

**Silica Resources Australia Limited**  
**ACN 655 231 066**

## **Notice of Extraordinary General Meeting**

### **Explanatory Statement and Proxy Form**

**Date of Meeting:** Thursday, 21 August 2025

**Time of Meeting:** 9am AEST

**Location of Meeting:** via Zoom

**Registration:**

[https://vistra.zoom.us/webinar/register/WN\\_AryNP\\_8RS7KMx98RUosP0w](https://vistra.zoom.us/webinar/register/WN_AryNP_8RS7KMx98RUosP0w)

for further details please email [jessica.cahill@vistra.com](mailto:jessica.cahill@vistra.com) for further instructions.

**Independent Expert's Report:** Shareholders should carefully consider the Independent Expert's Report prepared by the Independent Expert for the purposes of the Shareholder approval required under section 611 (item 7) of the *Corporations Act 2001* (Cth) (**Corporations Act**) as set out the Resolution. The Independent Expert's Report comments on the fairness and reasonableness of the of the issue of the Conversion Shares and various option shares the subject of the Resolution and has concluded that such issue is not fair but reasonable to the current Shareholders in the Company who are not associated Wahl Citadel Pty Ltd as trustee of the Wahl Citadel SRA Fund.

**ASIC Involvement:** A copy of this Notice was lodged on 30 July 2025 with ASIC pursuant to ASIC Regulatory Guide 74. Neither ASIC nor any of its officers take any responsibility for the contents of this Notice nor the Explanatory Statement.

**Short Notice:** The Company notes that shareholders with at least 95% of the votes that may be cast at the meeting have agreed in accordance with section 249H(2) of the Corporations Act to receive a shorter period of notice of the meeting than prescribed in section 249H(1) of the Corporations Act.

*This Notice and the Explanatory Statement should be read in their entirety. If Shareholders are in doubt as to how they should vote, they should seek advice from their accountant, solicitor or other professional advisor without delay.*

**Registered Office: Suite 2, Level 11, 385 Bourke Street, Melbourne VIC 3000**

## NOTICE OF EXTRAORDINARY GENERAL MEETING

Notice is hereby given for a Meeting of Shareholders of Silica Resources Australia Limited (the “Company”) to be held on Thursday, 21 August 2025 via Zoom, at 9.00am (AEST) (“Meeting”).

Shareholders are encouraged to submit their proxies as early as possible and in any event prior to the cut-off for proxy voting as set out in the Notice of Meeting (“**Notice**”). To lodge your proxy, please follow the directions on your personalised proxy form. Shareholders attending the meeting virtually will be able to ask questions via the zoom platform.

**Topic:** Silica Resources Australia Limited Extraordinary General Meeting 21 August 2025

**Registration Link:** [https://vistra.zoom.us/webinar/register/WN\\_AryNP\\_8RS7KMx98RUosP0w](https://vistra.zoom.us/webinar/register/WN_AryNP_8RS7KMx98RUosP0w)

After registering, you will receive a confirmation email containing information about joining the Meeting. The Company strongly recommends its Shareholders to lodge a directed proxy as soon as possible in advance of the Meeting even if they are planning to attend the Meeting online.

The Company is happy to accept and answer questions submitted prior to the Meeting by email to [rtindall@silicaresources.com.au](mailto:rtindall@silicaresources.com.au). The Company will address relevant questions during the Meeting or by written response after the Meeting (subject to the discretion of the Company not to respond to unreasonable and/or offensive questions).

### Further information

Any Shareholder wishing to attend the Meeting should monitor the Company’s website for any updates about the Meeting. If it becomes necessary or appropriate to make alternative arrangements for holding or conducting the Meeting, the Company will make further information available through its website at [www.silicaresources.com.au](http://www.silicaresources.com.au).

In accordance with the Corporations Act 2001 (Cth) (“**Corporations Act**”) which provides for permanent relief for companies to use electronic communications to send meeting materials, no hard copy of the Notice of Meeting, Explanatory Statement and Proxy Form (“**Meeting Materials**”) will be circulated, unless Shareholders have elected to receive the Meeting Materials in paper form. The Meeting Materials have been given to those entitled to receive them by use of one or more technologies. A copy of the Meeting Materials is available on demand by contacting the Managing Director and CEO, Rob Tindall, on [rtindall@silicaresources.com.au](mailto:rtindall@silicaresources.com.au).

