



SOLSTICE
MINERALS LIMITED

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NOTICE OF ANNUAL GENERAL MEETING

AND

EXPLANATORY MEMORANDUM

The Annual General Meeting of the Company will be held at Level 12, Exchange Plaza, 2 The Esplanade, Perth, Western Australia on Wednesday, 16 November 2022 at 9.00am (AWST)

This document is important and requires your immediate attention.

This Notice of Annual General Meeting should be read in its entirety. If Shareholders are in doubt as to how they should vote, they should seek advice from their accountant, solicitor or other professional adviser prior to voting.

IMPORTANT INFORMATION: The Meeting will be held as a hybrid meeting. All Shareholders are entitled to attend the Meeting at the time, date and place set out above and vote in person. However, the Company is also pleased to provide Shareholders with the opportunity to attend and participate in the Meeting through an online meeting platform powered by Automic, where Shareholders will be able to attend, participate and vote online. If you are a Shareholder and you wish to attend and vote at the Meeting through this platform, please follow the instructions set out on the following page.

Should you wish to discuss any matter, please do not hesitate to contact the Company Secretary, Jessica O'Hara, by telephone on +61 (8) 9381 9997.

SOLSTICE MINERALS LIMITED

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NOTICE OF ANNUAL GENERAL MEETING

Notice is hereby given that the Annual General Meeting of Shareholders of Solstice Minerals Limited (the **Company** or **Solstice**) will be held at Level 12, Exchange Tower, 2 The Esplanade, Perth, Western Australia on Wednesday, 16 November 2022 at 9.00am (AWST) (**Meeting**).

The Explanatory Memorandum to this Notice provides additional information on matters to be considered at the Meeting. The Explanatory Memorandum and Proxy Form are part of this Notice. Terms and abbreviations used in this Notice, the Explanatory Memorandum and the Proxy Form are defined in Schedule 1 of the Explanatory Memorandum.

The Directors have determined for the purposes of the Corporations Act that the persons eligible to vote at the Meeting are those who are registered as a Shareholder on Monday, 14 November 2022 at 5.00pm (AWST). Share transfers registered after that time will be disregarded for the purposes of determining entitlements to attend and vote at the Meeting.

Whilst Shareholders will have the opportunity to ask questions during the Meeting, Shareholders are encouraged to submit questions in advance in writing to Jessica O'Hara, Company Secretary, at CoSec@solsticeminerals.com.au.

Voting and online attendance

The Company is pleased to provide shareholders with the opportunity to attend and participate in the Meeting through an online meeting platform powered by its share registry, Automatic, where shareholders will be able to watch, listen, and vote online.

To access the Meeting online:

1. Open your internet browser and go to investor.automic.com.au
2. Login with your username and password or click "register" if you haven't already created an account. **Shareholders are encouraged to create an account prior to the start of the Meeting to ensure there is no delay in attending the Meeting online**
3. After logging in, a banner will be displayed at the top once the Meeting is open for registration, click on "**View**" when this appears
4. Click on "**Register**" and follow the steps
5. Click on the URL to join the webcast where you can view and listen to the Meeting online
6. Once the Chair of the Meeting has declared the poll open for voting click on "**Refresh**" to be taken to the voting screen
7. Select your voting direction and click "**confirm**" to submit your vote. **Note that you cannot amend your vote after it has been submitted**

Voting by Proxy

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

Please note that:

- a member of the Company entitled to attend and vote at the Meeting is entitled to appoint a proxy;
- a proxy need not be a member of the Company; and
- a member of the Company entitled to cast two or more votes may appoint two proxies and may specify the proportion or number of votes each proxy is appointed to exercise, but where the proportion or number is not specified, each proxy may exercise half of the votes.

The enclosed Proxy Form provides further details regarding the appointment of proxies and lodgement of Proxy Forms.

To be valid, your completed and signed Proxy Form (and any power of attorney under which it is signed) must be received at one of the addresses given below **no later than 48 hours before** the commencement of the Meeting. Any Proxy Form received after that time will not be valid.

By online voting: <https://investor.automic.com.au/#/home>

By email: meetings@automicgroup.com.au

By fax: +61 2 8583 3040

By post: Automic
GPO Box 5193
Sydney NSW 2001

If a Shareholder appoints the Chairman as his or her proxy or the Chairman is appointed as the Shareholder's proxy by default and the Shareholder does not direct the Chairman as to how to vote then, the Proxy Form provides that the Shareholder expressly authorises the Chairman (who is a member of the Key Management Personnel) to exercise the proxy in respect of the relevant item of business, even where the Resolution in respect of an item of business is directly or indirectly connected to the remuneration of one or more members of the Key Management Personnel or is a resolution in respect of which the Chairman has a material personal interest.

If a Shareholder appoints a member of the Key Management Personnel (other than the Chairman) as a proxy, the proxy is not permitted to cast such Shareholder's votes on Resolutions 1 and 5 unless the Shareholder directs the proxy how to vote.

Voting in person

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

AGENDA

1. Financial Statements and Reports

To consider the financial statements, Directors' Report and Auditor's Report of the Company and its controlled entities for the year ended 30 June 2022. While no resolution is required for this item, Shareholders will be given an opportunity to ask questions and make comments on the financial statements and reports.

2. Resolution 1 – Remuneration Report

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

"That the Remuneration Report for the financial year ended 30 June 2022 be adopted."

The vote on the Resolution is advisory only and does not bind the Directors or the Company.

Voting Prohibition Statement

In accordance with sections 250R and 250BD(1) of the Corporations Act, a vote on Resolution 1 must not be cast:

- (a) by, or on behalf of, a member of the Key Management Personnel whose remuneration details are included in the Remuneration Report, or a Closely Related Party of such member, regardless of the capacity in which the vote is cast; or
- (b) by any member of the Key Management Personnel as at the date of the Meeting or their Closely Related Parties, as proxy for another shareholder.

However, a vote may be cast by such person as a proxy if the vote is not cast on behalf of a person who is excluded from voting on Resolution 1 (as set out above) and either:

- (a) the proxy appointment is in writing and the Proxy Form specifies how the proxy is to vote on Resolution 1; or
- (b) the person is the Chairman and the appointment of the Chairman as proxy:
 - (i) does not specify the way the proxy is to vote on Resolution 1; but
 - (ii) expressly authorises the Chairman to exercise the proxy even though Resolution 1 is connected directly or indirectly with the remuneration of a member of the Key Management Personnel.

The Chairman intends to vote available proxies **IN FAVOUR** of Resolution 1.

3. Resolution 2 – Re-election of Director – Mr Matthew Yates

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

"That Mr Matthew Yates, who retires in accordance with rule 4.6 of the Constitution and being eligible, offers himself for re-election, be re-elected as a Director."

The Chairman intends to vote available proxies **IN FAVOUR** of Resolution 2.

4. Resolution 3 – Election of Director – Mr Michael Klessens

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

"That Mr Michael Klessens, who retires in accordance with rule 4.7(a) of the Constitution and being eligible, offers himself for election, be elected as a Director."

