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**M8 SUSTAINABLE LIMITED**  
**ACN 620 758 358**  
**NOTICE OF ANNUAL GENERAL MEETINGS**

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Notice is given that the **2023 Annual General Meeting** will be held at:

- TIME:** 11:00am (WST)
- DATE:** 14 February 2025
- PLACE:** Suite 7, 145 Stirling Highway, Nedlands WA 6009

Notice is given that the **2024 Annual General Meeting** will be held at:

- TIME:** 11:30am (WST)
- DATE:** 14 February 2025
- PLACE:** Suite 7, 145 Stirling Highway, Nedlands WA 6009

*The business of the Meeting affects your shareholding and your vote is important.*

*These Notices should be read in their entirety. If Shareholders are in doubt as to how they should vote, they should seek advice from their professional advisers prior to voting.*

*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 Shareholders at 4:00pm (WST) on 12 February 2025.*

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## BUSINESS OF THE MEETING

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### AGENDA OF THE 2023 ANNUAL GENERAL MEETING

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#### 1. FINANCIAL STATEMENTS AND REPORTS – 30 JUNE 2023

To receive and consider the annual financial report of the Company for the financial year ended 30 June 2023 together with the declaration of the Directors, the Director's report, the 2023 Remuneration Report and the auditor's report.

#### 2. RESOLUTION 1 – ADOPTION OF 2023 REMUNERATION REPORT

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

*"That, for the purposes of section 250R(2) of the Corporations Act and for all other purposes, approval is given for the adoption of the 2023 Remuneration Report as contained in the Company's annual financial report for the financial year ended 30 June 2023."*

**Note: the vote on this Resolution is advisory only and does not bind the Directors or the Company.**

**Voting Prohibition Statement:**

A vote on this Resolution must not be cast (in any capacity) by or on behalf of either of the following persons:

- (a) a member of the Key Management Personnel, details of whose remuneration are included in the Remuneration Report; or
- (b) a Closely Related Party of such a member.

However, a person (the voter) described above may cast a vote on this Resolution as a proxy if the vote is not cast on behalf of a person described above and either:

- (a) the voter is appointed as a proxy by writing that specifies the way the proxy is to vote on this Resolution; or
- (b) the voter is the Chair and the appointment of the Chair as proxy:
  - (i) does not specify the way the proxy is to vote on this Resolution; and
  - (ii) expressly authorises the Chair to exercise the proxy even though this Resolution is connected directly or indirectly with the remuneration of a member of the Key Management Personnel.

#### 3. RESOLUTION 2 – CONFIRMATION OF APPOINTMENT OF AUDITOR

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

*"That, for the purposes of section 327B(1)(b) of the Corporations Act and for all other purposes, RSM Australia Partners, having been nominated by a Shareholder and given its consent in writing to act as auditor, be appointed as the auditor of the Company to hold office from the conclusion of this Meeting until it resigns or is removed from the office of auditor of the Company."*

#### 4. RESOLUTION 3 – ELECTION OF DAMIEN FLUGGE

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

*"That, for the purpose of clause 15.4 of the Constitution, Listing Rule 14.4 and for all other purposes, Damien Flugge, a Director who was appointed as an additional Director on 14 December 2022, retires, and being eligible, is elected as a Director."*

#### 5. RESOLUTION 4 – RE-ELECTION OF SAITHSIRI SAKSITTHISEREKUL

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

*"That, for the purpose of clause 15.2 of the Constitution, and for all other purposes, Saithsiri Saksitthiserekul, a Director, retires by rotation, and being eligible, is re-elected as a Director."*

## AGENDA OF THE 2024 ANNUAL GENERAL MEETING

---

### 1. FINANCIAL STATEMENTS AND REPORTS – 30 JUNE 2024

To receive and consider the annual financial report of the Company for the financial year ended 30 June 2024 together with the declaration of the Directors, the Director's report, the 2024 Remuneration Report and the auditor's report.

### 2. RESOLUTION 1 – ADOPTION OF 2024 REMUNERATION REPORT

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

*"That, for the purposes of section 250R(2) of the Corporations Act and for all other purposes, approval is given for the adoption of the 2024 Remuneration Report as contained in the Company's annual financial report for the financial year ended 30 June 2024."*

**Note: the vote on this Resolution is advisory only and does not bind the Directors or the Company.**

**Voting Prohibition Statement:**

A vote on this Resolution must not be cast (in any capacity) by or on behalf of either of the following persons:

(a) a member of the Key Management Personnel, details of whose remuneration are included in the Remuneration Report; or

(b) a Closely Related Party of such a member.

However, a person (the voter) described above may cast a vote on this Resolution as a proxy if the vote is not cast on behalf of a person described above and either:

(a) the voter is appointed as a proxy by writing that specifies the way the proxy is to vote on this Resolution; or

(b) the voter is the Chair and the appointment of the Chair as proxy:

(i) does not specify the way the proxy is to vote on this Resolution; and

(ii) expressly authorises the Chair to exercise the proxy even though this Resolution is connected directly or indirectly with the remuneration of a member of the Key Management Personnel.

### 3. RESOLUTION 2 – SPILL RESOLUTION

**If less than 25% of the votes cast on Resolution 1 at the 2023 Annual General Meeting are voted against adoption of the 2023 Remuneration Report and/or less than 25% of the votes cast on Resolution 1 at the 2024 Annual General Meeting are voted against adoption of the 2024 Remuneration Report, the Chair will withdraw Resolution 2.**

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

*"That, for the purposes of section 250V(1) of the Corporations Act and for all other purposes, approval is given for:*

(a) the Company to hold another meeting of Shareholders within 90 days of the date of this Meeting (**Spill Meeting**); and

(b) all Vacating Directors to cease to hold office immediately before the end of the Spill Meeting; and

(c) resolutions to appoint persons to offices that will be vacated pursuant to (b) to be put to vote at the Spill Meeting."

**Voting Prohibition Statement:**

A vote on this Resolution must not be cast (in any capacity) by or on behalf of either of the following persons:

(a) a member of the Key Management Personnel, details of whose remuneration are included in the Remuneration Report; or

(b) a Closely Related Party of such a member.

However, a person (the voter) described above may cast a vote on this Resolution as a proxy if the vote is not cast on behalf of a person described above and either:

(a) the voter is appointed as a proxy by writing that specifies the way the proxy is to vote on this Resolution; or

(b) the voter is the Chair and the appointment of the Chair as proxy:

(i) does not specify the way the proxy is to vote on this Resolution; and

- (ii) expressly authorises the Chair to exercise the proxy even though this Resolution is connected directly or indirectly with the remuneration of a member of the Key Management Personnel.

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**4. RESOLUTION 3 – RE-ELECTION OF DAMIEN FLUGGE**

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

*"That, for the purpose of clause 15.2 of the Constitution, Listing Rule 14.5 and for all other purposes, Damien Flugge, a Director, retires by rotation, and being eligible, is re-elected as a Director."*

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**5. RESOLUTION 4 – RE-ELECTION OF SAITHSIRI SAKSITHISEREKUL**

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

*"That, for the purpose of clause 15.2 of the Constitution, Listing Rule 14.5 and for all other purposes, Saithsiri Saksithiserekul, a Director, retires by rotation, and being eligible, is re-elected as a Director."*

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**6. RESOLUTION 5 – CONSOLIDATION OF CAPITAL**

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

*"That, subject to the passing of Resolutions 6 and 7, pursuant to section 254H of the Corporations Act and for all other purposes, Shareholders approve the consolidation of the issued capital of the Company on the basis that every ten Shares be consolidated into one Share, with fractional entitlements rounded up to the nearest whole Share."*

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**7. RESOLUTION 6 – APPROVAL OF ISSUE OF SHARES ON CONVERSION OF CONVERTIBLE NOTES**

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

*"That, subject to the passing of Resolutions 5 and 7, for the purposes of section 611 (Item 7) of the Corporations Act and for all other purposes, approval is given for the Company to issue up to 172,923,700 Shares (on a post-Consolidation basis) to Patina Metals on the terms and conditions set out in the Explanatory Statement, which will result in the voting power of Patina Metals in the capital of the Company increasing from 0.00% to a maximum of 75.91% and the voting power of each of Damien Flugge and Felicianna Flugge (together, the **Flugge Parties**) in the capital of the Company increasing from <0.01% to a maximum of 75.91%."*

**Expert's Report:** Shareholders should carefully consider the report prepared by the Independent Expert for the purposes of the Shareholder approval required under section 611 Item 7 of the Corporations Act. The Independent Expert's Report comments on the fairness and reasonableness of the transaction the subject of this Resolution to the non-associated Shareholders in the Company. The Independent Expert has determined that the transaction the subject of this Resolution is **FAIR AND REASONABLE** to non-associated Shareholders.

**Voting Prohibition Statement:**

No votes may be cast in favour of this Resolution by:

- (a) the person proposing to make the acquisition and their associates; or
- (b) the persons (if any) from whom the acquisition is to be made and their associates.

Accordingly, the Company will disregard any votes cast on this Resolution by Patina Metals and the Flugge Parties and any of their respective associates.

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**8. RESOLUTION 7 – APPROVAL TO ISSUE SHARES TO INVESTORS UNDER A PLACEMENT**

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

*"That, subject to the passing of Resolutions 5 and 6, for the purposes of Listing Rule 7.1 and for all other purposes, approval is given for the Company to issue up to*

*70,000,000 Shares (on a post-Consolidation basis) on the terms and conditions set out in the Explanatory Statement."*

**Voting Exclusion Statement:**

In accordance with Listing Rule 14.11, the Company will disregard any votes cast in favour of the Resolution set out below by or on behalf of any person who is expected to participate in, or who will obtain a material benefit as a result of, the proposed issue (except a benefit solely by reason of being a holder of ordinary securities in the Company) or an associate of that person (or those persons).. However, this does not apply to a vote cast in favour of the Resolution by:

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

**Dated: 15 January 2025**

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### **Voting by proxy**

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To vote by proxy, please complete and sign the enclosed Proxy Form and return by the time and in accordance with the instructions set out on the Proxy Form.

In accordance with section 249L of the Corporations Act, Shareholders are advised that:

- each Shareholder has a right to appoint a proxy;
- the proxy need not be a Shareholder of the Company; and
- a Shareholder who is 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. If the Shareholder appoints two proxies and the appointment does not specify the proportion or number of the member's votes, then in accordance with section 249X(3) of the Corporations Act, each proxy may exercise one-half of the votes.

Shareholders and their proxies should be aware that:

- if proxy holders vote, they must cast all directed proxies as directed; and
- any directed proxies which are not voted will automatically default to the Chair, who must vote the proxies as directed.

### **Voting in person**

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

You may still attend the Meeting and vote in person even if you have lodged appointed a proxy. If you have previously submitted a Proxy Form, your attendance will not revoke your proxy appointment unless you actually vote at the Meeting for which the proxy is proposed to be used, in which case, the proxy's appointment is deemed to be revoked with respect to voting on that Resolution.

Please bring your personalised Proxy Form with you as it will help you to register your attendance at the Meeting. If you do not bring your Proxy Form with you, you can still attend the Meeting but representatives from the Company's share registry will need to verify your identity. You can register from 10:30am WST on the day of the Meeting.

***Should you wish to discuss the matters in this Notice please do not hesitate to contact the Company on (+61) 861 409 518.***

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## EXPLANATORY STATEMENT – 2023 ANNUAL GENERAL MEETING

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This Explanatory Statement has been prepared to provide information which the Directors believe to be material to Shareholders in deciding whether or not to pass the Resolutions of the 2023 Annual General Meeting.

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### 1. FINANCIAL STATEMENTS AND REPORTS – 30 JUNE 2023

In accordance with the Corporations Act, the business of the Meeting will include receipt and consideration of the annual financial report of the Company for the financial year ended 30 June 2023, together with the declaration of the Directors, the Directors' report, the 2023 Remuneration Report and the auditor's report.

The Company will not provide a hard copy of the Company's annual financial report to Shareholders unless specifically requested to do so. The Company's annual financial report is available on its ASX announcement's platform (ASX:M8S) and its website at [www.m8sustainable.com.au](http://www.m8sustainable.com.au).

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### 2. RESOLUTION 1 – ADOPTION OF 2023 REMUNERATION REPORT

#### 2.1 General

The Corporations Act requires that at a listed company's annual general meeting, a resolution that the remuneration report to be adopted must be put to the shareholders. However, such a resolution is advisory only and does not bind the company or the directors of the company.

The remuneration report sets out the company's remuneration arrangements for the directors and senior management of the company. The remuneration report is part of the directors' report contained in the annual financial report of the company for a financial year.

The chair of the meeting must allow a reasonable opportunity for its shareholders to ask questions about or make comments on the remuneration report at the annual general meeting.

#### 2.2 Voting consequences

A company is required to put to its shareholders a resolution proposing the calling of another meeting of shareholders to consider the appointment of directors of the company (**Spill Resolution**) if, at consecutive annual general meetings, at least 25% of the votes cast on a remuneration report resolution are voted against adoption of the remuneration report and at the first of those annual general meetings a Spill Resolution was not put to vote. If required, the Spill Resolution must be put to vote at the second of those annual general meetings.

If more than 50% of votes cast are in favour of the Spill Resolution, the company must convene a shareholder meeting (**Spill Meeting**) within 90 days of the second annual general meeting.

All of the directors of the company who were in office when the directors' report (as included in the company's annual financial report for the most recent financial year) was approved, other than the managing director of the company, will cease to hold office immediately before the end of the Spill Meeting but may stand for re-election at the Spill Meeting.

Following the Spill Meeting those persons whose election or re-election as directors of the company is approved will be the directors of the company.

#### 2.3 Previous voting results

At the Company's previous annual general meeting the votes cast against the remuneration report considered at that annual general meeting were less than 25%. Accordingly, the Spill Resolution is not relevant for this Meeting.

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### 3. RESOLUTION 2 – CONFIRMATION OF APPOINTMENT OF AUDITOR

#### 3.1 Background

On 10 January 2023, in accordance with section 327C of the Corporations Act 2001, the Company appointed RSM Australia Partners (**RSM**) as auditor of the Company following ASIC's consent to the resignation of the previous auditor of the Company, Ernst & Young, in accordance with section 329(5) of the Corporations Act.

Following the above appointment, and in accordance with section 327C(2) of the Corporations Act, RSM holds office as auditor of the Company until the Company's next annual general meeting, being the 2023 Annual General Meeting.

In accordance with section 327B(1)(b), the Company now seeks Shareholder approval for the ongoing appointment of RSM as the auditor of the Company and its controlled entities.

In accordance with section 328B of the Corporations Act 2001, notice in writing nominating RSM as auditor has been given to the Company by a Shareholder. A copy of this notice is attached to this Notice as Annexure A.

RSM has provided to the Company, and has not withdrawn, its written consent to act as auditor of the Company, in accordance with section 328A(1) of the Corporations Act.

If this Resolution is passed, the appointment of RSM as the Company's auditor will take effect at the close of this 2023 Annual General Meeting.

Ernst & Young, the Company's current auditor, has given notice of its intention to resign as auditor of the Company to ASIC in accordance with section 329(5) of the Corporations Act.

#### 3.2 Board Recommendation

The Board recommends that Shareholders vote in favour of this Resolution. The Chair intends to vote undirected proxies in favour of this Resolution.

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### 4. RESOLUTION 3 – ELECTION OF DAMIEN FLUGGE

#### 4.1 General

The Constitution allows the Directors to appoint at any time a person to be a Director either to fill a casual vacancy or as an addition to the existing Directors, but only where the total number of Directors does not at any time exceed the maximum number specified by the Constitution.

Pursuant to the Constitution and Listing Rule 14.4, any Director so appointed holds office only until the next annual general meeting and is then eligible for election by Shareholders but shall not be taken into account in determining the Directors who are to retire by rotation (if any) at that meeting.

Damien Flugge, having been appointed by other Directors on 14 December 2022 in accordance with the Constitution, will retire in accordance with the Constitution and Listing Rule 14.4 and being eligible, seeks election from Shareholders.

Further information in relation to Damien Flugge is set out below.

<b>Qualifications, experience and other material directorships</b>	<p>Mr Flugge was a foundational director of the Company with Mr Rudas. He has been with the Company for the past seven years in the capacity as General Manager.</p> <p>Mr Flugge has an extensive and diverse business and operational background, which spans over 22 years. From early involvement in the family farming operations, to development, management and ownership of various hospitality ventures in Australia. He has also established and led the development and operation of a popular food chain, designed for franchising, successfully operating on the east coast of Australia.</p>
<b>Term of office</b>	<p>Damien Flugge has served as a Director since 14 December 2022.</p>

<b>Independence</b>	If re-elected, the Board does not consider that Damien Flugge will be an independent Director as he is an Executive Director and has a relevant interest in Patina Metals Pty Ltd, which is the holder of convertible notes in the Company.
<b>Board recommendation</b>	Having received an acknowledgement from Damien Flugge that he will have sufficient time to fulfil his responsibilities as a Director and having reviewed the performance of Damien Flugge since his appointment to the Board and the skills, knowledge, experience and capabilities required by the Board, the Directors (other than Damien Flugge) recommend that Shareholders vote in favour of this Resolution.

#### 4.2 Technical information required by Listing Rule 14.1A

If this Resolution is passed, Damien Flugge will be elected to the Board as an executive Director.

If this Resolution is not passed, Damien Flugge will not continue in their role as an executive Director and the Company will be required to seek a nomination or otherwise identify a suitably qualified candidate to join the Company.

### 5. RESOLUTION 4 – RE-ELECTION OF SAITHSIRI SAKSITTHISEREKUL

#### 5.1 General

The Constitution sets out the requirements for determining which Directors are to retire by rotation at an annual general meeting.

Mr Saithsiri Saksitthisereekul who has held office without re-election since 24 October 2018 and being eligible retires by rotation and seeks re-election.

Further information in relation to Mr Saithsiri Saksitthisereekul is set out below.

<b>Qualifications, experience and other material directorships</b>	Mr Saksitthisereekul was appointed as a director of the Company on 24 October 2018. He holds an Executive Master of Business Administration from the National Institute of Development Administration (NIDA) and with 11 years in the renewable energy sector is the CEO of M8 Holding Limited ( <b>M8H</b> ), formerly SBANG Sustainable Energies Limited. M8H is an integrated renewable energy company based in Thailand. Its core business is to build, own and or operate waste-to-energy and biomass power plants in Thailand.  Mr Saksitthisereekul is currently a director of Clover Power Public Company Limited (BKK: CV) (appointed on 2 September 2021).
<b>Term of office</b>	Saithsiri Saksitthisereekul has served as a Director since 24 October 2018 and was last re-elected on 30 November 2022.
<b>Independence</b>	If re-elected, the Board considers that Saithsiri Saksitthisereekul will not be an independent Director as he is a director and major shareholder of M8 Holding Limited (which is a substantial Shareholder).
<b>Board recommendation</b>	Having received an acknowledgement from Saithsiri Saksitthisereekul that he will have sufficient time to fulfil his responsibilities as a Director and having reviewed the performance of Saithsiri Saksitthisereekul since his appointment to the Board and the skills, knowledge, experience and capabilities required by the Board, the Directors (other than Saithsiri Saksitthisereekul) recommend that Shareholders vote in favour of this Resolution.

