subject to the satisfaction of any vesting conditions and/or performance conditions, <p>(Awards).</p> <p>Awards may, among other things, be loan-funded or issued as tax-deferred incentives under Australian tax legislation.</p>
Administration	<p>Subject to the requirements of the Listing Rules and the Corporations Act, the Board will administer the Equity Incentive Plan and determine:</p> <ul style="list-style-type: none"> • the persons to whom the awards will be offered under the Equity Incentive Plan; and • the number of awards which may be offered to those persons.
Restriction conditions	<p>Awards may be subject to restriction conditions (such as a period of employment) which must be satisfied before the underlying Shares can be sold, transferred, or encumbered.</p>
Limits on Issue	<p>The Company must not make an offer of Awards for 'monetary consideration' (within the meaning of section 1100Q of the Corporations Act) Monetary Offers for Awards that are subject to the ESS Division to the extent doing so would contravene the 'issue cap' under section 1100W of the Corporations Act.</p> <p>The following will be excluded from the calculation of the 'issue cap' unless and to the extent they are required by applicable law to be included in such calculation:</p> <ul style="list-style-type: none"> • Awards which are issued by the Company in circumstances where the Company does not rely upon Division 1A of Part 7.12 of the Corporations

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	<p>Act (ESS Division) or a similar exemption or modification to the Corporations Act granted by ASIC; and</p> <ul style="list-style-type: none"> • Awards offered in the following circumstances: <ul style="list-style-type: none"> ○ an Offer made to a person situated outside of Australia at the time of receipt of the Offer; ○ an Offer that did not need disclosure to the Eligible Person because of section 708 or section 1012D of the Corporations Act; or ○ an Offer made pursuant to a 'disclosure document' (as defined in the Corporations Act). <p>Awards may not be issued to any person to whom the issue of those Awards would require the approval of Shareholders under the Corporations Act, the Listing Rules or other applicable law unless:</p> <ul style="list-style-type: none"> • approval is given by Shareholders in general meeting in accordance with the applicable legal requirements; or • the issue of those Awards falls within a relevant exception to the applicable law.
<p>Offer and Acceptance of Awards</p>	<p>Following determination that an Eligible Person may participate in the Equity Incentive Plan, the Board may from time to time make an offer in writing to an Eligible Person. Each offer must specify:</p> <ul style="list-style-type: none"> • the date of the offer, and the final date by which the offer must be accepted; • the name and address of the Eligible Person to whom the offer is made; • the type of awards being offered; • the maximum number of awards being offered; • in the case of Options, the exercise price and the exercise period; • the vesting conditions (if any), the performance conditions and performance period (if any), the test dates (if any) and/or exercise conditions (if any) relating to the awards being offered; • the term and expiry date or end date (if any); • the summary of any rights attaching to the awards; • agreement with the Eligible Person for the Company to supply details to third parties (including the share registry of the Company) where required by law; and • any other matters required to be specified in the Offer by the Corporations Act, including the ESS Division.
<p>Vesting of Awards</p>	<p>The Board may, at its absolute discretion, determine that awards issued will be subject to vesting conditions (e.g. performance milestones) and in those circumstances, awards cannot vest in the Eligible Person until such time as those vesting conditions have been satisfied or waived.</p> <p>If the vesting conditions are not satisfied, the awards will lapse or be cancelled.</p>

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<p>Plan Shares</p>	<p>Any share received pursuant to an award under the Equity Incentive Plan by an Eligible Person (Plan Share) will:</p> <ul style="list-style-type: none"> • be credited as fully paid; • rank equally in all respects with shares already on issue (except for entitlements which had a record date before the date of issue or transfer of the Plan Share); and • be subject to any restrictions imposed under the Equity Incentive Plan. <p>The Company will apply for quotation of Plan Shares as soon as practicable following the issue of those Plan Shares.</p>
<p>Dividends and Voting Rights</p>	<p>Plan Shares</p> <p>An Eligible Person who holds awards which are Plan Shares is entitled to receive:</p> <ul style="list-style-type: none"> • a notice of meeting of shareholders and may exercise any voting rights attaching to those Plan Shares; and • income deriving from those Plan Shares, including dividends and distributions declared or paid on those Plan Shares. <p>Convertible Securities</p> <p>Holders of convertible securities do not have any of the following rights unless and until Plan Shares are allocated or acquired on vesting and exercise:</p> <ul style="list-style-type: none"> • the right to receive notice of, attend and vote at general meetings of the Company; • the right to dividends by the Company; • the right to a return of capital by the Company; or • the right to participate in the surplus assets of the Company on winding-up.