The Chairman intends to vote available proxies **IN FAVOUR** of Resolution 3.

5. Resolution 4 – Election of Director – Mr Robert Rigo

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

"That Mr Robert Rigo who retires in accordance with rule 4.7(a) of the Constitution and being eligible, offers himself for election, be elected as a Director."

The Chairman intends to vote available proxies **IN FAVOUR** of Resolution 4.

6. Resolution 5 – Grant of Securities to Mr Alastair Morrison under the Incentive Plan

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

"That, for the purposes of Listing Rule 10.14 and for all other purposes, Shareholders approve the grant of 250,000 performance rights to Mr Alastair Morrison, the Company's Executive Director, (or his nominee) under the Incentive Plan and the issue of Shares on the valid exercise of those securities, on the terms and conditions set out in the Explanatory Memorandum."

Voting Exclusion Statement

The Company will disregard any votes cast in favour of Resolution 5 by or on behalf of a person referred to in Listing Rule 10.14.1, 10.14.2 or 10.14.3 who is eligible to participate in the Incentive Plan, or an associate of those persons. However, this does not apply to a vote cast in favour of the Resolution by:

- (a) a person as proxy or attorney for a person who is entitled to vote on Resolution 5, in accordance with directions given to the proxy or attorney to vote on Resolution 5 in that way; or
- (b) the Chairman as proxy or attorney for a person who is entitled to vote on Resolution 5, in accordance with a direction given to the Chairman to vote on Resolution 5 as the Chairman decides; or
- (c) a holder acting solely in a nominee, trustee, custodial or other fiduciary capacity on behalf of a beneficiary provided the following conditions are met:
 - (i) the beneficiary provides written confirmation to the holder that the beneficiary is not excluded from voting, and is not an associate of a person excluded from voting, on Resolution 5; and
 - (ii) the holder votes on Resolution 5 in accordance with the directions given by the beneficiary to the holder to vote in that way.

Voting Prohibition Statement

In accordance with section 250BD of the Corporations Act, a vote on Resolution 5 must not be cast as proxy by, or on behalf of, a member of the Key Management Personnel, or a Closely Related Party of such member. However, a vote may be cast by such person who is otherwise excluded

from voting if the vote is not cast on behalf of a person who is otherwise excluded from voting and either:

- (a) the proxy appointment is in writing and the Proxy Form specifies how the proxy is to vote on Resolution 5; or
- (b) the person is the Chairman and the appointment of the Chairman as proxy:
 - (i) does not specify the way the proxy is to vote on Resolution 5; but
 - (ii) expressly authorises the Chairman to exercise the proxy even though Resolution 5 is connected directly or indirectly with the remuneration of a member of the Key Management Personnel.

The Chairman intends to vote available proxies **IN FAVOUR** of Resolution 5.

7. Resolution 6 – Approval of 10% Placement Facility

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

"That, in accordance with Listing Rule 7.1A and for all other purposes, Shareholders approve the issue of Equity Securities of up to 10% of the issued capital of the Company (at the time of issue), calculated in accordance with the formula prescribed in Listing Rule 7.1A.2 and on the terms and conditions set out in the Explanatory Memorandum."

Voting Exclusion Statement

The Company will disregard any votes cast in favour of Resolution 6 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 ordinary securities in the Company), or an associate of that person (or those persons). However, this does not apply to a vote cast in favour of the Resolution by:

- (a) a person or proxy or attorney for a person who is entitled to vote on Resolution 6, in accordance with directions given to the proxy or attorney to vote on Resolution 6 in that way; or
- (b) the Chairman as proxy or attorney for a person who is entitled to vote on Resolution 6, in accordance with a direction given to the Chairman to vote on Resolution 6 as the Chairman decides; or
- (c) a holder acting solely in a nominee, trustee, custodial or other fiduciary capacity on behalf of a beneficiary provided the following conditions are met:
 - (i) the beneficiary provides written confirmation to the holder that the beneficiary is not excluded from voting, and is not an associate of a person excluded from voting, on Resolution 6; and
 - (ii) the holder votes on Resolution 6 in accordance with the directions given by the beneficiary to the holder to vote in that way.

The Chairman intends to vote all available proxies **IN FAVOUR** of Resolution 6.

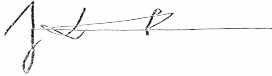
8. Resolution 7 – Appointment of Auditor

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

"That, for the purposes of section 327B of the Corporations Act and for all other purposes, William Buck, having been nominated by a Shareholder and consenting in writing to act in the capacity of auditor, be appointed as auditor of the Company with effect from the close of the Meeting."

The Chairman intends to vote all available proxies **IN FAVOUR** of Resolution 7.

BY ORDER OF THE BOARD



Jessica O'Hara
Company Secretary
12 October 2022

SOLSTICE MINERALS LIMITED

A B N 6 7 1 5 0 1 5 4 1 6 2

EXPLANATORY MEMORANDUM

This Explanatory Memorandum has been prepared for the information of Shareholders in connection with the business to be considered at the Annual General Meeting to be held at Level 12, Exchange Tower, 2 The Esplanade, Perth, Western Australia on Wednesday, 16 November 2022 at 9.00am (AWST).

This Explanatory Memorandum should be read in conjunction with and forms part of the accompanying Notice. The purpose of this Explanatory Memorandum is to provide information relevant to Shareholders in deciding whether or not to pass the Resolutions set out in the Notice. Shareholders should read the Notice and this Explanatory Memorandum carefully before deciding how to vote on the Resolutions.

Shareholders should note that voting at the Meeting on all Resolutions will be conducted by a poll.

A Proxy Form is attached to the Notice.

1. Financial Statements and Directors' and Auditor's Reports

There is no requirement for Shareholders to approve the Financial Statements and Reports of the Company.

At the Meeting, Shareholders will have the opportunity to:

- (a) discuss the Annual Report (which is available online at www.solsticeminerals.com.au);
- (b) ask questions or make comments on the management of the Company; and
- (c) ask the Auditor questions about the conduct of the audit and the preparation and content of the Auditor's Report.

Written questions to the Chairman about the management of the Company, or to the Auditor about:

- (a) the preparation and content of the Auditor's Report;
- (b) the conduct of the audit;
- (c) accounting policies adopted by the Company in relation to the preparation of the financial statements; and
- (d) the independence of the Auditor in relation to the conduct of the audit,

may be submitted no later than five Business Days before the Meeting to the Company Secretary, Jessica O'Hara, at CoSec@solsticeminerals.com.au.

2. Resolution 1 – Remuneration Report

In accordance with section 250R(2) of the Corporations Act, the Company must put the Remuneration Report to a non-binding vote of Shareholders at the Meeting. The Annual Report contains the Remuneration Report (pages 23 - 29) which sets out the remuneration policy for the Company and the remuneration arrangements in place for the Key Management Personnel.

