



METALS LIMITED

**Anax Metals Limited
ACN 106 304 787**

Notice of Extraordinary General Meeting

Time and date: 10.00am (AWST) on Tuesday, 10 September 2024

Location: Ground Floor, 20 Kings Park Rd, West Perth,
Western Australia 6005

The Notice of Extraordinary General Meeting should be read in its entirety.
If Shareholders are in doubt as to how to vote, they should seek advice from their suitably
qualified professional advisor prior to voting.

**Should you wish to discuss any matter, please do not hesitate to contact the
Company Secretary by telephone on 1300 288 664.**

Independent Expert's Report: Shareholders should carefully consider the Independent Expert's Report prepared for the purpose of the Shareholder approval required under Listing Rule 10.1. The Independent Expert's Report comments on the fairness and reasonableness of the transaction the subject of Resolution 1 to the non-associated Shareholders. The Independent Expert has determined the transaction the subject of Resolution 1 is fair and reasonable to the non-associated Shareholders.

Shareholders are urged to vote by lodging the Proxy Form

Anax Metals Limited
ACN 106 304 787
(Company)

Notice of Extraordinary General Meeting

Notice is hereby given that an extraordinary general meeting of Shareholders of Anax Metals Limited will be held at Ground Floor, 20 Kings Park Rd, West Perth, Western Australia 6005 on Tuesday, 10 September 2024 at 10.00am (AWST) (**Meeting**).

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

The Directors have determined pursuant to regulation 7.11.37 of the *Corporations Regulations 2001* (Cth) that the persons eligible to vote at the Meeting are those who are registered as Shareholders on Sunday, 8 September 2024 at 5.00pm (AWST).

Terms and abbreviations used in the Notice are defined in Schedule 1.

Agenda

1 Resolutions

Resolution 1 – Approval of grant of Security to Jetosea

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

'That, subject to Resolution 2 being passed, pursuant to and in accordance with Listing Rule 10.1 and for all other purposes, Shareholders approve the granting of the Security by the Company to Jetosea in its capacity as financier under the Loan Agreement on the terms and conditions in the Explanatory Memorandum.'

In accordance with Listing Rule 10.5.10, the Company has engaged BDO to provide an Independent Expert's Report in respect of Resolution 1. Shareholders should carefully consider the Independent Expert's Report at Schedule 2 of the Explanatory Memorandum. The Independent Expert's Report comments on the fairness and reasonableness of the proposed granting of any Security by the Company. BDO has determined that the proposed granting of the Security the subject of Resolution 1 **is fair and reasonable** to the non-associated Shareholders.

Resolution 2 – Approval to issue Loan Options

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

'That, subject to Resolution 1 being passed, pursuant to and in accordance with Listing Rule 7.1 and for all other purposes, Shareholders approve the issue of up to 60,000,000 Loan Options to Jetosea (or its nominee/s), on the terms and conditions in the Explanatory Memorandum.'

Voting exclusions

Pursuant to the Listing Rules, the Company will disregard any votes cast in favour of:

- (a) **Resolution 1:** by or on behalf of Jetosea (or its nominee/s), and any other person who will obtain a material benefit as a result of the grant of Security (except a benefit solely by reason of being a Shareholder), or any of their respective associates.
- (b) **Resolution 2:** by or on behalf of Jetosea (or its nominee/s), and any other person who will obtain a material benefit as a result of the proposed issue of Loan Options (except a benefit solely by reason of being a Shareholder), or any of their respective associates.

The above voting exclusions do not apply to a vote cast in favour of the relevant Resolution by:

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

BY ORDER OF THE BOARD

Daniel Coletta
Joint Company Secretary
Anax Metals Limited

Dated: 8 August 2024

Anax Metals Limited
ACN 106 304 787
(Company)

Explanatory Memorandum

2. Introduction

The Explanatory Memorandum has been prepared for the information of Shareholders in connection with the business to be conducted at the Meeting to be held at Ground Floor, 20 Kings Park Rd, West Perth, Western Australia 6005 on Tuesday, 10 September 2024 at 10.00am (AWST).

The Explanatory Memorandum forms part of the Notice which should be read in its entirety. The Explanatory Memorandum contains the terms and conditions on which the Resolutions will be voted. The Explanatory Memorandum includes the following information to assist Shareholders in deciding how to vote on the Resolutions:

Section 3	Action to be taken by Shareholders
Section 5	Background
Section 6	Resolution 1 – Approval of grant of Security to Jetosea
Section 7	Resolution 2 – Approval to issue Loan Options
Schedule 1	Definitions
Schedule 2	Independent Expert's Report
Schedule 3	Terms and conditions of Loan Options

A Proxy Form is made available at the end of the Explanatory Memorandum.

3. **Action to be taken by Shareholders**

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

3.1 **Voting in person**

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

3.2 **Voting by a corporation**

A Shareholder that is a corporation may appoint an individual to act as its representative and vote in person at the Meeting. The appointment must comply with the requirements of section 250D of the Corporations Act. The representative should bring to the Meeting evidence of their appointment, including any authority under which it is signed.

3.3 **Voting by proxy**

A Proxy Form is made available with the Notice. This is to be used by Shareholders if they wish to appoint a representative (a 'proxy') to vote in their place. All Shareholders are invited and encouraged to attend the Meeting or, if they are unable to attend in person, complete 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 in person.

Please note that:

- (a) a member of the Company entitled to attend and vote at the Meeting is entitled to appoint a proxy;
- (b) a proxy need not be a member of the Company; and
- (c) 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 available Proxy Form provides further details on appointing proxies and lodging Proxy Forms.

Section 250BB(1) of the Corporations Act provides that an appointment of a proxy may specify the way the proxy is to vote on a particular resolution and, if it does:

- (a) the proxy need not vote on a show of hands, but if the proxy does so, the proxy must vote that way (i.e. as directed);
- (b) if the proxy has 2 or more appointments that specify different ways to vote on the resolution – the proxy must not vote on a show of hands;
- (c) if the proxy is the Chair of the meeting at which the resolution is voted on – the proxy must vote on a poll, and must vote that way (i.e. as directed); and
- (d) if the proxy is not the Chair – the proxy need not vote on the poll, but if the proxy does so, the proxy must vote that way (i.e. as directed).

Section 250BC of the Corporations Act provides that, if:

- (a) an appointment of a proxy specifies the way the proxy is to vote on a particular resolution at a meeting of the Company's members;
- (b) the appointed proxy is not the chair of the meeting;
- (c) at the meeting, a poll is duly demanded, or is otherwise required under section 250JA on the resolution; and
- (d) either the proxy is not recorded as attending the meeting or the proxy does not vote on the resolution,

the Chair of the meeting is taken, before voting on the resolution closes, to have been appointed as the proxy for the purposes of voting on the resolution at the meeting.

Your proxy voting instruction must be received by 10.00am (AWST) on Sunday, 8 September 2024 being not later than 48 hours before the commencement of the Meeting.

3.4 **Chair's voting intentions**

The Chair intends to exercise all available proxies in favour of all Resolutions, unless the Shareholder has expressly indicated a different voting intention. In exceptional circumstances, the Chair of the Meeting may change their voting intention on any Resolution, in which case an ASX announcement will be made.

3.5 **Submitting questions**

Shareholders may submit questions in advance of the Meeting to the Company. Questions must be submitted by emailing the Company Secretary at info@anaxmetals.com.au by 5.00pm AWST on Thursday, 5 September 2024.

Shareholders will also have the opportunity to submit questions during the Meeting in respect to the formal items of business. In order to ask a question during the Meeting, please follow the instructions from the Chair.

The Chair will attempt to respond to the questions during the Meeting. The Chair will request prior to a Shareholder asking a question that they identify themselves (including the entity name of their shareholding and the number of Shares they hold).

4. **Conditional Transaction Resolutions**

Resolution 1 and Resolution 2 (together, the **Transaction Resolutions**) are inter-conditional, meaning that each of them will only take effect if both of them are approved by the requisite majority of Shareholders' votes at the Meeting. If either of the Transaction Resolutions are not approved at the Meeting, neither of the Transaction Resolutions will take effect and the granting of the Security, the issue of the Loan Options, and any other matters contemplated by the Transaction Resolutions will not be completed.

5. Background to the Resolutions

5.1 Overview

On 7 December 2022, the Company announced that it had entered into an unsecured loan agreement with substantial Shareholder Jetosea Pty Ltd (**Jetosea**) (as amended on 29 June 2023, 29 January 2024, and 29 May 2024) (**Loan Agreement**), pursuant to which Jetosea agreed to loan the Company an aggregate \$3,100,000 at an interest rate of 6% per annum (**Loan**).

As announced on 29 June 2023 and 29 January 2024, the Company varied the Loan Agreement to extend the Loan repayment dates, and acquire a further \$600,000 in loaned funds from Jetosea in addition to the original \$2,500,000 loan in consideration for the Company issuing Jetosea (or its nominee/s):

- (a) 10,000,000 Options exercisable at \$0.10 each and expiring on 29 June 2026 (issued on 29 June 2023); and
- (b) 20,000,000 Options exercisable at \$0.03 each and expiring on 5 February 2026 (issued on 15 April 2024),

(Initial Variations).

Subsequent to the Initial Variations, as announced on 30 May 2024, the Company varied the Loan Agreement to extend the Loan repayment date to 31 December 2025 in exchange for the Company:

- (c) granting, pursuant to a security deed between the Company, Jetosea, and the Company's wholly owned subsidiary, Whim Creek Metals Pty Ltd (**WCM**) dated 29 May 2024 (**Security Deed**), a security over the 80% participating interest of WCM in the Whim Creek Project joint venture between the Company, WCM, Venture X Pilbara Pty Ltd, Jutt Resources Pty Ltd and Develop Global (**Security**), subject to Shareholder approval pursuant to Listing Rule 10.1, the subject of Resolution 1; and
- (d) issuing Jetosea (or its nominee/s) 60,000,000 Options exercisable at \$0.045 each and expiring 2 years from date of issue (**Loan Options**), subject to Shareholder approval pursuant to Listing Rule 7.1, the subject of Resolution 2.

5.2 Loan Agreement

Pursuant to the terms of the Loan Agreement:

- (a) (**Principal**): Jetosea advanced \$3,100,000 to the Company.
- (b) (**Term**): The Loan is repayable by the Company on or before 31 December 2025.
- (c) (**Interest**): Interest payable by the Company to Jetosea will be accrued at 6% per annum on the outstanding amount of the Loan calculated monthly and payable quarterly in arrears.
- (d) (**Security**): Following the variation to the Loan Agreement on 29 May 2024, the Principal Amount is secured against the Company's 80% interest of the Whim Creek Project.

- (e) **(Options):** Subject to receipt of all required Shareholder approvals, the Company agreed to issue Jetosea (or its nominee/s) up to 120,000,000 unlisted Options, comprising of:
- (i) 15,000,000 Options exercisable at \$0.08 each and expiring on 13 December 2024 (issued on 13 December 2022);
 - (ii) 15,000,000 Options exercisable at \$0.12 each and expiring on 13 December 2024 (issued on 13 December 2022);
 - (iii) 10,000,000 Options exercisable at \$0.10 each and expiring on 29 June 2026 (issued on 29 June 2023);
 - (iv) 20,000,000 Options exercisable at \$0.03 each and expiring on 5 February 2026 (issued on 15 April 2024); and
 - (v) 60,000,000 Loan Options, the subject of Resolution 2.

The Loan Agreement contains additional provisions, including warranties and indemnities in respect of the Company, which are considered standard for agreements of this nature.

5.3 Security Deed

Pursuant to the terms of the Security Deed:

(Security): For the purpose of securing the Company's obligations to repay the Loan to Jetosea, the Company (as parent company to WCM) agreed to grant a charge on all its present and future interests in:

- (a) the Whim Creek Project;
- (b) all minerals and products produced from the Whim Creek Project; and
- (c) all contracts for the sale of minerals and product produced from the Whim Creek Project and any proceeds of sale from such contracts,

in favour of Jetosea, subject to receipt of Shareholder approval under Listing Rule 10.1, the subject of Resolution 1.

(Enforceability): The Security Deed only becomes enforceable against WCM if it is in default under the Loan Agreement, such as failing to pay any cash calls or other monies due under the Loan Agreement. Upon such an event occurring, Jetosea will be entitled to exercise certain powers under the Security Deed to enforce the Security, including the power to sell, transfer or otherwise dispose all or any part of the Company's interest in the Whim Creek Project and to use and apply any moneys realised from the exercise of such power to remedy the default and recover the outstanding amount on the Loan.

(Discharge of Security): Upon full repayment of the Loan to Jetosea, the Security will be discharged and released by Jetosea.

The Loan Agreement contains additional provisions, including warranties and indemnities in respect of the Company, which are considered standard for agreements of this nature.

The Company is satisfied that its negotiations with Jetosea have been on an arm's length basis, with each of the Company and Jetosea having separate legal representation.

6. Resolution 1 – Approval of grant of Security to Jetosea

6.1 General

The background to Resolution 1 is set out in Section 5.1 above.

Resolution 1 seeks Shareholder approval pursuant to Listing Rule 10.1 for the grant of the Security to Jetosea pursuant to the Security Deed and is conditional on Shareholders passing Resolution 2. In the event Shareholders approve Resolution 1 but not Resolution 2, Resolution 1 will have no effect.

A summary of the material terms of the Security Deed is set out in Section 5.3 above.

6.2 ASX Listing Rule 10.1

Shareholder approval is required under Listing Rule 10.1 where an entity proposes to dispose of a substantial asset to:

- (a) a related party (Listing Rule 10.1.1);
- (b) a child entity (Listing Rule 10.1.2);
- (c) a person who is, or was at any time in the 6 months before the transaction (i.e. the Acquisition), a substantial (10%+) holder in the Company (Listing Rule 10.1.3);
- (d) an associate of a person referred to in Listing Rules 10.1.1 to 10.1.3 (Listing Rule 10.1.4); or
- (e) a person whose relationship with the Company or a person referred to in Listing Rules 10.1.1 to 10.1.4 is such that, in ASX's opinion, the issue or agreement should be approved by shareholders (Listing Rule 10.1.5),

unless it obtains the approval of its shareholders.

In the present circumstances, Jetosea falls into the category stipulated by Listing Rule 10.1.3 by virtue of Jetosea having a relevant interest in 137,620,224 Shares representing approximately 19.86% of the voting Shares in the Company.

Pursuant to Listing Rule 10.2, an asset is "substantial asset" if its value, or the value of the consideration being paid or received for it is, or in ASX's opinion is, 5% or more of the equity interests of the company as set out in the latest accounts given to ASX under the Listing Rules

The proposed grant of the Security requires Shareholder approval under Listing Rule 10.1.3 on the basis that:

- (a) for the purposes of Listing Rule 10.1, 'dispose' includes using an asset as collateral (as is the case for the proposed grant of the Security by the Company to Jetosea pursuant to the Security Deed); and
- (b) the value attributed to the Company's interest in the Whim Creek Project will exceed \$930,689, being 5% of the Company's equity interests as set out in the latest accounts given to ASX under the Listing Rules (being the half year report for the half year ended 31 December 2023 announced 11 March 2024).

Resolution 1 seeks the required Shareholder approval for the purposes of Listing Rule 10.1 of the Company's proposed grant of the Security to Jetosea pursuant to the Security Deed.

If Resolution 1 and Resolution 2 are passed, the Company will grant the Security to Jetosea pursuant to the Security Deed.

If Resolution 1 or Resolution 2 are not passed, the Company will be unable to grant the Security to Jetosea and will be required to attempt to reach a commercial agreement with Jetosea which may be on less favourable terms to the grant of the Security and may require the Company to use funds from its existing cash reserves, or raise additional capital from alternative debt or equity sources to repay the Loan.