The Explanatory Statement and Proxy Form, which accompany and form part of this Notice, including defined terms, describe in more detail the matters to be considered at the Meeting. Please consider this Notice, the Explanatory Statement and the Proxy Form in their entirety.

# Agenda

## ORDINARY BUSINESS

**Resolution: Approval of the issue to Wahl Citadel Pty Ltd as trustee of the Wahl Citadel SRA Fund of Shares upon conversion of the Convertible Note, of the Deferred Shares and of Shares upon the exercise of the Capital Raising Options, and the resulting increase in its voting power.**

To consider and, if thought fit, to pass the following resolution as an **ordinary resolution**:

*“That for the purpose of section 611 (item 7) of the Corporations Act and for all other purposes, approval is given for:*

- (a) the issue of Shares to Wahl Citadel Pty Ltd as trustee of the Wahl Citadel SRA Fund upon conversion of the Convertible Note pursuant to the Convertible Loan Agreement;*
- (b) the issue of the Deferred Shares to Wahl Citadel Pty Ltd as trustee of the Wahl Citadel SRA Fund; and*
- (c) the issue of Shares to Wahl Citadel Pty Ltd as trustee of the Wahl Citadel SRA Fund upon the exercise of Capital Raising Options; and*
- (d) the increase in the voting power of Wahl Citadel Pty Ltd as trustee of the Wahl Citadel SRA Fund and its Associates as a result of the issue of Shares under paragraphs (a), (b) and (c) of this Resolution up to 49.37% (on a fully diluted basis),*

*on the terms and conditions set out in the Explanatory Memorandum accompanying this Notice.”*

**Voting exclusion:** The Company will disregard any votes cast in favour this Resolution by, or on behalf of Wahl Citadel Pty Ltd as trustee of the Wahl Citadel SRA Fund, and any of its Associates.

By order of the Board



**Peter Lansom**  
**Chair**  
15 August 2025

## Notes

1. **Entire Notice:** The details of the Resolution are contained in the Explanatory Statement accompanying this Notice and should be read together with, and form part of, this Notice.
2. **Record Date:** The Company has determined that for the purposes of the Meeting, shares will be taken to be held by the persons who are registered as holding the shares on the date 48 hours before the date of the Meeting. Only those persons will be entitled to vote at the Meeting and transfers registered after that time will be disregarded in determining entitlements to attend and vote at the Meeting.
3. **Proxies:**
  - (a) Votes at the Meeting may be given personally or by proxy, attorney, or representative.
  - (b) Each Shareholder has a right to appoint one or two proxies.
  - (c) A proxy need not be a Shareholder of the Company.
  - (d) If a Shareholder is a company, it must execute under its common seal or otherwise in accordance with its constitution.
  - (e) Where a Shareholder is entitled to cast two or more votes, the shareholder may appoint two proxies and may specify the proportion or number of votes each proxy is appointed to exercise.
  - (f) If a Shareholder appoints two proxies, and the appointment does not specify the proportion or number of the Shareholder's votes, each proxy may exercise half of the votes. If a shareholder appoints two proxies, neither proxy may vote on a show of hands.
  - (g) A proxy must be signed by the Shareholder or their attorney who has not received any notice of revocation of the authority. Proxies given by corporations must be signed in accordance with corporation's constitution and the Corporations Act.
  - (h) To be effective, proxy forms must be received by the Company no later than 48 hours before the commencement of the Meeting, this is no later than 9:00am (AEST) on 19 August 2025. Any proxy received after that time will not be valid for the scheduled Meeting.

Completed proxy forms must be send via email to [jessica.cahill@vistra.com](mailto:jessica.cahill@vistra.com) or submitted via post to the Company, C/- Jessica Cahill, Suite 2, Level 11, 385 Bourke Street, Melbourne VIC 3000.