In accordance with section 250R(3) of the Corporations Act, Resolution 1 is advisory only and does not bind the Directors or the Company. If Resolution 1 is not passed, the Directors will not be required to alter any of the arrangements in the Remuneration Report. However, the Board recognises that the Shareholder vote on Resolution 1 is an indication of Shareholder sentiment and will have regard to the outcome of the vote and any discussion when setting the remuneration practices of the Company.

Shareholders will have the opportunity to remove the whole Board except the Executive Director (if applicable) if the Remuneration Report receives a 'no' vote of 25% or more (**Strike**) at two consecutive annual general meetings. Where a resolution on the Remuneration Report receives a Strike at two consecutive annual general meetings, the Company will be required to put to Shareholders at the second annual general meeting a resolution on whether another meeting should be held (within 90 days) at which all Directors (other than the Executive Director) who were in office at the date of approval of the applicable Directors' Report must stand for re-election. Please note if the Remuneration Report receives a Strike at the Meeting and if a second Strike is received at the 2023 annual general meeting, this may result in the re-election of the Board.

The Chairman will allow a reasonable opportunity for Shareholders to ask questions about, or make comments on, the Remuneration Report.

Resolution 1 is an **Ordinary Resolution**.

The Board unanimously recommends that Shareholders vote IN FAVOUR of Resolution 1.

The Chairman intends to vote all available proxies **IN FAVOUR** of Resolution 1.

3. Resolutions 2 – 4 - Election and re-election of Directors

3.1 Background

The Company was incorporated as a proprietary company on 30 March 2011 (under a previous name). On 12 November 2021 it was converted to a public company limited by shares and renamed Solstice Minerals Limited. The current Constitution of the Company was adopted as from 12 November 2021.

Rule 4.6 of the Constitution provides that no Director may hold office (without re-election) past the third annual general meeting following the Director's election or last re-election or for a continuous period of more than three years, whichever is longer.

Rule 4.3 of the Constitution provides that the Board may at any time appoint any person to be a Director provided that the total number of Directors does not exceed the maximum number of Directors permitted by the Constitution (currently being 9 Directors). Rule 4.7(a) of the Constitution requires that at each annual general meeting of the Company, any Director appointed by the Board under Rule 4.3 since the date of the previous annual general meeting must retire but is eligible to stand for election at that meeting.

Listing Rule 14.5 requires that an election of directors is held at each annual general meeting.

Mr Matthew Yates, who has been a Director of the Company since 27 February 2013, is retiring at the Meeting in accordance with Rule 4.6 of the Constitution, and offering himself for re-election.

Messrs Michael Klessens and Robert Rigo, who were appointed as Directors by the Board under Rule 4.3 of the Constitution on 28 January 2022, are retiring at the Meeting in accordance with Rule 4.7(a) of the Constitution, and offering themselves for election.

As announced on 2 September 2022, Mr Craig Williams, the current Chairman of the Company is retiring at the Meeting and will not be seeking re-election.

Resolutions 2, 3 and 4 are **Ordinary Resolutions**.

The Chairman intends to vote all available proxies **IN FAVOUR** of Resolutions 2, 3 and 4.

3.2 Biographical details – Mr Matthew Yates

Qualifications - B.Sc. (Hons), MAIG

Mr Yates is an accomplished exploration geologist with 35 years' industry experience, covering all facets of exploration from generative work to project development. This includes nine years in the Goldfields of WA. He managed highly successful exploration teams at Nimary-(Jundee) in WA and also completed extensive gold exploration programs in the Murchison, Wheat Belt and Pilbara regions of WA.

Prior to founding ASX-listed OreCorp Limited (**OreCorp**), he was the Managing Director of OmegaCorp and Joint Managing Director of Mantra Resources Limited. He has been instrumental in the acquisition of the key assets in all the companies he has managed, including the assets of Solstice. Mr Yates has planned, managed and executed significant gold, base metal and mineral sand projects in Australia, Central Asia, the Gulf Region and southern, east and west Africa.

Mr Yates has been CEO and Managing Director of OreCorp and a non-executive director of the Company since 27 February 2013. He holds no further directorships with other publicly listed companies. In light of the Company being a wholly-owned subsidiary of OreCorp until April 2022 and Mr Yates' role with OreCorp, the Board does not consider Mr Yates an independent Director.

Mr Yates is currently a member of the Remuneration & Nomination Committee. If he is re-elected, he will take on the role of Non-Executive Chairman of the Company as from the end of the Meeting when Mr Williams' retirement takes effect and also become a member of the Audit & Risk Committee.

The Board believes that Mr Yates performs the duties and responsibilities of a Director diligently and professionally, in the best interests of all Shareholders. The Board also believes that Mr Yates will be an excellent replacement for Mr Williams.

Mr Yates has an interest in Resolution 2 and refrains from making any recommendation as to how Shareholders should vote on the Resolution. **The Company's remaining Directors recommend that Shareholders vote IN FAVOUR of Resolution 2.**

3.3 Biographical details – Mr Michael Klessens

Qualifications – B.Com, CPA

Mr Klessens is a CPA with over 30 years' practical financial and management experience, particularly within the resources industry. This experience has involved all areas of corporate and treasury management, project financing, capital raisings, mergers and acquisitions, dual listings, feasibility studies and establishment of systems and procedures for new mining operations.

Mr Klessens held senior financial positions in a number of Australian listed companies involved in the development and enhancement of new and ongoing mining operations from exploration, feasibility and to construction and production including projects in Laverton, Leonora, Katherine and the Tanami Desert between 1991 to 2001. From 2002 - 2011, Mr Klessens was Vice President - Finance and Chief Financial Officer of Equinox Minerals Limited (**Equinox**) where he was responsible for finance, debt and equity financings, treasury and all financial functions of the Company and its operations.

Mr Klessens has been an independent, non-executive director of OreCorp since 27 February 2013 and an independent, non-executive director of the Company since 28 January 2022. He holds no further directorships with other publicly listed companies.

Mr Klessens is the Chair of the Audit & Risk Committee and a member of the Remuneration & Nomination Committee.

The Board believes that Mr Klessens performs the duties and responsibilities of a Director diligently and professionally, in the best interests of all Shareholders.

Mr Klessens has an interest in Resolution 3 and refrains from making any recommendation as to how Shareholders should vote on the Resolution. **The Company's remaining Directors recommend that Shareholders vote IN FAVOUR of Resolution 3.**

3.4 Biographical details – Mr Robert Rigo

Qualifications – B.App Sc (Mech Eng), FAusIMM, MIEAust, GAICD

Mr Rigo is an engineer with over 40 years' experience. His initial professional work was in operations with WMC in the Eastern Goldfields of WA at Kalgoorlie Nickel Smelter, Kambalda Nickel Operations, Windarra Nickel Operations and Lancefield Gold Project. This was followed by operations roles at Christmas Island Phosphate and then the Mill Manager at Boddington Gold Mine (at that time, Australia's largest gold mine). He then moved into project development and became General Manager - Technical Services for Newcrest Mining Ltd, Australia's major gold producer.

Further progression saw him hold a number of executive and executive director positions with publicly listed mining companies including Mt Edon Gold Mines (Leonora) and Kilkenny Gold (NT).