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Schedule 2 – Material Terms of Placement Options

Item	Details
Entitlement	One Share per Placement Option.
Exercise price	\$0.06 per Placement Option.
Expiry date	3 years from the date of issue (Expiry Date).
Quotation	The Company will not apply to ASX for official quotation of the Options. The Company will apply to ASX for Official Quotation of the Shares issued on exercise of Options
Transfer	The Options are transferable, subject to applicable law.
Expiry and cancellation	Any Option not exercised by the Expiry Date will automatically expire and be cancelled.
Rights of participation	The Option Holder is not entitled to participate in any new issue to Shareholders of Securities in the Company unless it has exercised its Options before the record date for determining entitlements to the new issue of Securities and participate as a result of holding Shares.
Bonus issues	If the Company makes a bonus issue of Shares or other Securities to Shareholders (except an issue in lieu of dividends or by way of dividend reinvestment) and a Share has not been issued in respect of the Option before the record date for determining entitlements to the issue, then the number of underlying Shares over which the Option is exercisable will be increased by the number of Shares which the Option Holder would have received if the Option Holder had exercised the Option before the record date for determining entitlements to the issue.
Reorganisation	If there is a reorganisation (including consolidation, sub-division, reduction or return) of the share capital of the Company, then the rights of the Option Holder (including the number of Options to which the Option Holder is entitled to and the Exercise Price) will be changed to the extent necessary to comply with the Listing Rules applying to a reorganisation of capital at the time of the reorganisation.
Governing law	Western Australia

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Schedule 3 – Terms and Conditions of Performance Rights

Item	Details
Entitlement	Entitlement to be issued with one Share, subject to satisfaction of the specified performance criteria.
Governance	Issued under and subject to the Equity Incentive Plan Rules.
Expiry date	3 years from the date of grant.
Exercise price	Nil
Performance Criteria	<p>A Performance Right automatically vests in the holder upon satisfaction or achievement of the following conditions:</p> <p>(a) in relation to one third of the Performance Rights, by the date that is 3 years from the grant date of the Performance Rights, the Company's share price trades on or above a 20-day VWAP of \$0.08, being an 82% increase from the closing price of the Company's shares of \$0.044 as at 31 August 2023 (Tranche 1 Performance Rights);</p> <p>(b) in relation to one third of the Performance Rights, by the date that is 3 years from the grant date of the Performance Rights, the Company's share price trades on or above a 20-day VWAP of \$0.10, being a 127% increase from the closing price of the Company's shares of \$0.044 as at 31 August 2023 (Tranche 2 Performance Rights); and</p> <p>(c) in relation to one third of the Performance Rights, by the date that is 3 years from the grant date of the Performance Rights, the Company's share price trades on or above a 20-day VWAP of \$0.12, being a 173% increase from the closing price of the Company's shares of \$0.044 as at 31 August 2023 (Tranche 3 Performance Rights).</p>
Expiry and forfeiture	Each Performance Right that has not vested will automatically lapse and will be cancelled if at midnight on the Expiry Date if the Performance Criteria is not achieved.
Quotation	<p>The Company will not apply for quotation on ASX of the Performance Rights.</p> <p>The Company will apply to ASX for quotation of Shares issued on vesting and exercise of the Performance Rights.</p>
Transfer	A Performance Right is not transferrable, other than as permitted under the Equity Incentive Plan Rules.
New issues of securities	A holder is not entitled to participate in any new issue of securities in the Company to be issued to shareholders of the Company unless the holder's Performance Rights (or any of them) have vested and the Shares have been issued before the record date for determining entitlements to the new issue of Securities and participate as a result of holding Shares.
No voting rights	Performance Rights do not confer any right to vote at general meetings of shareholders of the Company.
No dividend entitlement	Performance Rights do not confer any entitlement to dividends declared by the Company.