6.3 **ASX Listing Rule 10.5**

In accordance with Listing Rule 10.5, the following information is provided in relation to the approval of grant of the Security under Listing Rule 10.1:

- (a) The Security is being granted to Jetosea.
- (b) Jetosea is a substantial shareholder of the Company having a relevant interest in 137,620,224 Shares representing approximately 19.86% of the voting Shares in the Company and therefore falls into the category stipulated by Listing Rule 10.1.3.
- (c) The details of the assets that may be acquired or disposed of upon in the event of default by the Company pursuant to the Security Deed are set out in Section 5.1.
- (d) There is no direct consideration being given for the Security. The Company's grant of the Security to Jetosea is to secure the Company's obligations to repay the Loan.
- (e) There is no consideration being received by the Company as a result of the grant of the Security. The Loan has been or is intended to be used towards:
 - (i) the Whim Creek Definitive Feasibility Study;
 - (ii) advancing off-take and project finance discussions towards Financial Investment Decision for the construction and development of the 80%-owned, mine ready, fully permitted, Whim Creek Project; and
 - (iii) general working capital.
- (f) There is no timetable for granting the Security. The Company has entered into the Security Deed with Jetosea whereby the grant of the Security takes effect upon Shareholder approval being obtained. The possible disposal of the assets will occur only if the Company defaults under the Loan Agreement. A summary of the Loan Agreement is set out in Section 5.2.
- (g) A summary of the material terms of the Security Deed is set out in Section 5.3.
- (h) A voting exclusion statement is included in the Notice.
- (i) The Company has engaged BDO to provide a report on the grant of the Security as an independent expert. This Independent Expert's Report is contained at Schedule 2. The Independent Expert's Report comments on the fairness and reasonableness of the proposed grant of the Security to Jetosea by the Company. BDO has determined

that the proposed grant of the Security pursuant to Resolution 1 is fair and reasonable to non-associated Shareholders.

6.4 **Additional information**

Resolution 1 is an ordinary resolution.

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

7. **Resolution 2 – Approval to issue Loan Options**

7.1 **General**

The background to the Loan Options is in Section 5.1 above.

Resolution 2 seeks Shareholder approval pursuant to Listing Rule 7.1 for the issue of 60,000,000 Loan Options to Jetosea pursuant to the Loan Agreement and is conditional on Shareholders passing Resolution 1. In the event Shareholders approve Resolution 2 but not Resolution 1, Resolution 2 will have no effect.

A summary of the material terms of the Loan Agreement is set out in Section 5.2 above.

7.2 **Listing Rule 7.1**

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

The issue of the Loan Options does not fit within any of the exceptions to Listing Rules 7.1, as it has not yet been approved by Shareholders and effectively uses up part of the Company's 15% placement capacity under Listing Rule 7.1. This reduces the Company's capacity to issue further Equity Securities without Shareholder approval under this Listing Rule for the 12-month period following the issue of the Placement Shares.

Listing Rule 7.4 provides an exception to Listing Rule 7.1. It provides that where a company in a general meeting ratifies the previous issue of securities made pursuant to Listing Rules 7.1 (and provided that the previous issue did not breach Listing Rules 7.1), those Equity Securities will be deemed to have been made with shareholder approval for the purpose of Listing Rules 7.1.

The effect of Shareholders passing Resolution 2 will be to allow the Company to issue the Loan Options and retain the flexibility to issue Equity Securities in the future up to the 15% placement capacity set out in Listing Rule 7.1, without the requirement to obtain prior Shareholder approval.

If Resolution 2 and Resolution 1 are passed, the Loan Options will be excluded in calculating the Company's 15% limit in Listing Rule 7.1, effectively increasing the number of Equity Securities it can issue without Shareholder approval over the 12-month period following the issue date.

If Resolution 2 or Resolution 1 are not passed, the Company will not be able to proceed with the issue of the Loan Options and will otherwise be required to attempt to reach a commercial agreement with Jetosea which may be on less favourable terms to the issue of the Loan Options and may require the Company to use funds from its existing cash reserves, or raise additional capital from alternative debt or equity sources to repay the Loan.

7.3 **Specific information required by Listing Rule 7.3**

Pursuant to and in accordance with Listing Rule 7.3, the following information is provided in relation to the proposed issue of the Loan Options:

- (a) The Loan Options will be issued to Jetosea (or its nominee/s) who is not a related party of the Company. Jetosea is considered a Material Investor by virtue of it being a substantial Shareholder of the Company. As at the date of this Notice and to the extent known by the Company, Jetosea has a relevant interest in 137,620,224 Shares representing approximately 19.86% of the voting Shares in the Company.
- (b) A maximum of 60,000,000 Loan Options will be issued to Jetosea (or its nominee/s).
- (c) The Loan Options are exercisable at \$0.045 each and expire 2 years from date of issue. The Loan Options are otherwise subject to the terms and conditions in Schedule 3.
- (d) The Loan Options will be issued no later than 3 months after the date of the Meeting.
- (e) The Loan Options will be issued for nil consideration. The purpose of the issue of the Loan Options was to satisfy the Company's obligations under the Loan Agreement. Accordingly, no funds will be raised from the issue of the Loan Options.
- (f) A summary of the material terms of the Loan Agreement is in Section 5.2 above.
- (g) A voting exclusion statement is included in the Notice.

7.4 **Additional information**

Resolution 2 is an ordinary resolution.

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

Schedule 1 Definitions

In the Notice, words importing the singular include the plural and vice versa.

ASX	means the ASX Limited (ABN 98 008 624 691) and, where the context permits, the Australian Securities Exchange operated by ASX Limited.
AWST	means Australian Western Standard Time
BDO	means BDO Corporate Finance Australia Pty Ltd (ACN 124 031 045).
Board	means the board of Directors.
Chair	means the person appointed to chair the Meeting of the Company convened by the Notice.
Closely Related Party	means: <ul style="list-style-type: none">(a) a spouse or child of the member; or(b) has the meaning given in section 9 of the Corporations Act.
Company	means Anax Metals Limited (ACN 106 304 787).
Corporations Act	means the <i>Corporations Act 2001</i> (Cth), as amended.
Director	means a director of the Company.
Equity Securities	means any equity securities of the Company (including Shares, Options and/or Performance Rights).
Explanatory Memorandum	means the explanatory memorandum which forms part of the Notice.
Initial Variations	has the meaning given in Section 5.1.
Jetosea	means Jetosea Pty Ltd (ACN 003 784 441).
Key Management Personnel	has the same meaning as in the accounting standards issued by the Australian Accounting Standards Board and means those persons having authority and responsibility for planning, directing and controlling the activities of the Company, or if the Company is part of a consolidated entity, of the consolidated entity, directly or indirectly, including any Director (whether executive or otherwise) of the Company, or if the Company is part of a consolidated entity, of an entity within the consolidated group.
Listing Rules	means the listing rules of ASX.
Loan	has the meaning given in Section 5.1.
Loan Agreement	has the meaning given in Section 5.1.
Loan Options	has the meaning given in Section 5.1.
Material Investor	means in relation to the Company:

- (a) a related party;
- (b) Key Management Personnel;
- (c) a substantial Shareholder;
- (d) an advisor; or
- (e) an associate of the above,

who received Shares which constituted more than 1% of the Company's issued capital at the time of issue.

Meeting	has the meaning given in the introductory paragraph of the Notice.
Notice	means this notice of general meeting.
Option	means an Option to acquire a Share.
Proxy Form	means the proxy form attached to the Notice.
Resolution	means a resolution referred to in the Notice.
Schedule	means a schedule to the Notice.
Section	means a section of the Explanatory Memorandum.
Security	has the meaning given in Section 5.1.
Security Deed	has the meaning given in Section 5.1.
Share	means a fully paid ordinary share in the capital of the Company.
Shareholder	means the holder of a Share.
WCM	means Whim Creek Metals Pty Ltd (ACN 639 132 282).
Whim Creek Project	means the Whim Creek Copper-Zinc Project located 100km southwest of Port Hedland in West Pilbara, Western Australia, which is 80% owned by the Company via WCM and 20% owned by Develop Global Ltd (ACN 122 180 205).

Schedule 2 Independent Expert's Report

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Anax Metals Limited

Independent Expert's Report

Opinion: Fair and reasonable

5 August 2024



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Perth, WA 6000
PO Box 700 West Perth WA 6872
Australia

FINANCIAL SERVICES GUIDE

Dated: 5 August 2024

This Financial Services Guide (FSG) helps you decide whether to use any of the financial services offered by BDO Corporate Finance Australia Pty Ltd (BDO Corporate Finance, we, us, our).

The FSG includes information about:

- Who we are and how we can be contacted
- The services we are authorised to provide under our Australian Financial Services Licence, Licence No: 247420
- Remuneration that we and/or our staff and any associates receive in connection with the financial services
- Any relevant associations or relationships we have
- Our complaints handling procedures and how you may access them.

FINANCIAL SERVICES WE ARE LICENSED TO PROVIDE

We hold an Australian Financial Services Licence which authorises us to provide financial product advice to retail and wholesale clients about securities and certain derivatives (limited to old law securities, options contracts and warrants). We can also arrange for customers to deal in securities, in some circumstances. Whilst we are authorised to provide personal and general advice to retail and wholesale clients, we only provide *general* advice to retail clients.

Any general advice we provide is provided on our own behalf, as a financial services licensee.

GENERAL FINANCIAL PRODUCT ADVICE

Our general advice is typically included in written reports. In those reports, we provide general financial product advice that is prepared without taking into account your personal objectives, financial situation or needs. You should consider the appropriateness of the general advice having regard to your own objectives, financial situation and needs before you act on the advice. Where the advice relates to the acquisition or possible acquisition of a financial product, you should also obtain a product disclosure statement relating to the product and consider that statement before making any decision about whether to acquire the product.

FEES, COMMISSIONS AND OTHER BENEFITS THAT WE MAY RECEIVE

We charge fees for providing reports. These fees are negotiated and agreed to with the person who engages us to provide the report. Fees will be agreed on an hourly basis or as a fixed amount depending on the terms of the agreement. In this instance, the Company has agreed to pay us \$20,000 for preparing the Report.

Except for the fees referred to above, neither BDO Corporate Finance, nor any of its directors, employees or related entities, receive any pecuniary benefit or other benefit, directly or indirectly, for or in connection with the provision of general advice.

All our employees receive a salary. Our employees are eligible for bonuses based on overall company performance but not directly in connection with any engagement for the provision of a report.

REFERRALS

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

ASSOCIATIONS AND RELATIONSHIPS

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

We do not have any formal associations or relationships with any entities that are issuers of financial products. However, you should note that we and BDO (and its related entities) might from time to time provide professional services to financial product issuers in the ordinary course of business.

COMPLAINTS RESOLUTION

We are committed to meeting your needs and maintaining a high level of client satisfaction. If you are unsatisfied with a service we have provided you, we have avenues available to you for the investigation and resolution of any complaint you may have.

To make a formal complaint, please use the Complaints Form. For more on this, including the Complaints Form and contact details, see the [BDO Complaints Policy](#) available on our website.

BDO Corporate Finance is a member of AFCA (Member Number 11843). Where you are unsatisfied with the resolution reached through our Internal Dispute Resolution process, you may escalate this complaint to the Australian Financial Complaints Authority (AFCA) using the below contact details:

Australian Financial Complaints Authority
GPO Box 3, Melbourne VIC 3001
Email: info@afca.org.au
Phone: 1800 931 678
Fax: (03) 9613 6399
Interpreter service: 131 450
Website: <http://www.afca.org.au>

COMPENSATION ARRANGEMENTS

BDO Corporate Finance and its related entities hold Professional Indemnity insurance for the purpose of compensating retail clients for loss or damage suffered because of breaches of relevant obligations by BDO Corporate Finance or its representatives under Chapter 7 of the Corporations Act 2001. These arrangements and the level of cover held by BDO Corporate Finance satisfy the requirements of section 912B of the Corporations Act 2001.

CONTACT DETAILS

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Appendix 1 - Glossary and copyright notice

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5 August 2024

The Directors
Anax Metals Limited
2/20 Kings Park Road
West Perth WA 6005

Dear Directors

INDEPENDENT EXPERT'S REPORT

1. Introduction

On 7 December 2022, Anax Metals Limited ('Anax' or 'the Company') announced that it had entered into an unsecured loan note agreement with major shareholder, Jetosea Pty Ltd ('Jetosea'), pursuant to which Jetosea has agreed to lend the Company a total of \$2.5 million, structured in two tranches, being \$1.0 million repayable within 12 months of the subscription date ('Class A Loan') and \$1.5 million repayable within 24 months of the subscription date ('Class B Loan') ('Class A and Class B Loan Agreement'). In exchange for the Class A Loan and Class B Loan, the Company agreed to issue Jetosea 30 million new options in the Company, comprising of 15 million new options (exercisable at \$0.08 on or before the date that is two years from the date of issue) ('Tranche 1 Options') and 15 million new options (exercisable at \$0.12 on or before the date that is three years from the date of issue) ('Tranche 2 Options').

Subsequently, on 29 June 2023, a first letter of variation to the Loan Agreement was executed between Anax and Jetosea ('the Parties') in which the initial repayment date was to be extended from 12 to 24 months from the subscription date ('First Variation of the Class A and Class B Loan Agreement'). Pursuant to the first variation, Anax had agreed to issue Jetosea a total 10 million new options (exercisable at \$0.10 on or before the date that is three years from the date of issue) ('Tranche 3 Options').

On 29 January 2024, Anax announced that it had entered into an additional unsecured loan note agreement with major shareholder, Jetosea, whereby Jetosea agreed to lend the Company \$600,000 ('Class C Loan') until 30 June 2025 at an interest rate of 6% per annum ('Class C Loan Agreement'). Pursuant to the terms of the Class C Loan Agreement, the Company agreed to issue 20 million unquoted options to Jetosea exercisable at \$0.03 each and expiring two years after the issue date ('Tranche 4 Options'), as approved by shareholders of Anax on 28 March 2024.

The Class A Loan, Class B Loan and Class C Loan are collectively referred to as the 'Loan' and the Class A Loan Agreement, Class B Loan Agreement and the Class B Loan Agreement are collectively referred to as the 'Loan Agreement'.

On 29 May 2024, a first letter of variation to the Class C Loan Agreement was executed by the Parties ('First Variation of Class C Loan Agreement'). Similarly, on 29 May 2024, a second letter of variation to the Class A and Class B Loan Agreement was executed between the Parties ('Second Variation of the Class A and Class B Loan Agreement'). In particular, the maturity date of the Loan was extended to 31

December 2025 in exchange for providing Jetosea with security over Anax's 80% participating interest ('Participating Interest') in an earn-in and joint venture agreement for the Whim Creek Project ('EJVA') (referred to as the 'Security') by way of an executed security deed between WCM, Anax and Jetosea dated 29 May 2024 ('Security Deed') and the issue of 60,000,000 additional Anax options to Jetosea (exercisable at \$0.045 and expiring on the date that is 2 years from the date of issue ('Loan Options')).

The EJVA is between Anax, Whim Creek Metals Pty Ltd (Anax's wholly owned subsidiary) ('WCM'), Jutt Resources Pty Ltd, VentureX Pilbara Pty Ltd and Develop Global Limited ('Develop') originally dated 21 July 2020 and varied on 2 September 2020.

The issue of the Loan Options to Jetosea is subject to the satisfaction or waiver of various other conditions precedent (including Anax receiving shareholder approval under Listing Rule 10.11), and makes up Resolution 2 of the Notice of Meeting.

Jetosea is a major shareholder of Anax, and as such shareholder approval is required in accordance with Listing Rule 10.1 for the Security to be granted to Jetosea.

The grant of Security to Jetosea is referred to as the 'Proposed Transaction' and makes up Resolution 1 of the Notice of Meeting. We note that Resolution 1 and Resolution 2 are inter-conditional ('Transaction Resolutions') whereby in the event Shareholders approve Resolution 1 but not Resolution 2, Resolution 1 will have no effect. If either of the Transaction Resolutions are not approved at the Company's Meeting, neither of the Transaction Resolutions will take effect and the granting of the Security and the issue of Loan Options will not be completed.

Anax is an Australian incorporated company. As at the date of our Report, Anax has 691,317,098 ordinary shares on issue that are tradeable on the Australian Securities Exchange ('ASX'). This Report is to accompany the Notice of Meeting ('Transaction Document') required to be provided to the non-associated shareholders of Anax entitled to vote on the Proposed Transaction ('Shareholders') and has been prepared to assist the non-associated Shareholders in their considerations of whether or not to approve the Proposed Transaction.