Mr Rigo joined Equinox in 2001 and became Vice President - Project Development, where he managed the technical aspects of the development of the Lumwana Copper Mine in Zambia, which commenced production in 2008. Following Lumwana, Mr Rigo managed the construction of the Jabal Sayid (underground) Copper Mine in Saudi Arabia, initially for Equinox and then Barrick Gold Corporation. Mr Rigo's particular expertise lies in the development of mining projects from feasibility study phase to operations.

Mr Rigo has been an independent non-executive director of OreCorp since 1 April 2016 and an independent non-executive director of the Company since 28 January 2022. He holds no further directorships with other publicly listed companies.

Mr Rigo is the Chair of the Remuneration & Nomination Committee and a member of the Audit & Risk Committee.

The Board believes that Mr Rigo performs the duties and responsibilities of a Director diligently and professionally, in the best interests of all Shareholders.

Mr Rigo has an interest in Resolution 4 and refrains from making any recommendation as to how Shareholders should vote on the Resolution. **The Company's remaining Directors recommend that Shareholders vote IN FAVOUR of Resolution 4.**

4. Resolution 5 – Grant of Securities to Mr Alastair Morrison under the Incentive Plan

4.1 Details of the proposed grant to Mr Alastair Morrison

Subject to obtaining Shareholder approval in respect of Resolution 5, the Company proposes to grant 250,000 performance rights to Mr Alastair Morrison (or his nominee) in accordance with the terms of the Incentive Plan (the terms of which were summarised in the Company's Prospectus dated 14 March 2022 and a summary of which is included in Schedule 2).

The Incentive Plan is to be used as part of the remuneration planning for executive Directors and employees. The key terms of the Incentive Plan are summarised in Schedule 2 to this Explanatory Memorandum.

The Board considers that Mr Morrison plays a key role in the successful development of Solstice and the overall growth of the Company. Accordingly, the Board considers that the grant of performance rights to Mr Morrison under the Incentive Plan is an appropriate form of long-term incentive-based remuneration.

4.2 Approval for the purposes of the Listing Rules

Resolution 5 seeks Shareholder approval for the grant of performance rights and the subsequent issue of Shares on exercise of those performance rights to Mr Morrison for the purposes of Listing Rule 10.14.

The Company is proposing to grant 250,000 performance rights to Mr Morrison under the Incentive Plan. ASX Listing Rule 10.14 provides that a listed company must not permit any of the following persons to acquire equity securities under an employee incentive scheme:

- (a) a director of the company;
- (b) an associate of a director of the company; or
- (c) a person whose relationship with the company or a person referred to in Listing Rule 10.14.1 or 10.14.2 is such that, in ASX's opinion, the acquisition should be approved by its shareholders,

unless it obtains the approval of its shareholders. The issue of the performance rights to Mr Morrison falls within paragraph (a) above (Listing Rule 10.14.1) and therefore requires Shareholder approval under Listing Rule 10.14. Resolution 5 seeks such approval. If Resolution 5 is passed, the Company will be able to proceed with the grant of the performance rights to Mr Morrison. If Resolution 5 is not passed, the Company will be unable to proceed with the issue

of the performance right to Mr Morrison and the Board will need to consider alternative long-term incentive arrangements for Mr Morrison, including by the payment of cash, subject to the requirements of the Constitution, Corporations Act and Listing Rules.

Shareholder approval under Listing Rule 7.1 is not required for issues that have been approved under Listing Rule 10.14. Accordingly, provided Resolution 5 is approved by Shareholders, the grant of performance rights to Mr Morrison (and any subsequent acquisition of Shares upon exercise of those performance rights) will not be included in the calculation of the Company's 15% annual placement capacity for the purposes of Listing Rule 7.1.

4.3 Information required by Listing Rule 10.15

For the purposes of the approval sought under Listing Rule 10.14, and in accordance with the requirements of Listing Rule 10.15, the following information is provided in relation to the proposed grant of performance rights to Mr Morrison:

- (a) The performance rights are proposed to be issued to Mr Alastair Morrison, Executive Director of the Company (or his nominee).
- (b) Mr Morrison is a director of the Company as contemplated by Listing Rule 10.14.1.
- (c) The maximum number of performance rights that may be granted to Mr Morrison pursuant to Resolution 5 is 250,000.
- (d) The current base salary for Mr Morrison is \$166,400 (excluding superannuation) for providing services the equivalent of two days per week. As from 1 July 2022, Mr Morrison will be eligible to receive up to an additional 40% of his base salary as a short-term incentive cash payment, dependent on the achievement of various corporate and individual key performance indicators.
- (e) No securities have previously been issued to Mr Morrison under the Incentive Plan.
- (f) The performance rights are being issued in a single tranche pursuant to the Incentive Plan (the key terms of which are summarised in Schedule 2) and on the specific terms set out in Schedule 3. To summarise, the performance rights will be granted for nil consideration and each performance right will entitle Mr Morrison to acquire one Share once the vesting conditions have been satisfied, and prior to the expiry date. The performance rights will vest upon the later of:
 - (i) a Final Investment Decision being made with respect to any of the Group's mining projects; and
 - (ii) 9 September 2025.

The performance rights will lapse on the expiry date, being 9 September 2027. The proposed grant of performance rights forms an equity-based component of the Company's strategy to reward performance and retain employees. The proposed grant is designed to further align Mr Morrison's interests with those of Shareholders and to provide appropriate and reasonable remuneration to Mr Morrison. The performance rights will only vest, and Mr Morrison will only be able to realise value from the grant of the performance rights, if the applicable vesting conditions have been satisfied. The performance rights form an important component of Mr Morrison's remuneration.

- (g) The value of each performance right to be granted to Mr Morrison will be the market price of Shares on the ASX on the date of grant, expected to be on or around the date of

the Meeting. As at 10 October 2022, the closing price of Shares on the ASX was \$0.145 and therefore the performance rights had a value of \$0.145.

- (h) The performance rights will be granted for nil consideration.
- (i) The performance rights will be granted as soon as practicable following Shareholder approval, but no later than three years after the date of the Meeting.
- (j) The performance rights are being granted under the Incentive Plan, the specific terms and conditions set out in Schedule 3 and otherwise on the terms and conditions set out in Schedule 2.
- (k) No loan will be made to Mr Morrison in relation to the performance rights.
- (l) Details of any securities issued under the Incentive Plan will be published in the Company's annual report relating to the period in which they were issued, along with a statement that approval for the issue was obtained under Listing Rule 10.14. Further, any additional persons covered by Listing Rule 10.14 who become entitled to participate in an issue of securities under the Incentive Plan and who are not named in the Notice will not participate until approval is obtained under Listing Rule 10.14.
- (m) A voting exclusion statement is included in the Notice.

4.4 Further information

Under Chapter 2E of the Corporations Act, a public company cannot give a "financial benefit" to a "related party" unless an exception applies or shareholders have in a general meeting approved the giving of that financial benefit to the related party.