#### 5.2 Technical information required by Listing Rule 14.1A

If this Resolution is passed, Saithsiri Saksitthisereekul will be re-elected to the Board as an independent Director.

If this Resolution is not passed, Saithsiri Saksitthisereekul will not continue in their role as an independent Director and the Company will be required to seek a nomination or otherwise identify a suitably qualified candidate to join the Company.

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## EXPLANATORY STATEMENT – 2024 ANNUAL GENERAL MEETING

---

This Explanatory Statement has been prepared to provide information which the Directors believe to be material to Shareholders in deciding whether or not to pass the Resolutions of the 2024 Annual General Meeting.

---

### 1. FINANCIAL STATEMENTS AND REPORTS – 30 JUNE 2024

In accordance with the Corporations Act, the business of the Meeting will include receipt and consideration of the annual financial report of the Company for the financial year ended 30 June 2024 together with the declaration of the Directors, the Directors' report, the 2024 Remuneration Report and the auditor's report.

The Company will not provide a hard copy of the Company's annual financial report to Shareholders unless specifically requested to do so. The Company's annual financial report is available on its ASX announcement's platform (ASX:M8S) and its website at [www.m8sustainable.com.au](http://www.m8sustainable.com.au).

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### 2. RESOLUTION 1 – ADOPTION OF 2024 REMUNERATION REPORT

#### 2.1 General

The Corporations Act requires that at a listed company's annual general meeting, a resolution that the remuneration report to be adopted must be put to the shareholders. However, such a resolution is advisory only and does not bind the company or the directors of the company.

The remuneration report sets out the company's remuneration arrangements for the directors and senior management of the company. The remuneration report is part of the directors' report contained in the annual financial report of the company for a financial year.

The chair of the meeting must allow a reasonable opportunity for its shareholders to ask questions about or make comments on the remuneration report at the annual general meeting.

#### 2.2 Voting consequences

A company is required to put to its shareholders a resolution proposing the calling of another meeting of shareholders to consider the appointment of directors of the company (**Spill Resolution**) if, at consecutive annual general meetings, at least 25% of the votes cast on a remuneration report resolution are voted against adoption of the remuneration report and at the first of those annual general meetings a Spill Resolution was not put to vote. If required, the Spill Resolution must be put to vote at the second of those annual general meetings.

If more than 50% of votes cast are in favour of the Spill Resolution, the company must convene a shareholder meeting (**Spill Meeting**) within 90 days of the second annual general meeting.

All of the directors of the company who were in office when the directors' report (as included in the company's annual financial report for the most recent financial year) was approved, other than the managing director of the company, will cease to hold office immediately before the end of the Spill Meeting but may stand for re-election at the Spill Meeting.

Following the Spill Meeting those persons whose election or re-election as directors of the company is approved will be the directors of the company.

#### 2.3 Previous voting results

The 2023 Annual General Meeting will be held immediately prior to the 2024 Annual General Meeting.

The Spill Resolution will be relevant for this 2024 Annual General Meeting if the votes cast against:

- (a) the 2023 Remuneration Report at the 2023 Annual General Meeting exceed 25%; and
- (b) the 2024 Remuneration Report at the 2024 Annual General Meeting exceed 25%.

Refer to Resolution 2 and Section 3 for further information.

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### 3. RESOLUTION 2 – SPILL RESOLUTION

**If less than 25% of the votes cast on Resolution 1 at the 2023 Annual General Meeting are voted against adoption of the 2023 Remuneration Report and/or less than 25% of the votes cast on Resolution 1 at the 2024 Annual General Meeting are voted against adoption of the 2024 Remuneration Report, the Chair will withdraw Resolution 2.**

#### 3.1 General

The Corporations Act requirements for this Resolution to be put to vote are set out in Section 2.2.

The effect of this Resolution being passed is the Company will be required to hold another meeting of Shareholders within 90 days of the date of this Meeting (**Spill Meeting**) and the Vacating Directors will cease to hold office immediately before the end of the Spill Meeting. The business of the Spill Meeting will be to put to vote resolutions to appoint persons to offices vacated by the Vacating Directors.

In the event a Spill Meeting is required a separate notice of meeting will be distributed to Shareholders with details about those persons who will seek election as directors of the Company at the Spill Meeting.

#### 3.2 Proxy voting restrictions

Shareholders appointing a proxy for this Resolution should note the voting restrictions applying to Resolution apply in the same manner to this Resolution.

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### 4. RESOLUTION 3 – RE-ELECTION OF DAMIEN FLUGGE

#### 4.1 General

Listing Rule 14.5 provides that an entity which has directors must hold an election of directors at each annual general meeting.

The Constitution sets out the requirements for determining which Directors are to retire by rotation at an annual general meeting.

Damien Flugge, who has held office without re-election since the 2023 AGM and being eligible retires by rotation and seeks re-election.

Further information in relation to Damien Flugge is set out below.

<b>Qualifications, experience and other material directorships</b>	Mr Flugge was a foundational director of the Company with Mr Rudas. He has been with the Company for the past seven years in the capacity as General Manager.  Mr Flugge has an extensive and diverse business and operational background, which spans over 22 years. From early involvement in the family farming operations, to development, management and ownership of various hospitality ventures in Australia. He has also established and led the development and operation of a popular food chain, designed for franchising, successfully operating on the east coast of Australia.
<b>Term of office</b>	Damien Flugge has served as a Director since 14 December 2022.
<b>Independence</b>	If re-elected, the Board does not consider that Damien Flugge will be an independent Director as he is an Executive Director and has a relevant interest in Patina Metals Pty Ltd, which is the holder of

	convertible notes in the Company.
<b>Board recommendation</b>	Having received an acknowledgement from Damien Flugge that he will have sufficient time to fulfil his responsibilities as a Director and having reviewed the performance of Damien Flugge since his appointment to the Board and the skills, knowledge, experience and capabilities required by the Board, the Directors (other than Damien Flugge) recommend that Shareholders vote in favour of this Resolution.

#### 4.2 Technical information required by Listing Rule 14.1A

If this Resolution is passed, Damien Flugge will be elected to the Board as an executive Director.

If this Resolution is not passed, Damien Flugge will not continue in their role as an executive Director and the Company will be required to seek a nomination or otherwise identify a suitably qualified candidate to join the Company.

### 5. RESOLUTION 4 – RE-ELECTION OF SAITHSIRI SAKSITTHISEREKUL

#### 5.1 General

The Constitution sets out the requirements for determining which Directors are to retire by rotation at an annual general meeting.

Mr Saithsiri Saksitthisereekul who has held office without re-election since 24 October 2018 and being eligible retires by rotation and seeks re-election.

Further information in relation to Mr Saithsiri Saksitthisereekul is set out below.

<b>Qualifications, experience and other material directorships</b>	Mr Saksitthisereekul was appointed as a director of the Company on 24 October 2018. He holds an Executive Master of Business Administration from the National Institute of Development Administration (NIDA) and with 11 years in the renewable energy sector is the CEO of M8 Holding Limited ( <b>M8H</b> ), formerly SBANG Sustainable Energies Limited. M8H is an integrated renewable energy company based in Thailand. Its core business is to build, own and or operate waste-to-energy and biomass power plants in Thailand.  Mr Saksitthisereekul is currently a director of Clover Power Public Company Limited (BKK: CV) (appointed on 2 September 2021).
<b>Term of office</b>	Saithsiri Saksitthisereekul has served as a Director since 24 October 2018 and was last re-elected at the 2023 Annual General Meeting.
<b>Independence</b>	If re-elected, the Board does not considers that Saithsiri Saksitthisereekul will be an independent Director as he is a director and major shareholder of M8 Holding Limited (which is a substantial Shareholder).
<b>Board recommendation</b>	Having received an acknowledgement from Saithsiri Saksitthisereekul that he will have sufficient time to fulfil his responsibilities as a Director and having reviewed the performance of Saithsiri Saksitthisereekul since his appointment to the Board and the skills, knowledge, experience and capabilities required by the Board, the Directors (other than Saithsiri Saksitthisereekul) recommend that Shareholders vote in favour of this Resolution.

#### 5.2 Technical information required by Listing Rule 14.1A

If this Resolution is passed, Saithsiri Saksitthisereekul will be re-elected to the Board as an independent Director.

If this Resolution is not passed, Saithsiri Saksitthisereekul will not continue in their role as an independent Director and the Company will be required to seek a nomination or otherwise identify a suitably qualified candidate to join the Company.

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## 6. BACKGROUND TO RESOLUTIONS 5 TO 7

### 6.1 Background

On 19 August 2022, the Company signed a binding convertible note deed (**\$10m Convertible Note Deed**) with M8 Holding Limited (**M8H**) under which it agreed to issue up to 10,000,000 Convertible Notes to M8H with a face value of \$1.00 each in consideration for amounts drawn down under a \$10 million loan facility (**Initial Facility**) provided by M8H. On 14 October 2022, a variation (**Deed of Variation**) of the \$10m Convertible Note Deed was signed under which the parties agreed to reduce the maximum number of Convertible Notes that may be issued to 5,500,000 and reduce the loan facility limit to \$5.5 million.

On or around 21 December 2022, the Company signed another binding convertible note deed (**\$2.5 million Convertible Note Deed**) with M8H under which it agreed to issue up to 2,500,000 Convertible Notes to M8H with a face value of \$1.00 each in consideration for amounts drawn down under a \$2.5 million loan facility (**Subsequent Facility**) provided by M8H.

On 8 February 2023, the Company requested a trading halt pending an announcement in respect of its then existing loan facility with Remagen Capital Management Pty Ltd. The Company's securities were subsequently suspended from trading on 10 February 2023 (**Suspension**).

On 13 February 2023, Jonathan Henry, Rob Kirman and Rob Brauer of McGrathNicol Restructuring (**Administrators**) were appointed Voluntary Administrators of the Company. On 14 February 2023, the Administrators were appointed Voluntary Administrators of the Company's wholly owned subsidiary, Fernview Environmental Pty Ltd (**Fernview**). On 1 June 2023, the Company executed a deed of company arrangement (**DOCA**), on 6 June 2023, control and management of the Company and Fernview reverted to their respective directors and on 11 December 2023, the DOCA was fully effectuated, and the Administrators formally retired from their appointments.

The Suspension has remained in place throughout 2024 while the Company continued to operate and develop its business, seek further funding and prepare and lodge all outstanding financial and other periodical reports.

On 13 August 2024, the Company entered into a Deed of Assignment, Assumption and Variation (**Deed of Assignment**) with M8H and Patina Metals Pty Ltd (a company controlled by current Director Damien Flugge and his spouse Felicianna Flugge (**Patina Metals**), pursuant to which M8H agreed to assign to Patina Metals all of its future rights and obligations relating to the \$10 million Convertible Note Deed (as varied to \$5.5m) for a consideration of \$1,420,000. The Deed of Assignment was restated in a subsequent deed (**Deed of Amendment and Restatement**) such that M8H's future rights and obligations in relation to the \$2.5 million Convertible Note Deed would also be assigned to Patina Metals.

On 11 November 2024, Patina Metals gave notice to the Company that it intended to convert all of its Convertible Notes at the next General Meeting, subject to Shareholder approval being obtained.

At present, the Company is due to be removed from the Official List of ASX on 10 February 2025 and to remain listed will need to satisfy the reinstatement conditions set by ASX by that date. At the date of this Notice, ASX has indicated that it will not likely grant an extension to the Company's delisting date of 10 February 2025. The Company will be required to comply with Listing Rules 12.1 and 12.2 to ASX's satisfaction before the Suspension can be lifted and the Company's securities can be reinstated to quotation. The Company will also be required to satisfy the reinstatement conditions set by ASX (and which are yet to be provided by ASX). The Company will release these reinstatement conditions as a separate announcement once received. There is no guarantee that the Suspension will be lifted or that the Company's securities will be reinstated to quotation or that the Company will continue to be admitted to the Official List of ASX.

## 6.2 Recapitalisation Strategy

In order to recapitalise and strengthen its balance sheet, the Company proposes, subject to Shareholder approval to undertake:

- (a) a consolidation of its current issued capital on a ten for one basis (**Consolidation**); and
- (b) a conversion of up to approximately \$8,646,185 of debt payable under existing convertible notes on issue (**Convertible Notes**) (and accrued interest) (on a post-Consolidation basis) into up to 172,923,700 Shares at a deemed issue price of \$0.05 per Share (**Conversion**); and
- (c) a capital raising by placement of up to 70,000,000 Shares (on a post-Consolidation basis) at an issue price of \$0.05 per Share to raise up to \$3,500,000 (**Placement**),

(together, the **Recapitalisation Strategy**).

Patina Metals holds the Convertible Notes and upon completion of the Recapitalisation Strategy, will be a substantial Shareholder of the Company, holding up to 172,923,700 Shares (on a post-Consolidation basis) (equating to approximately 58.14% of the Shares on issue following completion of the Recapitalisation Strategy).

This Notice of Meeting sets out the Resolutions necessary to complete the Recapitalisation Strategy, being Resolutions 5 to 7 (**Essential Resolutions**). Each of the Essential Resolutions are conditional upon the approval by Shareholders of each of the other Essential Resolutions. If any of the Essential Resolutions are not approved by Shareholders, all of the Essential Resolutions will fail, and the Company will be unable to complete the Recapitalisation Strategy.

## 6.3 Indicative Capital Structure

The indicative capital structure of the Company upon completion of the Recapitalisation Strategy is set below.

	SHARES	CONVERTIBLE NOTES
Current issued capital – pre-Consolidation	548,638,191	7,048,433 <sup>1</sup>
<b>Consolidation on a 10-to-1 basis</b>		
Issued capital – post-Consolidation <sup>2</sup>	54,863,820	7,048,433 <sup>3</sup>
Shares to be issued pursuant to the Placement <sup>4</sup>	70,000,000	-
Securities to be issued pursuant to the Conversion	172,923,700	(7,048,433)
<b>TOTAL<sup>2,4</sup></b>	<b>297,787,520</b>	<b>0</b>

### Notes:

1. 5,500,000 Convertible Notes with a face value of \$1.00 and a conversion price of \$0.005 issued under the Initial Facility and 1,548,433 Convertible Notes with a face value of \$1.00 and a conversion price of \$0.005 issued under the Subsequent Facility.
2. Subject to rounding of fractional entitlements in accordance Section 7.3 below.
3. 5,500,000 Convertible Notes with a face value of \$1.00 and a conversion price of \$0.05 issued under the Initial Facility and 1,548,433 Convertible Notes with a face value of \$1.00 and a conversion price of \$0.05 issued under the Subsequent Facility.
4. Assumes that the Placement is fully subscribed.

## 6.4 Business Activities and Budget

The Company is a recycling and waste management entity which:

- (a) operates and manages a waste recycling business on leased premises in Maddington, Western Australia (**Maddington Facility**);
- (b) has a 50% shareholding interest in iHUB Technologies Pty Ltd, an entity which owns a logistics platform for the online ordering of skip bins (**iHUB**); and

- (c) on the lifting of the suspension, will operate and manage a fully constructed and licensed waste landfill facility in Gingin, Western Australia owned by the Company's largest existing shareholder M8 Holding Limited (**M8H**) (**Gingin Facility**) and subject to compliance with ASX Listing Rule 10.1, will have the exclusive right to provide waste to the Gingin Facility and the exclusive first right of refusal to acquire the Gingin Facility from M8H. The Company has finalised the terms of the operation and management agreement with M8H in respect of the Gingin Facility and will seek to enter into a formal agreement following receipt of confirmations from ASX on the application of Listing Rule 10.1.

The business focus of the Company is on development of the Maddington Facility, Gingin Facility and iHUB. Specifically, the objective of the Company will be as follows:

- (a) **Maddington Facility**
- (i) increase revenues via expanding operations at the waste transfer station (pre-sorting of waste and processing of skip bin waste) from 2,000m<sup>3</sup> of waste per month processed to 10,000m<sup>3</sup> of waste per month;
  - (ii) increase revenues via developing and expanding the metals recycling business undertaken at the Facility into a full scale commercial operation; and
  - (iii) apply for a waste tyre licence to allow the development of a business unit for the recycling of tyres and export of rubber to export markets.
- (b) **Gingin Facility**
- (i) increase revenues by commencing and expanding operations at the Facility and providing residual waste from the Maddington Facility;
  - (ii) develop an environmental park at the Facility including the construction of a solar to energy plant; and
  - (iii) apply for a sand and road gravel extraction licence for the sale of sand and road gravel extracted from waste to third parties.
- (c) **iHUB**
- (i) roll out existing logistics software nationally and internationally;
  - (ii) develop mining services software package for sale to third parties;
  - (iii) expand the Access Waste business to drive more skip bin hires and roll out the business across the Perth metropolitan area.

The Company's 24 month budget upon completion of the Recapitalisation Strategy is set out below.

ITEM	AMOUNT
Operations at the Maddington Facility	\$300,000
Development of iHUB	\$600,000
Sales and Marketing	\$200,000
Working Capital	\$986,527
<b>Total</b>	<b>\$2,086,527</b>

The above table is a statement of current intentions as at the date of this submission and is subject to change. Intervening events may alter the way funds are ultimately applied by the Company.

## 6.5 Pro-Forma Balance Sheet

The pro-forma balance sheet of the Company (assuming the Recapitalisation Strategy is completed) as at 30 June 2024 including pro-forma adjustments is set out in Schedule 1.

## 6.6 Indicative Timetable

An indicative timetable for the Recapitalisation Strategy is set out below:

ACTION	DATE
Company sends out the Notice	15 January 2025
Lodgement of Prospectus for the Conversion and the Placement	6 February 2025
Shareholders approve the Recapitalisation Strategy resolutions	14 February 2025
Effective Date of Consolidation	14 February 2025
Last day for the Company to update its register in respect of the Consolidation and to send holding statements to security holders reflecting the change in the number of Securities they hold and to notify ASX that this has occurred	26 February 2025
Issue of Shares under the Conversion and the Placement	27 February 2025
Satisfaction of ASX Reinstatement Conditions and Company's Shares reinstated to quotation on ASX	6 March 2025

The above timetable is indicative only and the Board reserves the right to vary the timetable subject to compliance with the Listing Rules and all other applicable laws.