Further details of the Proposed Transaction are outlined in Section 4 of our Report.

All figures are quoted in Australian Dollars ('\$' or 'AUD') unless otherwise stated.

2. Summary and opinion

2.1 Requirement for the report

The directors of Anax have requested that BDO Corporate Finance Australia Pty Ltd ('BDO') prepare an independent expert's report ('our Report') to express an opinion as to whether the Proposed Transaction is fair and reasonable to the Shareholders of Anax.

Our Report is prepared pursuant to ASX Listing Rule 10.1 and 10.5 and is to be included in the Notice of Meeting for Anax to assist Shareholders in their decision whether to approve the Proposed Transaction.

2.2 Approach

Our Report has been prepared having regard to Australian Securities and Investments Commission ('ASIC') Regulatory Guide 111 'Content of expert reports' ('RG 111') and Regulatory Guide 112 'Independence of experts' ('RG 112').

In arriving at our opinion, we have assessed the terms of the Proposed Transaction as outlined in the body of this report. We have considered:

- How the value of the proceeds of the sale of assets secured by the Security, that would be provided to Jetosea in the event of a default, compares to the value of the liabilities that would be settled;
- the likelihood of an alternative offer being made to Anax;
- other factors which we consider to be relevant to the Shareholders in their assessment of the Proposed Transaction; and
- the position of Shareholders should the Proposed Transaction not proceed.

2.3 Opinion

We have considered the terms of the Proposed Transaction as outlined in the body of this Report and have concluded that, in the absence of an alternative offer, the Proposed Transaction is fair and reasonable to Shareholders.

2.4 Fairness

In Section 11, we determined that the value of the proceeds of the sale of the secured assets that would be provided to Jetosea under the terms of the Security in the event of a default, is equal to or less than the value of the liabilities that would be settled. Therefore, in the absence of any other relevant information, this indicates that the Proposed Transaction is fair for Shareholders.

As outlined in Section 11, we have considered the various scenarios which could occur in the event of default by Anax (as the seller), which are summarised in the table below.

Scenario	Consequence	Fairness
Security to be Provided > Liabilities to be Settled	Security to be Provided = Liabilities to be Settled	Fair
Security to be Provided = Liabilities to be Settled	Security to be Provided = Liabilities to be Settled	Fair
Security to be Provided < Liabilities to be Settled	Security to be Provided < Liabilities to be Settled	Fair

Source: BDO analysis

2.5 Reasonableness

We have considered the analysis in Section 12 of this Report, in terms of the following:

- Advantages and disadvantages of the Proposed Transaction.
- Other considerations, including the position of Shareholders if the Proposed Transaction does not proceed and the consequences of not approving the Transaction.

In our opinion, the position of Shareholders if the Proposed Transaction is approved is more advantageous than the position if the Proposed Transaction is not approved. Accordingly, in the absence of any other relevant information and/or an alternate proposal we consider that the Proposed Transaction is reasonable for Shareholders.

The respective advantages and disadvantages considered are summarised below:

ADVANTAGES AND DISADVANTAGES			
Section	Advantages	Section	Disadvantages
12.3	The Proposed Transaction is fair	12.4	Anax will grant Jetosea security over the Company's indirect holding in EJVA, being its interest in the Whim Creek Project

12.3 The Proposed Transaction supports the Company's debt funding

Other key matters we have considered include:

Section	Description
12.1	Alternative Proposal
12.2	Consequences of not approving the Proposed Transaction

3. Scope of the Report

3.1 Purpose of the Report

ASX Listing Rule 10.1 requires that a listed entity must obtain shareholders' approval before it acquires or disposes of, or agrees to acquire or dispose of, a substantial asset when the consideration to be paid for the asset or the value of the asset being disposed constitutes more than 5% of the equity interest of that entity as set out in the latest accounts given to the ASX under its Listing Rules. Listing Rule 10.1 applies where the vendor or acquirer of the relevant assets is a related party or person of influence of the listed entity as defined under the ASX Listing Rules.

By entering into the Proposed Transaction, the Company is deemed to have disposed of a substantial asset, being the Security provided to the substantial holder (Jetosea). Based on the Company's reviewed half year financials as 31 December 2023, the value of the asset being disposed (via the granting of security to the substantial holder) is greater than 5% of the equity interest of Anax.

Accordingly, an independent experts' report is required for the Proposed Transaction under ASX Listing Rule 10.1. Under RG 111 the report should provide an opinion by the expert stating whether or not the terms and conditions in relation thereto are fair and reasonable to non-associated Shareholders of Anax.

3.2 Regulatory guidance

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

This regulatory guide suggests that, where an expert assesses whether a related party transaction is 'fair and reasonable' for the purposes of ASX Listing Rule 10.1 this should not be applied as a composite test—that is, there should be a separate assessment of whether the transaction is 'fair' and 'reasonable', as in

a control transaction. An expert should not assess whether the transaction is ‘fair and reasonable’ based simply on a consideration of the advantages and disadvantages of the proposal.

We do not consider the Proposed Transaction to be a control transaction. As such, we have used RG 111 as a guide for our analysis but have considered the Proposed Transaction as if it were not a control transaction.

3.3 Adopted basis of evaluation

RG 111 states that a transaction is fair if the value of the offer price or consideration is equal to or greater than the value of the securities subject of the offer. This comparison should be made assuming a knowledgeable and willing, but not anxious, buyer and a knowledgeable and willing, but not anxious, seller acting at arm’s length.

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

Having regard to the above, BDO has completed this comparison in two parts:

- A comparison between how the value of the proceeds of the sale of assets secured by the Security held by Jetosea, compares to the value of the liabilities that would be settled (fairness - see Section 11 ‘Are the Proposed Transactions Fair?’); and
- An investigation into other significant factors to which Shareholders might give consideration, prior to approving the Proposed Transaction, after reference to the values derived above (reasonableness - see Section 12 ‘Are the Proposed Transactions Reasonable?’).

4. Outline of the Proposed Transaction

4.1 Loan Agreement

On 7 December 2022, Anax announced that it had entered into an unsecured loan note agreement with major shareholder, Jetosea, pursuant to which Jetosea agreed to lend the Company a total of \$2.5 million, structured in two tranches, being:

- Class A Loan: \$1.0 million repayable within 12 months of the subscription date; and
- Class B Loan: \$1.5 million repayable within 24 months of the subscription date

In exchange for the Class A Loan and Class B Loan, the Company agreed to issue Jetosea 30 million new options in the Company, comprising:

- Tranche 1 Options: 15 million new options (exercisable at \$0.08 on or before the date that is two years from the date of issue); and
- Tranche 2 Options: 15 million new options (exercisable at \$0.12 on or before the date that is three years from the date of issue).

Subsequently, on 29 June 2023, a first letter of variation to the Class A and Class B Loan Agreement was executed between the Parties for which the initial repayment date was to be extended from 12 to 24 months from the subscription date. Pursuant to the first variation, Anax had agreed to issue Jetosea a total 10 million new options (exercisable at \$0.10 on or before the date that is three years from the date of issue), known as the Tranche 3 Options.

On 29 January 2024, Anax announced that it had entered into an additional unsecured loan note agreement with major shareholder, Jetosea, whereby Jetosea agreed to lend the Company \$600,000 until 30 June 2025 at an interest rate of 6% per annum, known as the Class C Loan Agreement. Pursuant to the terms of the Class C Loan Agreement, the Company agreed to issue the 20 million unquoted options to Jetosea exercisable at \$0.03 each and expiring two years after the issue dates (termed the Tranche 4 Options) as approved by shareholders on 28 March 2024.

Variations made to the Loan Agreement

On 29 May 2024, a first letter of variation to the Class C Loan Agreement was executed the Parties. Similarly, on 29 May 2024, a second letter of variation to the Class A and Class B Loan Agreement was executed between the Parties. In particular, the maturity date of the Loan was extended to 31 December 2025 in exchange for additional options to Jetosea in addition to providing Jetosea with Security over Anax's Participating Interest in the EJVA. The EJVA is between Anax, WCM, Jutt Resources Pty Ltd, VentureX Pilbara Pty Ltd and Develop originally dated 21 July 2020 and further varied on 2 September 2020.

Per the Security Deed, Anax has agreed to grant in favour of Jetosea a Security over the Company's indirect holding in EVJA, its interests in the Whim Creek Project.

Terms of the Loan Agreement

- **Principal:** Jetosea advanced \$3.1 million to the Company;
- **Term:** the Loan is repayable by the Company on or before 31 December 2025;
- **Interest:** Interest payable by the Company to Jetosea will be accrued at 6% per annum on the outstanding amount of the Loan calculated monthly and payable quarterly in arrears;

- **Security:** Following the Second Variation of the Class A and Class B Loan Agreement and the First Variation of the Class C Loan Agreement, the principal amount of the Loan is secured against the Company’s Participating Interest in the Whim Creek Project;
- **Options:** Subject to receipt of all required Shareholder approvals, the Company agreed to issue Jetosea up to 120 million unlisted options in Anax, comprising of:
 - a) Tranche 1 Options;
 - b) Tranche 2 Options;
 - c) Tranche 3 Options;
 - d) Tranche 4 Options; and
 - e) Loan Options, the subject of Resolution 2.

4.2 Security Deed

As security for the due and punctual payment and satisfaction of amounts owing under the Loan Agreement, Anax agrees to pay the secured money in accordance with the terms of the Loan Agreement and the Security Deed.

Security

For the purpose of securing the Company’s obligations to repay the Loan to Jetosea, the Company (as parent company to WCM) agreed to grant a charge on all its present and future interests in:

- the Whim Creek Project;
- all minerals and products produced from the Whim Creek Project; and
- all contracts for the sale of minerals and product produced from the Whim Creek Project and any proceeds of sale from such contracts.

Enforceability and discharge of Security

The Security Deed only becomes enforceable against WCM if it is in default under the Loan Agreement, such as failing to pay any cash calls or other monies due under the Loan Agreement. Upon such an event occurring, Jetosea will be entitled to exercise certain powers under the Security Deed to enforce the Security, including the power to sell, transfer or otherwise dispose all or any part of the Company’s interest in the Whim Creek Project and to use and apply any moneys realised from the exercise of such power to remedy the default and recover the outstanding amount on the Loan.

Upon full repayment of the Loan to Jetosea, the Security will be discharged and released by Jetosea.

Tenements subject to Security

Per the Security Deed, the initial list of tenements subject to Security are outlined in the table below.

No.	Status	Registered Holder	Grant date	Expiry date
E47/3495	Live	VentureX Pilbara Pty Ltd and WCM	01-Aug-2017	31-Jul-2027
L47/36	Live	VentureX Pilbara Pty Ltd and WCM	19-Jan-1998	18-Jan-2028
M47/236	Live	WCM and VentureX Pilbara Pty Ltd	22-Jul-1990	26-Jul-2032
M47/237	Live	WCM and VentureX Pilbara Pty Ltd	22-Jul-1990	26-Jul-2032

No.	Status	Registered Holder	Grant date	Expiry date
M47/238	Live	WCM and VentureX Pilbara Pty Ltd	22-Jul-1990	26-Jul-2032
M47/323	Live	VentureX Pilbara Pty Ltd and WCM	01-Jun-1993	03-Jun-2035
M47/324	Live	VentureX Pilbara Pty Ltd and WCM	01-Jun-1993	03-Jun-2035
M47/443	Live	VentureX Pilbara Pty Ltd and WCM	29-May-1998	01-Jun-2040
M47/1455	Live	Jutt Resources Pty Ltd and WCM	04-Apr-2012	03-Apr-2033

Source: Security Deed dated 29 May 2024

Conditions precedent

Subject to the satisfaction or waiver or various other conditions precedent (including Anax receiving shareholder approval under Listing Rule 10.11), per the Second Variation of the Loan Agreement, the Loan Options will be issued to Jetosea.

We note that the Transaction Resolutions (Resolution 1 and Resolution 2) are inter-conditional whereby in the event Shareholders approve Resolution 1 but not Resolution 2, Resolution 1 will have no effect. If either of the Transaction Resolutions are not approved at the Company's Meeting, neither of the Transaction Resolutions will take effect and the granting of the Security and the issue of Loan Options will not be completed.

Further details of the Proposed Transaction are set out in the Notice of Meeting.

5. Profile of Anax

Anax is an ASX listed exploration and development company with projects based in Western Australia ('WA'). Anax's flagship asset is the 80% owned Whim Creek Copper-Zinc Project ('Whim Creek Project') located in the Pilbara, WA (for which Develop own the residual 20% interest). Anax also has an 100% interest in the Loudon Patch and Mount Short exploration projects, whereby Woomera Mining Limited ('Woomera') may earn a 70% interest into the latter. The Company was incorporated in 2003 and is headquartered in West Perth, Western Australia.

The current board of directors of Anax are:

- Phillip Jackson - Chairman;
- Geoff Laing - Managing Director;
- Peter Cordin - Non-Executive Director;
- Phil Warren - Non-Executive Director;
- Jenine Owen - Chief Financial Officer;
- Steven Wood - Joint Company Secretary; and
- Daniel Coletta - Joint Company Secretary.

5.1 Whim Creek Project

Located approximately 115 kilometres ('km') southwest of Port Hedland in the Pilbara region of WA, the Whim Creek Project comprises four deposits, namely Mons Cupri, Salt Creek, Whim Creek and Evelyn. Following the execution of an unincorporated joint venture in 2020, previously referred to as the EJVA, the Whim Creek Project is 80% owned by Anax for which Develop retains a 20% interest that is free carried through to a decision to mine.

The deposits each have defined Mineral Resource and Ore Reserve Estimates which are prospective for copper, zinc, lead, silver and gold. The project is accessible via major arterial roads with a major port and associated infrastructure nearby in Port Hedland and Karratha. A Definitive Feasibility Study, released in April 2023, evaluated the processing of sulphide ore from the four deposits through a proposed new 400 kilo-tonnes per annum concentrator. Additionally, Anax intends to use a fully permitted existing heap leach facility to produce copper cathode and zinc sulphate. A heap leach Scoping Study, released in September 2023, anticipates heap leaching to begin in the second year of operation.

More recently, on 28 March 2024, the Company announced the commencement of a Scoping Study with Develop to investigate the feasibility of transporting oxide ores from Develop's 100% owned Sulphur Springs deposit to the Whim Creek Project, where ore may be heap leached to produce saleable copper and zinc products.

In August 2023, Anax received approval of the Stage 2 Mining Proposal for the project from the Department of Mines, Industry Regulation and Safety ('DMIRS'). This approval permits the commencement of mining from the Whim Creek pit and processing of ore from the Mons Cupri and Whim Creek pits through a conventional flotation processing plant to produce separate copper, lead and zinc concentrates. Additionally, the mining proposal allows for the construction of a three-cell in-pit tailings storage facility at the Mons Cupri deposit. With the approval of the Stage 2 Mining Proposal, all necessary DMIRS approvals for the commencement of mining activities at the project have now been completed, marking the final major regulatory approval for the project.

The Whim Creek Project is projected to produce an average of 12,000 tonnes of copper equivalent per annum consisting of 62 kilo-tonnes ('Kt') of copper, 97Kt of zinc and 20Kt of lead over an 8-year mine life. Anax envisions that the Whim Creek Project and its processing infrastructure will provide a viable processing solution for several assets located within trucking distance. In addition, Anax has recently established a Pilbara Base Metal Alliance to facilitate collaboration with base metal asset owners in the region.

5.2 Exploration Projects

Anax additionally has an 100% interest in the following exploration projects.

Loudens Patch Project (100% Anax owned)

Located adjacent to the east of the Whim Creek Project in the Pilbara region of Western Australia, the Loudens Patch Project (E47/4281) is prospective for gold and lithium. Historical exploration has been limited to patchy soil sampling with minor gold anomalism.