Mr Morrison is Solstice's Executive Director, and is therefore a "related party" of the Company. The performance rights the subject of Resolution 5 would be considered a "financial benefit".

In accordance with section 208 of the Corporations Act, to give a financial benefit to a related party, the Company must obtain shareholder approval unless the giving of the financial benefit falls within an exception in sections 210 to 216 of the Corporations Act.

The Board has formed the view that shareholder approval under section 208 of the Corporations Act is not required for the proposed grant of performance rights to Mr Morrison, pursuant to Resolution 5, as the exception in section 211 of the Corporations Act applies. Section 211 of the Corporations Act provides that shareholder approval is not required for the provision of a financial benefit to a related party if the benefit is remuneration to a related party as an officer or employee of the company, and the remuneration is considered reasonable given the circumstances of the company and the related party. The performance rights which are proposed to be granted to Mr Morrison are considered by the Board to be reasonable remuneration for the purposes of section 211 of the Corporations Act.

Shareholder approval must nevertheless be obtained pursuant to Listing Rule 10.14.

4.5 Directors' Recommendation

Mr Morrison has a material personal interest in Resolution 5 and abstains from making a recommendation in respect of Resolution 5. The Company's remaining Directors (being the non-executive directors) have carefully considered the proposed grant of performance rights to Mr Morrison, as well as his remuneration package generally. **The Company's remaining Directors consider the grant to be an important component of Mr Morrison's remuneration package, and recommend that Shareholders vote IN FAVOUR of Resolution 5.**

The Chairman intends to exercise all undirected proxies **IN FAVOUR** of Resolution 5.

5. Resolution 6 – Approval of 10% Placement Facility

5.1 General

Listing Rule 7.1A enables “eligible entities” to seek Shareholder approval to issue Equity Securities equivalent to up to 10% of its issued share capital through placements over a 12-month period after the annual general meeting (**10% Placement Facility**). The 10% Placement Facility is in addition to the Company's 15% placement capacity available under Listing Rule 7.1. The effect of Resolution 6 will be to allow the Directors to issue Equity Securities under Listing Rule 7.1A during the 10% Placement Period (as defined in section 5.2(f) below) without using the Company's 15% placement capacity under Listing Rule 7.1.

An “eligible entity” for the purposes of Listing Rule 7.1A is an entity that is not included in the S&P/ASX 300 Index and has a market capitalisation of \$300 million or less. The Company is not included in the S&P/ASX 300 Index and currently has a market capitalisation of \$14.54 million (using the closing Share price on 10 October 2022, being \$0.145) so is therefore an eligible entity at the time this Notice is published.

While the Company currently has no intention to use the 10% Placement Facility, the Company is now seeking Shareholder approval by way of a Special Resolution to have the ability, if required, to issue Equity Securities under the 10% Placement Facility. The exact number of Equity Securities to be issued under the 10% Placement Facility will be determined in accordance with the formula prescribed in Listing Rule 7.1A.2 (refer to section 5.2(c) below).

If this Resolution 6 is passed, the Company will be able to issue Equity Securities up to the combined 25% limit in Listing Rules 7.1 and 7.1A without any further Shareholder approval. Additionally, the number of Shares the Company may issue under the 10% Placement Capacity will be determined in accordance with the formula prescribed in Listing Rule 7.1A.2. If this resolution is not passed, the Company will not be able to access the 10% Placement Capacity to issue Equity Securities without Shareholder approval provided for in Listing Rule 7.1A and will remain subject to the 15% limit on issuing Equity Securities without Shareholder approval set out in Listing Rule 7.1.

Resolution 6 is a **Special Resolution**.

The Board unanimously recommends that Shareholders vote IN FAVOUR of Resolution 6.

The Chairman intends to exercise all available proxies **IN FAVOUR** of Resolution 6.

5.2 Listing Rule 7.1A

(a) Shareholder Approval

The ability to issue Equity Securities under the 10% Placement Facility is subject to shareholder approval by way of a special resolution at an annual general meeting.

(b) Equity Securities

Any Equity Securities issued under the 10% Placement Facility must be in the same class as an existing quoted class of Equity Securities of the Company. As at the date of the Notice, the Company has only two classes of quoted Equity Securities on issue, being fully paid ordinary shares (ASX Code: SLS) and listed options exercisable at \$0.20 expiring 22 April 2026 (ASX Code: SLSO).

(c) Formula for Calculating 10% Placement Facility

Listing Rule 7.1A.2 provides that eligible entities which have obtained shareholder approval at an annual general meeting under Listing Rule 7.1A may issue or agree to issue, during the 10% Placement Period, a number of Equity Securities calculated in accordance with the following formula:

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

where:

A is the number of Shares on issue at commencement of the “relevant period”, being the date on which the Company was admitted to the official list of ASX (28 April 2022):

- (i) plus the number of Shares issued in the “relevant period” under an exception in Listing Rule 7.2 (other than Exceptions 9, 16 or 17);
- (ii) plus the number of Shares issued in the “relevant period” on the conversion of convertible securities within Listing Rule 7.2 Exception 9 where:
 - (A) the convertible securities were issued or agreed to be issued before the commencement of the “relevant period”; or
 - (B) the issue of, or agreement to issue, the convertible securities was approved, or taken under the Listing Rules to have been approved, under Listing Rule 7.1 or Listing Rule 7.4;
- (iii) plus the number of Shares issued in the “relevant period” under an agreement to issue securities within Listing Rule 7.2 Exception 16 where:
 - (A) the agreement was entered into before commencement of the “relevant period”; or
 - (B) the agreement or issue was approved, or taken under the Listing Rules to have been approved under Listing Rule 7.1 or Listing Rule 7.4;
- (iv) plus the number of Shares issued in the “relevant period” with approval under Listing Rule 7.1 or 7.4;
- (v) plus the number of partly paid shares that became fully paid in the “relevant period”;
- (vi) less the number of Shares cancelled in the “relevant period”.

Note that ‘A’ has the same meaning in Listing Rule 7.1 when calculating an entity’s 15% placement capacity. Note also that the “relevant period” is the period from the date the Company was admitted to the official list of the ASX (being 28 April 2022) to the date immediately preceding the date of the issue or agreement.

D is 10%.

E is the number of Equity Securities issued or agreed to be issued under Listing Rule 7.1A.2 in the “relevant period” where the issue or agreement has not been subsequently approved by shareholders under Listing Rule 7.4.

- (d) **Listing Rule 7.1 and Listing Rule 7.1A**

The ability of an entity to issue Equity Securities under Listing Rule 7.1A is in addition to the entity's 15% placement capacity under Listing Rule 7.1.

(e) **Minimum Issue Price**

Equity Securities issued under Listing Rule 7.1A must be issued for cash consideration per Equity Security which is not less than 75% of the VWAP of Equity Securities in the same class calculated over the 15 Trading Days on which trades in that class were recorded immediately before:

- (i) the date on which the price at which the Equity Securities are to be issued is agreed by the entity and the recipient of the Equity Securities; or
- (ii) if the Equity Securities are not issued within ten Trading Days of the date in paragraph (i) above, the date on which the Equity Securities are issued.