## 7. RESOLUTION 5 – CONSOLIDATION OF CAPITAL

### 7.1 Background

This Resolution seeks Shareholder approval for the purposes of section 254 of the Corporations Act and all other purposes to consolidate the Company's issued capital on a ten to one basis (**Consolidation**).

This Resolution is an Essential Resolution. If this Resolution or any other Essential Resolution is not passed, the Company will not be able to proceed with the Recapitalisation Strategy and, as a result, it is likely that the Company will be removed from the Official List. Legal requirements

Section 254H of the Corporations Act provides that a company may, by resolution passed in a general meeting, convert all or any of its shares into a larger or smaller number.

Listing Rule 7.20 provides that if an entity proposes to reorganise its capital, it must tell shareholders of each of the following:

- (a) the effect of the proposal on the number of securities and the amount unpaid (if any) of the securities;
- (b) the proposed treatment of any fractional entitlements arising from the reorganisation; and
- (c) the proposed treatment of any convertible securities on issue.

Listing Rule 7.21 provides that an entity which has convertible securities (except options) on issue may only reorganise its capital if, in respect of the convertible securities, the number of securities or the conversion price, or both, is reorganised so that the holder of the convertible securities will not receive a benefit that holders of ordinary securities do not receive.

### 7.2 Effect on capital structure

The effect which the Consolidation will have on the Company's capital structure is set out in Section 6.3 above.

### 7.3 Fractional entitlements

Not all security holders will hold that number of Securities which can be evenly divided by ten. Fractional entitlements will be rounded up to the nearest whole number.

#### 7.4 Indicative timetable

If this Resolution is passed, the Consolidation will take effect in accordance with the following timetable (as set out in Appendix 7A (paragraph 7) of the Listing Rules):

ACTION	DATE
Company announces Consolidation and releases Appendix 3A.3	15 January 2025
Company sends out the Notice	15 January 2025
Shareholders approve the Consolidation	14 February 2025
Company announces Effective Date of Consolidation	14 February 2025
Effective Date of Consolidation	14 February 2025
Last day for pre-Consolidation trading	17 February 2025
Post-Consolidation trading commences on a deferred settlement basis	18 February 2025
Record Date	19 February 2025
Last day for the Company to register transfers on a pre-Consolidation basis	
First day for the Company to update its register and send holding statements to security holders reflecting the change in the number of Securities they hold	20 February 2025
Last day for the Company to update its register and to send holding statements to security holders reflecting the change in the number of Securities they hold and to notify ASX that this has occurred	26 February 2025

The above timetable is indicative only and the Board reserves the right to vary the timetable subject to compliance with the Listing Rules and all other applicable laws.

#### 7.5 Holding statements

From the date two Business Days after the Effective Date (as set out in the timetable in Section 7.4 above), all holding statements for Securities will cease to have any effect, except as evidence of entitlement to a certain number of Securities on a post-Consolidation basis.

After the Consolidation becomes effective, the Company will arrange for new holding statements for Securities to be issued to holders of those Securities.

It is the responsibility of each security holder to check the number of Securities held prior to disposal or exercise (as the case may be).

#### 7.6 Taxation

It is not considered that any taxation implications will exist for security holders arising from the Consolidation. However, security holders are advised to seek their own tax advice on the effect of the Consolidation and neither the Company, nor its advisers, accept any responsibility for the individual taxation implications arising from the Consolidation.

### 8. RESOLUTION 6 – APPROVAL OF ISSUE OF SHARES ON CONVERSION OF CONVERTIBLE NOTES

#### 8.1 General

This Resolution seeks Shareholder approval for the purpose of Item 7 of section 611 of the Corporations Act to allow the Company to issue up to 172,923,700 Shares (**Conversion Shares**) to Patina Metals. The issue of the Conversion Shares will result in the voting power of Patina Metals increasing from 0.00% up to a maximum of 75.91% and the voting power of each of Damien Flugge and Felicianna Fluce (together, the **Flugge Parties**) increasing from <0.01% up to a maximum of 75.91%.

This Resolution is an Essential Resolution. If this Resolution or any other Essential Resolution is not passed, the Company will not be able to proceed with the Recapitalisation

Strategy and, as a result, it is likely that the Company will be removed from the Official List.

The Independent Expert's Report prepared by RSM Corporate Australia Pty Ltd (a copy of which is attached as Annexure B to this Explanatory Statement) assesses whether the transactions contemplated by this Resolution are fair and reasonable to the non-associated Shareholders of the Company. The Independent Expert's Report concludes that the transactions contemplated by this Resolution are **FAIR AND REASONABLE** to the non-associated Shareholders of the Company.

## **8.2 Item 7 of Section 611 of the Corporations Act**

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

Pursuant to section 606(1) of the Corporations Act, a person must not acquire a relevant interest in issued voting shares in a listed company if the person acquiring the interest does so through a transaction in relation to securities entered into by or on behalf of the person and because of the transaction, that person's or someone else's voting power in the company increases:

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

**(Prohibition).**

### **8.2.2 Voting Power**

The voting power of a person in a body corporate is determined in accordance with section 610 of the Corporations Act. The calculation of a person's voting power in a company involves determining the voting shares in the company in which the person and the person's associates have a relevant interest.

### **8.2.3 Associates**

For the purposes of determining voting power under the Corporations Act, a person (**second person**) is an "associate" of the other person (**first person**) if:

- (a) (pursuant to section 12(2) of the Corporations Act) the first person is a body corporate and the second person is:
  - (i) a body corporate the first person controls;
  - (ii) a body corporate that controls the first person; or
  - (iii) a body corporate that is controlled by an entity that controls the person;
- (b) the second person has entered or proposes to enter into a relevant agreement with the first person for the purpose of controlling or influencing the composition of the company's board or the conduct of the company's affairs; or
- (c) the second person is a person with whom the first person is acting or proposes to act, in concert in relation to the company's affairs.

Associates are, therefore, determined as a matter of fact. For example where a person controls or influences the board or the conduct of a company's business affairs, or acts in concert with a person in relation to the entity's business affairs.

### **8.2.4 Relevant Interests**

Section 608(1) of the Corporations Act provides that a person has a relevant interest in securities if they:

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

- (c) have power to dispose of, or control the exercise of a power to dispose of, the securities.

It does not matter how remote the relevant interest is or how it arises. If two or more people can jointly exercise one of these powers, each of them is taken to have that power.

In addition, section 608(3) of the Corporations Act provides that a person has a relevant interest in securities that any of the following has:

- (a) a body corporate in which the person's voting power is above 20%;
- (b) a body corporate that the person controls.

### 8.2.5 Relevant Interests and Voting Power of the Flugge Parties and Patina Metals

The relevant interest and voting power of each of the Flugge Parties and Patina Metals is set out below.

	CURRENT <sup>1</sup>		POST-CONVERSION		POST CONVERSION AND PLACEMENT	
	RELEVANT INTEREST	VOTING POWER	RELEVANT INTEREST	VOTING POWER <sup>4</sup>	RELEVANT INTEREST	VOTING POWER <sup>5</sup>
Damien Flugge <sup>2</sup>	10	<0.01% <sup>2</sup>	172,923,710	75.91% <sup>3</sup>	172,923,710	58.07% <sup>3</sup>
Felicianna Flugge <sup>3</sup>	1		172,923,701		172,923,701	
Patina Metals	-	-	172,923,700	75.91%	172,923,700	58.07%

**Notes:**

1. Stated on a post-Consolidation basis.
2. Comprising 10 Shares held by Damien Flugge and one Share held by Felicianna Flugge who are associates of one another for the purposes of the Corporations Act.
3. Comprising 10 Shares held by Damien Flugge, one Share held by Felicianna Flugge and 172,923,700 Shares held by Patina Metals. Damien Flugge and Felicianna Flugge have a relevant interest in the Shares held by Patina Metals for the purposes of section 608(3)(b) of the Corporations Act as they control Patina Metals and have the power to exercise, or control the exercise of, a right to vote attached to the Shares and to dispose of, the Shares.
4. Assumes that:
  - (a) the Company has 54,863,820 Shares on issue following completion of the Consolidation;
  - (b) 172,923,700 Conversion Shares are issued; and
  - (c) the Company does not issue any Shares other than as noted at (b) above (including under the Placement).
5. Assumes that:
  - (a) the Company has 54,863,820 Shares on issue following completion of the Consolidation;
  - (b) 172,923,700 Conversion Shares are issued;
  - (c) the Company issues 70,000,000 Shares under the Placement; and
  - (d) the Company does not issue any Shares other than as noted at (b) and (c) above.

### 8.3 Reason Section 611 Approval is Required

Item 7 of section 611 of the Corporations Act provides an exception to the Prohibition, whereby a person may acquire a relevant interest in a company's voting shares with shareholder approval.

Following the issue of the Conversion Shares, the Flugge Parties will have a relevant interest in 173,123,701 Shares in the Company, representing a maximum voting power in the Company of 76.00% (assuming no other Shares are issued).

Accordingly, this Resolution seeks Shareholder approval for the purpose of section 611 Item 7 and all other purposes to enable the Company to issue the Conversion Shares to the Flugge Parties.

## 8.4

**Specific Information required by section 611 Item 7 of the Corporations Act and ASIC Regulatory Guide 74**

The following information is required to be provided to Shareholders under the Corporations Act and ASIC Regulatory Guide 74 in respect of obtaining approval for item 7 of section 611 of the Corporations Act. Shareholders are also referred to the Independent Expert's Report prepared by RSM annexed to this Explanatory Statement.

REQUIRED INFORMATION	DETAILS
<b>Identify of the acquirer and its associates</b>	<p>It is proposed that Patina Metals will be issued the Conversion Shares in accordance with the terms of the Convertible Note Agreements as summarised in Schedule 2.</p> <p>Damien Flugge and Felicianna Flugge have a relevant interest in the Shares held by Patina Metals for the purposes of section 608(3)(b) of the Corporations Act as they control Patina Metals and have the power to exercise, or control the exercise of, a right to vote attached to the Shares and dispose of, the Shares.</p> <p>No other associates of Patina Metals or the Flugge Parties currently have or will have a relevant interest in the Company.</p>
<b>Relevant interest and voting power of the acquirer and their associates</b>	<p>The relevant interests of Patina Metals and the Flugge Parties in voting shares in the capital of the Company and voting power of Patina Metals and Flugge Parties (both current and following the issue of the Conversion Shares) are set out in Section 8.2.5.</p> <p>As set out in Section 8.2.5:</p> <p>(a) the maximum relevant interest that:</p> <p>(i) Damien Flugge will hold after completion of the issue of the Conversion Shares is 172,923,710 Shares;</p> <p>(ii) Felicianna Flugge will hold after completion of the issue of the Conversion Shares is 172,923,710 Shares; and</p> <p>(iii) Patina Metals will hold after completion of the issue of the Conversion Shares is 172,923,700 Shares, and</p> <p>(b) the maximum voting power that:</p> <p>(i) the Flugge Parties will hold is 75.91% (representing a maximum increase in voting power of 75.91%, being the difference between &lt;0.01% and 75.91%); and</p> <p>(ii) Patina Metals will hold is 75.91% (representing a maximum increase in voting power of 75.91%, being the difference between 0.00% and 75.91%).</p>
<b>Reasons for the acquisition of the relevant interest</b>	<p>The Company is proposing to issue the Conversion Shares to convert up to approximately \$8,646,185 of debt payable under the Convertible Notes (and accrued interest) into up to 172,923,700 Shares at a deemed issue price of \$0.05 per Share (each stated on a post-Consolidation basis) as part of the Company's recapitalisation strategy.</p>
<b>Date of acquisition of relevant interest</b>	<p>The Conversion Shares the subject of this Resolution will be issued on a date after the Meeting to be determined by the Company and the Flugge Parties.</p>
<b>Material terms of the acquisition of a relevant interest</b>	<p>The Conversion Shares will be issued at a deemed issue price of \$0.05 per Share (stated on a post-Consolidation basis) on conversion of the Convertible Notes (and accrued interest).</p> <p>The Conversion Shares will be fully paid ordinary shares in the capital of the Company, issued on the same terms and conditions as the Company's existing Shares (and will rank equally with the</p>

REQUIRED INFORMATION	DETAILS
	<p>Company's existing Shares).</p> <p>A summary of the material terms of the Convertible Note Agreements is set out in Schedule 2.</p>
<b>Intentions of acquirer</b>	<p>Other than as disclosed elsewhere in this Explanatory Statement, the Company understands that the Flugge Parties or Patina Metals (or any of their respective associates) have any present intention to:</p> <ul style="list-style-type: none"> <li>(a) make any significant changes to the business of the Company;</li> <li>(b) inject further capital into the Company;</li> <li>(c) make changes regarding the future employment of the present employees of the Company;</li> <li>(d) redeploy any fixed assets of the Company;</li> <li>(e) transfer any property between the Company and the Flugge Parties (or any of its associates); and</li> <li>(f) change the Company's existing policies in relation to financial matters or dividends.</li> </ul> <p>These intentions are based on information concerning the Company, its business and the business environment which is known to the Flugge Parties and Patina Metals (and their respective associates) at the date of this Notice.</p> <p>These present intentions may change as new information becomes available, as circumstances change or in the light of all material information, facts and circumstances necessary to assess the operational, commercial, taxation and financial implications of those decisions at the relevant time.</p>
<b>Interests and Recommendations of Directors</b>	<p>Directors Saithsiri Saksitthisereekul, and Tom Rudas recommend that Shareholders vote in favour of this Resolution for the reasons outlined under the heading "Advantages" below.</p> <p>As Director Damien Flugge has a material personal interest in the outcome of this Resolution, he cannot make an independent recommendation to Shareholders in relation to this Resolution. Mr Flugge directs Shareholders to the Independent Expert's Report (particularly the advantages and disadvantages identified by the Independent Expert) in relation to this Resolution.</p> <p>The Directors are not aware of any other information other than as set out in this Notice of Meeting that would be reasonably required by Shareholders to allow them to make a decision whether it is in the best interests of the Company to pass this Resolution.</p>
<b>Advantages</b>	<p>The Directors are of the view that the following non-exhaustive list of advantages may be relevant to a Shareholder's decision on how to vote on this Resolution:</p> <ul style="list-style-type: none"> <li>(a) the proposed Recapitalisation Strategy will significantly improve the net asset position of the Company, with a substantial reduction in its debts, taking it from a negative net asset position to positive net assets, and provide it with sufficient working capital so as to enable the Company to accelerate its operations;</li> <li>(b) if approval is not obtained, the Company will be required to repay the Convertible Notes (together with accrued interest) within 30 days of notice from Patina Metals;</li> <li>(c) the restructured Company will have a very low enterprise value in comparison to similar listed companies making the Company an attractive investment opportunity which may more readily facilitate access to additional capital as needed; and</li> </ul>

REQUIRED INFORMATION	DETAILS
	<p>(d) the Independent Expert has concluded that the transaction is fair and reasonable to the non-associated Shareholders.</p>
<b>Disadvantages</b>	<p>The Directors are of the view that the following non-exhaustive list of disadvantages may be relevant to a Shareholder's decision on how to vote on this Resolution:</p> <p>(a) the issue of the Conversion Shares to Patina Metals will increase the voting power of the Flugge Parties from &lt;0.01% to a maximum of 75.91%, reducing the voting power of non-associated Shareholders in aggregate from &gt;99.99% to 24.09%; and</p> <p>(b) there is no guarantee that the Company's Shares will not fall in value as a result of the issue.</p>
<b>Independent Expert's Report</b>	<p>The Independent Expert's Report prepared by RSM Corporate Australia Pty Ltd (a copy of which is attached as Annexure B to this Explanatory Statement) assesses whether the transactions contemplated by this Resolution are fair and reasonable to the non-associated Shareholders of the Company.</p> <p>The Independent Expert's Report concludes that the transactions contemplated by this Resolution are <b>FAIR AND REASONABLE</b> to the non-associated Shareholders of the Company.</p> <p>The Independent Expert notes that the key advantages of the proposal raised in this Resolution to the Company and existing Shareholders are as follows:</p> <p>(a) the proposed transaction is fair as the assessed value of Shares after the issue of Shares under this Resolution and the Placement is higher than the current assessed value of Shares;</p> <p>(b) the proposed transaction will improve the net asset position of the Company through the clearing of debt and accrued interest associated with the Convertible Notes; and</p> <p>(c) there are limited alternatives available.</p> <p>The key disadvantages noted by the Independent Expert are as follows:</p> <p>(a) if the Convertible Notes are converted, the collective interest of non-associated Shareholders will decline to approximately 41.93% (assuming the maximum number of Shares are issued under the Placement);</p> <p>(b) should the proposed transaction be approved, Patina Metals and the Flugge Parties would significantly increase their operational and governance control of the Company as their interest will increase above 50%, surpassing the threshold allowing them to pass an ordinary resolution; and</p> <p>(c) the proposed transaction may deter M8 Holdings Limited (the current majority shareholder) from providing funding in the future.</p> <p>Shareholders are urged to carefully read the Independent Expert's Report to understand the scope of the report, the methodology of the valuation and the sources of information and assumptions made.</p>
<b>Other Information</b>	<p>For further information, refer to:</p> <p>(a) Section 6.3 for a summary of the Company's current capital structure and the indicative capital structure following completion of the Conversion and the Placement; and</p>

REQUIRED INFORMATION	DETAILS
	(b) Schedule 1 for a pro-forma balance sheet of the Company following the completion of the issue of the Conversion Shares and the Placement the subject of Resolution 7.

## 8.5 Chapter 2E of the Corporations Act

Chapter 2E of the Corporations Act requires that for a public company, or an entity that the public company controls, to give a financial benefit to a related party of the public company, the public company or entity must:

- (a) obtain the approval of the public company's members in the manner set out in sections 217 to 227 of the Corporations Act; and
- (b) give the benefit within 15 months following such approval,

unless the giving of the financial benefit falls within an exception set out in sections 210 to 216 of the Corporations Act.

The issue of Shares to the Flugge Parties constitutes giving a financial benefit and Patina Metals is a related party of the Company by virtue of being controlled by Director, Damien Flugge and his spouse, Felicianna Flugge.

The Directors (other than Damien Flugge who has a material personal interest in the Resolution) consider that Shareholder approval pursuant to Chapter 2E of the Corporations Act is not required in respect of the issue because the terms of the Convertible Note Agreements (including the conversion price) were negotiated on an arm's length basis.