Mount Short Project (100% Anax owned, Woomera earning 70%)

Situated in the Ravensthorpe Greenstone Belt in the great Southern Region of Western Australia and approximately 13km north of the Mt Cattlin Lithium Mine, the Mount Short Project covers 64 square kilometres. Although historical exploration has focused on nickel, the project is prospective for lithium, nickel, gold, copper and other base metals.

In August 2023, Anax entered into a Farm-In and Joint Venture Agreement ('FIJV') with Woomera, whereby Woomera may earn an initial 70% interest in the Mount Short Project. The principal terms of the agreement are:

- Woomera must spend a minimum of \$150,000 on the Mount Short Project within 12 months of signing the agreement;
- Woomera may then elect to continue to earn into the FIJV by paying Anax a cash payment of \$50,000 to earn a 70% interest in the tenement by incurring expenditure of \$1.5 million within three years;
- Anax may then elect to contribute to 30% expenditure or reduce to a 20% interest, free carried to a decision to mine; and
- If Woomera makes a decision to mine, Anax may choose to contribute its 20% interest or reduce to a 1.5% royalty.

During the first quarter of 2024, Woomera met its initial minimum commitment on the project and elected to proceed to farm-in to the joint venture by providing a cash payment of \$50,000 to Anax.

5.3 Recent Corporate Events

June Placement

On 17 June 2024, Anax announced that it had received commitments from institutional, sophisticated and professional investors to raise approximately \$3 million (before costs) via a placement of 100 million new fully paid ordinary shares in the Company at an issue price of \$0.03 per share ('June Placement'). June Placement participants will also be entitled to one free attaching unlisted option exercisable at \$0.06 and expiring 2 years from issue for every two placement shares subscribed for ('Attaching Options'). The issue of Attaching Options is subject to shareholder approval.

Furthermore, Anax will issue 4.5 million unlisted options (exercisable at \$0.06 and expire in 2 years from issue) to its Lead Manager, Evolution Capital Pty Ltd, in addition to the issue of 1.2 million unlisted broker options (exercisable at \$0.06 and expiring 2 years from issue) to broker, T Conn.

Funds are to be allocated towards drilling at the Evelyn deposit of the Whim Creek Project and technical studies to assess the treatment of GreenTech Metals Limited's base metal assets at the Whim Creek Project as part of the recently formed Pilbara Base Metal Alliance. Additionally, proceeds are further allocated to advancing a Scoping Study to assess the treatment of base metal assets from Develop's 100% owned Sulphur Springs project at the Whim Creek Project, advancing towards a Financial Investment Decision for the construction of a mine at the Whim Creek Project and working capital requirements.

In addition to the June Placement, Anax has entered into an agreement with drilling services company, Topdrill Pty Ltd ('**Topdrill**'), for which Anax may issue Topdrill fully paid ordinary shares in the Company instead of a part cash payment for drilling services rendered ('**Contractor Shares**'). The maximum number of Contractor Shares that Anax may issue is up to 60% of the total invoice value for drilling services and up to a maximum invoice value of \$1 million. The Contractor Shares will be issued at a deemed issue price being the five day Volume Weighted Average Price ('**VWAP**') of the shares of the Company for the five trading days immediately preceding invoice date. The agreement is effective immediately and will remain in effect until the earlier of 31 October 2024 or the termination by either party.

January Placement

On 29 January 2024, Anax announced that it had received commitments to raise approximately \$2.1 million (before costs) via a two-tranche placement of approximately 104 million new fully paid ordinary shares in the Company at \$0.02 per share to institutional, sophisticated and professional investors ('**January Placement**'). Each investor received a one for two free attaching unlisted option, exercisable at \$0.06 each and expiring on 31 December 2025 for every share subscribed for. Proceeds from the January Placement were intended to be put towards the development of the Whim Creek Project, progress near-mine exploration and evaluate regional consolidation opportunities.

5.4 Historical Statement of Financial Position

Statement of Financial Position	Reviewed as at 31-Dec-23	Audited as at 30-Jun-23	Audited as at 30-Jun-22
	\$	\$	\$
CURRENT ASSETS			
Cash and cash equivalents	1,820,788	1,710,534	7,319,066
Trade and other receivables	232,133	278,956	344,753
Financial assets at fair value through profit or loss	-	-	1,287,700
TOTAL CURRENT ASSETS	2,052,921	1,989,490	8,951,519
NON-CURRENT ASSETS			
Right of use assets	52,617	87,693	131,478
Property, plant and equipment	452,548	481,974	543,029
Exploration and evaluation assets	36,262,677	34,113,943	30,517,350
TOTAL NON-CURRENT ASSETS	36,767,842	34,683,610	31,191,857
TOTAL ASSETS	38,820,763	36,673,100	40,143,376
CURRENT LIABILITIES			
Trade and other payables	548,536	507,665	1,785,472
Employee benefits	124,684	98,460	124,417
Lease liabilities	55,762	71,886	59,554
Other provisions	3,242,117	3,239,392	3,401,276
Financial liabilities	3,831,208	986,953	986,586
TOTAL CURRENT LIABILITIES	7,802,307	4,904,356	6,357,305
NON-CURRENT LIABILITIES			
Employee benefits	45,030	36,677	-
Lease liabilities	-	18,911	82,191
Financial liabilities	-	2,538,292	1,820,517
Provision for rehabilitation	12,359,652	12,168,428	13,171,792
TOTAL NON-CURRENT LIABILITIES	12,404,682	14,762,308	15,074,500
TOTAL LIABILITIES	20,206,989	19,666,664	21,431,805
NET ASSETS	18,613,774	17,006,436	18,711,571
EQUITY			
Issued capital	51,729,193	48,987,531	48,886,055
Reserves	7,320,750	7,472,012	6,424,571
Accumulated losses	(40,436,169)	(39,453,107)	(36,599,055)
TOTAL EQUITY	18,613,774	17,006,436	18,711,571

Source: Anax's reviewed financial statements for the half year ended 31 December 2023 and audited financial statements for the years ended 30 June 2023 and 30 June 2022

Commentary on Historical Statement of Financial Position

We note the Company's auditor highlighted a material uncertainty that may cast significant doubt on the Company's ability to continue as a going concern, in its audit reports for the years ended 30 June 2022 and 30 June 2023 and its review report for the half year ended 31 December 2023. The Company's auditor outlined that the ability to continue as a going concern is dependent on the Company raising additional working capital, including the ability to raise sufficient funding to settle current financial liabilities, particularly the Aeris Contract liability in accordance with the expected timeline of the decision to mine.

- Cash and cash equivalents decreased from \$7.32 million as at 30 June 2022 to \$1.71 million as at 30 June 2023. This decrease was primarily the result of payments made for exploration and evaluation of \$5.46 million, suppliers and employees of \$2.30 million and exploration assets of \$1.40 million, which was partially offset by proceeds from third-party borrowings of \$2.57 million and \$1.41 million from the sale of financial assets. Cash and cash equivalents increased from \$1.71 million as at 30 June 2023 to \$1.82 million as at 31 December 2023. This increase was primarily the result of net proceeds from issues of equity securities of \$2.87 million, partially offset by payments made for exploration expenditure capitalised of \$1.57 million, which related to expenditure incurred at the Whim Creek Project and \$0.81 million of payments to suppliers and employees.
- Other provisions relate to a provision for a historical contract liability with Aeris Resources Limited ('Aeris'), previously held by Develop ('Aeris Contract'). As per the terms of the Aeris Contract, an amount of \$3,500,000 is payable to Aeris upon the announcement of the Company's intention to commence mining operations on any of the tenements held by the Company or its related bodies corporate, within 100km of the Whim Creek Project. According to the EJVA with Develop, Anax assumes all the liabilities arising out of, or in connection with, the Aeris Contract once the Company holds at least 70% interest in the Whim Creek Project. As the Company currently holds 80% participating interest in the Whim Creek Project, Anax is solely responsible for the settlement of this liability.
- Financial liabilities of \$3.83 million as at 31 December 2023 comprised a deferred payment to Develop of \$1.91 million and interest-bearing borrowings of \$1.92 million. As per the terms of the EJVA with Develop, Anax is required to pay Develop \$1 million in cash on the 2nd, 3rd and 4th anniversary of the effective date (30 October 2020, when all conditions precedent were met). On 19 September 2023, the parties reached agreement for the deferral of the due date for the second deferred consideration payment from 30 October 2023 to 30 April 2024. In relation to the interest-bearing borrowings, on 8 December 2022, Anax secured short-term and long-term interest-bearing unsecured loans of a total \$2.5 million (\$1 million repayable after 12 months on 8 December 2023 and \$1.5 million repayable after 24 months on 6 December 2024.) from one of its major shareholders, Jetosea, to fund the development of the Whim Creek Project. On 29 June 2023, the first repayment date was extended by 12 months to 6 December 2024.
- Provision for rehabilitation of \$12.36 million as at 31 December 2023 relates to the costs to rehabilitate the existing Whim Creek mine site in accordance with the approved Mine Closure Plan approved in 2008. Anax has assumed an eight and a half year mine cycle for the site, with mining operations expected to begin in 2025 and conclude in the third quarter of 2033.

5.5 Historical Statement of Profit or Loss and Other Comprehensive Income

Statement of Profit or Loss and Other Comprehensive Income	Reviewed for the half year ended 31-Dec-23	Audited for the year ended 30-Jun-23	Audited for the year ended 30-Jun-22
	\$	\$	\$
Other income	81,879	292,800	4,105,373
Foreign exchange revaluation gains	-	2,654	3,891
Gross profit	81,879	295,454	4,109,264
Expenditure			
Administration expenses	(926,441)	(2,320,465)	(1,983,483)
Depreciation and amortisation	(71,095)	(136,015)	(111,440)
Finance costs	(165,930)	(124,200)	(156,621)
Share based compensation	(250,863)	(319,406)	(225,534)
Exploration and evaluation expenditure	(47,487)	(255,120)	(147,637)
Loss before income tax	(1,379,937)	(2,859,752)	1,484,549
Income tax expense	-	-	-
Loss for the year from continuing operations	(1,379,937)	(2,859,752)	1,484,549
Other comprehensive income	-	-	-
Total comprehensive loss for the year, net of tax	(1,379,937)	(2,859,752)	1,484,549

Source: Anax's reviewed financial statements for the half year ended 31 December 2023 and audited financial statements for the years ended 30 June 2023 and 30 June 2022

Commentary on Historical Statement of Profit or Loss and Other Comprehensive Income

We note the Company's auditor highlighted a material uncertainty that may cast significant doubt on the Company's ability to continue as a going concern, in its audit reports for the years ended 30 June 2022 and 30 June 2023 and its review report for the half year ended 31 December 2023. The Company's auditor outlined that the ability to continue as a going concern is dependent on the Company raising additional working capital, including the ability to raise sufficient funding to settle current financial liabilities, particularly the Aeris Contract liability in accordance with the expected timeline of the decision to mine.

- Other income of \$0.08 million as at 31 December 2023 largely constitutes unrealised fair value gain on financial assets and liabilities of \$0.07 million.
- Depreciation and amortisation related to depreciation of property, plant and equipment and the amortisation of right of use assets.

5.6 Capital structure

The share structure of Anax as at 12 July 2024 is outlined below:

	Number
Total ordinary shares on issue	691,317,098
Top 20 shareholders	373,529,497
Top 20 shareholders - % of shares on issue	54.03%

Source: Anax's share capital registry data

The range of shares held in Anax as at 12 July 2024 is as follows:

Range of shares held	No. of ordinary shareholders	No. of ordinary shares	Percentage of issued shares (%)
1 - 1,000	122	47,596	0.01%
1,001 - 5,000	245	782,581	0.11%
5,001 - 10,000	354	2,857,129	0.41%
10,001 - 100,000	1,018	41,435,678	5.99%
100,001 - and over	560	646,194,114	93.47%
TOTAL	2,299	691,317,098	100.00%

Source: Anax's share capital registry data

The ordinary shares held by the most significant shareholders as at 12 July 2024 are detailed below:

Name	No. of ordinary shares	Percentage of issued shares (%)
Jetosea Pty Ltd	137,670,224	19.91%
Holihox Pty Ltd <PSR Superannuation Fund A/C>	76,794,293	11.11%
Equity Trustees Limited <Lowell Resources Fund A/C>	19,533,867	2.83%
Mr Geoffrey Michael Huyshe Laing <The Laing Family A/C>	17,676,709	2.56%
Subtotal	251,675,093	36.41%
Others	439,642,005	63.59%
Total ordinary shares on issue	691,317,098	100.00%

Source: Anax's share capital registry data

The options and performance rights on issue in Anax as at 12 July 2024 are outlined below:

Description	No. of Options/Rights	Exercise price (\$)	Expiry Date
Options	15,000,000	\$0.12	13-Dec-25
Options	20,000,000	\$0.03	05-Feb-26
Options	15,000,000	\$0.08	13-Dec-25
Options	10,000,000	\$0.10	29-Jun-26
Options	83,805,150	\$0.06	31-Dec-25
Performance Rights	26,000,000	N/A	N/A
Options	5,700,000	\$0.06	24-Jun-26
Total number of options and performance rights	175,505,150		
Cash raised if options are exercised	\$9,970,309		

Source: Anax's share capital registry data

6. Profile of Jetosea

Jetosea is an Australian private company headquartered in Sydney, Australia. Jetosea's portfolio includes investments across listed and unlisted exploration companies across a range of commodities and in Aeeris Limited, an ASX-listed geospatial data aggregator company.

As at the date of our Report, Jetosea is a substantial shareholder of the Company having a relevant interest in 137,620,224 shares of Anax representing approximately 19.86%.

7. Economic analysis

Anax is exposed to the risks and opportunities of the Australian market through its listing on the ASX and operations within Australia. As such, we have presented an economic analysis of Australia.

7.1 Australia

At the June 2024 Monetary Policy Decision meeting, the Reserve Bank of Australia ('RBA') left the cash rate target unchanged at 4.35%. Prior to the June meeting, the Board of the RBA ('the RBA Board') has held interest rates steady since a 25-basis point increase made in November 2023. This is aimed at returning inflation to the RBA's target of 2-3% within a reasonable timeframe and facilitating ongoing moderate growth in employment. Following its peak in December 2022 at 7.8%, inflation has fallen substantially as higher interest rates have helped to bring aggregate demand and supply closer to balance. However, recent data shows a slower pace of decline, with inflation still above the midpoint of the target range. Over the year to April 2024, the monthly consumer price index ('CPI') indicator rose by 3.6% in headline terms, and by 4.1% excluding volatile items and holiday travel, which was similar to its pace in December 2023.

The central forecast published by the RBA in May 2024 predicted inflation would return to the target range in the second half of 2025, and to the midpoint in 2026. However, since then, there have been indications that economic activity is weakening, including slow Gross Domestic Product ('GDP') growth, a rise in the unemployment rate, and slower-than-expected wage growth.

Recently, the combination of heightened interest rates and cost-of-living pressures has led to a substantial deceleration in household spending. Additionally, dwelling investments have demonstrated weakness due to continuous increases in housing prices nationwide. However, real disposable incomes have recently stabilised and are expected to grow later in 2024, aided by lower inflation and tax cuts.

Since the beginning of 2024, equity prices in Australia have reached a record high, similarly experienced in the advanced economies of the United States and Japan, due to recent declines in bond yields. The rise in equity prices likely indicates growing market confidence in the potential for inflation to align with central bank targets, with minimal adverse impact on future earnings.

Among other major economies around the world, the rebound from the COVID-19 pandemic waned throughout 2022 which contributed to a significant slowdown in the global economy. In Australia, as in many advanced economies, high inflation and energy prices have weighed on demand. For 2024, it is anticipated that GDP growth in Australia's key trading partners will remain substantially below historical norms. In China, growth is expected to slow over the next two years as the post-pandemic rebound in services consumption fades and the property sector remains weak.

Labour market conditions are gradually easing, although remain tight. In March 2024, the unemployment rate stood at 3.8%. With economic growth forecast below trend, employment is predicted to expand at a slower pace than the labour force, leading to a gradual rise in the unemployment rate to around 4.40% by June 2025. Additionally, wage growth has also increased over the past year, but has peaked with indications it will moderate over the year ahead.