#### 4. **Corporate Representative**

Any corporate Shareholder who has appointed a person to act as its corporate representative at the Meeting must provide that person with a certificate or letter executed in accordance with the Corporations Act authorising them to act as that Company's representative. The authority may be sent to [jessica.cahill@vistra.com](mailto:jessica.cahill@vistra.com) in advance of the Meeting or handed in at the Meeting when registering as a corporate representative.

#### 5. **How the Chair will vote Undirected Proxies**

The Chair of the Meeting will vote undirected Proxies in favour of the Resolution.

## Explanatory Statement Introduction

This Explanatory Statement is included in, and forms part, of the Notice. The purpose of this Explanatory Statement is to provide Shareholders with the information they require to make an informed decision on the Resolution.

If you are in doubt as to how to vote, you should seek advice from your accountant, solicitor, tax advisor or other professional adviser prior to voting. It is important that you read this Explanatory Statement in its entirety for a detailed explanation of the Resolution.

**Resolution: Approval of the issue to Wahl Citadel Pty Ltd as trustee of the Wahl Citadel SRA Fund of Shares upon conversion of the Convertible Note, of the Deferred Shares and of Shares upon the exercise of the Capital Raising Options, and the resulting increase in its voting power.**

### 1. Convertible Loan Agreement

On 25 June 2023 the Company entered into a Convertible Loan Agreement, as amended, ("**Convertible Loan Agreement**") with Wahl Citadel Pty Ltd as trustee of the Wahl Citadel SRA Fund ("**Wahl Citadel**"). The purpose for the entry into the Convertible Loan Agreement was to raise funding for the Company ("**Specified Purpose**") to exercise an option to acquire all of the issued share capital of Mourilyan Silica Resources Pty Ltd ("**MSR**"). Subsequently, the Company exercised its option(s) and acquired 100% of MSR. MSR holds the Mourilyan Silica Sands Project ("**MSS Project**"). In addition to drawing down the loan, the Company issued to Wahl Citadel the CN Options (as defined in Section 5) and the Company and MSR entered into General Security Deeds ("**GSDs**") with Wahl Citadel over all of the assets of the Company and MSR to secure performance of the Company's obligations under the Convertible Loan Agreement.

As at the Last Practical Date<sup>1</sup> before this Notice, under the Convertible Loan Agreement:

- (a) Wahl Citadel has advanced a total of \$13,500,000 to the Company which is outstanding ("**Loan Amount**");
- (b) the Company owes Wahl Citadel accrued interest of \$2,548,005.49 ("**Interest Amount**").

On 16 January 2025, Wahl Citadel requested the Company obtain required board and shareholder approvals for the issue of Shares in repayment of the Loan Amount and the Interest Amount (together, the "**Outstanding Amount**") in the event that Wahl Citadel issues a Conversion Notice and for the issue of the Deferred Shares (as discussed in Section 2).

See Section 5 for further information on the terms of the Convertible Loan Agreement.

### 2. Deferred Shares

As at the date of this Notice, Wahl Citadel has issued a notice to exercise all of the CN Options. The Company has already issued 8,351,175 Shares and following the exercise has the obligation to issue a further 8,591,245 Shares to Wahl Citadel, upon demand, as and when Wahl Citadel is entitled to be issued the Shares without breaching s606 of the Corporations Act ("**Deferred Shares**").

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<sup>1</sup> The Last Practical Date is 30 June 2025. Interest accrued after the Last Practical Date unless otherwise agreed will be paid in cash subject to the terms of the senior debt arrangement.

### 3. Capital Raising Options

In November and December 2024, the Company undertook a capital raising at \$0.40 per Share.

The Company invited Wahl Citadel to participate in its capital raising but Wahl Citadel could not subscribe for Shares as its voting power exceeded 20%. Wahl Citadel offered to participate in the capital raising by subscribing for the options which were to be issued at the same price as the capital raising, that is, paid for in full despite the Shares not being able to be issued. As such, Wahl Citadel paid \$0.40 per option, which was the price at which the Company was issuing Shares in the capital raising.