(f) **10% Placement Period**

Shareholder approval of the 10% Placement Facility under Listing Rule 7.1A is valid from the date of the annual general meeting at which the approval is obtained and expires on the first to occur of the following:

- (i) the date that is 12 months after the date of the annual general meeting at which the approval is obtained;
- (ii) the time and date of the Company's next annual general meeting; or
- (iii) the time and date of Shareholder approval of a transaction under Listing Rule 11.1.2 (a significant change to the nature or scale of activities) or 11.2 (disposal of main undertaking),

(the **10% Placement Period**).

5.3 Specific Information Required by Listing Rule 7.3A

The following information is provided in accordance with Listing Rule 7.3A.

- (a) The Company will only issue and allot Equity Securities in accordance with Listing Rule 7.1A during the 10% Placement Period detailed in section 5.2(f).
- (b) The minimum issue price is as set out in section 5.2(e).
- (c) The Company may seek to issue the Equity Securities to raise funds to develop its existing assets and/or assist with an acquisition of resource assets or investments (which may include costs associated with due diligence and engagement of advisers in assessing new resource assets).
- (d) If Resolution 6 is approved by Shareholders and the Company issues Equity Securities under the 10% Placement Facility, the existing Shareholders' voting power in the Company will be diluted as shown in the below table. There is a risk that:
 - (i) the market price for the Company's Equity Securities may be significantly lower on the date of issue of the Equity Securities than on the date of the Meeting; and

- (ii) the Equity Securities may be issued at a price that is at a discount to the market price for the Company's Equity Securities on the issue date,

which may have an effect on the amount of funds raised by the issue of the Equity Securities.

The below table shows the dilution of existing Shareholders on the basis of the current market price of the Shares and the current number of Shares for variable "A" calculated in accordance with the formula in Listing Rule 7.1A.2 (see section 5.2(c)) as at the date of the Notice.

The table also shows:

- in the final two rows, two examples where variable "A" has increased, by 50% and 100% respectively. Variable "A" is based on the number of Shares the Company has on issue. The number of Shares on issue may increase as a result of issues of Shares from exercise of options or issues of Shares that do not require Shareholder approval (for example, a pro rata entitlements issue or scrip issued under a takeover offer) or future specific placements under Listing Rule 7.1 that are approved at a future Shareholders' meeting; and
- in the third and fifth columns, two examples of where the issue price of the Shares has decreased by 50% and increased by 100% as against the market price of \$0.145 (as at 10 October 2022).

Variable "A" in Listing Rule 7.1A.2		Dilution		
		\$0.0725 50% decrease in Issue Price	\$0.145 Issue Price	\$0.29 100% Increase in Issue Price
Current variable "A" 100,286,809 Shares	10% Voting Dilution	10,028,681	10,028,681	10,028,681
	Funds raised	\$727,079.37	\$1,454,158.74	\$2,908,317.49
50% increase in current variable "A" 150,430,214 Shares	10% Voting Dilution	15,043,021	15,043,021	15,043,021
	Funds raised	\$1,090,619.02	\$2,181,238.04	\$4,362,476.09
100% increase in current variable "A" 200,573,618 Shares	10% Voting Dilution	20,057,362	20,057,362	20,057,362
	Funds raised	\$1,454,158.74	\$2,908,317.49	\$5,816,634.98

The table has been prepared based on the following assumptions:

- (i) variable "A" is the total number of fully paid ordinary Shares on issue as at 10 October 2022. Note that the number of Shares on issue could increase as a result of the issue of Shares on exercise of options or that do not require Shareholder approval or that are issued with Shareholder approval under ASX Listing Rule 7.1;
 - (ii) the Company issues the maximum number of Equity Securities available under the 10% Placement Facility;
 - (iii) no Options or Performance Rights are exercised into Shares before the date of the issue of the Equity Securities;
 - (iv) the 10% voting dilution reflects the aggregate percentage dilution against the issued share capital at the time of issue. This is why the voting dilution is shown in each example as 10%;
 - (v) the table does not show an example of dilution that may be caused to a particular Shareholder by reason of placements under the 10% Placement Facility, based on that Shareholder's holding at the date of the Meeting;
 - (vi) the table shows only the effect of issues of Equity Securities under Listing Rule 7.1A, not under the 15% placement capacity under Listing Rule 7.1;
 - (vii) the issue of Equity Securities under the 10% Placement Facility consists only of Shares; and
 - (viii) the issue price is \$0.145, being the closing price of Shares on the ASX on 10 October 2022.
- (e) The Company's allocation policy is dependent on the prevailing market conditions at the time of any proposed issue pursuant to the 10% Placement Facility. The identity of the allottees of Equity Securities will be determined on a case-by-case basis having regard to the factors including, but not limited to, the following:
- (i) the methods of raising funds that are available to the Company including, but not limited to, rights issues or other issues in which existing holders of Equity Securities can participate;
 - (ii) the effect of the issue of the Equity Securities on the control of the Company;
 - (iii) the financial situation and solvency of the Company; and
 - (iv) advice from corporate, financial and broking advisers (if applicable).

If and when the determination is made to proceed with an issue of equity securities under the Placement Facility, details regarding the allottees and purposes of issue will be disclosed pursuant to the Company's obligations under Listing Rule 3.10.3 and 7.1A.4.

- (f) The Company has not previously obtained approval from its Shareholders pursuant to Listing Rule 7.1A and accordingly, has never issued or agreed to issue any Equity Securities under Listing Rule 7.1A.
- (g) A voting exclusion statement is included in the Notice. However, as at the date of the Notice, the Company has not approached any particular existing security holder of Equity Securities or an identifiable class of existing holder of Equity Securities to participate in the issue of new Equity Securities. On this basis, no existing Shareholder's votes will therefore be excluded from voting on Resolution 6 under the voting exclusion in the Notice.

6. Resolution 7 – Appointment of Auditor

The Directors of the Company had previously appointed Deloitte Touché Tohmatsu (**Deloitte**) as the initial auditor of the Company. Deloitte undertook the audit of the financial statements for the year ended 30 June 2022 which are being tabled at the Meeting.

Section 327A(2) of the Corporations Act requires that the initial auditor of a public company holds office only until the Company's first annual general meeting. Section 327B(1) of the Corporations Act provides that a public company must appoint an auditor at its first general meeting.

The Company recently undertook a process whereby it sought quotes from various audit firms for the provision of audit services to the Company going forward. As a result of this process, the Board has selected William Buck to be appointed as the new auditor of the Company and William Buck has given, and has not withdrawn, its written consent to act as the Company's auditor subject to Shareholder approval under this Resolution 7. Subject to receipt of ASIC's consent to their resignation in accordance with section 329(5) of the Corporations Act (which is expected to be received prior to the Meeting), Deloitte has agreed to resign as auditor with effect from the close of the Meeting.