## 8.6 Listing Rules 7.1 and 10.11

Pursuant to Listing Rule 7.2 (Exception 8), Listing Rule 7.1 does not apply to an issue of securities approved for the purpose of Item 7 of section 611 of the Corporations Act. Accordingly, if Shareholders approve the issue of securities pursuant to this Resolution, the Company will retain the flexibility to issue equity securities in the future up to the 15% annual placement capacity set out ASX Listing Rule 7.1 without the requirement to obtain prior Shareholder approval.

Additionally, pursuant to Listing Rule 10.12 (Exception 6), Listing Rule 10.11 does not apply to an issue of securities approved for the purpose of Item 7 of section 611 of the Corporations Act.

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## 9. RESOLUTION 7 – APPROVAL TO ISSUE SHARES TO INVESTORS UNDER A PLACEMENT

### 9.1 General

This Resolution seeks Shareholder approval for the purposes of Listing Rule 7.1 for the issue of up to 70,000,000 Shares (on a post-Consolidation basis) to professional and sophisticated investors at an issue price of \$0.05 per Share to raise up to \$3,500,000.

The Company does not currently have a lead manager mandate in place with respect to the proposed placement and is not currently in negotiations with any lead managers in this regard. The Company will consider engaging a lead manager to manage a portion of the capital raising at the time the funds are to be raised. The Company anticipates that any fees payable to a lead manager will be on standard market rates of approximately 4% to 6% (excluding GST) of the total funds raised by the lead manager.

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 period.

The proposed issue does not fall within any of the exceptions set out in Listing Rule 7.2 and exceeds the 15% limit in Listing Rule 7.1. It therefore requires the approval of Shareholders under Listing Rule 7.1.

## 9.2 Technical information required by Listing Rule 14.1A

This Resolution is an Essential Resolution. If each of the Essential Resolutions (including this Resolution) are passed, the Company will be able to proceed with the issue and the Recapitalisation Strategy. In addition, the issue will be excluded from the calculation of the number of equity securities that the Company can issue without Shareholder approval under Listing Rule 7.1.

If this Resolution or any of the other Essential Resolutions are not passed, the Company will not be able to proceed with the Recapitalisation Strategy or the issue of Shares contemplated under this Resolution. As a result, it is likely that the Company will be removed from the Official List.

## 9.3 Technical information required by Listing Rule 7.3

REQUIRED INFORMATION	DETAILS
<b>Names of persons to whom Securities will be issued or the basis on which those persons were or will be identified/selected</b>	If a lead manager is appointed by the Company, the Shares will be issued to professional and sophisticated investors who will be identified through a bookbuild process, which will involve the lead manager seeking expressions of interest to participate in the capital raising from non-related parties of the Company. If a lead manager is not appointed by the Company, the Shares will be issued to professional and sophisticated investors who will be identified by the Directors. The placement participants will be identified through the Directors seeking expressions of interest to participate in the capital raising from non-related parties of the Company.
<b>Number of Securities and class to be issued</b>	Up to 70,000,000 Shares will be issued (stated on a post-Consolidation basis).
<b>Terms of Securities</b>	The Shares will be fully paid ordinary shares in the capital of the Company issued on the same terms and conditions as the Company's existing Shares.
<b>Date(s) on or by which the Securities will be issued</b>	The Company will not issue any Shares later than three months after the date of the Meeting (or such later date to the extent permitted by any ASX waiver or modification of the Listing Rules).
<b>Price or other consideration the Company will receive for the Securities</b>	\$0.05 per Share (on a post-Consolidation basis).
<b>Purpose of the issue, including the intended use of any funds raised by the issue</b>	The purpose of the issue is to raise capital, which the Company intends to apply towards achieving its business objectives as set out in Section 6.4.
<b>Summary of material terms of agreement to issue</b>	The Shares are not being issued under an agreement.
<b>Voting exclusion statement</b>	A voting exclusion statement applies to this Resolution.

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## GLOSSARY

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\$ means Australian dollars.

**2023 Annual General Meeting** means the annual general meeting to consider, amongst other things, the financial statements and reports for the year ended 30 June 2023.

**2023 Notice of AGM** means the notice of annual general meeting including the Explanatory Statement and the Proxy Form in respect of the 2023 Annual General Meeting.

**2023 Remuneration Report** means the remuneration report set out in the Director's report section of the Company's annual financial report for the year ended 30 June 2023.

**2024 Annual General Meeting** means the annual general meeting to consider, amongst other things, the financial statements and reports for the year ended 30 June 2024.

**2024 Notice of AGM** means the notice of annual general meeting including the Explanatory Statement and the Proxy Form in respect of the 2024 Annual General Meeting.

**2024 Remuneration Report** means the remuneration report set out in the Director's report section of the Company's annual financial report for the year ended 30 June 2024.

**ASIC** means the Australian Securities & Investments Commission.

**ASX** means ASX Limited (ACN 008 624 691) or the financial market operated by ASX Limited, as the context requires.

**ASX CGPR** means the ASX Corporate Governance Council's Corporate Governance Principles and Recommendations (4<sup>th</sup> edition).

**Board** means the current board of directors of the Company.

**Business Day** means Monday to Friday inclusive, except New Year's Day, Good Friday, Easter Monday, Christmas Day, Boxing Day, and any other day that ASX declares is not a business day.

**Chair** means the chair of the Meeting.

**Closely Related Party** of a member of the Key Management Personnel means:

- (a) a spouse or child of the member;
- (b) a child of the member's spouse;
- (c) a dependent of the member or the member's spouse;
- (d) anyone else who is one of the member's family and may be expected to influence the member, or be influenced by the member, in the member's dealing with the entity;
- (e) a company the member controls; or
- (f) a person prescribed by the Corporations Regulations 2001 (Cth) for the purposes of the definition of 'closely related party' in the Corporations Act.

**Company** means M8 Sustainable Limited (ACN 620 758 358).

**Constitution** means the Company's constitution.

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

**Directors** means the current directors of the Company.

**Explanatory Statement** means the explanatory statement accompanying the 2023 Notice of AGM or the 2024 Notice of AGM (as applicable).

**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.

**Managing Director** means the managing director of the Company who may, in accordance with the Listing Rules, continue to hold office indefinitely without being re-elected to the office.

**Notice** means the 2023 Notice of AGM or the 2024 Notice of AGM (as applicable).

**Proxy Form** means the proxy form accompanying the Notice.

**Resolutions** means the resolutions set out in the Notice, or any one of them, as the context requires.

**Section** means a section of the Explanatory Statement.

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

**Shareholder** means a registered holder of a Share.

**Vacating Directors** means the Directors who were directors of the Company when the resolution to make the directors' report considered at the 2023 Annual General Meeting of the Company was passed, other than the Managing Director at that time.

**WST** means Western Standard Time as observed in Perth, Western Australia.

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**SCHEDULE 1 – PRO FORMA BALANCE SHEET AS AT 30 JUNE 2024**

	ACTUAL 30/06/2024 \$	PROFORMA ADJUSTMENTS \$	PROFORMA 30/06/2024 \$
<b>Current Assets</b>			
Cash and Cash Equivalents	-	3,300,000	3,300,000
Trade and other receivables	182,827	-	182,827
Prepayments	51,426	(51,426)	-
<b>Total Current Assets</b>	<b>234,253</b>	<b>3,248,574</b>	<b>3,482,827</b>
<b>Noncurrent Assets</b>			
Property, plant and equipment	272,727	-	272,727
Other noncurrent assets	506,500	-	506,500
<b>Total Non-current Assets</b>	<b>779,227</b>	<b>-</b>	<b>779,227</b>
<b>TOTAL ASSETS</b>	<b>1,013,480</b>	<b>3,248,574</b>	<b>4,262,054</b>
<b>Current Liabilities</b>			
Cash and cash equivalents	13,377	38,904	52,281
Trade other payables	1,788,552	(1,085,850)	702,702
Borrowings	2,421,215	(1,532,366)	888,849
Lease liabilities	353,025	(200,527)	152,498
Provisions	76,288	12,000	88,288
<b>Total Current Liabilities</b>	<b>4,652,457</b>	<b>(2,767,839)</b>	<b>1,884,618</b>
<b>Non Current Liabilities</b>			
Borrowings	6,236,885	(4,821,334)	1,415,551
Lease liabilities	2,636,242	-	2,636,242
Provisions	75,348	-	75,348
<b>Total Non Current Liabilities</b>	<b>8,948,475</b>	<b>(4,821,334)</b>	<b>4,127,141</b>
<b>TOTAL LIABILITIES</b>	<b>13,600,932</b>	<b>(7,589,173)</b>	<b>6,011,759</b>
<b>NET ASSETS / (LIABILITIES)</b>	<b>(12,587,453)</b>	<b>10,837,747</b>	<b>(1,749,706)</b>
<b>EQUITY</b>			
Issued Capital	47,013,006	11,404,851	58,417,857
Convertible note valuation reserve	1,386,112	-	1,386,112
Accumulated losses	(60,986,571)	(567,104)	(61,553,675)
<b>TOTAL EQUITY</b>	<b>(12,587,453)</b>	<b>10,837,747</b>	<b>(1,749,706)</b>

**Notes:**

The pro forma statement of financial position has been derived from the audited historical statement of financial position as at 30 June 2024, after reflecting the Directors' pro forma adjustments for the following transactions, as if they had occurred at 30 June 2024:

1. The issue of 70,000,000 Shares at an issue price of \$0.05 per Share (each stated on a post-Consolidation basis) to raise \$3,500,000 less estimated costs of the capital raising of \$200,000.

2. The issue of 162,097,020 Shares on conversion of 7,048,433 Convertible Notes, together with accrued interest.
3. The extension of the repayment date in respect of the loan facility with SBANG, which will result in an amount of \$1,197,551 being classified as a non-current rather than a current liability.

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## SCHEDULE 2 – SUMMARY OF CONVERTIBLE NOTE AGREEMENTS

A summary of the material terms of the Convertible Note Agreements is set out below.

	INITIAL FACILITY	SUBSEQUENT FACILITY
<b>Parties</b>	The Company and Patina Metals (the assignee of the interest previously held by M8 Holdings Limited).	The Company and Patina Metals (the assignee of the interest previously held by M8 Holdings Limited).
<b>Facility limit</b>	\$5,500,000	\$1,548,433
<b>Convertible Notes</b>	5,500,000 Convertible Notes have been issued under this facility.	1,548,433 Convertible Notes have been issued under this facility.
<b>Drawdown</b>	1 convertible note in the Company with a face value of \$1.00 will be issued for every \$1.00 drawn down under the facility	1 convertible note in the Company with a face value of \$1.00 will be issued for every \$1.00 drawn down under the facility
<b>Interest rate</b>	10% per annum (capitalised) on the outstanding amount of the facility	4.5% per annum (capitalised) on the outstanding amount of the facility
<b>Conversion price</b>	Subject to the satisfaction of conditions precedent, the convertible notes (together with capitalised interest) will convert into Share at a conversion price of \$0.005 per Share (on a pre-Consolidation basis) at the election of Patina Metals	Subject to the satisfaction of conditions precedent, the convertible notes (together with capitalised interest) will convert into Share at a conversion price of \$0.005 per Share (on a pre-Consolidation basis) at the election of Patina Metals
<b>Conditions precedent</b>	Conversion of the convertible notes is conditional upon the satisfaction of conditions precedent including the Company obtaining all necessary Shareholder approvals under the Listing Rules and the Corporations Act (which approvals are sought pursuant to Resolution 6) and FIRB approval (if required).	Conversion of the convertible notes is conditional upon the satisfaction of conditions precedent including the Company obtaining all necessary Shareholder approvals under the Listing Rules and the Corporations Act (which approvals are sought pursuant to Resolution 6) and FIRB approval (if required). If Shareholder approval for the issue of Shares upon the conversion of the convertible notes is not obtained when sought, Patina Metals may require the Company to repay all sums outstanding under the loan facility within 30 days of notice from Patina Metals.
<b>Term</b>	Unless converted into Shares or repaid earlier, any moneys drawn down under the facility (together with capitalised interest) must be repaid by the Company 36 months after first drawdown.	Unless converted into Shares or repaid earlier, any moneys drawn down under the facility (together with capitalised interest) must be repaid by the Company on or before 31 March 2025.
<b>Early redemption</b>	The Company can repay the moneys drawn down under the facility earlier than the end of the term with the consent of Patina Metals.	The Company can repay the moneys drawn down under the facility earlier than the end of the term with the consent of Patina Metals. Further, if Shareholder approval for the issue of Shares upon the conversion of the convertible notes is not obtained when sought, Patina Metals may require the Company to repay all sums outstanding under the loan facility within 30 days of notice from Patina Metals.
<b>Other terms</b>	The Company paid M8 Holdings Limited (the initial holder of the convertible notes) an arrangement fee of \$300,000 which was capitalised as part of the facility.	-

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**ANNEXURE A – NOMINATION OF AUDITOR LETTER**

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15 January 2025

M8 Sustainable Limited  
ACN 620 758 358

I, Tomasz Jacek Rudas, being a member of M8 Sustainable Limited (ACN 620 758 358) (**Company**), nominate RSM Australia Partners in accordance with section 328B(1) of the *Corporations Act 2001* (Cth) (**Corporations Act**) to fill the office of auditor of the Company.

Please distribute copies of this notice of this nomination as required by section 328B(3) of the *Corporations Act*.

Signed and dated 15 January 2025:



---

Tomasz Jacek Rudas

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# M8 Sustainable Limited

## Financial Services Guide and Independent Expert's Report

24 December 2024

**For the purposes of s611 of the Corporations Act, we have  
concluded that the Proposed Transaction is fair and reasonable  
to the Non-Associated Shareholders of the Company**

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## Financial Services Guide

RSM Corporate Australia Pty Ltd ABN 82 050 508 024 (“**RSM**” or “**we**” or “**us**” or “**ours**” as appropriate) has been engaged to issue general financial product advice in the form of a report to be provided to you.

In the above circumstances we are required to issue to you, as a retail client, a Financial Services Guide (“**FSG**”). This FSG is designed to help retail clients make a decision as to their use of the general financial product advice and to ensure that we comply with our obligations as financial services licensees.

This FSG includes information about:

- who we are and how we can be contacted;
- the financial services that we will be providing you under our Australian Financial Services Licence (“**AFSL**”), Licence No 255847;
- remuneration that we and/or our staff and any associates receive in connection with the financial services that we will be providing to you;
- any relevant associations or relationships we have; and
- our complaints handling procedures and how you may access them.

### Financial services we will provide

For the purposes of our report and this FSG, the financial service we will be providing to you is the provision of general financial product advice in relation to securities.

We provide financial product advice by virtue of an engagement to issue a report in connection with a financial product of another person. Our report will include a description of the circumstances of our engagement and identify the person who has engaged us. You will not have engaged us directly but will be provided with a copy of the report as a retail client because of your connection to the matters in respect of which we have been engaged to report.

Any report we produce is provided on our own behalf as a financial services licensee authorised to provide the financial product advice contained in the report.

### General financial product advice

In our report we provide general financial product advice, not personal financial product advice, because it has been prepared without taking into account your personal objectives, financial situation or needs.

You should consider the appropriateness of this 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.

### Benefits that we may receive

We charge various fees for providing different financial services. However, in respect of the financial service being provided to you by us, fees will be agreed, and paid by, the person who engages us to provide the report and such fees will be agreed on either a fixed fee or time cost basis. You will not pay to us any fees for our services; M8 Sustainable Limited (“**M8S**” or “**the Company**”) will pay our fees. These fees are disclosed in the Report.

Except for the fees referred to above, neither RSM Corporate Australia Pty Ltd, 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 the report.

## Remuneration or other benefits received by our employees

All our employees receive a salary.

## 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

RSM Corporate Australia Pty Ltd is beneficially owned by the partners of RSM Australia, a large national firm of chartered accountants and business advisors. Our directors are partners of RSM Australia Partners.

From time to time, RSM Corporate Australia Pty Ltd, RSM Australia Partners, RSM Australia and/or RSM Australia related entities may provide professional services, including audit, tax and financial advisory services, to financial product issuers in the ordinary course of its business.

## Complaints resolution

### Internal complaints resolution process

As the holder of an Australian Financial Services Licence, we are required to have a system for handling complaints from persons to whom we provide financial product advice. All complaints should be directed to The Complaints Officer, RSM Corporate Australia Pty Ltd, PO Box R1253, Perth, WA, 6844.

If we receive a written complaint, we will record the complaint, acknowledge receipt of the complaint within 15 days and investigate the issues raised. As soon as practical, and not more than 45 days after receiving the written complaint, we will advise the complainant in writing of our determination. If a complaint is received in advance of a shareholder meeting or other key date where shareholders or investors may be making decisions which are influenced by our report, we will make all reasonable efforts to respond to complaints prior to that date.

### Referral to external dispute resolution scheme

A complainant not satisfied with the outcome of the above process, or our determination, has the right to refer the matter to the Australian Financial Complaints Authority (“AFCA”). AFCA is an independent dispute resolution scheme that has been established to provide free advice and assistance to consumers to help in resolving complaints relating to the financial services industry.

Further details about AFCA are available at the AFCA website [www.afca.org.au](http://www.afca.org.au). You may contact AFCA directly by email, telephone or in writing at the address set out below.

Australian Financial Complaints Authority  
GPO Box 3  
Melbourne VIC 3001  
Toll Free: 1800 931 678  
Email: [info@afca.org.au](mailto:info@afca.org.au)

Time limits may apply to make a complaint to AFCA, so you should act promptly or consult the AFCA website to determine if or when the time limit relevant to your circumstances expires.

## Contact details

You may contact us using the details set out at the top of our letterhead on page 5 of this report.

24 December 2024

The Directors  
M8 Sustainable Limited  
Unit 1/48 Kelvin Road  
Maddington WA 6109

Dear Directors,

## Independent Expert's Report

### Introduction

This Independent Expert Report (the "Report" or "IER") has been prepared to accompany the Notice of Annual General Meeting and Explanatory Statement ("Notice") to be provided to the shareholders for an Annual General Meeting of M8 Sustainable Limited ("M8S" or "the Company"), at which shareholder approval will be sought for (among other things) the issue of up to 172,923,700 shares ("Conversion Shares") to Patina Metals Pty Ltd ("Patina Metals"), an entity controlled by M8S Director Damien Flugge and his spouse Felicianna Flugge (the "Flugge Parties").

On 19 August 2022, the Company signed a binding convertible note deed ("10m Convertible Note Deed") with M8 Holding Limited ("M8H") under which it agreed to issue up to 10,000,000 convertible notes to M8H with a face value of \$1.00 each in consideration for amounts drawn down under a \$10 million loan facility ("Initial Facility") provided by M8H. On 14 October 2022, a variation ("Deed of Variation") of the 10m Convertible Note Deed was signed under which the parties agreed to reduce the maximum number of convertible notes that may be issued to 5,500,000 and reduce the loan facility limit to \$5.5 million.