In May and June 2025 the Company undertook a further capital raising at \$0.75 and again invited Wahl Citadel to participate and again Wahl Citadel offered to participate in the capital raising by subscribing for the options which were to be issued at the same price as the capital raising, that is, paid for in full despite the Shares not being able to be issued.

Accordingly,

- 12,500,000 options were granted to Wahl Citadel in December 2024; and
- 13,333,334 options were granted to Wahl Citadel in May/June 2025; and
- up to 2,666,667 options may be granted to Wahl Citadel after July 2025,

(“**Capital Raising Options**”).

The Capital Raising Options were issued on the following terms:

- (a) each option entitles Wahl Citadel to one Share in the Company and each Share will rank equally with the other issued Shares in the Company (“**Capital Raising Shares**”);
- (b) the grant of options does not have an expiry date;
- (c) each option has an issue price of \$0.40 for those issued in December 2024 and or \$0.75 for those issued in May and July 2025;
- (d) each option has an exercise price of nil;
- (e) each options is exercisable at any time;
- (f) the options do not entitle Wahl Citadel to any dividends and do not entitle Wahl Citadel to notice of, to attend or to vote at, meetings of Shareholders;
- (g) if, prior to the exercise of the options, the Company makes a bonus issue to Shareholders, the number of Shares that Wahl Citadel is entitled to will be increased to reflect what they would have received had they already exercised their options prior to the bonus issue;
- (h) Wahl Citadel cannot take part in a new issue of securities offered to Shareholders unless they exercise their options and receive the Share prior to the date for the determination of entitlement to the new issue;
- (i) the options are non-transferable; and
- (j) in the event of an initial public offering or proposed sale to a third party of all, or substantially all, of the issued securities in the Company, the Board may declare that some or all of the options vest and required that the options be exercised on a particular date.

Wahl Citadel has stated that it will issue a notice of exercise for these Options if and when the Resolution is passed.

#### 4. Wahl Citadel

Wahl Citadel is an investment manager operating managed investment schemes with various assets types, including in mining, property development and litigation funding. Wahl Citadel's position in the Company is held in its capacity as trustee of the Wahl Citadel SRA Fund.

Wahl Citadel is an entity associated with Mr Mark Pitcher, a non-executive director of the Company.

Wahl Citadel and its Associates currently hold:

- 45,966,950 Shares representing 21.8% of the issued shares of the Company;
- the rights to be issued 8,591,245 Deferred Shares and
- 12,500,000 Capital Raising Options from 20 December 2024 and 13,333,334 Capital Raising Options from 30 June 2025

and through its ongoing participation in the Company's current capital raise could be issued with a further up to 2,666,667 Capital Raising Options post July 2025, which provides Wahl Citadel and its Associates with a potential 49.37% relevant interest in the total issued share capital of the Company on a fully diluted basis.

The Company's equity structure and Wahl Citadel's interest and potential interest is set out below.

Securities type	Number as at 25 July 2025	% total (fully diluted)	Wahl's Position (assuming full conversion and fully diluted)
Ordinary Shares on issue	210,965,784	63.77%	Wahl and Associates hold 45,966,950 Shares (13.90%)
Options	28,333,334	8.57%	12.5M options issued @ \$0.40 on 20 Dec 2024 + 13.3M options issued @ \$0.75 under current cap raise (7.80%%)
Wahl Citadel's Conversion Shares & Interest	80,240,025	24.26%	Conversion Shares if issued (24.26%)
Options to be issued to Wahl after July 2025	2,666,667	0.81%	\$2M cap raise funds expected to be received after July 2025 (0.81%)

Wahl's Deferred Shares	8,591,245	2.60%	To be issued pursuant to Shareholder approval of the Resolution (2.60%)
<b>TOTAL</b>	330,797,055	100%	49.36%

Wahl Citadel has been one of the Company's main capital partners for the past two years, having:

- provided funds to enable the Company to acquire MSR and, through MSR, the MSS Project, exercised all of the CN Options approximately a year earlier than their expiry;
- provided liquidity opportunities to some smaller selling shareholders;
- supported the Company's capital raise in November/December 2024 to fund working capital & phase 1 of project construction; and
- led the capital raise the Company is currently undertaking to fund working capital and the purchase of a number of high value properties and to support the balance sheet to meet the requirements of the Company's chosen senior debt provider.