Outlook

The economic outlook remains uncertain, and according to the RBA Board, recent data indicates that the process of returning inflation to target is unlikely to be smooth. To date, medium-term inflation expectations have been consistent with the inflation target and the RBA Board emphasised the importance of this remaining the case. Inflation is easing but at a slower pace than previously expected and remains high. Returning inflation to target within a reasonable timeframe remains the RBA Board's highest

priority, however, they expect it will take some time. Services price inflation remains high, as observed overseas. However, it is expected to gradually decline as domestic inflationary pressures moderate and growth in labour and non-labour costs ease.

Conditions in the labour market are expected to further ease to align broadly with full employment conditions that can be sustained over time without contributing to inflationary pressures in the coming years. Nominal wage growth is expected to remain strong in the near term and then gradually decline in line with labour market easing.

Economic growth in Australia is forecast to remain subdued as earlier interest rate hikes and inflation continue to weigh on consumption. Growth is expected to gradually increase from late 2024 as inflation declines and household income pressure eases. However, the full impact of policy tightening on household consumption is uncertain. The squeeze on household finances could result in prolonged subdued household consumption, which may put more downward pressure on labour demand and wages and see an earlier return to the inflation target than forecast. This could also occur if economic growth among Australia's trading partners is slower than anticipated. However, there remains a high level of uncertainty around the Chinese economic outlook and the implications of the conflicts in Ukraine and the Middle East, which may have implications for supply chains.

Source: www.rba.gov.au Statement by the Reserve Bank Board: Monetary Policy Decision dated 18 June 2024 and prior periods, www.rba.gov.au Statement on Monetary Policy May 2024 and prior periods, and BDO analysis

8. Industry analysis

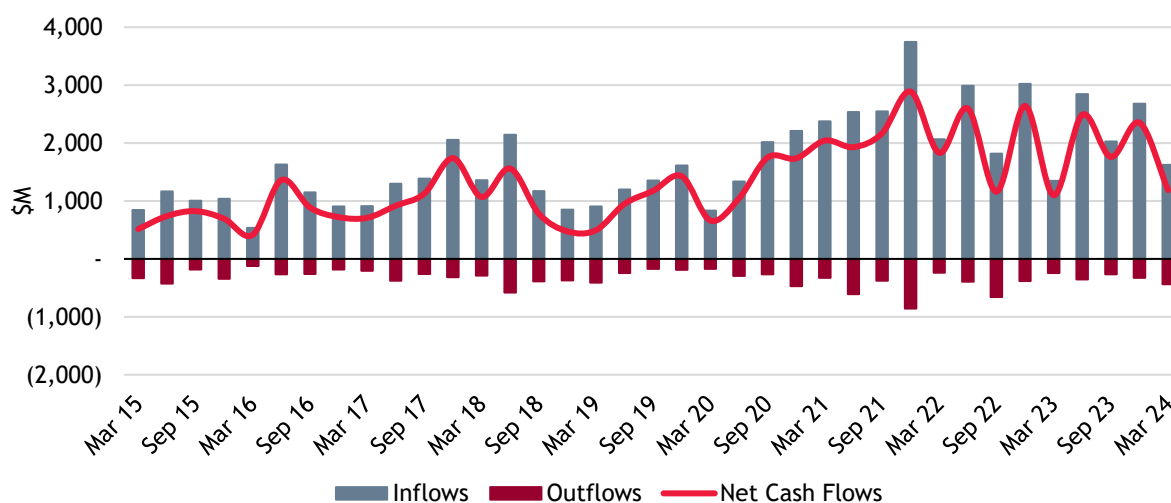
Anax is an ASX-listed exploration company focused primarily on copper, zinc and lithium. As such, we have presented an analysis of the exploration sector on the ASX as well as an overview of the copper, zinc and lithium mining industries on the basis that these form part of the considerations for our overall assessment.

8.1 Exploration Sector

BDO reports on the financial health and cash positions of ASX-listed exploration companies based on the quarterly Appendix 5B reports lodged with the ASX. ASX-listed mining and oil and gas exploration companies are required to lodge an Appendix 5B report each quarter, outlining the company's cash flows, their financing facilities available and management's expectation of future funding requirements. BDO's report for the March quarter of 2024 suggests a slowdown in activity by explorers during a period of market stabilisation. However, despite lingering economic uncertainties, explorers were supported by strong commodity prices, particularly in the uranium sector, and the continued high demand for minerals essential to the global energy transition.

In the March 2024 quarter, financing cash inflows fell to \$1.62 billion, representing a 39% decrease to the \$2.68 billion of funds raised in the previous quarter. In addition, financing inflows averaged \$2.08 million per company, which is 29% lower than the two-year average of \$2.92 million (since March 2022). The decrease in financing inflows, coupled with a 34% increase in financing cash outflows, resulted in a 49% decrease in net financing cash flows from the December 2023 quarter. While we acknowledge the influence of seasonality on this trend, with the March quarter often being a quiet period for capital raises, interest rate increases and elevated inflation has contributed to a softening in capital markets, resulting in reduced funding availability, particularly for smaller explorers.

ASX Explorers' Financing Cash Flows (\$M)

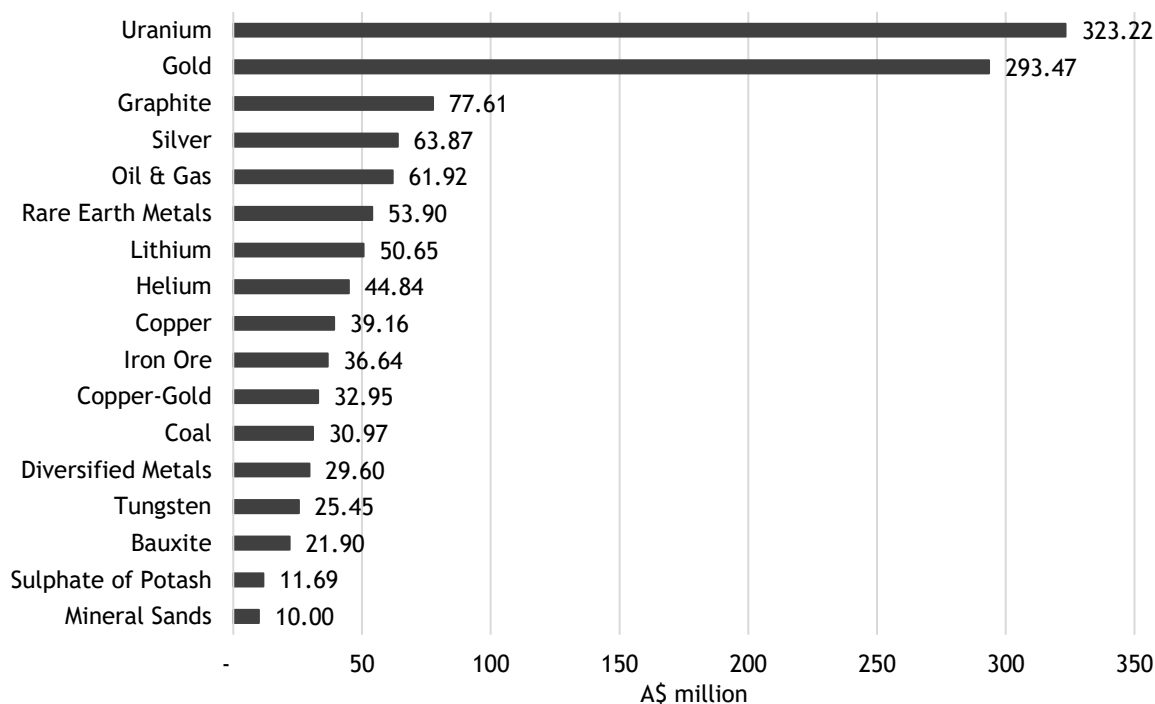


The number of companies which raised capital exceeding \$10 million (which we have termed 'Fund Finders') reduced in the March 2024 quarter with 38 companies raising \$1.21 billion compared to the 43 companies raising \$2.01 billion in the December 2023 quarter. On average, the Fund Finders of the March 2024 quarter raised \$31.8 million each and contributed to 74% of the total financing inflows in the March 2024 quarter.

Uranium explorers raised the most funds over the March 2024 quarter, with seven uranium companies accounting for 27% of funds raised during the quarter, raising a total of \$323.22 million. This marked a 50% increase from the previous quarter, which featured only two uranium companies. Uranium prices have doubled over the past twelve-month period, hitting a 16-year high of US\$106 per pound early in the quarter. The key factors driving this price shift were supply chain disruptions, sparked by geopolitical tensions with Russia, which is projected to hold 42% of the world’s enrichment capacity by 2025, coupled with renewed interest, which indicates there are both demand and supply factors driving investment in uranium.

Gold, previously dominant since June 2022, was overtaken by lithium in late 2023. Despite falling behind uranium this quarter, gold remains popular, with the gold price hitting a record high of US\$2,230 in March, and accounting for 24% of the \$1.21 billion raised by Fund Finders. Graphite explorer Syrah highlighted graphite’s importance in the advancement of battery technology during the quarter, securing the commodity a podium finish in the Fund Finder analysis. And interestingly, lithium fundraising dropped to \$50.65 million in the March 2024 quarter, reflecting a 93% decrease from the previous quarter’s \$756.39 million.

Financing Inflow by Commodity - Top 38 Explorers March Quarter 2024

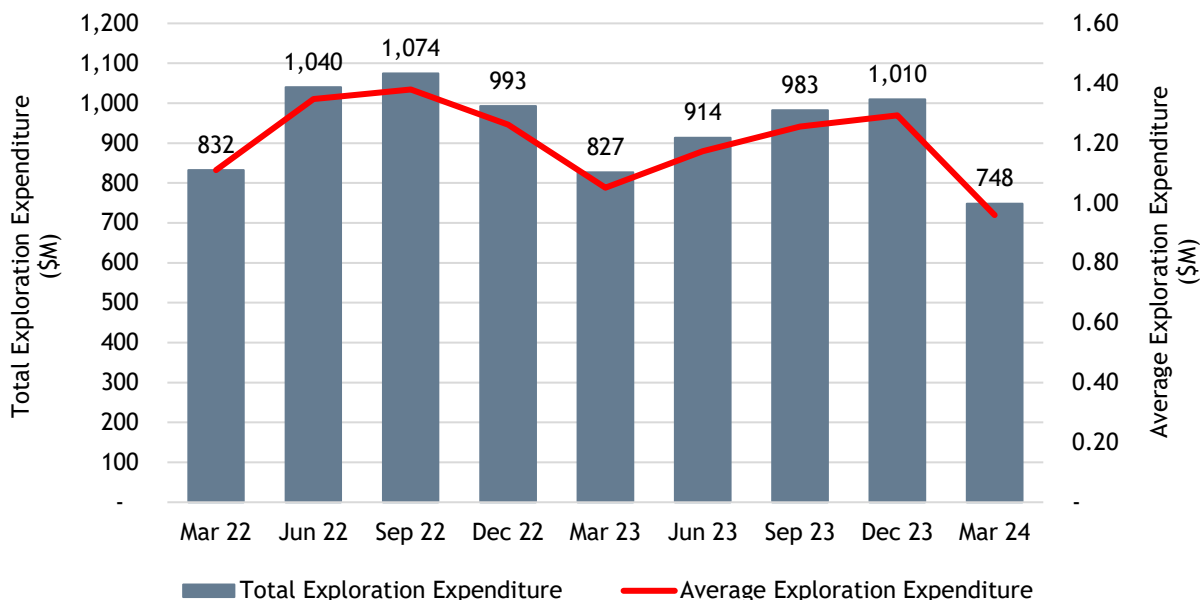


Following a large December 2023 quarter in terms of activity, total exploration spending dropped by 26% to \$748 million in the March 2024 quarter, hitting a two-year low not seen since March 2022. Additionally, the average exploration spend per company reached a new low of \$0.96 million, the lowest since the average in March 2021 of \$0.83 million. This decline in exploration activity was primarily driven by explorers adopting a cash preservation strategy in response to the softening capital markets and therefore the uncertainty around when explorers can next achieve a capital raise.

The top 10 exploration spends, totalling \$179 million, comprised four lithium companies, three oil and gas companies, two gold companies and one copper-gold company. Typically, gold and oil and gas constitute the largest portion of the top 10 exploration spends. However, similar to the previous quarter, we have observed growth in exploration spending for lithium. Notably, lithium players such as Galan Lithium

Limited (who recorded the second largest exploration spend of \$25 million), Loneer Limited, Latin Resources Limited and Delta Lithium Limited have collectively spent \$62 million on exploration during the March 2024 quarter.

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



The results from the March 2024 quarter show that despite the noticeable cannindustry wide slowdown due to deteriorating global macroeconomic conditions and softening capital markets, the sector remained resilient, supported by strong commodity prices and sustained demand for minerals critical to the clean energy transition. Uranium has emerged as the top Fund Finder of the quarter for the first time since our analysis began in 2014, with funds raised by uranium explorers increasing by 50% on the December 2023 quarter.

Source: BDO Explorer Quarterly Cash Update: March 2024 and prior releases.

8.2 Copper

Copper is a soft, tough and malleable metal which is highly sought after due to its importance in a variety of practical applications. Copper is very ductile and a good conductor of electricity which is why it is used in electrical wires, electrical generators and in electronic goods such as radios and TVs. Copper is also used in motor vehicle radiators, air conditioners and heating systems because it is a good conductor of heat. More recently, copper has been replacing aluminium in computer chips. Copper is also one of the few materials that does not degrade or lose its chemical properties during the recycling process. Therefore, recycling of copper has the positive effect of efficiently reducing waste and extending the life of existing resources.

Due to some of the applications outlined above, copper is going to be an extremely important resource in the energy transition. As fossil fuels are phased out, technologies that were previously fossil fuel powered will need to be electrified. As an example, electric vehicles use four times as much copper as petrol-fuelled cars. This will lead to increased demand for copper as the world looks to achieve its climate change related targets.

Open pit mining is widely utilised in most copper producing countries except for in Australia where approximately 93% of copper is extracted through underground mining. Copper is often found in

conjunction with gold, lead, cobalt or zinc, and a number of industry operators mine these metals and ores as well.

There are two main copper ore types of concern, copper oxide ores and copper sulphide ores. The majority of the global copper supply comes from sulphide copper ores. Sulphide ores are the most profitable as they have a high copper content as well as the copper being more easily extracted than oxide ores. While oxide ores are more abundant than sulphide ores, they are not as popular due to their lower grade.

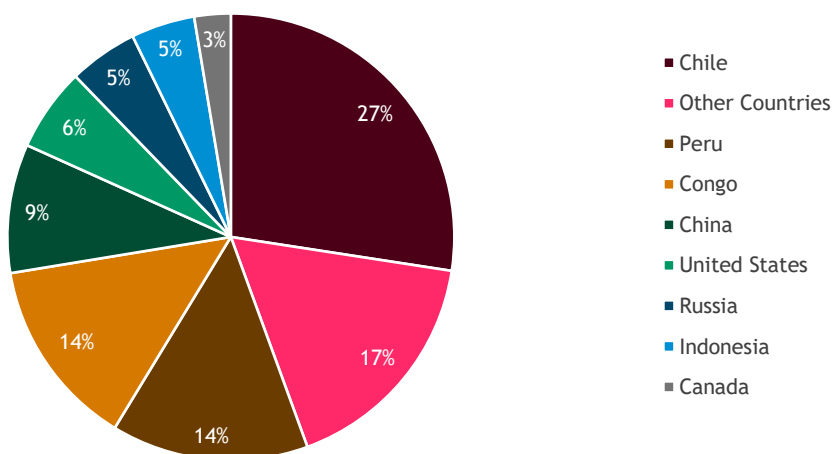
The extraction of copper from sulphides involves a beneficiation process which produces a concentrate. The concentrate generally contains between 25 and 30% copper depending on the type of copper containing minerals being processed. However, this may be as high as 60% copper in certain circumstances. The concentrate is then processed in a smelter.