Section 328B(1) of the Corporations Act requires that written notice of nomination of a new auditor be received from a member of the Company. The Company has received such a nomination from Mr Dean Gerard Clark, who is a member of the Company, nominating the proposed new auditor. A copy of this nomination is set out in Annexure A to this Notice of Meeting.

If Resolution 7 is passed, the appointment of William Buck as the Company's auditor will take effect at the close of the Meeting.

Resolution 7 is an **Ordinary Resolution**.

The Board recommends that Shareholders vote IN FAVOUR of Resolution 7.

The Chairman intends to vote undirected proxies **IN FAVOUR** of Resolution 7.

Schedule 1 – Definitions

In the Notice, this Explanatory Memorandum and the Proxy Form:

\$ means Australian dollars.

10% Placement Facility has the meaning given in section 5.1 of this Explanatory Memorandum.

10% Placement Period has the meaning given in section 5.2(f) of this Explanatory Memorandum.

Annual General Meeting or **Meeting** means the Annual General Meeting of Shareholders to be held at Level 12, Exchange Tower, 2 The Esplanade, Perth, Western Australia on Wednesday, 16 November 2022 at 9.00am (AWST).

ASX means the Australian Securities Exchange operated by ASX Limited (ACN 008 624 691).

Auditor means the auditor of the Company as at the date of this Notice, being Deloitte Touche Tohmatsu.

AWST means Australian Western Standard Time.

Board means the board of directors of the Company.

Business Day has the meaning given in the Listing Rules.

Chairman means the persons appointed to chair the meeting of the Company convened by this Notice.

Closely Related Party has the meaning given in section 9 of the Corporations Act.

Company or **Solstice** means Solstice Minerals Limited ABN 67 150 154 162.

Constitution means the constitution of the Company as at the date of the Meeting.

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

Directors mean the directors of the Company.

Equity Securities has the meaning given in Listing Rules.

Explanatory Memorandum means this explanatory memorandum.

Group means the Company and a related body corporate of the Company as defined in section 50 of the Corporations Act and any company in respect of which the Company has voting power of not less than 20%.

Incentive Plan means the Solstice Minerals Limited Employee Incentive Plan, the terms of which are summarised in Schedule 2 of the Explanatory Memorandum.

Key Management Personnel means a person having authority and responsibility for planning, directing and controlling the activities of the Company or any other member of the Group, directly or indirectly, including any Director (whether executive or otherwise) of the Company.

Listing Rules means the official listing rules of the ASX.

Notice of Meeting or **Notice** means the Notice of Meeting which this Explanatory Memorandum accompanies.

Ordinary Resolution means a Resolution to be passed by a simple majority of Shareholders entitled to vote and voting on the Resolution (in person, by proxy, by attorney or, in the case of a corporate Shareholder, by a corporate representative).

Proxy Form means the proxy form attached to the Notice.

Resolution means a resolution referred to in this Notice.

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

Shareholder means a person or company registered in the Company's register of Shareholders as the holder of one or more Shares and includes any person who is a member of the Company in accordance with or for the purposes of the Corporations Act.

Special Resolution means a Resolution to be passed by at least 75% of Shareholders entitled to vote and voting on the Resolution (in person, by proxy, by attorney or, in the case of a corporate Shareholder, by a corporate representative).

Trading Day has the meaning given in the Listing Rules.

VWAP means volume weighted average market price for Shares, calculated over days on which sales in Shares were recorded on ASX.

Schedule 2 – Summary of Terms and Conditions of the Incentive Plan

The terms and conditions of the Incentive Plan are summarised below. Capitalised terms have the meanings ascribed to them in the Incentive Plan.

1. Board

The Board or a duly appointed committee of the Board is responsible for the operation of the Incentive Plan.

2. Awards

The Awards that may be granted under the Plan are:

- (a) Options, with each Option granted under the Plan being an entitlement to acquire a Share, subject to satisfaction of any Vesting Conditions and/or other conditions specified in the Plan or in an invitation (including exercise of the Option). For the avoidance of doubt, the holder of an Option will have no interest in any Share in respect of which the Option was granted until the Option is exercised; and/or
- (b) Performance Rights, with each Performance Right being a right granted under the Plan to acquire a Share, subject to satisfaction of any Vesting Conditions and/or other conditions specified in the Plan or in an invitation (including exercise of the right). For the avoidance of doubt, the holder of a Performance Right will have no interest in any Share in respect of which the Performance Right was granted until the Performance Right is exercised.

3. Eligibility

The Board has an absolute discretion to determine those Eligible Persons who will be invited to participate in the Plan. The factors the Board will have regard to in determining eligibility are:

- (a) the contribution that has been made by the Eligible Person to the Group;
- (b) the period of employment or engagement of the Eligible Person with the Group, including (but not limited to) the years of service by that Eligible Person;
- (c) the potential contribution of the Eligible Person to the Group; and
- (d) any other matters which the Board considers in its absolute discretion to be relevant.

4. Offer and acceptance

The Board may, from time to time, make a written invitation to any Eligible Person to take up a specified number of Awards, upon the terms set out in the Plan and on such further terms and conditions as the Board decides. Upon acceptance of an invitation, and the subsequent grant of the Awards, the Eligible Person will be taken to have agreed to be bound by the Plan Rules, the Constitution, the Securities Trading Policy and the terms of the invitation.

5. Plan Limit

The number of Shares that have been or may be issued in any of the circumstances listed below must not exceed 5% of the total number of Shares on issue, subject to certain exceptions:

- (a) Shares that may be issued on the exercise of Awards applied for and granted pursuant to an invitation; and

- (b) Shares issued or that may be issued as a result of invitations or similar offers made at any time during the previous three year period under any employee incentive scheme as defined and provided for in ASIC Class Order [CO 14/1000] (including the Plan) or any other ASIC exempt arrangement of a similar kind to an employee incentive scheme.

6. Exercise of Awards

- (a) Unless an invitation provides otherwise, upon exercise, each Award entitles the holder to subscribe for and be issued, one Share. An Award may be exercised no later than its Expiry Date, and may only be exercised after the Award has vested and all Vesting Conditions associated with the exercise of the Award (if any) have been satisfied. The Exercise Price shall be as determined by the Board and specified in the invitation.
- (b) An invitation will specify whether an Award that has a nil Exercise Price is to be exercised automatically:
 - i. upon vesting, in which case the Company will treat the Award as having been validly exercised on the vesting date; or
 - ii. immediately prior to expiry, in which case the Company will treat the Award as having been validly exercised on the trading day immediately preceding the Expiry Date,

and, whether or not the terms of the Award provide for it, the Board may in its discretion waive any requirement that an issued Award that has a nil exercise price be exercised by the Participant

7. Cashless exercise of Awards

An invitation may specify that Awards may be exercised without a cash payment being made by the Participant, in which case the Company will transfer or allot to the Participant that number of Shares equal in value to the positive difference between the then 'Market Value' of the Shares at the time of exercise and the exercise price that would otherwise be payable to exercise those Awards (with the number of Shares rounded down to the nearest whole Share). 'Market Value' for this purpose means, at any given date, the volume weighted average price per Share traded on the ASX over the five (5) trading days immediately preceding that given date.