The support that Wahl Citadel has provided the Company has resulted in Wahl Citadel having more than 20% of the voting power of the Company and, therefore being restricted from purchasing or being issued with further Shares, except in certain limited circumstances. This means that, without the approval of Shareholders, the Corporations Act prevents Wahl Citadel from having the Outstanding Amount paid through the issue of Shares.

In addition, as the Company moves towards taking on senior debt, the senior lender has requested that Wahl Citadel enters into an agreement with the senior lender and the Company to subordinate its rights to the senior lender and to "standstill" by not being paid interest or principal on the Convertible Loan whilst the senior lender has advanced funds. This means that Wahl Citadel cannot have the Outstanding Amount paid in cash, even though it has the right to request a cash repayment at any time after 30 June 2026.

As Wahl Citadel is effectively prevented from repayment of the Outstanding Amount through the issue of Shares or through cash, Wahl Citadel has requested the Company seek the approval of its Shareholders to allow the Outstanding Amount being paid through the issue of Shares to ensure that it has some ability to have the Convertible Loan Agreement repaid should it wish to do so.

## 5. MSR Update

The MSS Project is a high-purity silica flour processing mine and facility, located approximately 100km south-southeast of Cairns and 30km south of Innisfail.

The latest updates can be found here [News and Updates | Silica Resources Australia](#). The Company intends to issue a further MSS Project update to Shareholders before the end of July. Also see Section 3.2 of the Independent Expert Report for further information on the status of the MSS Project.



## 6. Convertible Loan Agreement Terms

A summary of the key terms of the Convertible Loan Agreement are set out in this Section. Capitalised terms in this Section not otherwise defined have the meaning as set out in the Convertible Loan Agreement.

### Loan

Originally Wahl Citadel agreed to lend the Company up to \$8,000,000 in two advancements of equal instalments. This was amended to become a facility of \$13,500,000 which has been fully drawn.

The funds advanced by Wahl Citadel may only be used by the Company for the Specified Purpose, unless otherwise agreed by the parties.

### Interest

Interest is payable on the Loan Amount at a rate of 10% per annum (or such other rate as agreed to between the parties).

### CN Options

For each \$1 advanced by Wahl Citadel to the Company, the Company was obliged to issue two options ("**CN Options**") whereby:

- (a) each option entitles Wahl Citadel to one Share;
- (b) each option has an exercise price of \$0.0625; and
- (c) each option was exercisable until 16 May 2025.

In the circumstances where Wahl Citadel advanced funds of \$6,500,000 or more, then in addition to the above options, the Company was obliged to issue Wahl Citadel an additional option for every \$1 advanced.

As at the date of this Notice, Wahl Citadel has issued a notice to exercise and paid the exercise price for all of the CN Options, where 8,351,175 Shares have been issued and the Company has agreed to issue 8,591,245 Shares ("**Deferred Shares**") on demand (as discussed in Section 2).

### Repayment

The Outstanding Amount must be repaid by the Company:

- (a) through the issue of Shares ("**Conversion Shares**");
- (b) by repayment in cash at any time after 30 June 2026; or
- (c) if an Event of Default occurs.

### Repayment through the issue of Conversion Shares

Wahl Citadel may request, at any time, repayment of the Outstanding Amount by way of issue of the Conversion Shares.

Where Wahl Citadel requests that the Outstanding Amount be repaid through the issue of Conversion Shares, the Company must issue the maximum number of Conversion Shares that can be issued without Shareholder approval.

Where Shareholder approval is required under the Corporations Act, the Company must seek Shareholder approval as soon as practicable having regard to all relevant laws and regulations. Subject to compliance with the applicable laws and regulations, the Company must recommend Shareholders vote in favour of the issue of the Conversion Shares to Wahl Citadel.

Each Conversion Share will rank equally with the existing shares on issue by the Company. Upon the issue of the Conversion Shares, the Company must issue Wahl Citadel a preference share that allow Wahl Citadel to appoint two directors of its choosing to the Company's board.