On or around 21 December 2022, the Company signed another binding convertible note deed ("2.5 million Convertible Note Deed") with M8H under which it agreed to issue up to 2,500,000 convertible notes to M8H with a face value of \$1.00 each in consideration for amounts drawn down under a \$2.5 million loan facility ("Subsequent Facility") provided by M8H.

On 8 February 2023, the Company requested a trading halt be placed on its securities quoted on the Australian Securities Exchange ("ASX") pending an announcement regarding an existing \$11 million loan facility it had with Remagen Capital Management Pty Ltd ("Remagen"). On 10 February 2023, the Company's securities were suspended from trading, and the suspension has remained in place since.

On 13 February 2023, Jonathan Henry, Rob Kirman and Rob Brauer of McGrathNicol ("Administrators") were appointed voluntary administrators of M8S after Remagen's loan facilities expired and the Company failed to repay its secured debt. On 14 February 2023, the Administrators were appointed voluntary administrators of the Company's wholly-owned subsidiary Fernview Environmental Pty Ltd ("Fernview").

On 1 June 2023, M8S and Fernview executed a pooled Deed of Company Arrangement ("DOCA") with M8H and control of the Company and Fernview reverted to their respective Directors on 6 June 2023. The DOCA was fully effectuated on 13 December 2023. On 13 August 2024, the Company entered into a Deed of Assignment, Assumption and Variation ("Deed of Assignment") with M8H and Patina Metals, pursuant to which M8H agreed to assign to Patina Metals all of its future rights and obligations relating to the \$10 million Convertible Note Deed (as varied to \$5.5m) for a consideration of \$1,420,000. The Deed of Assignment was restated in a subsequent deed ("Deed of Amendment and Restatement") such that M8H's future rights and obligations in relation to the \$2.5 million Convertible Note Deed would also be assigned to Patina Metals.

On 11 November 2024, Patina Metals gave notice to the Company that it intended to convert all of its Convertible Notes at the next General Meeting, subject to shareholder approval being obtained.

M8S is seeking to recapitalise and strengthen its balance sheet by undertaking the following:

- A consolidation of its current issued capital on a ten-for-one basis (the “Consolidation”);
  - A conversion of debt and accrued interest payable under the existing convertible notes (“Convertible Notes”) on issue into shares at a deemed issue price of \$0.05 per share (the “Conversion” or the “Proposed Transaction”), on a post-Consolidation basis; and
  - A capital raising by placement of up to 70,000,000 shares (“Placement Shares”) to parties not associated with Patina Metals, on a post-Consolidation basis, at an issue price of \$0.05 per share to raise up to \$3,500,000 (the “Placement”),
- (together, the “Recapitalisation Strategy”).

M8S is seeking shareholder approval for the Proposed Transaction for the purposes of Item 7 of Section 611 of the *Corporations Act 2011* (Cth) (the “Act”) on the basis that the issue of Conversion Shares would result in the voting power of Patina Metals, and the Flugge Parties, increasing to greater than 20%.

The Directors of the Company have requested that RSM Corporate Australia Pty Ltd (“RSM”), being independent and qualified for the purpose, express an opinion as to whether the Proposed Transaction is fair and reasonable to shareholders not associated with the Proposed Transaction (“Non-Associated Shareholders”).

The request for approval of the Proposed Transaction is included as Resolution 6 in the Notice. Resolution 6 as extracted from the Notice is included below for reference.

#### **Resolution 6 – Approval of issue of shares on conversion of Convertible Notes**

*“That, for the purposes of section 611 (item 7) of the Corporations Act, and for all other purposes, approval is given for the Company to issue up to 172,923,700 Shares (on a post-Consolidation basis) to Patina Metals on the terms and conditions set out in the Explanatory Statement, which will result in the voting power of Patina Metals in the capital of the Company increasing from 0.00% to a maximum of 75.91% and the voting power of each of Damien Flugge and Felicianna Flugge (together, the **Flugge Parties**) in the capital of the Company increasing from <0.01% to a maximum of 75.91%.”*

The Company is separately seeking shareholder approval for the following resolutions:

#### **Resolution 5 – Consolidation of capital**

*“That, pursuant to section 254H of the Corporations Act and for all other purposes, Shareholders approve the consolidation of the issued capital of the Company on the basis that every ten Shares be consolidated into one Share, with fractional entitlements rounded up to the nearest whole Share.”*

#### **Resolution 7 – Approval to issue shares to investors under a placement**

*“That, for the purposes of Listing Rule 7.1 and for all other purposes, approval is given for the Company to issue up to 70,000,000 Shares (on a post-Consolidation basis) on the terms and conditions set out in the Explanatory Statement.”*

When considering the Proposed Transaction, we have included the impact that Resolutions 5 and 7 will have on fairness and reasonableness, given they are interdependent with Resolution 6 and these resolutions will need to be passed by Shareholders for the Proposed Transaction to complete.

Therefore, whilst we have only been engaged to opine on the fairness and reasonableness of the issue of Conversion Shares to Patina Metals, we have also considered the impact of the consolidation of capital pursuant to Resolution 5 and the potential issue of Placement Shares pursuant to Resolution 7 on the fairness and reasonableness of the Proposed Transaction.

The ultimate decision whether to approve the Proposed Transaction should be based on each Shareholder’s assessment of their circumstances, including their risk profile, liquidity preference, tax position and expectations as to value and future market conditions. If in doubt as to the action they should take with regard to the Proposed Transaction, or the matters dealt with in this Report, Shareholders should seek independent professional advice.

## **Summary and conclusion**

In our opinion, and for the reasons set out in Sections 7 and 8 of this Report, the Proposed Transaction is **fair and reasonable** to the Non-Associated Shareholders of M8S.

## Approach

In assessing whether the Proposed Transaction is fair and reasonable to the Non-Associated Shareholders, we have considered Australian Securities and Investment Commission (“ASIC”) Regulatory Guide 111 – *Content of Expert Reports* (“RG 111”), which provides specific guidance as to how an expert is to appraise transactions.

Where an issue of shares by a company otherwise prohibited under Section 606 of the Act is approved under Item 7 of Section 611, and the effect on the company shareholding is comparable to a takeover bid, such as the Proposed Transaction, RG 111 states that the transaction should be analysed as if it was a takeover bid.

Therefore, we have considered whether or not the Proposed Transaction is “fair” to the Non-Associated Shareholders by assessing and comparing:

- The Fair Value of a Share in M8S on a control basis prior to the Proposed Transaction; with
- The Fair Value of a Share in M8S on a non-controlling basis immediately post completion of the Proposed Transaction on a post Consolidation basis and with the Placement.

We have considered whether the Proposed Transaction is “reasonable” to the Non-Associated Shareholders by undertaking an analysis of the other factors relating to the Proposed Transaction which are likely to be relevant to the Non-Associated Shareholders in their decision of whether or not to approve the Proposed Transaction.

Further information on the approach we have employed in assessing whether the Proposed Transaction is “fair” and “reasonable” is set out at Section 2 of this Report.

## Fairness opinion

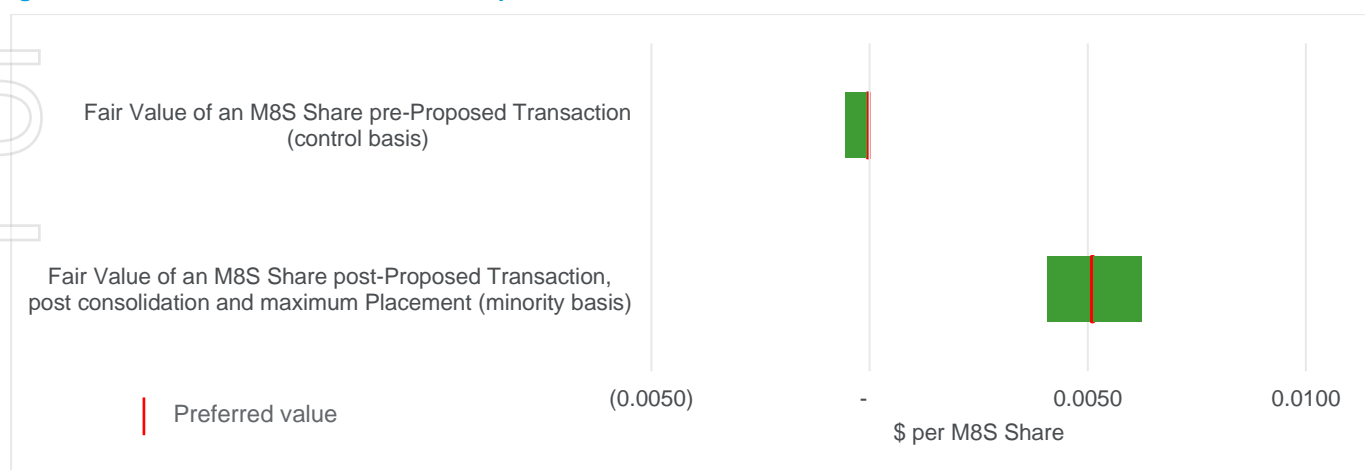
Our assessed values of an M8S Share prior to and immediately post the Proposed Transaction are summarised in the table and figure below. As the assessed value of an M8S Share prior to the Proposed Transaction was a negative value based on the adopted net assets valuation methodology, we have determined a nil value for the purposes of this Report. We have then assessed the value post the Proposed Transaction on a post consolidation basis and inclusive of the maximum Placement subscription contemplated by Resolution 7.

**Table 1 Assessed values of an M8S Share prior to and post the Proposed Transaction**

Fairness assessment \$ per M8S share	Low	High	Preferred
Fair Value of an M8S Share <b>pre</b> -Proposed Transaction (control basis)	nil	nil	nil
Fair Value of an M8S Share <b>post</b> -Proposed Transaction, post consolidation and maximum Placement (minority basis)	0.0041	0.0062	0.0051

Source: RSM Analysis

**Figure 1 Assessment of Fairness of the Proposed Transaction**



Source: RSM Analysis

The assessed range of values of an M8S Share post the Proposed Transaction lies above the value assessed for an M8S Share prior to the Proposed Transaction.

In accordance with the guidance set out in ASIC RG 111, and in the absence of any other relevant information, for the purposes of complying with Section 611 of the Act, we consider the Proposed Transaction to be **fair** to the Non-Associated Shareholders of M8S.

## Reasonableness opinion

RG 111 establishes that an offer is reasonable if it is fair. It might also be reasonable if, despite not being fair, there are sufficient reasons for security holders to accept the offer in the absence of any higher bid before the offer closes. As such, we have also considered the following factors in relation to the reasonableness aspects of the Proposed Transaction:

- The future prospects of M8S if the Proposed Transaction does not proceed;
- The likelihood of an alternative proposal / offer emerging; and
- Other commercial advantages and disadvantages to the Non-Associated Shareholders as a consequence of the Proposed Transaction proceeding.

### Future prospects of M8S if the Proposed Transaction does not proceed

On 13 February 2023, the Administrators were appointed voluntary administrators of the Company following a period which saw:

- Accumulated net losses totalling in excess of \$40 million in the period from FY18 to FY22;
- Reliance on ongoing debt and equity support, including an \$11 million loan agreement with Remagen and the issue of Convertible Notes to M8H;
- Significant cashflow constraints; and
- M8S defaulting on their loan with Remagen.

The Proposed Transaction has the primary objective of clearing the debt associated with the M8H Convertible Notes and the associated accrued interest, thereby improving the Company's net asset position.

If approval of the Proposed Transaction is not obtained, the Company will be required to repay the debt associated with the Convertible Notes with accrued interest by the relevant maturity dates, being:

- 31 March 2025 (for convertible notes granted under the \$2.5m Convertible Note Deed); and
- 3 October 2025 (for 5,500,000 convertible notes granted under the \$10m Convertible Note Deed).

Based on the Company's current cash balance, net liabilities and solvency basis, M8S is not currently in a financial position to make the repayments without additional funding, and there is no guarantee that such funding will be made available to the Company within the required timeframes or on acceptable terms.

### Alternative proposals to the Proposed Transaction

We have been advised that whilst the Company has been suspended from trading on the ASX, it has had limited access to funding and has therefore relied on support from M8H, its major shareholder, to maintain operations. M8S is limited in its ability to explore alternative funding options until the Company is recapitalised and returns to ASX trading.

### Advantages and disadvantages

The key advantages of the Proposed Transaction are:

**Table 2 Advantages of approving the Proposed Transaction**

Advantage	Details
The Proposed Transaction is fair	<p>The assessed value of an M8S Share post the Proposed Transaction, with the maximum Placement subscription, lies above the assessed value of an M8S Share prior to the Proposed Transaction.</p> <p>We note that the value of an M8S Share prior to the Proposed Transaction is negative, implying a nil value. If the Placement is approved alongside the Proposed Transaction and is successfully subscribed, the cash received would have the impact of increasing the cash balance of the Company, thereby improving M8S's net asset position.</p> <p>The Placement would need to raise a minimum of approximately \$1.85 million to result in a positive assessed value of an M8S Share post the Proposed Transaction.</p>
Improved net asset position	The Proposed Transaction will improve the net asset position of the Company through the clearing of the debt and accrued interest associated with the Convertible Notes.
Limited alternatives available	<p>As stated in Section 9, the pooled DOCA proposal by M8H was considered to be the superior offer of all expressions of interest for the going concern sale of M8S, indicating a lack of market sentiment on the performance and position of the Company.</p> <p>We are not aware of any alternative proposals and there is no guarantee that an alternative proposal would be successful or have more favourable terms.</p>

Source: RSM Analysis

The key disadvantages of the Proposed Transaction are:

**Table 3 Disadvantages of approving the Proposed Transaction**

Disadvantages	Details
Dilutionary impact to Non-Associated Shareholders	Should the Proposed Transaction be approved, Non-Associated Shareholders' collective interest in M8S will decline from 100% to 41.93% with the maximum Placement subscription, post the Proposed Transaction.
Significant influence of Patina Metals (inclusive of the Flugge Parties)	<p>Should the Proposed Transaction be approved, Patina Metals' (inclusive of the Flugge Parties) interest in M8S increases to above 50%, surpassing the threshold allowing them to pass an ordinary resolution.</p> <p>Therefore, Patina Metals and the Flugge Parties would significantly increase their operational and governance control of M8S and their voting power.</p>
Access to future funding	M8H, as the majority shareholder, has historically been a significant contributor of funding for M8S. Patina Metals significantly increasing their interest and becoming the new majority shareholder in M8S may deter M8H from providing funding in the future.

Source: RSM Analysis

### Conclusion on Reasonableness

In our opinion, the position of the Non-Associated Shareholders if the Proposed Transaction is approved is more advantageous than their position if it is not approved. Therefore, in the absence of any other relevant information and/or a superior alternative, we consider that the Proposed Transaction is **reasonable** for the Non-Associated Shareholders of M8S.

Non-Associated Shareholders should have particular regard to the potential advantages and disadvantages set out above in the context of their own risk profile and investment strategy. If in doubt, Shareholders should consult an independent advisor.

## General

This Report represents general financial product advice only and has been prepared without taking into consideration the individual circumstances of the Non-Associated Shareholders.

The ultimate decision whether to accept the Proposed Transaction should be based on the Non-Associated Shareholders' assessment of their circumstances, including their risk profile, liquidity preference, tax position and expectations as to value and future market conditions.

Shareholders should read and have regard to the contents of the Notice which has been prepared by the Directors and Management of M8S. Non-Associated Shareholders who are in doubt as to the action they should take with regard to the Proposed Transaction and/or the matters dealt with in this Report, should seek independent professional advice.

This summary should be considered in conjunction with the detail contained in the following sections of this Report.

Yours faithfully

**RSM CORPORATE AUSTRALIA PTY LTD**

Nadine Marke  
**Director**

Justin Audcent  
**Director**

## 1. Summary of Proposed Transaction

### 1.1 Overview

M8S is seeking to recapitalise and strengthen its balance sheet by undertaking the following:

- A Consolidation of its current issued share capital on a ten-for-one basis;
- A conversion of debt and accrued interest payable under the existing Convertible Notes on issue into Conversion Shares at a deemed issue price of \$0.05 per share, on a post-Consolidation basis; and
- A capital raising by Placement of up to 70,000,000 shares to parties not associated with Patina Metals, on a post-Consolidation basis, at an issue price of \$0.05 per share to raise up to \$3,500,000,

(together, the “Recapitalisation Strategy”).

The Proposed Transaction involves the conversion of the Convertible Notes issued to M8H under the Initial Facility and the Subsequent Facility (together the “Facilities”) and assigned to Patina Metals under the Deed of Assignment, into Conversion Shares.

### 1.2 Convertible Note Facilities

#### Initial Facility

On 19 August 2022, the Company signed a \$10m Convertible Note Deed with M8H under which it agreed to issue up to 10,000,000 convertible notes to M8H with a face value of \$1.00 each in consideration for amounts drawn down under the Initial Facility provided by M8H.

On 14 October 2022, a Deed of Variation was signed under which the parties agreed to reduce the maximum number of convertible notes that may be issued to 5,500,000 and reduce the loan facility limit to \$5.5 million, with all other terms unchanged.

The key terms of the Initial Facility, as amended by the Deed of Variation, are as follows:

- *Facility amount:* up to \$5.5 million;
- *Drawdowns:* one (1) convertible note in the Company with a face value of \$1.00 will be issued for every \$1.00 drawn down under the facility;
- *Interest rate:* 10% per annum (capitalised) on the outstanding amount of the facility;
- *Conversion price:* convertible notes will convert into fully paid ordinary shares in M8S at an issue price of \$0.005 per share at the election of M8H, subject to the satisfaction of conditions precedent;
- *Conditions precedent:* conversion of the convertible notes is conditional upon the satisfaction of conditions precedent including FIRB approval (if required) and shareholder approval for the issue of shares in M8S;
- *Term:* unless converted into shares or repaid earlier, repayment by M8S must be completed 36 months after first drawdown;
- *Early redemption:* the Company can repay monies drawn under the facility earlier than the end of the term with the consent of M8H;
- *Arrangement fee:* 3% of the \$5.5 million facility limit payable in cash upon first drawdown.

The Initial Facility is fully drawn, with \$3,000,000 drawn down on 3 October 2022 and \$2,500,000 drawn down on 20 December 2022.

#### Subsequent Facility

On or around 21 December 2022, the Company signed a \$2.5 million Convertible Note Deed with M8H under which it agreed to issue up to 2,500,000 convertible notes to M8H with a face value of \$1.00 each in consideration for amounts drawn down under the Subsequent Facility provided by M8H.

The funds raised by the facility were anticipated to be utilised towards providing working capital for the Company.