Copper production and reserves

Copper supply had been forecasted to be in surplus headed into 2024. However, this has rapidly reversed with the closure of First Quantum Minerals \$10 Billion mine in Panama combined with Anglo American reducing its copper production target by 200,000 tonnes. As for demand, the International Copper Association expects the green energy transition to drive consumption of copper from 28.3 million tonnes in 2020 to 40.9 million tonnes in 2040. This equates to compounded annual growth rate ('CAGR') of 1.85%.

The USGS estimates that overall global copper production in 2023 remained relatively unchanged from 2022. As production decreases in Chile, China and the US were offset by production increases in Peru and The Democratic Republic of Congo.

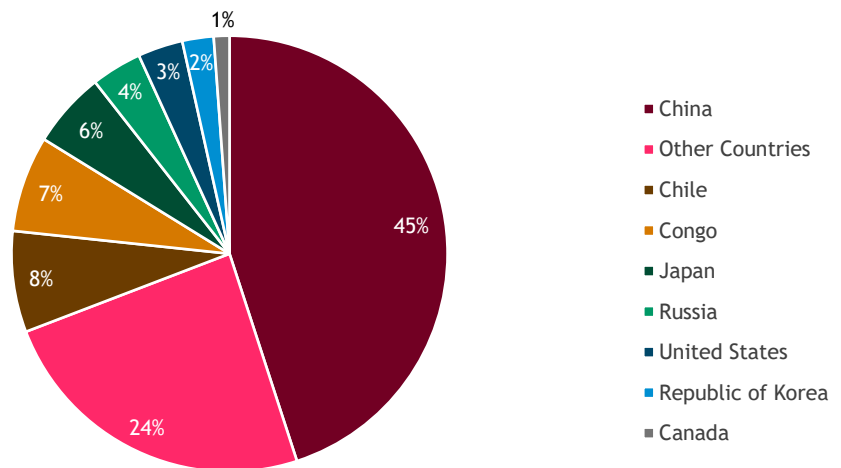
Global Copper Mine Production 2023



Source: U.S. Geological Survey, January 2024

Despite Chile being the largest mine producer, China is the leading refinery producer of copper globally.

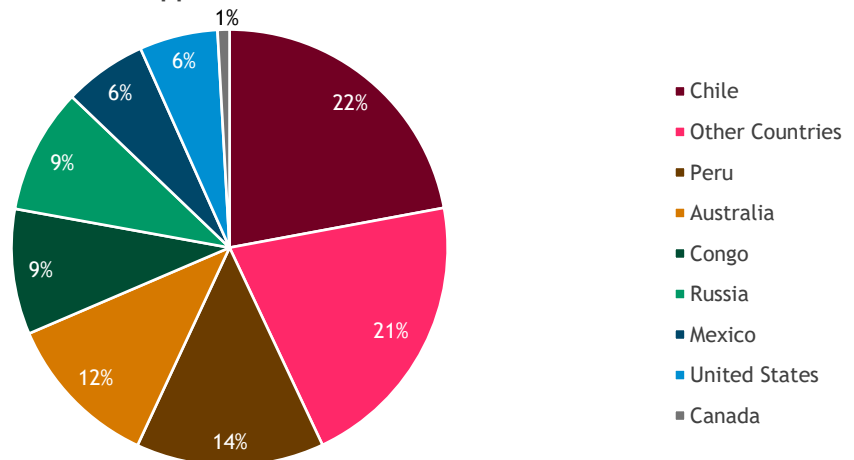
Global Copper Refinery Production 2023



Source: U.S. Geological Survey, January 2024

Chile also has the largest copper reserves globally, with Peru's reserves following closely as the second largest, according to the United States Geological Survey ('USGS'). As depicted below, the USGS estimates that collectively, Chile, Peru and Australia account for approximately 41% of global copper reserves.

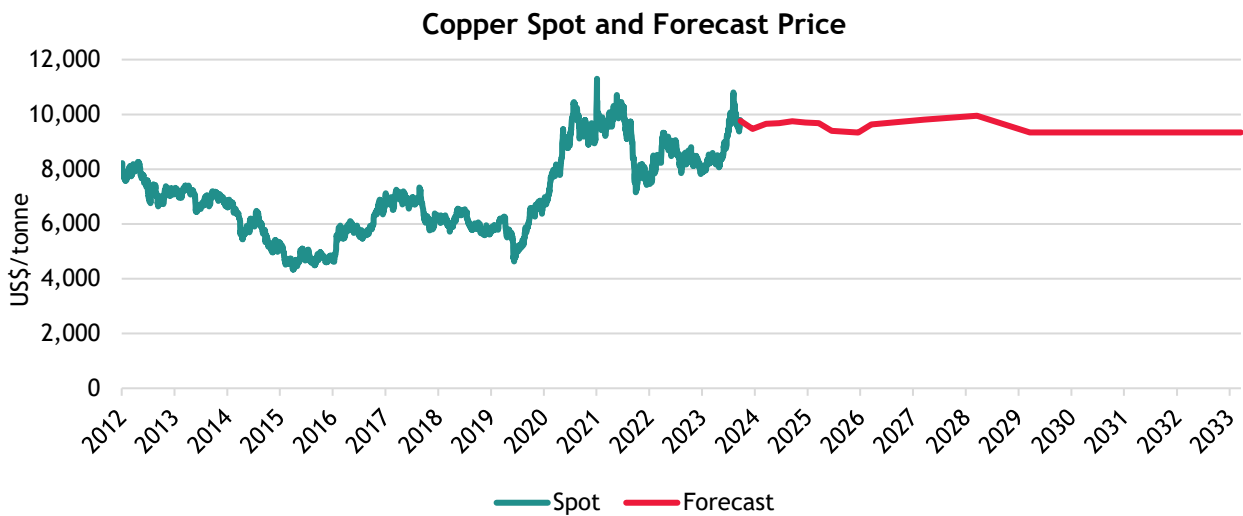
Global Copper Reserves 2023



Source: U.S. Geological Survey, January 2024

Copper prices

The US\$ price for copper is quoted on the London Metal Exchange ('LME'). A key driver of the copper price relates to stock levels held in the LME warehouses, being large global copper depositories. Like zinc, copper prices are driven heavily by Chinese demand and mine production. The global balance between demand for and supply of copper, along with speculative influences, determines the price.



Source: Bloomberg and Consensus Economics Survey dated 17 June 2024

The figure above illustrates the historical fluctuations in the copper spot prices from January 2012 to June 2024 as well as the Consensus Economics forecasts for copper prices from the remainder of 2024 to 2033.

Between 2013 and 2017, the copper price steadily declined, before increasing in mid-February 2017, relating to a strike action at the world’s largest copper mine Escondida, located in Chile. The average copper price traded around US\$7,000/t for most of 2018 but then traded lower around US\$6,000/t for most of 2019.

Global uncertainty and low confidence resulting from the emergence of the COVID-19 pandemic was a major influence in the decline in copper prices throughout the first quarter of 2020, with prices dropping to a 4-year low of US\$4,625/t on 23 March 2020. The subsequent decline in global production stemming from global lockdown regulations in April and May 2020, coupled with an improvement in copper demand from China, caused prices to spike over the remainder of that year. Chinese government stimulus measures further increased Chinese demand, with the industry experiencing supply constraints and an excess of demand, which pushed the price to exceed US\$10,000/t in May and June 2021. The price stumbled in late June following outbreaks of the Delta-variant of COVID and was US\$9,800/t towards the end of July 2021. Prices remained stable until late October 2021, where copper hit a five-month high of over US\$11,000/t, quickly declining back to around US\$10,000/t. The price averaged around US\$9,600/t for the remainder of 2021.

In the first quarter of 2022, copper prices remained relatively stable, averaging just under US\$10,000/t. In late April 2022, prices began to fall sharply, averaging approximately \$9,500/t in the second quarter, primarily attributable to concerns about supply disruptions stemming from Russia’s invasion of Ukraine. In July 2022, prices reached a yearly low of US\$7,160/t and remained volatile for the remainder of the third quarter, averaging US\$7,700/t. This volatility mainly stemmed from competing supply and demand factors. Throughout the second half of the year demand for copper was capped by the war in Ukraine, global inflation, disrupted industrial activity and a stronger US dollar. Prices increased in the fourth quarter of 2022, reaching US\$8,500/t in December as a result of supply disruptions in Latin America.

From January 2023 through January 2024, copper prices averaged US\$8,485/t, and exhibited an increase on the back of the fourth quarter of 2022, primarily due to the expected demand increase associated with China’s economic reopening, which coincided with a year to date high of US\$9,330/t in January 2023. After a decline in prices in the first half of 2023 due to a decrease in industrial activity and

uncertainty stemming from global inflationary pressures, prices rebounded in the beginning of 2024. This was due to constrained supply, record low inventories and growing demand from renewable sectors.

After reaching record highs of over US\$11,100/t in May 2024 as a result of speculation of potential shortages, a sharp rise in inventories and soft US job openings has seen copper prices fall and trade around US\$10,000/t in the following month.

According to Consensus Economics, the medium term forecast copper price from 2025 to 2028 is expected to range between US\$9,300/t and US\$9,950/t, with the long term (2029-2033) nominal forecast at approximately US\$9,300/t.

Source: Bloomberg, Consensus Economics, IBISWorld, S&P Global and BDO analysis.

8.3 Zinc

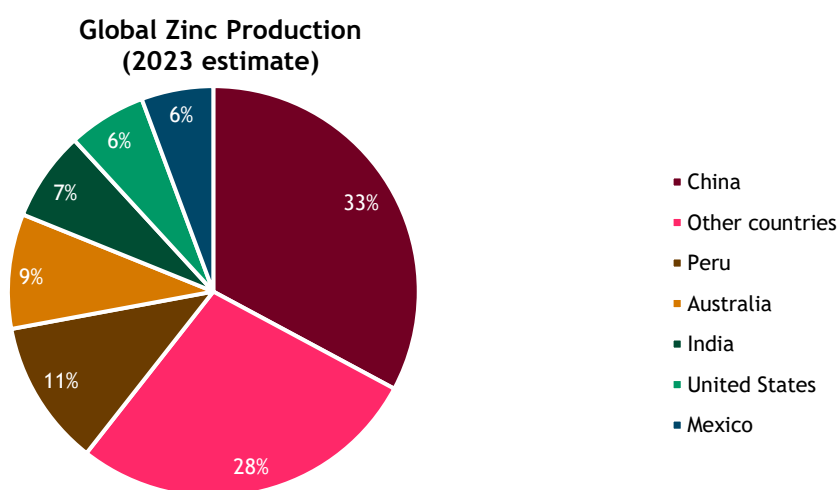
Globally, zinc is the most used metal after iron, aluminium and copper. It is typically found in complex deposits alongside lead and silver. It is an element known for its unique protective capacity given it is resistant to corrosion and, as such, a substantial portion of zinc is used for galvanising iron and steel. Other uses include the production of zinc alloys, for example, brass from the combination of zinc and copper. Zinc is also used in chemical forms, for example in the pharmaceutical industry for skin products.

Almost all of Australia’s zinc mines are underground operations and are highly mechanised. Typically, zinc ore is drilled and blasted before being transported to underground rock crushers. The crushed ore is subsequently hoisted or trucked to the surface, where it is subject to additional crushing and grinding. A flotation process is then used to separate the zinc and other valuable sulphide minerals from the waste rock particles or tailings to generate a concentrate.

Zinc was added to the official US Critical Minerals List of 2022 prepared by the USGS. This means that the USGS has identified zinc as vital to the well-being of the US economy and at risk of significant movements in the global supply chain.

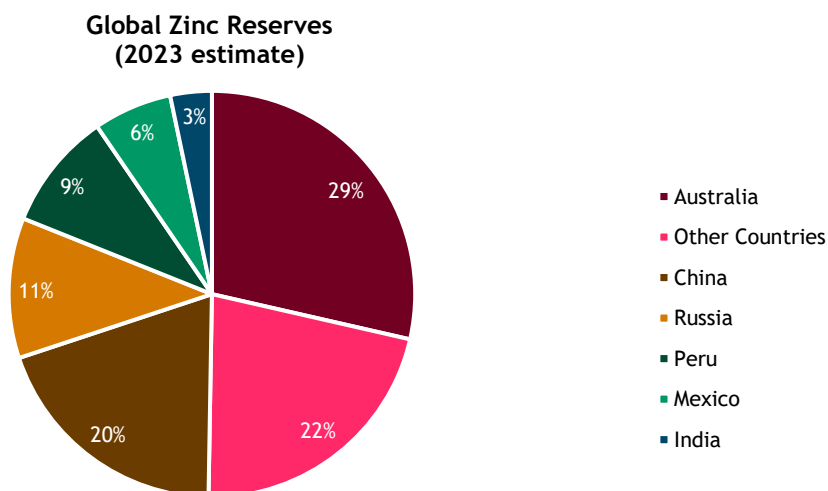
Production and reserves

As per the chart below, China remains the largest producer of zinc globally and is also the largest consumer of zinc primarily for its steel applications. Peru and Australia follow as the second and third largest producers, respectively.



Source: USGS, January 2024

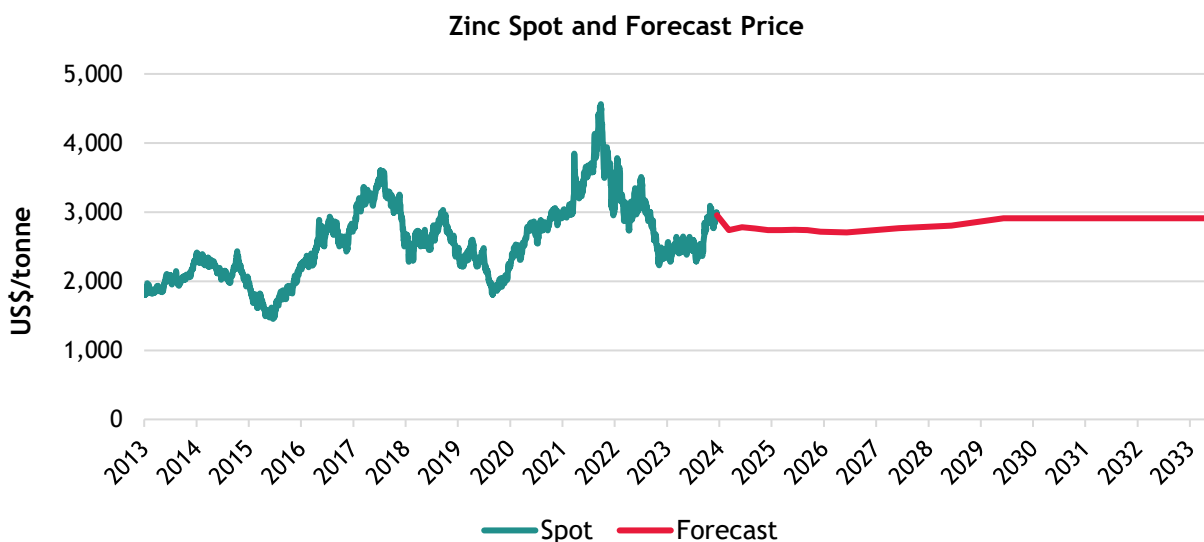
Australia has the world’s largest deposits for zinc, with a substantial portion of zinc reserves located in the state of Queensland and the Northern Territory. Globally, China and Russia also have substantial portions of zinc reserves. The chart below outlines global zinc reserves by country for 2023.



Source: USGS, January 2024

Zinc prices

The United States dollar price for zinc is quoted on the London Metal Exchange. A key driver of the zinc price relates to the stock levels held in the London Metal Exchange warehouses, the largest global zinc depository. The global balance between demand and supply for zinc, along with speculative factors determines the price of zinc.



Source: Bloomberg and Consensus Economics Survey dated 17 June 2024

The graph above illustrates the historical fluctuations in the zinc spot prices from September 2013 to June 2024, as well as the Consensus Economics forecasts for zinc prices from the remainder of 2024 to 2033.

As a result of the demand drivers for base metals, the price of zinc has closely followed global economic conditions. After the global financial crisis in 2008, the price of zinc steadily recovered in line with global

economic recovery and climbed to US\$3,500/t in February 2018. Prices started to decline throughout 2018 and 2019 as Chinese zinc production started to increase.