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<p>No rights to capital</p>	<p>Performance Rights do not confer any right to:</p> <ul style="list-style-type: none"> (a) a return of capital, whether upon winding up, upon a reduction of capital or otherwise; or (b) to participate in the surplus profit or assets of the Company upon winding-up of the Company.
<p>Reorganisation</p>	<ul style="list-style-type: none"> (a) If there is a reorganisation (including consolidation, sub-division, reduction or return) of the share capital of the Company, then the rights of the Holder in relation to each class of Performance Rights held by the holder will be changed to the extent necessary to comply with the ASX listing rules applying to a reorganisation of capital at the time of the reorganisation. (b) Any calculations or adjustments which are required to be made in relation to paragraph (a) will be made by the Company's Board of Directors and will, in the absence of manifest error, be final and conclusive and binding on the Company and the holder. (c) The Company must, within a reasonable period of a reorganisation paragraph (a) occurring, give to the holder notice of any change to the number of Shares which the holder is entitled to receive under the entitlement for a class of Performance Rights.
<p>Issue of Shares</p>	<p>Subject to the Company's constitution, all Shares issued in relation to the entitlement for a class of Performance Rights will rank in all respects (including rights relating to dividends) equally with the existing ordinary shares of the Company at the date of issue.</p>
<p>Vesting on change of control</p>	<p>In the event that:</p> <ul style="list-style-type: none"> (a) a person, or a group of associated persons, becoming entitled to sufficient Shares to give that person or persons the ability, in a general meeting, to replace all or a majority of the Board; (b) a takeover bid under Chapter 6 of the Corporations Act is made in respect of the Company under which acceptances have been received for more than 50% of the Company's shares on issue and the bid is declared unconditional by the bidder; or (c) a Court grants 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 (including under Part 5.1 of the Corporations Act, <p>prior to the Performance Criteria being achieved for any of the Performance Rights (Unvested Rights) being achieved, then all of the Unvested Rights on issue will vest.</p>
<p>Deferral of vesting</p>	<p>If the vesting of any class of Performance Rights (or any part thereof) would result in any person being in contravention of section 606(1) of the Corporations Act (Takeover Restriction) then:</p> <ul style="list-style-type: none"> (a) the vesting of those Performance Rights (or any part thereof) will be deferred until such later time or times that the vesting would not result in a contravention of the Takeover Restriction; (b) a holder may give written notification to the Company if they consider that the vesting of those Performance Rights (or any part thereof) may result in the contravention of the Takeover Restriction, failing which the Company may assume the vesting of those Performance Rights will

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	<p>not result in any person being in contravention of the Takeover Restriction; and</p> <p>(c) 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 (b) within 7 days if the Company considers that the vesting of those Performance Rights (or any part thereof) may result in a contravention of the Takeover Restriction. If the holder does not give notification to the Company within 7 days that they consider the vesting of the Performance Rights (or part thereof) may result in the contravention of the Takeover Restriction, then the Company may assume that the vesting of the Performance Rights (or part thereof) will not result in any person being in contravention of the Takeover Restriction.</p>
<p>Amendments required by ASX</p>	<p>These terms may be amended as necessary by the Company's Board of Directors in order to comply with the ASX listing rules (if applicable), or any directions of ASX (if applicable) regarding the terms, provided that, subject to compliance with the ASX listing rules, the economic and other rights of the holder are not diminished or terminated following such amendment.</p>
<p>Governing law</p>	<p>These terms and the rights and obligations of the holder are governed by the laws of Western Australia. The holder irrevocably and unconditionally submits to the non-exclusive jurisdiction of the courts of Western Australia in this respect.</p>