The key terms of the Subsequent Facility are as follows:

- *Facility amount:* up to \$2.5 million;

- *Drawdowns*: one (1) convertible note in the Company with a face value of \$1.00 will be issued for every \$1.00 drawn down under the facility;
- *Interest rate*: 4.5% per annum (capitalised) on the outstanding amount of the facility;
- *Conversion price*: convertible notes will convert into fully paid ordinary shares in M8S at an issue price of \$0.005 per share at the election of M8H, subject to the satisfaction of conditions precedent;
- *Conditions precedent*: conversion of the convertible notes is conditional upon the satisfaction of conditions precedent including FIRB approval (if required) and shareholder approval for the issue of shares in M8S;
- *Term*: unless converted into shares or repaid earlier, repayment by M8S must be completed by 31 March 2025; and
- *Early redemption*: the Company can repay monies drawn under the facility earlier than the end of the term with the consent of M8H. If shareholder approval for the Proposed Transaction is not obtained, M8H may require the Company to repay all sums outstanding under the loan facility within 30 days of notice from M8H.

On 14 June 2023, M8S granted 1,548,433 convertible notes to M8H.

The Convertible Notes issued under the Facilities have a combined face value of \$7,048,433 and a combined accrued interest of \$1,597,752 as at the date of this Report.

### Assignment of Rights

On 13 August 2024, the Company entered into a Deed of Assignment with M8H and Patina Metals, pursuant to which M8H agreed to assign to Patina Metals all of its future rights and obligations relating to the \$10 million Convertible Note Deed (as varied) for a consideration of \$1,420,000. The Deed of Assignment was restated in the Deed of Amendment and Restatement such that M8H's future rights and obligations in relation to the \$2.5 million Convertible Note Deed would also be assigned to Patina Metals.

Patina Metals currently holds a < 0.01% interest in M8S. The issue of Conversion Shares to Patina Metals under the Proposed Transaction, on a post Consolidation basis, with the Placement, will result in Patina Metals acquiring an interest in the Company greater than 20%.

As such, M8S is seeking shareholder approval for the Proposed Transaction for the purposes of Item 7 of Section 611 of the Act.

## 1.3 Key conditions of Proposed Transaction

Completion of the Proposed Transaction is subject to the satisfaction of the following conditions precedent as outlined in the \$10 million Convertible Note Deed (as varied to \$5.5m) and \$2.5m Convertible Note Deed:

- The Company obtaining all necessary shareholder approvals required by the Corporations Act and the ASX Listing Rules for the issue of the Conversion Shares including under Chapter 2E and Section 611 (Item 7) of the Corporations Act and ASX Listing Rules 7.1 and 10.11;
- The Company and Patina Metals obtaining all necessary regulatory approvals required for the issue of the Conversion Shares including the Foreign Investment Review Board ("FIRB") of the Australian Government (if required) confirming that the Commonwealth has no objection to Patina Metals acquiring the Conversion Shares (and the resultant acquisition of an interest in an Australian land corporation); and
- If required, the Company obtaining an independent expert's report acceptable to the Company and Patina Metals which declares the issue of the Conversion Shares to Patina Metals to be either 'fair and reasonable' or 'not fair but reasonable' to the Non-Associated Shareholders of the Company.

Completion of the Proposed Transaction is also subject to M8S shareholders approving the Consolidation, as the resolutions are interdependent.

## 1.4 Rationale for the Proposed Transaction

Alongside the Consolidation and the Placement, the Proposed Transaction is part of the Company's strategy to recapitalise and strengthen the balance sheet of M8S, with the Proposed Transaction allowing for the debt associated with the Convertible Notes to be cleared thereby improving the Company's net asset position.

## 1.5 Impact of Proposed Transaction on M8S Capital Structure

The table below sets out a summary of the capital structure of M8S prior to and immediately after the Proposed Transaction, on a post-Consolidation basis and with the Placement.

The issue of 172,923,700 Conversion Shares to Patina Metals will result in the voting power of Patina Metals increasing from nil to 58.07% with the maximum Placement subscription.

The Placement Shares will only be offered to Non-Associated Shareholders. As such, the Non-Associated Shareholders' interests in M8S will decline from 100% to 41.93% immediately after the Proposed Transaction, with the maximum Placement subscription.

**Table 4 Impact of Proposed Transaction on M8S capital structure**

Capital structure of M8S pre and post the Proposed Transaction	Shares held in M8S	% of ownership in M8S
<b>Shares on issue pre Proposed Transaction</b>		
Non-Associated Shareholders of M8S	548,638,093	100.00%
Patina Metals (incl. Flugge Parties)	98	0.00%
<b>Total shares on issue pre Proposed Transaction</b>	<b>548,638,191</b>	<b>100.00%</b>
<b>Shares on issue post Proposed Transaction and Maximum Placement Subscription</b>		
Non-Associated Shareholders of M8S	54,863,809	18.42%
Placement Shares (maximum)	70,000,000	23.51%
Patina Metals (incl. Flugge Parties)	172,923,710	58.07%
<b>Total shares on issue post Proposed Transaction</b>	<b>297,787,519</b>	<b>100.00%</b>

Source: RSM Analysis

## 2. Scope of the Report

### 2.1 Purpose of this Report

The Directors of M8S have requested RSM, being independent and qualified for the purpose, to express an opinion as to whether the Proposed Transaction is fair and reasonable to Non-Associated Shareholders.

### 2.2 Corporations Act

Section 606 of the Act prohibits a person from acquiring a relevant interest in the issued voting shares of a public company if the acquisition results in that person's voting interest in the company increasing from a starting point that is below 20% to an interest that is above 20%. Following the completion of the Proposed Transaction, Patina Metals will increase its interest in M8S from < 0.01% to up to 75.91%, and the Flugge Parties will increase their interest in M8S from <0.01% to up to 75.91%.

Under Item 7 of Section 611 of the Act, the prohibition contained in Section 606 does not apply if the acquisition has been approved by the Non-Associated Shareholders of the Company.

Accordingly, the Company is seeking approval from the Non-Associated Shareholders for the Proposed Transaction for the purposes of Item 7 of Section 611 of the Act.

Section 611 (Item 7) of the Act states that shareholders must be given all information that is material to the decision on how to vote at the meeting. ASIC Regulatory Guide 111 ("RG 111") advises the requirement to commission an Independent Expert's Report in such circumstances and provides guidance on the content.

### 2.3 Adopted basis of evaluation

In determining whether the Proposed Transaction is "fair" and "reasonable" to the Non-Associated Shareholders we have given regard to the views expressed by ASIC in RG 111.

RG 111 provides ASIC's views on how an expert can help security holders make informed decisions about transactions. Specifically, it gives guidance to experts on how to evaluate whether or not a proposed transaction is fair and reasonable.

RG 111 states that the expert's report should focus on:

- The issues facing the security holders for whom the report is being prepared; and
- The substance of the transaction rather than the legal mechanism used to achieve it.

Where an issue of shares by a company otherwise prohibited under section 606 is approved under Item 7 of Section 611 and the effect on the company's shareholding is comparable to a takeover bid, RG 111 states that the transaction should be analysed as if it was a takeover bid.

RG 111 applies the fair and reasonable test as two distinct criteria in the circumstance of a takeover offer, stating:

- A takeover offer is considered "fair" if the value of the offer price or consideration is equal to or greater than the value of the securities that are the subject of the offer; and
- A takeover is considered "reasonable" if it is fair, or where the offer is "not fair" it may still be reasonable if the expert believes that there are sufficient reasons for security holders to accept the offer.

Consistent with the guidelines in RG 111, in determining whether the Proposed Transaction is fair and reasonable to the Non-Associated Shareholders, the analysis we have undertaken is as follows:

- A comparison of the fair value of an ordinary Share in M8S prior to (on a control basis) and immediately following (on a non-control basis) the Proposed Transaction – fairness; and
- A review of other significant factors which Non-Associated Shareholders might consider prior to approving the Proposed Transaction – reasonableness.

The other significant factors to be considered in the reasonableness assessment include:

- Prospects of the Company if the Proposed Transaction does not proceed; and
- Any other commercial advantages and disadvantages to the Non-Associated Shareholders as a consequence of the Proposed Transaction proceeding.

Our assessment of the Proposed Transaction is based on economic, market and other conditions prevailing at the date of this Report.

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### 3. Profile of M8 Sustainable Limited

#### 3.1 M8S Background

M8S is an ASX-listed Company with the objective of developing an integrated waste management business. It operates a waste recycling business at leased premises in Maddington, Western Australia ("Maddington Facility") and intends to operate and manage a waste landfill facility in Gingin, Western Australia ("Gingin Facility") owned by M8H, following the DOCA process.

The Company was incorporated on 28 July 2017 and listed on the ASX on 19 December 2019. In 2020, COVID-19 impacted M8S by reducing the volumes of waste received and increasing costs, which led to an impairment of the Maddington Facility and a net loss being reported for the year ended 30 June 2020.

The Business entered into an \$11 million loan facility with Remagen in 2021 primarily to complete construction of the Gingin Facility, fund working capital requirements and fund a \$3.5 million bank guarantee required by the regulatory authority for Gingin. Following this, M8S continued to incur net losses and relied on debt and equity funding to support its operations, including the Convertible Note Facilities issued to M8H which resulted in M8H becoming M8S's largest shareholder (30.34% as at the date of this Report) and convertible note holder.

In an effort to retain cash, M8S reduced overhead costs by making variations to employment contracts, pausing steel recycling activities from September 2022 and ceasing construction waste activities that had reached capacity at the Maddington Facility.

The cash reserves were allocated thereafter on the finalisation of the construction of the Gingin Facility. M8S was subsequently impacted by cashflow restraints and board disagreements, leading to stakeholder requests for board composition changes.

#### Voluntary Administration / Deed of Company Arrangement

On 8 February 2023, the Company requested a trading halt be placed on its securities quoted on the ASX pending an announcement regarding an \$11 million loan facility it had with Remagen. On 10 February 2023, the Company's securities were suspended from trading, and the suspension has remained in place since.

On 13 February 2023, the Administrators were appointed voluntary administrators of M8S after Remagen's loan facilities expired and the Company failed to repay its secured debt. On 14 February 2023, Remagen enforced the security it had over Fernview and the Administrators were also appointed voluntary administrators of Fernview.

Shortly after appointment, the Administrators developed and implemented an urgent marketing campaign seeking expressions of interest for a:

- Going concern sale of the business and/or assets of M8S and Fernview; and/or
- Recapitalisation via a DOCA.

The campaign resulted in approximately 25 expressions of interest, of which 16 parties were provided with the information memorandum for submission of non-binding indicative offers ("NBIOs"). Five separate NBIOs were received by the Administrators, of which four proceeded to the due diligence stage. On or around 28 March 2023, three final binding offers ("FBOs") were received, and following due consideration, McGrathNicol recommended to proceed with M8H's pooled DOCA proposal.

A pooled DOCA proposal constituted a contribution from M8H of at least \$15.5 million to payout employees, repay Remagen in full, along with specific creditors and Tier A creditors being paid out in full.

Control of the Company and Fernview reverted to their respective Directors on 6 June 2023. The DOCA was fully effectuated on 13 December 2023.

#### Maddington Facility

The Maddington Facility is authorised by the Department of Water & Environmental Regulation ("DWER") to process up to 500,000 tonnes per year of commercial and industrial ("C&I") waste, as well as construction and demolition ("C&D") waste. However, the Company recently undertook a review of its strategic plan and decided that given the lack of a robust regulatory framework in Western Australia governing the C&D waste management industry it would no longer accept C&D waste in Maddington for recycling.

The Company owns the fixed and mobile plant and equipment and holds the licences and permits which comprise the Maddington Facility business, but leases the land, office space and buildings from which the business is operated.

The business operations and objectives of the Maddington Facility are based on the following:

- Sourcing and processing of C&I and C&D waste for recovery of sellable commodities; and
- Diverting as much waste as is economically possible away from landfill.

Upon completion of the Gingin Facility, it is intended that residual waste requiring landfill disposal will be sent to the Gingin Facility to provide synergistic benefits to the group operations. Since January 2021, challenges have forced the Company to shift its focus at Maddington to higher margin areas.

The C&I recycling plant sources materials mainly from civil contractors, demolition companies, and waste management firms. It recycles metals and civil construction products. External contractors handle C&D crushing based on stockpile size and demand.

### Gingin Facility

The Gingin Facility is located in the Shire of Gingin in Western Australia on land previously held by M8S' wholly-owned subsidiary Fernview and is approximately 130 km from the Maddington Facility. Its site covers 682 hectares of land, with 42.5 hectares to be utilised for the landfill facility. It is licensed to accept 150,000 tonnes per annum of putrescible waste using a bioreactor landfill. It is intended that the future access to the landfill site will minimise the disposal cost of waste generated from the Maddington Facility.

The expectation for the Gingin Facility was that its construction would be finalised in January 2023 and its operating licence would be obtained, however, the appointment of the Administrators had paused these activities.

Following the Voluntary Administration and DOCA process, Fernview, and therefore M8S, no longer owns the Gingin Facility as it is now owned by M8H but is expected to operate and manage the facility after lifting of the ASX suspension.

## 3.2 Directors and management

The directors and key management of M8S are summarised in the table below.

**Table 5 M8S directors and management**

Name	Title	Experience
<b>Saithsiri Saksitthisereekul</b>	Non-Executive Chairman	Mr Saksitthisereekul holds an Executive Master of Business Administration with 11 years in the renewable energy sector. He is the CEO of M8H, a renewable energy company in Thailand that specialises in building, owning, and operating waste-to-energy and biomass power plants.
<b>Tomasz Rudas</b>	Non-Executive Director	Mr Rudas has more than 20 years of waste management expertise over a range of waste management operations, largely gained from experience with small and large waste management organisations in the private sector. Mr Rudas has also been involved with work for the local Perth government, allowing a commercial perspective towards waste management to develop. Mr Rudas founded and was the director of a waste technology company called AnaeCo Limited. Mr Rudas led an equity raising and infrastructure funding of over \$100m for AnaeCo, which was also listed in 2007 on the ASX.
<b>Damien Flugge</b>	Non-Executive Director	Mr Flugge has over 16 years of business and operational experience. His background includes early involvement in family farming operations, followed by development, management, and ownership of several Australian hospitality ventures. Additionally, Mr Flugge established and oversaw the growth of a successful food chain designed for franchising, which operates on the east coast of Australia.
<b>Winton Willesee</b>	Company Secretary	Mr. Willesee is a company director with over 25 years of experience in the capital markets. He has served in numerous chairmanships, directorships, and company secretarial roles across various listed and other companies. Currently, Mr. Willesee holds the position of Non-Executive Director at One Click Group Limited, Nanollose Limited, and Metals One PLC, as well as Chairman of Citius Resources PLC.

**Alessandra Gauvin** Company Secretary

Ms Gauvin has been serving as the joint company secretary for Kingrose Mining Limited, Bridge SaaS Limited and M8S since June 2023, October 2023, and February 2024, respectively. At M8S, Alessandra handles communications with the ASX.

Source: ASIC Company Extract and S&P Capital IQ

### 3.3 Financial information

RSM issued a qualified opinion on the financial statements for the year ended 30 June 2024 due to the inability to obtain sufficient audit evidence relating to the period when the books and records of the Company were maintained by the Administrators. The auditors also noted a material uncertainty related to the Company's ability to continue as a going concern due to the Company's ongoing net losses, cash outflows and working capital deficiency. The ability of M8S to continue as a going concern is principally dependent upon the Recapitalisation Strategy being undertaken and the Company raising funds from debt or equity.

#### Financial performance

The following table sets out a summary of M8S's historical financial performance for the years ended 30 June 2022 ("FY22"), 30 June 2023 ("FY23") and 30 June 2024 ("FY24").

**Table 6 M8S historical financial performance**

\$'000	FY22 Audited	FY23 Audited	FY24 Audited
<b>Continuing Operations</b>			
Revenue from contracts with customers	9,182	1,411	479
Interest income	46	58	-
Other income	211	17,241	4,257
<b>Total income</b>	<b>9,439</b>	<b>18,710</b>	<b>4,736</b>
<b>Expenditure</b>			
Employee benefits, salaries & wages	(2,644)	(1,783)	(419)
Recycling, waste disposal & other site costs	(7,484)	(748)	(330)
Rental outgoings & licence fees	(447)	(261)	(108)
Insurance costs	(351)	(554)	(223)
Professional fees	(577)	(1,310)	(2)
Other expenses	(1,501)	(1,334)	(302)
Depreciation	(947)	-	-
Finance costs	(1,096)	(3,388)	(1,550)
Share in loss of joint venture	(75)	(98)	-
Impairment of assets	(5,008)	(179)	-
<b>Profit / (Loss) before income tax</b>	<b>(10,691)</b>	<b>9,057</b>	<b>1,802</b>
Income tax (expense) / benefit	-	-	-
<b>Profit / (Loss) after income tax</b>	<b>(10,691)</b>	<b>9,057</b>	<b>1,802</b>
<b>Discontinued Operations</b>			
(Loss) after tax for the year from discontinued operations	(680)	(28,493)	-
Other comprehensive income	-	-	-
<b>Total comprehensive Profit / (Loss) for the year</b>	<b>(11,372)</b>	<b>(19,436)</b>	<b>1,802</b>

Source: M8S Audited Financial Statements

We note the following in relation to M8S's financial performance:

- Historically, income has been largely derived from its contracts with customers. However, due to the Company entering into Voluntary Administration in February 2023, operational revenue has declined significantly, whilst other income (including funds received from the pooled DOCA) has increased;
- Although M8S's operations have declined significantly, its operational revenue is largely comprised of gate fees charged from C&D and C&I waste materials. However, since January 2021, the Company has been undergoing a strategic shift away from the lower margin C&D waste to the processing and recycling of higher-value, lower-volume waste streams. The Administration process slowed this process, with the Maddington Facility's activities being severely limited;
- Due to the Company's scaled back operations, the majority of its income is derived from non-operational sources of funding, such as gains recorded from the pooled DOCA (\$16.14 million in FY23) and the termination of its lease attached to the fully-impaired right-of-use ("ROU") asset (\$3.53 million in FY24);
- Due to the decline in operations, the Company's expenditure profile has changed significantly over the review period. In FY22 when still operational, recycling, waste disposal & other site costs comprised the majority of expenditure (37%). However, from FY23, finance costs (particularly interest paid on loans & borrowings) have comprised the majority of the Company's expenditure (35% in FY23 & 53% in FY24);
- Although declining in dollar value, the Company's employee benefits, salaries and wages have remained between 13% to 18% of sales over the review period, with wages being the largest contributor;
- The Company's total expenditure associated with continuing operations has declined from \$14.03 million to \$1.38 million, excluding finance costs and impairment writedowns, across the review period;
- M8S recorded a net profit after tax from continuing operations in FY23 (noting this was due to gains reported from the pooled DOCA), but also recorded a loss of \$28.46 million from the disposal of Fernview pursuant to the DOCA. As such, M8S had a total comprehensive loss of \$19.44 million in FY23; and
- Due to gains recorded on early termination of ROU leases and a 70% reduction in total expenditure, M8S reported a total comprehensive profit of \$1.80 million in FY24.