The onset of the COVID-19 pandemic prompted prices to fall to a five-year low of US\$1,802/t on 24 March 2020 as global markets were disrupted by lockdowns and infrastructure spending was reduced. However, prices have since rallied over a mismatch between supply and demand, particularly as the initial economic recovery from the pandemic outpaced global zinc output. In April 2022, zinc prices reached an all-time high, exceeding US\$4,500/t, which was partially attributable to production constraints caused by high energy prices across Europe, the permanent closure of the Flin Flon smelter in Canada and disruptions at several other smelters. Subsequently, prices have declined an average of US\$2,727/t from January 2023 to August 2023, which is reflective of moderating energy prices across Europe, the easing of China's COVID-19 restrictions and the general unwinding of smelter disruptions.

Through the remainder of 2023, zinc prices remained fairly stable, bouncing between a high of US\$2,650/t and a low of US\$2,384/t. The moderation of prices is attributed to a catch up in supply based on the dissipation of constraints within the market, in addition to a slight uptick in demand. Until March 2024, zinc traded between US\$2,290/t and US\$2,600/t, which was followed by a sharp increase, reaching a 12-month high of US\$3,090/t in late May 2024, with prices sitting at around US\$2,850/t in early June 2024.

According to Consensus Economics, prices are forecast to weaken slightly, as demand and supply imbalances stabilise over the medium-term. The forecast price of zinc is expected to remain within the band of US\$2,700/t and US\$2,800/t and subsequently increase to a long term (2029-2033) nominal forecast around US\$2,900/t.

Source: Bloomberg, Consensus Economics, IBISWorld, and S&P Global.

8.4 Lithium

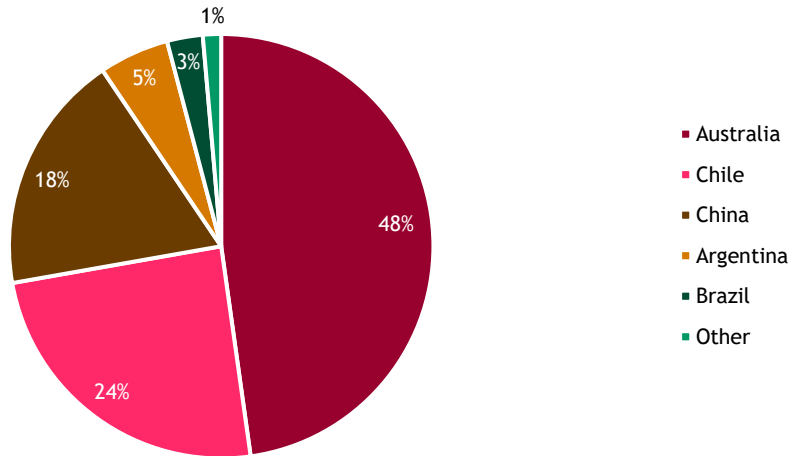
Lithium is a soft, silver-white metal belonging to the alkali metal group of chemical elements. Lithium metal is the lightest and least dense metal and coupled with its thermochemical properties, lithium is suitable for use in power generation and energy storage technology. The reactivity of lithium means that it does not occur naturally as a metal in nature. Common forms of naturally occurring lithium include lithium aluminium inosilicate in hard rock lithium ore (also known as spodumene), and lithium chloride in an aqueous solution (also known as lithium brine). Other sources of lithium include minerals such as lepidolite or petalite, and non-conventional sources.

Lithium has a variety of uses including the production of battery technology, ceramics and glasses, and greases. It is also alloyed with aluminium and copper to reduce weight in airframe structural components. Recent and expected demand growth for lithium is attributed to battery technology, particularly in rechargeable batteries used in electronic devices, electric tools, electric vehicles ('eVs') and grid storage applications. Growth in EV manufacturing is a key driver for expected lithium demand, as major players within the industry, including Tesla, expand production and increasingly target mainstream markets. This has driven many electric car manufacturers to form strategic alliances and joint ventures with lithium mining companies to establish a reliable, diversified supply of lithium.

Production and reserves

According to data released by the USGS, Australia was the leading producer of lithium in 2023, contributing approximately 86,000 tons of lithium, equating to 48% of global lithium production.

Global Lithium Production 2023

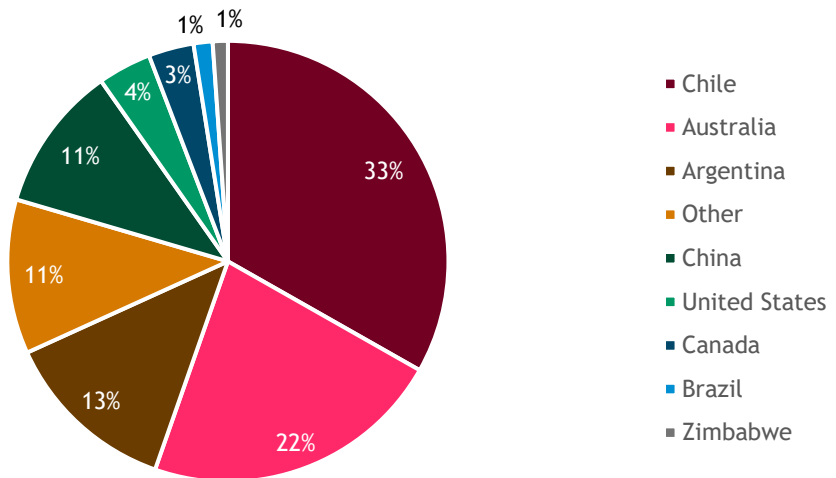


Source: U.S. Geological Survey, January 2024

*excluding undisclosed United States production data

Whilst Chile was the second largest producer of lithium, it holds the largest amount in reserves by a substantial margin. As of 2023, Chile held approximately 9.3 Mt of lithium, accounting for approximately 33.2% of global reserves, followed by Australia which held approximately 6.2 Mt, representing 22.1% of global reserves.

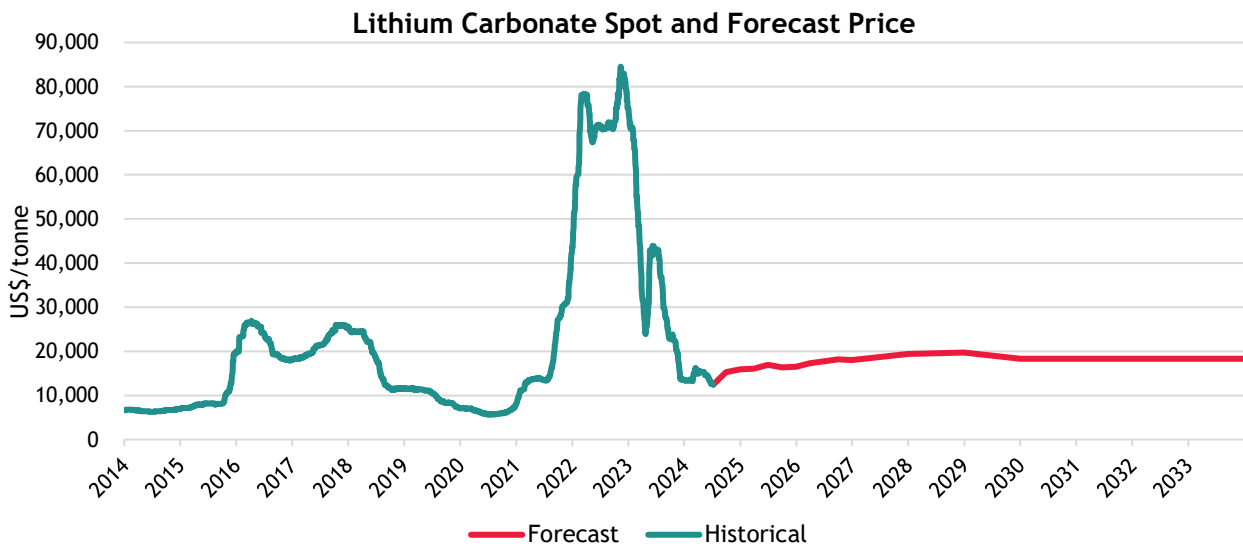
Lithium Reserves by Country 2023



Source: U.S. Geological Survey, January 2024

Lithium prices

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



Source: Bloomberg, Consensus Economics dated 17 June 2024

The figure above illustrates the historical fluctuations in the lithium carbonate spot prices (99.5% battery grade) from January 2014 to May 2024 and the consensus forecast for lithium carbonate prices for the remainder of 2024 through to 2033.

The strong performance of the lithium price over 2016 and 2017 was reversed in subsequent years through to 2020 as a correction in the oversupply and the delay in demand across the industry played out. Just as higher prices incentivised the rapid commissioning of production capacity throughout the supply chain, the drop in lithium prices led to output curtailments or suspensions of production. Subsequently, prices fell below US\$10,000/t in 2019.

From 2021 to 2022, the combination of the existing aforementioned supply issues and a substantial increase in consumer demand placed significant upward price pressures on lithium. A substantial portion of consumer demand is driven by Tesla and other auto makers, as global EV sales have grown considerably over the past decade. Additionally, global supply side issues, originating from the COVID-19 pandemic further exacerbated price rises in the lithium market, with spot prices exceeding US\$70,000/t in July 2022.

Lithium carbonate prices increased further in August 2022 owing to the Chinese domestic market, where stronger-than-anticipated lithium demand, driven by electric vehicle demand, outpaced lithium supply significantly. Subsequently, in November 2022, lithium prices reached a record high exceeding US\$80,000/t, primarily due to the Chinese government's extension of its electric vehicle subsidy programme, combined with an effort from refiners and battery manufacturers to build up inventories in response to concerns surrounding global supply chains.

Lithium prices fell below US\$14,000/t in December 2023, but subsequently recovered slightly in the initial months of 2024 to trade around the US\$16,000/t levels and has gradually declined to around US\$14,000/t by the start of June 2024. The decline from the high of US\$84,000 in November 2022 coincides with a broad slowdown in China's EV market, and as downstream companies in the industry continue to work down their inventories. Furthermore, the expectation of new lithium mines entering production in the near future (and increasingly the global supply of lithium) has contributed to the recent price weakness.

According to Consensus Economics, the medium-term forecast lithium price from 2026-2028 is expected to range between US\$19,660/t and US\$20,230/t, with the long term (2029-2033) nominal forecast at approximately US\$18,300/t.

Source: Bloomberg, Consensus Economics, IBISWorld, Reuters and S&P Global.

9. Valuation approach adopted

To assess whether the Proposed Transaction is fair for Shareholders for the purposes of ASX Listing Rule 10.1, we have compared the value of the Security to be provided to the liabilities to be settled. We have undertaken this analysis by observing the various scenarios that may arise in comparing the Security to be provided with the liabilities to be settled.

10. Value of the Security and the Liabilities to be Settled

10.1 Value of the Security to be Provided

Anax will provide Jetosea with a security interest over the Company's indirect shareholding in EJVA, being Anax's interest in the Whim Creek Project.

In the event it enforces the Security, Jetosea would only be entitled to recover an amount limited to the 'Secured Moneys', being amounts that are payable, owing but not payable or otherwise remain unpaid to Jetosea.

Therefore, we do not need to consider the value of the Company or its assets for this purpose as Jetosea will not receive an amount more than the value of the liabilities to be settled if the Security is called. As such, we consider the value of the security to be provided to be less than, or equal to, the value of the liabilities to be settled.

10.2 Value of the Liabilities to be Settled

In the event of continuing default by Anax, Jetosea may at any time, declare that the total secured amount is immediately due and payable. Jetosea would therefore be entitled to seek repayment for the 'Secured Moneys', via the sale of the Security. The nominal value of the total secured amount represents the value of the liabilities to be settled.

11. Is the Proposed Transaction fair?

As outlined in Section 9, the Proposed Transaction is fair if the value of the Security to be provided is equal to, or less than, the liabilities to be settled. We have considered the various scenarios which could occur in the event of default by Anax (as the seller), which are outlined below.

In the scenario where the value of the Security to be provided is greater than, or equal to the liabilities to be settled, Jetosea would only be entitled to recover an amount limited to the 'Secured Moneys', being amounts that are payable, owing but not payable or otherwise remain unpaid to Jetosea.

Furthermore, in the scenario where the value of the Security to be provided is less than the liabilities to be settled, the proceeds arising from the sale of the Security would be provided to Jetosea as settlement for the liabilities to be settled.

These scenarios can be summarised as follows:

Scenario	Consequence	Fairness
Security to be Provided > Liabilities to be Settled	Security to be Provided = Liabilities to be Settled	Fair
Security to be Provided = Liabilities to be Settled	Security to be Provided = Liabilities to be Settled	Fair
Security to be Provided < Liabilities to be Settled	Security to be Provided < Liabilities to be Settled	Fair

Source: BDO analysis

Based on the above, the value of the Security to be Provided is equal to, or less than the value of the Liabilities to be Settled in all scenarios. This means that the value of the financial benefit provided by Anax to Jetosea, will always be equal to, or less than the value of the consideration being provided to Anax. Accordingly, in the event of default by Anax, Jetosea will only be entitled to an amount equal to or less than the amount owing. Therefore, we consider the Proposed Transaction to be fair for Shareholders.

As outlined in the Notice of Meeting, proceeds from the Loan has been or is intended to be used towards the following:

- the Whim Creek Definitive Feasibility Study;
- advancing off-take and project finance discussions towards Financial Investment Decision for the construction and development of the 80% owned, mine ready, fully permitted, Whim Creek Project; and
- general working capital.

12. Is the Proposed Transaction reasonable?

We have considered the analysis below, in terms of the following:

- Advantages and disadvantages of the Proposed Transaction.
- Other considerations, including the position of Shareholders if the Proposed Transaction does not proceed and the consequences of not approving the Transaction.

In our opinion, the position of Shareholders if the Proposed Transaction is approved is more advantageous than the position if the Proposed Transaction is not approved. Accordingly, in the absence of any other relevant information and/or an alternate proposal we consider that the Proposed Transaction is reasonable for Shareholders.

12.1 Alternative proposal

We are unaware of any alternative proposal that might offer the Shareholders of Anax a premium over the value resulting from the Proposed Transaction.

12.2 Consequences of not approving the Proposed Transaction

In the event that Shareholder approval is not obtained, the Company will not proceed with the Proposed Transaction and the Company will continue to focus on its current activities, including exploration and furtherance of the pilot test production facility. The Company will need to raise further capital if it is to continue those activities.

Furthermore, we note that obtaining funding via an alternative source, such as a capital raising, may be more dilutive to Shareholders on terms less attractive than under the Proposed Transaction.

12.3 Advantages of approving the Proposed Transaction

We have considered the following advantages in our assessment of whether the Proposed Transaction is reasonable.

Advantage	Description
The Proposed Transaction is fair	As set out in Section 11, the Proposed Transaction is fair. RG 111.12 states that an offer is reasonable if it is fair.
The Proposed Transaction supports the Company's debt funding	The provision of Security enables the Company to continue to retain funding that it requires to develop the Whim Creek Project. If Anax is unable to extend the maturity of the funding which requires Security to be granted, additional funds would be required to be utilised to repay the outstanding balance and further funding via debt or equity would be required. Therefore, the provision of Security for debt funding purposes is not unusual.

12.4 Disadvantages of approving the Proposed Transaction

We have considered the following disadvantages in our assessment of whether the Proposed Transaction is reasonable.

Disadvantage	Description
Anax will grant Jetosea security over the Company's indirect holding in the EJVA, being its interest in the Whim Creek Project	If there is an event of default by the Company, Jetosea may enforce its Security, and require Anax to sell/transfer the secured assets in order to repay the monies outstanding.

13. Conclusion

We have considered the terms of the Proposed Transaction as outlined in the body of this report and have concluded that the Proposed Transaction is fair and reasonable to the Shareholders of Anax.

