



KAGERA NICKEL LIMITED

Amended Terms and Conditions of Performance Shares

Part 1 – General Terms

(Shares) Each Performance Share is a share in the capital of the Company.

(General Meeting) A Performance Share confers on the holder of it (**Holder**) the right to receive notices of general meetings and financial reports and accounts of the Company that are circulated to shareholders. The Holder has the right to attend general meetings of shareholders of the Company.

(No Voting Rights) A Performance Share does not entitle the Holder to vote on any resolutions proposed at a general meeting of shareholders of the Company.

(No Dividend Rights) A Performance Share does not entitle the Holder to any dividends.

(No Rights on Winding Up) A Performance Share does not confer on the Holder any right to participate in the surplus profits or assets of the Company upon winding up of the Company.

(Not Transferable) A Performance Share is not transferable.

(Reorganisation of Capital) If at any time the issued capital of the Company is reconstructed, a Performance Share may be treated in accordance with the ASX Listing Rules at the time of reorganisation.

(Application to ASX) A Performance Share will not be quoted on ASX. However, upon conversion of a performance share into Shares, the Company must within seven days after the conversion, apply for the official quotation of the Shares arising from the conversion on ASX.

(No Other Rights) A Performance Share gives the Holder no rights other than those expressly provided by these terms and those provided at law where such rights at law cannot be excluded by these terms.

(Conversion Procedure) Upon conversion of a Performance Share, the Company will issue each Holder with a new holding statement for the relevant number of Shares.

(Ranking of Company Shares) The Shares into which a Performance Share will convert will rank *pari passu* in all respects with existing Shares.

Part 2 - Conversion of the A class performance shares

Subject to obtaining any Shareholder approvals required under the *Corporations Act 2001* (Cth) and the ASX Listing Rules, each A class Performance Share will automatically convert into one Share on the earlier of:

- (a) the drilling of three holes with a minimum four metre intersection grading at least 1% nickel no later than three years from the date of issue; and
- (b) the occurrence of a Change of Control Event.

Part 3 - Conversion of the B class Performance Shares

Subject to obtaining any shareholder approvals required under the *Corporations Act 2001* (Cth) and the ASX Listing Rules, each B class Performance Share will automatically convert into one Share on the earlier of:

- (a) the completion of an independent JORC Code compliant combined Mineral Resource Estimate, including all categories of resources defined by the JORC Code guidelines, of not less than 5,000,000 tonnes of nickel with a grade of not less than 1% nickel insitu or equivalent no later than five years from the date of issue ("**Conversion Deadline**"); and
- (b) the occurrence of a Change of Control Event.

Part 4 - Conversion of the C class Performance Shares

Subject to obtaining any Shareholder approvals required under the *Corporations Act 2001* (Cth) and the ASX Listing Rules, each C class Performance Share will automatically convert into one Share on the earlier of:

- (a) the completion of an independent JORC Code compliant combined Mineral Resource Estimate, including all categories of resources defined by the JORC Code guidelines, of not less than 10,000,000 tonnes of nickel with a grade of not less than 1% nickel insitu or equivalent no later than five years from the date of issue ("**Conversion Deadline**"); and
- (b) the occurrence of a Change of Control Event.

Part 5 – Change of Control Event

For the purposes of Parts 2, 3 and 4, "**Change of Control Event**" means:

- (a) the offer or under a takeover bid or acquisition proposal in respect of all Company shares announcing that it has achieved acceptances and all requisite shareholder approvals to acquire more than 50% of the Company shares and that takeover bid has become unconditional; or
- (b) the announcement by the Company that Shareholders have at a Court convened meeting of Shareholders voted in favour, by the necessary majority, of a proposed scheme of arrangement under which all Shares are to be either:
 - (i) cancelled; or
 - (ii) transferred to a third party,and the Court, by order, approves the proposed scheme of arrangement; or
- (c) any other transaction that results in a person or group of persons (apart from any persons that are existing shareholders of the Company or associated or affiliated with Forbes & Manhattan Inc) acting together which results in the acquisition of more than 50.1% of Shares.

Provided that the maximum number of performance shares that can be converted into shares and issued on a Change of Control Event must not exceed 10% of the issued share capital of Innovance (as at the date of occurrence of the Change of Control Event). Performance shares that are not converted into shares will continue to be held on the same terms and conditions.