## Financial position

The following table sets out a summary of M8S's historical financial position as at 30 June 2023 and 30 June 2024.

**Table 7 M8S historical financial position**

\$'000	30-Jun-23	30-Jun-24
Financial Position	Audited	Audited
<b>Current Assets</b>		
Cash & cash equivalents	26	-
Trade & other receivables	314	183
Prepayments	120	51
<b>Total Current Assets</b>	<b>460</b>	<b>234</b>
<b>Non-Current Assets</b>		
Investment in joint venture	-	-
Property, plant & equipment	-	273
Other non-current assets	507	507
Right-of-use assets	-	-
<b>Total Non-Current Assets</b>	<b>507</b>	<b>779</b>
<b>Total Assets</b>	<b>966</b>	<b>1,013</b>
<b>Current Liabilities</b>		
Bank overdraft	-	13
Trade & other payables	1,415	1,789
Borrowings (current)	2,236	2,421
Lease liabilities (current)	314	353

Provisions	156	152
<b>Total Current Liabilities</b>	<b>4,121</b>	<b>4,728</b>
<b>Non-Current Liabilities</b>		
Borrowings (non-current)	4,639	6,237
Lease liabilities (non-current)	6,596	2,636
<b>Total Non-Current Liabilities</b>	<b>11,235</b>	<b>8,873</b>
<b>Total Liabilities</b>	<b>15,356</b>	<b>13,601</b>
<b>Net Liabilities</b>	<b>(14,390)</b>	<b>(12,587)</b>

<b>Equity</b>		
Share capital	47,013	47,013
Shared-based payment reserve	1,288	-
Convertible note valuation reserve	1,386	1,386
Accumulated losses	(64,076)	(60,987)
<b>Total Equity</b>	<b>(14,390)</b>	<b>(12,587)</b>

Source: M8S Audited Financial Statements

We note the following in relation to the financial position of M8S as at 30 June 2024:

- As at 30 June 2024, M8S reported net liabilities of \$12.59 million and held an overdraft position of \$13k;
- M8S assets are largely comprised of other non-current assets and property, plant & equipment (“PP&E”). Other non-current assets include a deposit at amortised cost and deposits for indemnity. The deposit at amortised cost is held with ANZ to be used as cover for bank guarantees, which is given to the owner of the Maddington Facility. The deposit for indemnity, as outlined in the DOCA, is to Jon Horwath, which was paid on 6 June 2023 and released 12 months after settlement. As at 30 June 2024, PP&E comprised of mobile & fixed plant, office equipment, motor vehicles, leasehold improvements, and skip bins. However, all PP&E was fully depreciated and impaired to nil aside from an item of mobile plant with a carrying value of \$273k;
- On 18 November 2021, the Company entered into a joint venture (“JV”) with iHub Solutions Pty Ltd to acquire a 50% interest in iHub Technologies Pty Ltd (the “JV” or “iHub Technologies”). M8S invested \$351k over an 18-month period to acquire its interest however, as the JV has been continuously loss making it has been fully impaired to nil. As such, the carrying value is reflected as nil;
- Trade & other payables are largely comprised of amounts owing to SBANG Australia Pty Ltd, a related party of the Company, and other non-interest bearing payables. Payables to SBANG Australia Pty Ltd account for 53% of the Company’s payables as at 30 June 2024;
- The majority of the Company’s liabilities are comprised of borrowings and lease liabilities. As at 30 June 2024, M8S’s borrowings were as follows:
  - Current (18% of total liabilities) comprised of interest payable on the debt associated with Convertible Note Facilities with M8H (\$1.53 million) and other borrowings including \$350k with Patina Metals, \$425k with M8H (separate from the convertible note) and \$76k with Fernview;
  - Non-current (46% of total liabilities) comprised the carrying value of the debt associated with the Convertible Note Facilities, valued at \$6.24 million.
- As at 30 June 2024, M8S’s lease liabilities relate to lease contracts for various items of mobile plant (current) and the Maddington Facility property (non-current) used in operations.

## Cash flow statement

The following table sets out a summary of M8S's historical cash flow statement for the years ended 30 June 2022, 30 June 2023 and 30 June 2024.

**Table 8 M8S historical cash flows**

\$'000	FY22 Audited	FY23 Audited	FY24 Audited
<b>Cash flows from operating activities</b>			
Profit/(Loss) after income tax	(11,372)	(19,436)	1,802
Depreciation	1,593	-	-
Impairment of assets	5,078	179	-
Provision for expected credit losses	791	-	-
Gain on disposal of PP&E	(96)	-	(238)
Gain on modification of convertible notes	-	-	(188)
Non-cash interest expense	1,096	3,388	1,457
Reversal of impairment of receivables	-	-	(300)
Interest expense	-	-	-
Share of loss in joint venture	75	98	-
Shares issued to KMPs and employees	142	-	-
Share-based payment expense	(10)	42	-
Gain on termination/modification of Lease	-	(1,103)	(3,531)
Loss on deconsolidation of subsidiary	-	28,493	-
Gain on Voluntary Administration	-	(16,138)	-
(Increase)/decrease in trade & other receivables	375	173	131
(Increase) in prepayments	(20)	150	68
(Increase) in deposits	-	(100)	-
Decrease in inventory	389	-	-
(Decrease)/increase in trade & other payables	858	9,068	374
(Decrease)/increase in provisions	67	(18)	(4)
<b>Net cash (used in) / provided by operating activities</b>	<b>(1,035)</b>	<b>4,794</b>	<b>(428)</b>
<b>Cash flows from investing activities</b>			
Purchase of PP&E	(5,148)	(23)	-
Proceeds from sale of fixed assets	311	-	238
Payment for investment in joint venture	(195)	-	-
<b>Net cash (used in) / provided by investing activities</b>	<b>(5,032)</b>	<b>(23)</b>	<b>238</b>
<b>Cash flows from financing activities</b>			
Proceeds from issue of shares	4,380	500	-
Proceeds from M8 Holding Limited convertible note	-	7,048	-
Proceeds from short-term loans	365	-	889
Proceeds from Reforme Convertible Notes	-	2,400	-
Proceeds from M8 Holding Limited loan	2,350	-	-
Repayment of short-term loans	(349)	(49)	-
Repayment of Remagen loan	(867)	(12,921)	-
Repayment of principal portion of lease liabilities	(1,035)	(683)	(738)
Repayment of mobile plant loan	(186)	(652)	-
Interest paid	(394)	(401)	-

<b>Net cash (used in) / provided by financing activities</b>	<b>4,264</b>	<b>(4,757)</b>	<b>151</b>
Net increase / (decrease) in cash & cash equivalents	(1,803)	14	(39)
Cash & cash equivalents at the beginning of the financial year	1,815	12	26
<b>Cash &amp; cash equivalents at the end of the financial year</b>	<b>12</b>	<b>26</b>	<b>(13)</b>

Source: M8S Audited Financial Statements

We note the following in relation to the cash flow statement:

- For the year ended 30 June 2024, M8S had operating cash outflows of \$428k and a net cash outflow of \$39k for the year;
- For the year ended 30 June 2024, M8S recorded investing cash inflows of \$238k, primarily due to the sale of fixed assets; and
- For the year ended 30 June 2024, M8S had financing cash inflows of \$151k.

#### Events subsequent to 30 June 2024

No material transactions have occurred since 30 June 2024 and the date of this Report, which the Directors of M8S consider require disclosure.

#### Capital structure

M8S has 548,638,191 ordinary shares on issue as at the date of this Report. The top 20 shareholders of M8S as at 30 June 2024 are set out below.

**Table 9 M8S top 20 shareholders**

Rank	Name	Number of shares	% of issued shares
1	M8 Holding Limited	166,430,076	30.34%
2	Adroit Capital Group	75,007,148	13.67%
3	Star Universal Network Public Company Limited	23,900,000	4.36%
4	Mr Kingsley Craig Flugge & Ms Margaret Flugge	12,581,235	2.29%
5	Chesapeake Capital Ltd	12,000,000	2.19%
6	J P Morgan Nominees Australia Pty Limited	11,221,578	2.05%
7	Mr Marx Lin	9,597,603	1.75%
8	Athukorala Holdings Pty Ltd	8,728,698	1.59%
9	Jasper Hill Resources Pty Ltd	7,700,000	1.40%
10	Future Super Pty Ltd	7,000,000	1.28%
11	CG Nominees (Australia) Pty Ltd	6,835,000	1.25%
12	Citicorp Nominees Pty Limited	5,042,838	0.92%
13	Summerset Global Ltd	5,010,008	0.91%
14	Alderhaus Pty Ltd	4,500,000	0.82%
15	GE Equity Investments Pty Ltd	4,500,000	0.82%
16	Mr Wayne Stephen Akeroyd	4,419,468	0.81%
17	BNP Paribas Nominees Pty Ltd	4,229,937	0.77%
18	Mr Michael Frank Manford	4,326,300	0.79%
19	Mr John Andrew Mcphee	3,000,000	0.55%
20	The Constantine Family Foundation Pty Ltd	3,000,000	0.55%
<b>Top 20 Shareholders</b>		<b>379,029,889</b>	<b>69.09%</b>
<b>Other holders</b>		<b>169,608,302</b>	<b>30.91%</b>
<b>Total issued capital</b>		<b>548,638,191</b>	<b>100.00%</b>

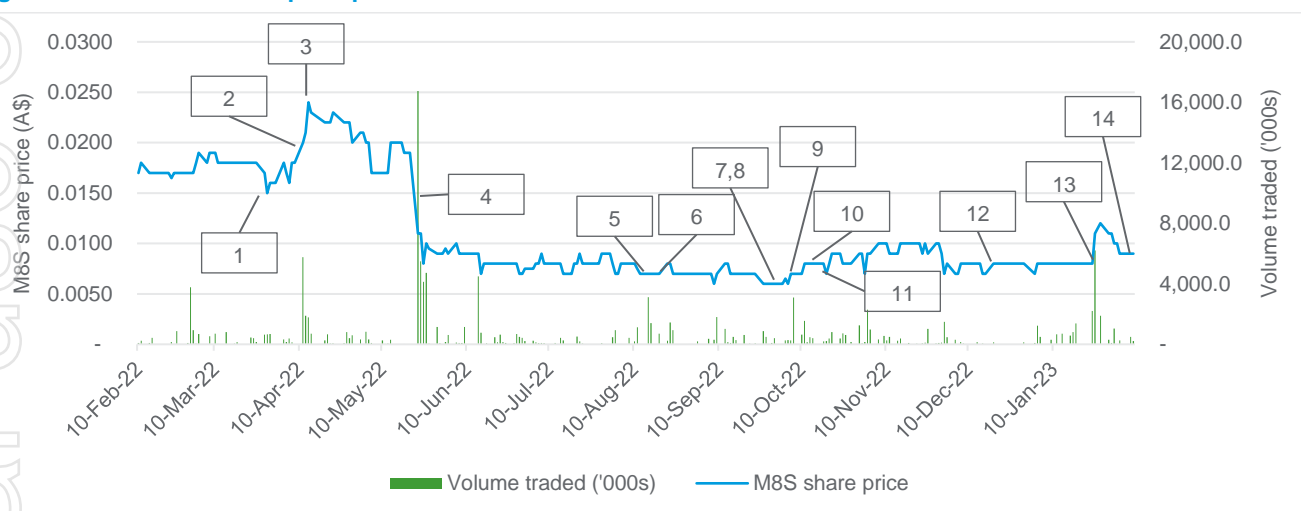
Source: M8S Top Holders Report as at 30 June 2024.

Management has confirmed that, as at the date of the Report, there are no options or other securities on issue outside of the ordinary shares in M8S.

### Share Price Performance

The figure below sets out a summary of M8S's closing share price and trading volumes over the 12-month period to 8 February 2023, being the last trading day prior to the announcement of the trading suspension.

**Figure 2 M8S recent share price performance**



Source: S&P Capital IQ

Over the 12 months leading to 8 February 2023, the M8S traded share price fell from a high of \$0.024 in April 2022 to a low of \$0.006 in September 2022.

Key announcements made by the Company over the 12-month period to 8 February 2023 are summarised in the table below.

**Table 10 M8S key announcements**

Ref	Date	Commentary
1	30-Mar-22	M8S announced that it had completed a significant milestone in the development of its key asset, the Gingin Facility. The Company had lodged its licence application to operate Gingin with the West Australian Department of Water and Environmental Regulation ("DWER"). The licence application coincides with the completion of key construction activities.
2	11-Apr-22	Successful completion of initial development and beta testing of the software platform iHub Technologies Pty Ltd, a 50% Joint Venture with iHub Solutions Pty Ltd.
3	13-Apr-22	M8's wholly owned subsidiary, Fernview executed a waste disposal agreement with Brajkovich Demolition & Salvage (WA) Pty Ltd ("BDS") in relation to the Gingin Facility. This is a 5-year agreement where BDS has agreed to supply to Gingin a minimum of 40,000 tonnes and up to 60,000 tonnes of waste per calendar year.
4	23-May-22	M8S announced it was seeking to raise approximately \$10 million through a pro rata renounceable entitlement offer of 21 shares in M8S for every 10 shares held by eligible shareholders on 26 May 2022 at an issue price of \$0.01 per Share (the "Entitlement Offer"). M8H will convert its loan of approximately \$1.4 million to equity under the Entitlement Offer as well as provide a loan facility of up to \$2 million.
5	16-Aug-22	M8S announced that the Entitlement Offer closed without the minimum subscription amount of \$8 million being reached. As such, the Company announced it was in advanced discussions with M8H to secure an alternative funding arrangement.
6	19-Aug-22	Agreement signed between M8S and M8H for a loan facility of up to \$10 million by way of the issue of Convertible Notes. The funds are anticipated to be used to further develop the Maddington Facility, secure additional cornerstone customers at the Gingin Facility, and expand its Access Waste operations.
7	03-Oct-22	M8S announced it had received a firm commitment from Adroit Capital Group ESG Pty Ltd ("Adroit") to raise \$500,000 to fund working capital through a placement of 71,428,521 M8S shares at an issue price of \$0.007 per Share.

8	03-Oct-22	M8S filed its FY22 annual report in which the auditor expressed its doubts that the company can continue as a going concern.
9	06-Oct-22	M8S announced that it had signed an agreement with Reforme Special Situation Pty Ltd ("RSS") for a loan facility of up to \$4 million to fund working capital by way of the issue of Convertible Notes. RSS is a related entity of Adroit
10	14-Oct-22	M8S announced that, since the implementation of the \$10 million Convertible Note facility with M8H, construction works at Gingin had increased and were in their final stages.
11	17-Oct-22	M8S announced that the \$10 million Convertible Note facility was varied to a \$5.5 million facility.
12	21-Dec-22	M8S announced that it had signed an agreement with M8H for a loan facility of up to \$2.5 million to fund working capital by way of the issue of Convertible Notes.
13	25-Jan-23	M8S announced that it had received a notice of intent to make an unsolicited all cash proportional off market takeover bid from Adroit to acquire one out of every five M8S ordinary shares not currently owned by them at an offer price of \$0.014 per Share. <i>[This offer was subsequently rescinded]</i>
14	08-Feb-23	The securities of M8S were placed into a trading halt at the request of M8S, pending the release of an announcement regarding the \$11 million loan facility with Remagen.

Source: ASX and CapIQ

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## 4. Valuation Approach

### 4.1 Basis of evaluation

The valuation of M8S prior to and after the Proposed Transaction has been prepared on the basis of Fair Value, being the value that should be agreed in a hypothetical transaction between a knowledgeable, willing but not anxious buyer and a knowledgeable, willing but not anxious seller, acting at arm's length.

### 4.2 Valuation methodologies

RG 111 proposes that it is generally appropriate for an expert to consider using the following methodologies:

- The discounted cash flow ("DCF") method and the estimated realisable value of any surplus assets;
- The application of earnings multiples to the estimated future maintainable earnings or cash flows added to the estimated realisable value of any surplus assets;
- The amount which would be available for distribution on an orderly realisation of assets;
- The quoted market price for listed securities ("QMP"); and
- Any recent genuine offers received.

We consider that the valuation methodologies proposed by RG 111 can be split into three valuation methodology categories, as follows.

#### Market based methods

Market based methods estimate the fair market value by considering the market value of a company's securities or the market value of comparable companies. Market based methods include:

- The quoted price for listed securities; and
- Industry specific methods.

The recent quoted price for listed securities method provides evidence of the fair market value of a company's securities where they are publicly traded in an informed and liquid market.

Industry specific methods usually involve the use of industry rules of thumb to estimate the fair market value of a company and its securities. Generally, rules of thumb provide less persuasive evidence of the fair market value of a company than other market-based valuation methods because they may not account for company specific risks and factors.

#### Income based methods

Income based methods estimate value by calculating the present value of a company's estimated future stream of earnings or cash flows. Income based methods include:

- Discounted cash flow; and
- Capitalisation of future maintainable earnings.

The DCF technique has a strong theoretical basis, valuing a business on the net present value of its future cash flows. It requires an analysis of future cash flows, the capital structure and costs of capital and an assessment of the residual value or the terminal value of the company's cash flows at the end of the forecast period. This method of valuation is appropriate when valuing companies where future cash flow projections can be made with a reasonable degree of confidence.

The capitalisation of future maintainable earnings is generally considered a short form DCF, where an estimation of the Future Maintainable Earnings ("FME") of the business, rather than a stream of cash flows is capitalised based on an appropriate capitalisation multiple. Multiples are derived from the analysis of transactions involving comparable companies and the trading multiples of comparable companies.

## Asset based methods

Asset based methodologies estimate the fair market value of a company's securities based on the realisable value of its identifiable net assets. Asset based methods include:

- Orderly realisation of assets method;
- Liquidation of assets method; and
- Net assets on a going concern basis.

The value achievable in an orderly realisation of assets is estimated by determining the net realisable value of the assets of a company which would be distributed to security holders after payment of all liabilities, including realisation costs and taxation charges that arise, assuming the company is wound up in an orderly manner. This technique is particularly appropriate for businesses with relatively high asset values compared to earnings and cash flows.