14. Sources of information

This report has been based on the following information:

- Draft Notice of Meeting on or about the date of this report;
- Security Deed between Whim Creek Metals Pty Ltd, Anax and Jetosea dated 29 May 2024;
- First Letter of Variation to Binding Terms Sheet for C Loan Notes dated 29 May 2024;
- Second Letter of Variation to Binding Terms Sheets for Jetosea Class A and Class B Loan Notes dated 29 May 2024;
- Reviewed financial statements of Anax for the half year ended 31 December 2023;
- Audited financial statements of Anax for the years ended 30 June 2022 and 30 June 2023;
- Share registry information
- Information in the public domain
- Discussions with Directors and Management of Anax.

15. Independence

BDO Corporate Finance Australia Pty Ltd is entitled to receive a fee of \$20,000 (excluding GST and reimbursement of out of pocket expenses). The fee is not contingent on the conclusion, content or future use of this Report. Except for this fee, BDO Corporate Finance Australia Pty Ltd has not received and will not receive any pecuniary or other benefit whether direct or indirect in connection with the preparation of this report.

BDO Corporate Finance Australia Pty Ltd has been indemnified by Anax in respect of any claim arising from BDO Corporate Finance Australia Pty Ltd's reliance on information provided by Anax, including the non-provision of material information, in relation to the preparation of this report.

Prior to accepting this engagement BDO Corporate Finance Australia Pty Ltd has considered its independence with respect to Jetosea and Anax and any of their respective associates with reference to ASIC Regulatory Guide 112 'Independence of Experts'. In BDO Corporate Finance Australia Pty Ltd's opinion it is independent of Jetosea and Anax and their respective associates.

Neither the two signatories to this report nor BDO Corporate Finance Australia Pty Ltd, have had within the past two years any professional relationship with Anax, or their associates, other than in connection with the preparation of this report.

A draft of this report was provided to Anax and its advisors for confirmation of the factual accuracy of its contents. No significant changes were made to this report as a result of this review.

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16. Qualifications

BDO Corporate Finance Australia Pty Ltd has extensive experience in the provision of corporate finance advice, particularly in respect of takeovers, mergers and acquisitions.

BDO Corporate Finance Australia Pty Ltd holds an Australian Financial Services Licence issued by the Australian Securities and Investments Commission for giving expert reports pursuant to the Listing rules of the ASX and the Corporations Act.

The persons specifically involved in preparing and reviewing this report were Sherif Andrawes and Adam Myers of BDO Corporate Finance Australia Pty Ltd. They have significant experience in the preparation of independent expert reports, valuations and mergers and acquisitions advice across a wide range of industries in Australia and were supported by other BDO staff.

Sherif Andrawes is a Fellow of the Institute of Chartered Accountants in England & Wales and a Fellow of Chartered Accountants Australia & New Zealand. He has over 35 years' experience working in the audit and corporate finance fields with BDO and its predecessor firms in London and Perth. He has been responsible for over 700 public company independent expert's reports under the Corporations Act or ASX Listing Rules and is a CA BV Specialist. These expert's reports cover a wide range of industries in Australia with a focus on companies in the natural resources sector. Sherif Andrawes is the Corporate Finance Practice Group Leader of BDO in Western Australia, the Global Head of Natural Resources for BDO and a former Chairman of BDO in Western Australia.

Adam Myers is a Fellow of Chartered Accountants Australia & New Zealand and the Joint Ore Reserves Committee. Adam's career spans over 25 years in the audit and corporate finance areas. Adam is a CA BV Specialist and has considerable experience in the preparation of independent expert reports and valuations in general for companies in a wide number of industry sectors.

17. Disclaimers and consents

This report has been prepared at the request of Anax for inclusion in the Notice of Meeting which will be sent to all Anax Shareholders. Anax engaged BDO Corporate Finance Australia Pty Ltd to prepare an independent expert's report to consider the Proposed Transaction.

BDO Corporate Finance Australia Pty Ltd hereby consents to this report accompanying the above Notice of Meeting. Apart from such use, neither the whole nor any part of this report, nor any reference thereto may be included in or with, or attached to any document, circular resolution, statement or letter without the prior written consent of BDO Corporate Finance Australia Pty Ltd.

BDO Corporate Finance Australia Pty Ltd takes no responsibility for the contents of the Notice of Meeting other than this report.

We have no reason to believe that any of the information or explanations supplied to us are false or that material information has been withheld. It is not the role of BDO Corporate Finance Australia Pty Ltd acting as an independent expert to perform any due diligence procedures on behalf of the Company. The Directors of the Company are responsible for conducting appropriate due diligence in relation to Anax. BDO Corporate Finance Australia Pty Ltd provides no warranty as to the adequacy, effectiveness or completeness of the due diligence process.

The opinion of BDO Corporate Finance Australia Pty Ltd is based on the market, economic and other conditions prevailing at the date of this report. Such conditions can change significantly over short periods of time.

With respect to taxation implications it is recommended that individual Shareholders obtain their own taxation advice, in respect of the Proposed Transaction, tailored to their own particular circumstances. Furthermore, the advice provided in this report does not constitute legal or taxation advice to the shareholders of Anax, or any other party.

The statements and opinions included in this report are given in good faith and in the belief that they are not false, misleading or incomplete.

The terms of this engagement are such that BDO Corporate Finance Australia Pty Ltd is required to provide a supplementary report if we become aware of a significant change affecting the information in this report arising between the date of this report and prior to the date of the meeting or during the offer period.

Yours faithfully

BDO CORPORATE FINANCE AUSTRALIA PTY LTD



Adam Myers
Director



Sherif Andrawes
Director

Appendix 1 - Glossary of Terms

Reference	Definition
\$	Australian Dollars
Aeris	Aeris Resources Limited
Aeris Contract	A provision for a historical contract liability with Aeris previously held by Develop
AFCA	Australian Financial Complaints Authority
Anax	Anax Metals Limited
ASIC	Australian Securities and Investments Commission
ASX	Australian Securities Exchange
Attaching Options	One free attaching unlisted option for every two placement shares subscribed for offered to June Placement participants whereby the unlisted options are exercisable at \$0.06 and expire 2 years from issue
AUD	Australian Dollars
BDO	BDO Corporate Finance (WA) Pty Ltd
CAGR	Compounded Annual Growth Rate
Class A Loan	An unsecured loan note of \$1.0 million from Jetosea repayable within 12 months of the subscription date. According to the Second Variation of the Loan Agreement the maturity date has been extended to 31 December 2025.
Class A and B Loan Agreement	An unsecured loan note agreement with Jetosea pursuant to which Jetosea has agreed to lend the Company a total of \$2.5 million, structured in two tranches, being \$1.0 million repayable within 12 months of the subscription date and \$1.5 million repayable within 24 months of the subscription date. According to the Second Variation of the Class A and Class B Loan Agreement, the maturity date of the Loan was extended to 31 December 2025.
Class B Loan	An unsecured loan note of \$1.5 million from Jetosea repayable within 24 months of the subscription date. According to the Second Variation of the Loan Agreement the maturity date has been extended to 31 December 2025.
Class C Loan	An unsecured loan note of \$600,000 from Jetosea extended to Anax, repayable by 30 June 2025 at an interest rate of 6% per annum within 12 months of the

Reference	Definition
	subscription date. According to the First Variation of the Class C Loan Agreement the maturity date has been extended to 31 December 2025.
Class C Loan Agreement	An unsecured loan note agreement entered into between Jetosea and Anax whereby Jetosea has agreed to lend the Company a total of \$600,000 until 30 June 2025 at an interest rate of 6% per annum. According to the First Variation of Class C Loan Agreement the maturity date has been extended to 31 December 2025.
Contractor Shares	Fully paid ordinary shares in Anax issued to Topdrill for drilling services rendered
the Company	Anax Metals Limited
CPI	Consumer Price Index
Develop	Develop Global Limited
DMIRS	Department of Mines, Industry Regulations and Safety
EJVA	Earn-in and joint venture agreement
EVs	Electric Vehicles
FIJV	Farm-In and Joint Venture
First Variation of the Class A and Class B Loan Agreement	A first letter of variation executed on 29 June 2023 to the Class A and Class B Loan Agreement between Anax and Jetosea
First Variation of Class C Loan Agreement	A first letter of variation executed on 29 May 2024 to the Class C Loan Agreement between Anax and Jetosea
FSG	Financial Services Guide
GDP	Gross Domestic Product
January Placement	A placement announced by the Company on 29 January 2024 for the issue of 104 million new fully paid ordinary shares in Anax at an issue price of \$0.02 per share to raise approximately \$2.1 million
Jetosea	Jetosea Pty Ltd
June Placement	A placement announced by the Company on 17 June 2024 for the issue of 100 million new fully paid ordinary shares in Anax at an issue price of \$0.03 per share to raise approximately \$3 million
km	kilometres

Reference	Definition
Kt	kilo-tonnes
LME	London Metals Exchange
Loan	Refers collectively to the Class A Loan, the Class B Loan and the Class C Loan
Loan Agreement	Refers collectively to the Class A Loan Agreement, the Class B Loan Agreement and Class B Loan Agreement
Loan Options	60 million new options in Anax issued to Jetosea with an exercise price of \$0.045 and an expiry date that is two years from the date of issue
Participating Interest	Anax's participating interest in an earn-in and joint venture agreement for the Whim Creek Project
the Parties	Anax Metals Limited and Jetosea Pty Ltd
Proposed Transaction	The grant of Security to Jetosea in Anax
RBA	Reserve Bank of Australia
the RBA Board	the Board of the Reserve Bank of Australia
our Report	this Independent Expert's Report prepared by BDO
RG 111	Regulatory Guide 111 'Content of expert reports' (March 2011)
RG 112	Regulatory Guide 112 'Independence of experts' (March 2011)
Second Variation of the Loan Agreement	A second letter of variation executed on 29 May 2024 to the Loan Agreement between Anax and Jetosea
Security	Pursuant to the Security Deed, Anax has agreed to grant Jetosea a security interest over the Company's indirect holding in the EJVA, being its interest in the Whim Creek Project
Security Deed	A security deed between WCM, Anax and Jetosea dated 29 May 2024
Shareholders	the non-associated shareholders of Anax
Topdrill	Topdrill Pty Ltd
Tranche 1 Options	15 million new options in Anax issued to Jetosea with an exercise price of \$0.08 on or before the date that is two years from the date of issue

Reference	Definition
Tranche 2 Options	15 million new options in Anax issued to Jetosea with an exercise price of \$0.12 on or before the date that is three years from the date of issue
Tranche 3 Options	10 million new options in Anax issued to Jetosea with an exercise price of \$0.10 on or before the date that is three years from the date of issue
Tranche 4 Options	60 million new options in Anax issued to Jetosea with an exercise price of \$0.03, expiring two years after the issue date
Transaction Document	the Company's Notice of Meeting
Transaction Resolutions	Resolution 1 and Resolution 2 of the Notice of Meeting in which are interconditional resolutions
USGS	United States Geological Survey
VWAP	Volume Weighted Average Price
WA	Western Australia
WCM	Whim Creek Metals Pty Ltd
Whim Creek Project	the Company's 80% owned Whim Creek Copper-Zinc Project located in the Pilbara, Western Australia
Woomera	Woomera Mining Limited

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The BDO logo is located in the bottom right corner of the page, set against a red triangular background. It consists of the letters 'BDO' in a bold, white, sans-serif font, with a white horizontal line underneath the letters.

Schedule 3 Terms and conditions of Loan Options

The terms and conditions of the Loan Options (in this Schedule, referred to as **Options**) are as follows:

1. **(Entitlement)**: Each Option gives the holder the right to subscribe for one Share.
2. **(Expiry Date)**: The Options will expire at 5:00pm (AWST) on the date that is 2 years from date of issue (**Expiry Date**). An Option not exercised before the Expiry Date will automatically lapse on the Expiry Date.
3. **(Exercise Price)**: the amount payable upon exercise of each Option is \$0.045 per Option (**Exercise Price**).
4. **(Exercise)**: A holder may exercise their Options by lodging with the Company, before the Expiry Date:
 - (a) a written notice of exercise of Options specifying the number of Options being exercised; and
 - (b) an electronic funds transfer for the Exercise Price for the number of Options being exercised.
5. **(Exercise Notice)** An Exercise Notice is only effective when the Company has received the full amount of the Exercise Price in cleared funds. The Options held by each holder may be exercised in whole or in part, and if exercised in part, at least 50,000 must be exercised on each occasion.
6. **(Timing of issue of Shares on exercise)**: As soon as practicable after the valid exercise of an Option the Company will:
 - (a) issue, allocate or cause to be transferred to the holder the number of Shares to which the holder is entitled;
 - (b) issue a substitute certificate for any remaining unexercised Options held by the holder;
 - (c) if required, give ASX a notice that complies with section 708A(5)(e) of the Corporations Act; and
 - (d) do all such acts, matters and things to obtain the grant of quotation of the Shares by ASX in accordance with the ASX Listing Rules.

If a notice delivered under clause 6(c) for any reason is not effective to ensure that an offer for sale of the Shares does not require disclosure to investors, the Company must, no later than 20 Business Days after becoming aware of such notice being ineffective, lodge with ASIC a prospectus prepared in accordance with the Corporations Act and do all such things necessary to satisfy section 708A(11) of the Corporations Act to ensure that an offer for sale of the Shares does not require disclosure to investors.

All Shares issued upon the exercise of the Options will upon issue rank equally in all respects with the then issued Shares.

7. **(Transferability)** The Options are not transferable without the express consent of the Company's board of directors (which must not be unreasonably withheld), subject to any transfer restrictions imposed by ASX or under applicable Australian securities laws.

8. **(Ranking of Shares)** All Shares allotted upon the exercise of Options will upon allotment be fully paid and rank pari passu in all respects with other Shares.
9. **(Quotation)** The Company will not apply for quotation of the Options on ASX.
10. **(Adjustments for reorganisation)** If there is any reorganisation of the issued share capital of the Company, the rights of the holders of Options will be varied in accordance with the Listing Rules.
11. **(Dividend rights)** An Option does not entitle the holder to any dividends.
12. **(Voting rights)** An Option does not entitle the holder to vote on any resolutions proposed at a general meeting of the Company, subject to any voting rights provided under the Corporations Act or the Listing Rules where such rights cannot be excluded by these terms.
13. **(Entitlements and bonus issues):** Holders of Options will not be entitled to participate in new issues of capital offered to shareholders such as bonus issues and entitlement issues.
14. **(Adjustment for bonus issues of Shares):** If the Company makes a bonus issue of Shares or other securities to existing Shareholders (other than an issue in lieu or in satisfaction of dividends or by way of dividend reinvestment):
 - (a) the number of Shares which must be issued on the exercise of an Option will be increased by the number of Shares which the holder of Options would have received if the holder had exercised the Option before the record date for the bonus issue; and
 - (b) no change will be made to the Exercise Price.
15. **(Return of capital rights):** The Options do not confer any right to a return of capital, whether in a winding up, upon a reduction of capital or otherwise.
16. **(Rights on winding up):** The Options have no right to participate in the surplus profits or assets of the Company upon a winding up of the Company.
17. **(Takeovers prohibition):**
 - (a) the issue of Shares on exercise of the Options is subject to and conditional upon the issue of the relevant Shares not resulting in any person being in breach of section 606(1) of the Corporations Act; and
 - (b) the Company will use its best endeavours to seek the approval of its members for the purposes of item 7 of section 611 of the Corporations Act (if required) to permit the issue of any Shares on exercise of the Options
18. **(No other rights):** An Option does not give a holder any rights other than those expressly provided by these terms and those provided at law where such rights at law cannot be excluded by these terms.

Your proxy voting instruction must be received by **10.00am (AWST) on Sunday, 08 September 2024**, 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 Key Management Personnel.

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.



BY MAIL:

Automic
GPO Box 5193
Sydney NSW 2001

IN PERSON:

Automic
Level 5, 126 Phillip Street
Sydney NSW 2000

BY EMAIL:

meetings@automicgroup.com.au

BY FACSIMILE:

+61 2 8583 3040

All enquiries to Automic:

WEBSITE:

<https://automicgroup.com.au/>

PHONE:

1300 288 664 (Within Australia)
+61 2 9698 5414 (Overseas)