#### Directors

After Wahl Citadel advanced \$3,000,000 to the Company, Wahl Citadel had the right to appoint one director to the Company's board during the term of the loan. Currently that appointee is Mark Pitcher.

In a Deed of Variation to the Convertible Loan Agreement dated 17 September 2024, Wahl Citadel's appointment power increased to two directors. As at the date of this Notice, Wahl Citadel has not appointed a second director.

#### Consequences of a failure to obtain Shareholder approval

Where the Company has issued the maximum number of Conversion Shares that can be issued without Shareholder approval, and the Company, having been requested by Wahl Citadel, fails to obtain Shareholder approval required for the issue of the remaining Conversion Shares, the Company is required to repay Wahl Citadel in accordance with the following formula:

- (a) Repayment amount = ( Max RS – Issued RS ) x FRP
  - (i) Max RS = the maximum number of Conversion Shares;
  - (ii) Issued RS = the number of Conversions Shares actually issued without shareholder approval; and
  - (iii) FSP = the share price for the shares which is the highest price per share where shares are issued after the date of the Convertible Loan Agreement; or \$0.80, whichever is higher.
- (b) The number of Conversion Shares (required for the Max RS) is determined in accordance with the following formula:
  - (i) Conversion Shares = P / IP
    - (A) P = the amount outstanding that has been required to be repaid; and
    - (B) IP = the issue price for the Conversion Shares which is \$0.20 or where shares are issued after the date of the Convertible Loan Agreement, other than on the exercise of options as at the date of the Convertible Loan Agreement, the lowest price per share, whichever is lower.

## **7. Statutory Prohibition**

Wahl Citadel currently holds 19.52% and together with its Associates, holds a combined total of 21.8% of the issued shares. Wahl Citadel is prohibited from acquiring further shares in the Company without availing of an exception under the Corporations act, including by obtaining Shareholder approval for the purposes of section 611 (item 7) of the Corporations Act. Without such Shareholder approval, Wahl Citadel is prohibited from being issued the Conversion Shares in accordance with the Convertible Loan Agreement.

Further, without Shareholder approval, Wahl Citadel is prohibited from being issued with the Deferred Shares and any Capital Raising Shares following the exercise of the Capital Raising Options.

#### Section 606 of the Corporations Act – Statutory Prohibition

Pursuant to section 606 of the Corporations Act a person is prohibited from acquiring a relevant interest in issued voting shares in an unlisted company with more than 50 members if because of the acquisition that person's or someone else's voting power in the company increases

- (a) from 20% or below, to more than 20%; or
- (b) from a starting point that is above 20% and below 90%.

#### Relevant interest

Under section 608 of the Corporations Act, a person has a relevant security interest if they are:

- (a) are the holder of the securities; or
- (b) have power to exercise, or control the exercise of, a right to vote attached to securities; or
- (c) have power to dispose, or control the exercise of a power to dispose of, the securities.

#### Voting Power

The voting power of a person in a body corporate is determined in accordance with section 610 of the Corporations Act.

The calculation of a person's voting power in a company involves determining the voting shares in a company in which the person and the person's associates have a relevant interest.

#### Associate

A person (second person) will be an 'Associate' of the other person (first person) if:

- (a) the first person is a body corporate and the second person is:
  - (i) a body corporate the first person controls;
  - (ii) a body corporate that controls the first person; or
  - (iii) a body corporate that is controlled by an entity that controls the first person;
- (b) the second person has entered, or proposes to enter, into a relevant agreement with the first person for the purposes of controlling or influencing the composition of the company's board or the conduct of the company's affairs; and
- (c) the second person is a person with whom the first person is acting, or proposing to act, in concert in relation to the company's affairs.

#### Section 611 (item 7) of the Corporations Act

The Corporations Act contains several exceptions to the prohibition in section 606 of the Corporations Act. Section 611 (item 7) of the Corporations Act contains an exception whereby

the acquisition of the relevant interest can be approved by shareholders in a general meeting, provided that:

- (a) no votes are cast in favour of the resolution by the person proposing to make the acquisition or their associates; and
- (b) shareholders are given all information known to the acquirer or the company that was material to the decision on how to vote.