8. Lapse of Awards

An Award held by a Participant will lapse upon the first to occur of:

- (a) its Expiry Date;
- (b) the Board making a determination that the Participant has acted fraudulently, dishonestly or in breach of the Participant's obligations to any member of the Group; or
- (c) a Participant (or, if the Participant is a Nominated Party, the Eligible Person in respect of that Participant) ceasing to be an Eligible Person as a Bad Leaver.

9. Transfer

Awards cannot be transferred or disposed of without approval of the Board or by force of law upon the death or legal incapacity of the Participant or upon bankruptcy to the Participant's trustee in bankruptcy.

10. Cessation of Employment

The Incentive Plan contemplates that an invitation may address how Awards may be treated if the Participant becomes a Good Leaver or Bad Leaver. As mentioned in paragraph 1(c), awards held by a Participant will automatically lapse upon them becoming a Bad Leaver.

11. Clawback

If the Board determines that a Clawback Event has occurred, the Board may, in its absolute discretion and subject to applicable law, take any steps that it determines necessary to ensure that no unfair benefit is or has been obtained by a Participant. Clawback Events include:

- (a) a Participant engaging in fraud, dishonesty, gross misconduct or any behaviour that may impact on the Group's reputation or long term financial position;
- (b) the financial results that led to the Awards being granted being subsequently shown to be materially misstated;
- (c) a Participant materially breaching their obligations to any member of the Group;
- (d) an event occurring that results in a member of the Group being required or entitled under law to reclaim remuneration from a Participant; or
- (e) a significant and unintended deterioration in the financial performance of the Group or any member of the Group occurring, resulting directly or indirectly from an act or omission of the Participant.

12. Change of Control

On a Change of Control Event (which includes the making of a takeover bid in respect of more than 50% of Solstice's issued capital, among other events), any outstanding Awards shall vest and may be exercised at any time and in any number from the date of such Change of Control Event. Solstice is required to notify Participants of a Change of Control Event as soon as reasonably practicable after becoming aware of such event.

13. Participation in New Issues

The Awards will not entitle a Participant to participate in new issues of capital offered to Shareholders.

14. Capital Reorganisation

In the event of any reorganisation of the issued capital of the Company, all rights of a Participant will be changed to the extent necessary to comply with the Listing Rules as they apply at the relevant time.

15. Listing

The Awards will not be listed for quotation on ASX. However, the Company will make an application for official quotation of Shares issued on the exercise of Awards to ASX in accordance with the Listing Rules.

16. Amendments

The Incentive Plan may be amended at any time by the Board, subject to any requirements of the Incentive Plan itself, the Listing Rules and the Corporations Act.

Schedule 3 – Summary of Terms and Conditions of Performance Rights to be granted to Mr Alastair Morrison

The performance rights proposed to be granted to Mr Morrison are on the terms of the Incentive Plan (the terms of which were summarised in the Company's Prospectus dated 14 March 2022 and a summary of which is included in Schedule 2) and the terms set out below.

- 1. (Consideration Payable)** The performance rights will be granted for nil consideration.
- 2. (Conversion Ratio)** Each performance right will entitle Mr Morrison to acquire one Share in the Company.
- 3. (Vesting)** The performance rights will vest upon the later of:
 - (a) a Final Investment Decision being made with respect to any of the Group's mining projects; and
 - (b) 9 September 2025.
- 4. (Expiry Date)** The performance rights will lapse on the expiry date, being 9 September 2027. Performance rights may be exercised at any time after they have vested (refer paragraph 3 above) up until their lapse on the expiry date.
- 5. (Transfer)** Unless otherwise decided by the Board in accordance with Applicable Law (as defined in the Incentive Plan), performance rights cannot be transferred or disposed of at any time prior to vesting except by force of law upon the death or legal incapacity of Mr Morrison or upon bankruptcy to Mr Morrison's trustee in bankruptcy.
- 6. (Quotation)** The performance rights will not be quoted on ASX or any other exchange.
- 7. (Voting)** The performance rights do not confer any right to vote, except as otherwise required by law.
- 8. (New issues)** In accordance with the terms of the Incentive Plan (refer Schedule 2), the performance rights will not entitle Mr Morrison to participate in new issues of capital offered to shareholders of the Company.
- 9. (Dividends)** The performance rights do not confer any entitlement to a dividend, whether fixed or at the discretion of the Board.
- 10. (Return of capital)** The performance rights do not confer any right to a return of capital, whether in a winding up, upon a reduction of capital or otherwise.
- 11. (Winding up)** The performance rights do not confer any right to participate in the surplus profit or assets of the entity upon a winding up.
- 12. (Change of control)** In accordance with the terms of the Incentive Plan (refer Schedule 2), upon a change of control event, any outstanding awards will vest and may be exercised at any time and in any number from the date of such change of control event. A change of control event is defined to include various events, including circumstances where a person, who does not previously have such an interest, acquires an interest in more than 50% of the issued capital of the Company.

13. (Capital reorganisation) In accordance with the terms of the Incentive Plan (refer Schedule 2), in the event of any reorganisation of the issued capital of the Company, the rights relevant to the performance rights may be changed to the extent necessary to comply with the Listing Rules.

Annexure A

5 October 2022

The Company Secretary
Solstice Minerals Limited
Suite 22, Level 1
513 Hay Street
SUBIACO WA 6008

Dear Ms O'Hara

RE: Solstice Minerals Limited – Nomination of auditor

In accordance with the provisions of s328B(1) of the *Corporations Act 2001*, I, Dean Gerard Clark, being a member of Solstice Minerals Limited, hereby nominate William Buck for appointment as auditor of the Company.

Please distribute copies of this notice of nomination as required by s328B(3) and (4) of the *Corporations Act 2001*.

Yours sincerely



Dean Gerard Clark



Solstice Minerals Limited | ABN 67 150 154 162

Proxy Voting Form

If you are attending the virtual Meeting please retain this Proxy Voting Form for online Securityholder registration.

Holder Number:

Your proxy voting instruction must be received by **9.00am (AWST) on Monday, 14 November 2022**, being **not later than 48 hours** before the commencement of the Meeting. Any Proxy Voting instructions received after that time will not be valid for the scheduled Meeting.

SUBMIT YOUR PROXY

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

YOUR NAME AND ADDRESS

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

STEP 1 – APPOINT A PROXY

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

DEFAULT TO THE CHAIR OF THE MEETING

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

STEP 2 - VOTES ON ITEMS OF BUSINESS

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

APPOINTMENT OF SECOND PROXY

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

SIGNING INSTRUCTIONS

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

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

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

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

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

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

CORPORATE REPRESENTATIVES

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

Lodging your Proxy Voting Form:

Online:

Use your computer or smartphone to appoint a proxy at <https://investor.automic.com.au/#/loginsah>

or scan the QR code below using your smartphone Login & Click on 'Meetings'. Use the Holder Number as shown at the top of this Proxy Voting Form.



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