Why section 611 (item 7) approval is required

The Company is an unlisted public company with more than 50 members, as such section 606 applies. The issue of the Conversion Shares, the Deferred Shares and the Capital Raising Shares to Wahl Citadel would result in Wahl Citadel acquiring a relevant interest in the Company's shares which will increase its voting power in the Company from a starting point that is above 20% and below 90%.

Based on certain assumptions, the maximum voting power that Wahl Citadel and its Associates can obtain in the Company as a result of being issued the Conversion Shares, the Deferred Shares and the Capital Raising Shares is 49.37% on a fully diluted basis

Accordingly, the Resolution seeks Shareholder approval for the purpose section 611 (item 7) of the Corporations Act in respect of the acquisition by Wahl Citadel and its Associates of up to a 49.37% relevant interest in the securities of the Company on a fully diluted basis.

**8. Prescribed information**

The information required to be provided to Shareholders pursuant to section 611 (item 7) is as follows:

- (a) The identity of the person proposing to make the acquisition and their associates

Wahl Citadel Pty Ltd as trustee of the Wahl Citadel SRA Fund will be issued the Conversion Shares (if a Conversion Notice is issued), the Deferred Shares and the Capital Raising Shares (if the Capital Raising Options are exercised).

Wahl Citadel Pty Ltd is an Australian proprietary company limited by shares with registered offices in Adelaide, South Australia ACN 663 558 709.

The Wahl Citadel SRA Fund was established in July 2023 to provide investors with access to an investment in the Company.

- (b) The maximum extent of the increase in that person's voting power in the Company

As at the date of this Notice, Wahl Citadel Pty Ltd directly holds 40,786,950 Shares equal to 19.52% in voting power of the Company.

Upon the issue of the Conversion Shares (if the Convertible Loan Agreement is converted to Shares), the Deferred Shares and the Capital Raising Shares (if the maximum number of the Capital Raising Options are issued and exercised), the number of Shares that Wahl Citadel will directly hold will increase to 158,118,221 equating to a maximum increase in voting power of 27.38%.

- (c) The voting power that person would have as a result of the acquisition

As a result of the issue of Conversion Shares, the Deferred Shares and the Capital Raising Shares (if exercised), the voting power that Wahl Citadel would hold would be 49.37% on a fully diluted basis.

- (d) The maximum extent of the increase in the voting power of each of the acquirer's associates that would result from the acquisition

As a result of the issue of Conversion Shares, the Deferred Shares and the Capital Raising Shares (if exercised), the maximum increase in voting power that Wahl Citadel and its Associates would hold would be 27.38%.

- (e) The voting power that each of the acquirer's associates would have as a result of the acquisition

As a result of the issue of Conversion Shares (if converted), the Deferred Shares and the Capital Raising Shares (if exercised), the voting power that Wahl Citadel and its Associates would hold would be 49.37% on a fully diluted basis.

ASIC Regulatory Guide 74: Acquisition approved by members ("**RG 74**") provides guidance on obtaining approval under section 611 (item 7) of the Corporations Act. RG 74 states that the directors of the Company should provide shareholders with an independent expert's report on the proposed transaction. Accordingly, the board engaged RSM Corporate Australia Pty Ltd ABN 82 050 508 024 (**RSM**) to prepare the Independent Expert's Report. Shareholders are referred to the Independent Expert's Report prepared by RSM contained in Annexure 1 of this Notice. A copy of the Independent Expert's Report can also be accessed on the Company's website and if requested by a Shareholder, the Company will send the Shareholder a hard copy of the Independent Expert's Report at no cost to the Shareholder.

Pursuant to RG 74, the following information is required to be given to Shareholders:

- (a) Reasons for the proposed acquisition

According to the terms of the Convertible Loan Agreement, following the issue of a Conversion Notice, the Company must seek Shareholder approval for the issue of the Conversion Shares and the CN Option Shares or repay the material amount calculated in accordance with the formula set out in Section 5. See Section 1 for further background information on the proposed acquisition and Section 5 on terms of the Convertible Loan Agreement.

The resolution covers three dealings related to Shares:

1. Wahl Citadel has requested the Company to seek the approval of Shareholders to allow Wahl Citadel to be repaid by the issue of Shares if it issues a Conversion Notice.
2. As set out in Section 2, Wahl Citadel may request to be issued the Deferred Shares upon demand, as and when Wahl Citadel is entitled to be issued the Shares without breaching s606 of the Corporations Act.
3. Pursuant to the terms on which the Capital Raising Options were issued, Wahl Citadel is entitled to exercise the Capital Raising Options at any time and the Company is required to issue Wahl Citadel the Capital Raising Shares within 10 business days.

The reasons for the approval being sought is so that Wahl Citadel can be issued the Deferred Shares and the Capital Raising Shares immediately after approval of the Resolution. Wahl Citadel does not currently propose to issue a Conversion Notice under the Convertible Loan Agreement.

- (b) When the proposed acquisition is to occur

Shareholder approval is requested for the issue of Conversion Shares (if a Conversion Notice is issued), the Deferred Shares and the Capital Raising Shares. Wahl Citadel has requested the issue of the Deferred Shares immediately after the passing of the Resolution and the issue of the Capital Raising Shares immediately after approval of the Resolution. Wahl Citadel does not currently propose to issue a Conversion Notice under the Convertible Loan Agreement.

- (c) Material terms of the proposed acquisition

See Section 2 for the material terms of the Capital Raising Options.

See Section 5 for the material terms of the Convertible Loan Agreement and for the issue of the Conversion Shares and the Deferred Shares.

- (d) Details of the terms of any other relevant agreement between the acquirer and the Company that is conditional on members' approval of the acquisition

There is no other agreement between Wahl Citadel and the Company that is conditional upon the approval of the issue of Conversion Shares, Deferred Shares and Capital Raising Shares.

See Section 1 for details of the GSDs.

- (e) A statement of the acquirer's intention

Wahl Citadel does not intend to make:

- any changes to the continuation of the Company's business;
- any major changes to be made to, including any redeployment of the fixed assets of the target, or scheme property; and
- any changes to the future employment of the Company's present employees.

- (f) Any intention of the acquirer to significantly change the financial or dividend distribution policy.

Wahl Citadel does not have any intention of the acquirer to significantly change the financial or dividend distribution policies of the Company.

- (g) The interest that any director has in the acquisition or any relevant agreement disclosed under paragraph (d)

Wahl Citadel is an entity Associated with non-executive director Mr Mark Pitcher. Mr Pitcher indirectly holds shares in Wahl Citadel and he holds units in the Wahl Citadel SRA Fund.

- (h) Details about any person who is intended to become a director if members approve the acquisition

The passing of the Resolution would not change the entitlement of Wahl Citadel to appoint two directors to the Board of the Company (as described in Section 6). Wahl Citadel may appoint one more of its directors to the Board of the Company.

**9. Independent Expert Report**

The Independent Expert's Report assesses whether the issue of the Conversion Shares to Wahl Citadel as repayment of the Outstanding Amount, the issue of the Deferred Shares and the issue of the Capital Raising Shares is fair and reasonable to the Shareholders who are not associated with Wahl Citadel. The Report also contains an assessment of the advantages and disadvantages of the issue of the Conversion Shares, the Deferred Shares and the Capital Raising Shares. This assessment is designed to assist Shareholders in reaching their voting decision.

RSM has prepared the Report and has provided an opinion that it believes that the issue of the Conversion Shares, Deferred Shares and Capital Raising Shares to Wahl Citadel is not fair but reasonable to Shareholders not associated with Wahl Citadel or its Associates.

It is recommended that Shareholders read the Independent Expert's Report which is enclosed at Annexure 1 of this Notice. A copy of the Independent Expert's Report can also be accessed on the Company's website and if requested by a Shareholder, the Company will send the Shareholder a hard copy of the Independent Expert's Report at no cost to the Shareholder.

**10. Board Recommendation**

Based on the terms of the Convertible Loan Agreement as described in this Notice, each Director, other than Mark Pitcher who abstains, recommends that each Shareholder vote in favour of the Resolution.

## **Annexure 1**