The liquidation of assets method is similar to the orderly realisation of assets method except the liquidation method assumes that the assets are sold in a shorter time frame. The liquidation of assets method will result in a value that is lower than the orderly realisation of assets method and is appropriate for companies in financial distress or where it is not appropriate to value the on a going concern basis.

The net assets on a going concern method estimates the market values of the net assets of a company but, unlike the orderly realisation of assets method, it does not take into account realisation costs. Asset based methods are appropriate when companies are not profitable, a significant proportion of the company's assets are liquid, or for asset holding companies.

## 4.3 Selection of valuation methodologies

### Valuation of an M8S Share prior to the Proposed Transaction (control basis)

#### *Primary methodology – Net assets on a going concern methodology*

In assessing the value of an M8S Share prior to the Proposed Transaction, we have utilised the 'net assets on a going concern' methodology given the Company has been loss-making in recent years and is suspended from trading on the ASX.

#### *Secondary methodology*

We have not assessed a secondary methodology in valuing an M8S Share prior to the Proposed Transaction due to the following reasons:

- The Company has been suspended from the ASX since February 2023;
- The Company has been loss making across the review period of FY22 to FY23 and operating at a significantly reduced scale during and since FY24;
- The Company has no long-term forecast cash flows available;
- There are no customer contracts/agreements in place for the operations of the Maddington Facility, being the Company's sole operational facility;
- The Company has a negative net asset position as at the date of the Report; and
- The Company underwent a DOCA process in which the most superior offer made by M8H, as the proponent, was accepted.

### Valuation of an M8S Share post the Proposed Transaction (non-controlling basis)

In assessing the value of an M8S Share post the Proposed Transaction, we have adjusted the pre-Proposed Transaction value for the immediate impact of the Proposed Transaction, assuming it proceeds alongside the Placement. In particular, we have made the following adjustments:

- Removed the debt and accrued interest associated with the Convertible Notes;
- Included the dilutionary effect of the issue of the Conversion Shares;
- Adjusted the number of shares on issue in accordance with the Consolidation;

- Included the cash raised and the dilutionary effect of the issue of the Placement Shares;
- Included transaction costs from the issue of the Conversion Shares, Placement Shares, and the Consolidation; and
- Applied a minority discount to the value of an M8S Share, given that Patina Metal will have effective operational control should the Proposed Transaction proceed.

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## 5. Valuation of M8S prior to the Proposed Transaction

As stated at Section 4.3 we have assessed the value of an M8S Share prior to the Proposed Transaction using the net assets on a going concern methodology as our primary methodology.

### 5.1 Net assets on a going concern valuation

In adopting the net assets on a going concern methodology, we have had regard to the Company's financial position as at 30 June 2024, with consideration of whether any adjustments are required to restate those assets and liabilities at their Fair Value. As no material transactions have occurred since 30 June 2024 to the date of this Report, we believe it reasonable to assume that the financial position of M8S as at 30 June 2024 is representative of the position as at the date of this Report, after the adjustments set out below.

We have made the following adjustments and have otherwise assumed that the book value of all assets and liabilities as at 30 June 2024 are indicative of their Fair Value:

- Assessed the Fair Value of the Company's investment in its Joint Venture;
- Estimated the market values of motor vehicles held by the Company;
- Included a third-party market value assessment of the plant and equipment held by the Company;
- Included the Administrators assessed market value of IT, office and other fixed assets;
- Removed the \$100k DOCA indemnity which was released post 30 June 2024; and
- Eliminated the carrying value of right-of-use assets and associated lease liabilities.

We have not made any adjustment for the taxation consequences which may arise on realisation of assets. The net assets as a going concern valuation methodology assumes, unless specifically stated, that there is no intention to liquidate long term assets (e.g. property, plant & equipment) in the foreseeable future.

We have calculated the value of an M8S Share using the net assets on a going concern methodology to be in a range of negative \$0.017 to negative \$0.0161 as outlined below. For the purposes of this Report, we therefore consider the Fair Value of an M8S Share on a controlling basis prior to the announcement of the Proposed Transaction to be nil.

**Table 11 Fair Value of an M8S Share using the net assets on a going concern methodology**

Valuation assessment	30-Jun-24		Low	High	Preferred
\$'000s	Audited	Adj			
<b>Current Assets</b>					
Trade & Other Receivables	183	-	183	183	183
Prepayments	51	-	51	51	51
<b>Total Current Assets</b>	<b>234</b>	<b>-</b>	<b>234</b>	<b>234</b>	<b>234</b>
<b>Non-Current Assets</b>					
Investment In Joint Venture	-	See below	-	351	176
Property, Plant & Equipment	273	See below	578	779	678
Other Non-Current Assets	507	(100)	407	407	407
<b>Total Non-Current Assets</b>	<b>779</b>	<b>-</b>	<b>984</b>	<b>1,536</b>	<b>1,260</b>
<b>Total Assets</b>	<b>1,013</b>	<b>-</b>	<b>1,218</b>	<b>1,770</b>	<b>1,494</b>
<b>Current Liabilities</b>					
Bank overdraft	(13)	-	(13)	(13)	(13)
Trade & Other Payables	(1,789)	-	(1,789)	(1,789)	(1,789)
Borrowings (Current)	(2,421)	-	(2,421)	(2,421)	(2,421)
Lease Liabilities (Current)	(353)	353	-	-	-

Provisions	(152)	-	(152)	(152)	(152)
<b>Total Current Liabilities</b>	<b>(4,728)</b>	<b>353</b>	<b>(4,375)</b>	<b>(4,375)</b>	<b>(4,375)</b>
<b>Non-Current Liabilities</b>					
Borrowings (Non-Current)	(6,237)	-	(6,237)	(6,237)	(6,237)
Lease Liabilities (Non-Current)	(2,636)	2,636	-	-	-
<b>Total Non-Current Liabilities</b>	<b>(8,873)</b>	<b>2,636</b>	<b>(6,237)</b>	<b>(6,237)</b>	<b>(6,237)</b>
<b>Total Liabilities</b>	<b>(13,601)</b>	<b>2,989</b>	<b>(10,612)</b>	<b>(10,612)</b>	<b>(10,612)</b>
<b>Net Liabilities</b>	<b>(12,587)</b>	<b>2,989</b>	<b>(9,393)</b>	<b>(8,841)</b>	<b>(9,117)</b>
Number of shares on issue ('000s)	548,638		548,638	548,638	548,638
<b>Value per M8S share (control basis, \$ per share)</b>			<b>(0.0171)</b>	<b>(0.0161)</b>	<b>(0.0166)</b>

Source: M8S Audited accounts & RSM Analysis

The methodology applied represents the value of a controlling shareholding. Accordingly, we consider the value generated under the net assets on a going concern methodology to already incorporate a premium for control and no further adjustment is considered necessary to assess the value of an M8S Share on a controlling basis.

#### Investment in Joint Venture

We note that the Company's investment in the joint venture between M8S and iHub Solutions has been fully impaired in the financial statements. Given M8S retains its 50% interest in the JV, we have made an assessment of its recoverable market amount, which we believe to be indicative of the Fair Value.

As per the Audited Financial Statements, M8S has invested approximately \$351,000 for the 50% interest in the JV. We understand that iHub continues to be loss-making and is still in development phase with no commercialised roll-out undertaken. We therefore consider it reasonable to adopt a low value of \$nil (since the Company has impaired its investment to nil) and a high value equal to the funds invested on the basis of a cost approach.

#### Property, Plant and Equipment

In assessing the Fair Value of the property, plant & equipment of the Company, we note that the majority of the balance as at 30 June 2024 had been fully impaired. Given M8S retains ownership of the motor vehicles, plant & equipment, and IT, office and other assets, we have assessed their recoverable market values, which we believe to be indicative of their Fair Values.

**Table 12 Fair Value Assessment of Property, Plant & Equipment**

Property, Plant & Equipment \$'000s	Fair Value Assessment	
	Low	High
Motor Vehicles	110	182
Plant & Equipment	407	498
IT, office and other assets	60	99
<b>Property, Plant &amp; Equipment</b>	<b>578</b>	<b>779</b>

Source: Carsales.com, M8S Asset Register, Administrator Report & RSM Analysis

We have had regard to the following in assessing the Fair Value of the property, plant and equipment as at the date of the Report:

- *Motor vehicles*: Third-party car sales platforms;
- *Plant & Equipment*: The Company's asset register as at the date of the Report, and an independent plant and equipment valuer's assessment (Pickles Auctions Pty Ltd, referred to herein as "Pickles") prepared for the Administrators; and
- *IT, office and other assets*: The Administrator's fair value assessment of the assets, having regard to the Pickles' valuation.

The total issued capital of M8S was 548,638,191 as at 30 June 2024 as illustrated in Table 9 above.

## 5.2 Valuation Summary of an M8S Share prior to the Proposed Transaction

A summary of our assessed value of an M8S Share on a controlling basis prior to the announcement of the Proposed Transaction derived under the net assets on a going concern methodology is set out in the table below.

**Table 13 M8S Share valuation summary**

Fair value per M8S Share pre-Proposed Transaction \$ per share	Low	High	Preferred
Method 1: Net assets on a going concern	nil	nil	nil
Method 2: N/A	N/A	N/A	N/A
<b>Adopted value</b>	<b>nil</b>	<b>nil</b>	<b>nil</b>

Source: RSM Analysis

As noted in Section 4.3 above, we have not assessed an appropriate secondary valuation methodology. As such, we have assessed the Fair Value of an M8S Share, on a controlling basis, prior to the Proposed Transaction to be nil given the negative value per share assessed under the net assets on a going concern methodology.

## 6. Valuation of M8S post the Proposed Transaction

As stated at Section 4.3, we have assessed the value of an M8S Share post the Proposed Transaction by adjusting the pre-Proposed Transaction value for the immediate impact of the Proposed Transaction, assuming it proceeds alongside the Consolidation and Placement.

*Valuation of M8S post the Proposed Transaction, on a post Consolidation basis, with the maximum Placement subscription*

In assessing the value of M8S post the Proposed Transaction alongside the Consolidation and the Placement being approved, we have adjusted for:

- The clearing of the debt and accrued interest associated with the Convertible Notes;
- The proceeds from the issue of the maximum Placement Shares;
- The ten for one consolidation of M8S's issued capital;
- The dilutionary impact of the issue of the Conversion Shares and Placement Shares post Consolidation;
- The associated transaction costs from the issue of the Conversion Shares, Placement Shares, and Consolidation; and
- A minority discount, given Patina Metals (inclusive of the Flugge Parties) would assume operational control should the Proposed Transaction proceed.

Based on the above, we have determined the Fair Value of an M8S Share on a non-controlling basis post the Proposed Transaction, post consolidation and with the maximum Placement subscription, to be in the range of \$0.0041 and \$0.0062, with a preferred value of \$0.0051, as outlined below.

**Table 14 Fair Value of an M8S Share post the Proposed Transaction (Post Consolidation and Maximum Placement)**

Fair value per M8S Share post Proposed Transaction (post consolidation and maximum Placement) \$'000s	Low	High	Preferred
Assessed value of M8S pre-Proposed Transaction	(9,393)	(8,841)	(9,117)
<b>Proposed Transaction adjustments:</b>			
Conversion of debt with equity	7,769	7,769	7,769
Cash received from Placement (maximum)	3,500	3,500	3,500
Transaction costs	(200)	(200)	(200)
<b>Assessed equity value of M8S post Proposed Transaction</b>	<b>1,676</b>	<b>2,228</b>	<b>1,952</b>
Number of shares on issue post-Proposed Transaction & consolidated ('000s)	297,788	297,788	297,788
<b>Value per M8S share (control basis, \$ per share)</b>	<b>0.0056</b>	<b>0.0075</b>	<b>0.0066</b>
Minority discount	-28%	-17%	-22%
<b>Value per M8S share (non-controlling basis, \$ per share)</b>	<b>0.0041</b>	<b>0.0062</b>	<b>0.0051</b>

Source: Management, RSM Control Premium Study & RSM Analysis

As noted above, the following adjustments have been made:

- Adding back the recorded book value of the debt associated with the Convertible Notes and accrued interest, totalling \$7.77 million;
- Increasing M8S's cash balance by capital sought to be raised from the maximum Placement subscription, being \$3.50 million;
- Applying the ten for one consolidation of the pre-Proposed Transaction total issued capital and including the Conversion Shares and Placement Shares, both of which are on a post Consolidation basis;

- Deducting the estimated costs associated with the Proposed Transaction, Placement Shares, and Consolidation, totalling \$200,000; and
- Applying a minority discount of 17% to 28%, with a preferred value of 22% as detailed below.

#### **Minority interest discount**

In assessing an appropriate minority discount to apply, we have had regard to the 2021 RSM Control Premium Study (“Control Premium Study”), since a minority interest discount is the inverse of a control premium.

RSM conducted a study of 605 takeovers and schemes of arrangement involving companies listed on the ASX over the 15.5 years ended 31 December 2020. In determining the control premium, we compared the offer price to the closing trading price of the target company 20, 5 and 2 trading days pre the date of the announcement of the offer. Where the consideration included shares in the acquiring company, we used the closing share price of the acquiring company on the date prior to the date of the offer.

In assessing an appropriate control premium to apply, we have had regard to those seen in 29 transactions across the ‘Commercial Services & Supplies’ and ‘Construction Materials’ industries. In doing so, we have assessed an appropriate control premium to be in the range of 21.0% and 38.0% (being the average premia for the 20 trading days prior to the announcement for the ‘Construction Materials’ and ‘Commercial Services & Supplies’) industries, respectively.

As mentioned in Section 1.5, the approval of the Proposed Transaction, on a post Consolidation basis, would lead to Patina Metals’ (inclusive of the Flugge Parties) interest in M8S increasing to 58.07% with the Placement being approved. As such, the Non-Associated Shareholders’ interest will decline to a minority interest, forfeiting the operational and governance control of M8S to Patina Metals. Additionally, the assumed interest of Patina Metals following the approval of the Proposed Transaction, alongside the Placement, allows for them to unilaterally pass an ordinary resolution (>50%), reflecting significant control over M8S.

We therefore consider it reasonable to apply a minority discount range of 17% to 28%, being the inverse of the assessed control premium range, in determining the Fair Value of an M8S Share on a non-controlling basis, post the Proposed Transaction.

## 7. Is the Proposed Transaction Fair to Non-Associated Shareholders?

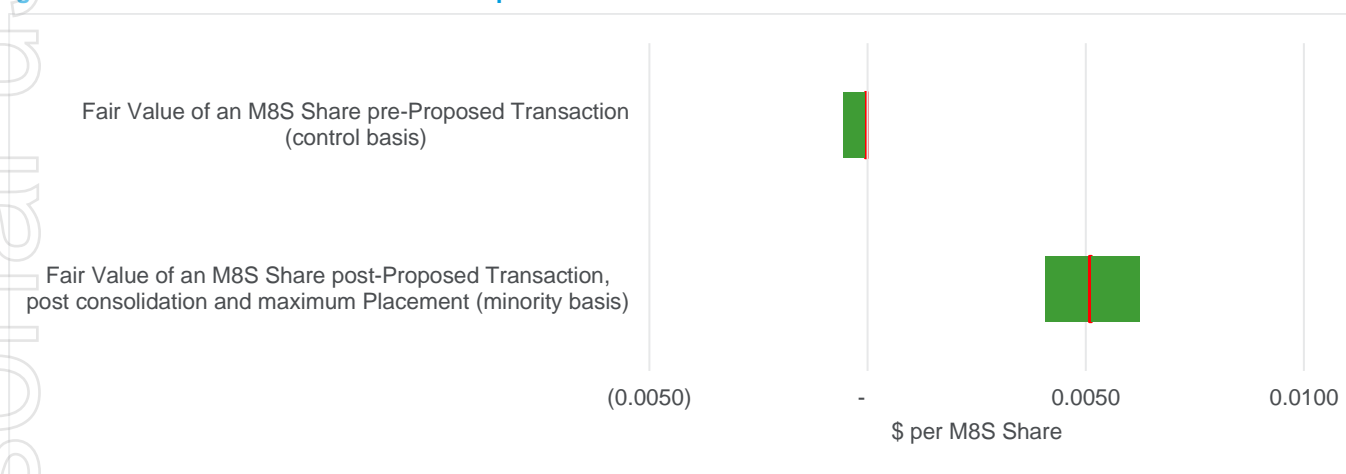
Our assessed values of an M8S Share prior to and immediately after the Proposed Transaction are summarised in the table and figure below.

**Table 15 Assessed values of an M8S Share prior to and post the Proposed Transaction**

Fairness assessment \$ per M8S share	Low	High	Preferred
Fair Value of an M8S Share <b>pre</b> -Proposed Transaction (control basis)	<i>nil</i>	<i>nil</i>	<i>nil</i>
Fair Value of an M8S Share <b>post</b> -Proposed Transaction, post consolidation and maximum Placement subscription (minority basis)	0.0041	0.0062	0.0051

Source: RSM Analysis

**Figure 3 Assessment of Fairness of the Proposed Transaction**



Source: RSM Analysis

The assessed range of values of an M8S Share post the Proposed Transaction with the maximum Placement subscription lies above the value assessed for an M8S Share prior to the Proposed Transaction.

In accordance with the guidance set out in ASIC RG 111, and in the absence of any other relevant information, for the purposes of complying with Section 611 of the Act, we consider the Proposed Transaction to be **fair** to the Non-Associated Shareholders of M8S.

## 8. Is the Proposed Transaction Reasonable to Non-Associated Shareholders?

RG 111 establishes that an offer is reasonable if it is fair. It might also be reasonable if, despite not being fair, there are sufficient reasons for security holders to accept the offer in the absence of any higher bid before the offer closes. As such, we have also considered the following factors in relation to the reasonableness aspects of the Proposed Transaction:

- The future prospects of M8 if the Proposed Transaction does not proceed;
- The likelihood of an alternative proposal / offer emerging; and
- Other commercial advantages and disadvantages to the Non-Associated Shareholders as a consequence of the Proposed Transaction proceeding.

### 8.1 Future prospects of M8S if the Proposed Transaction does not proceed

Following the onset of COVID-19 in 2020, M8S has been negatively impacted by way of significant reductions in volumes of waste received and increased costs. As a result, the Company's key operational assets were impaired and net losses after tax were recognised.

In February 2021, M8S entered into an \$11 million loan agreement with Remagen to develop the Gingin Facility and provide working capital to fund activities at the Maddington Facility. However, due to ongoing COVID-19 induced supply chain constraints, increased costs, and licensing requirements, the completion of the Gingin Facility was delayed throughout 2022, despite the Company announcing in April 2022 that it had secured a cornerstone customer agreement to supply 40,000 to 60,000 tonnes of waste per calendar year.

By 30 June 2022, M8S had accumulated net losses after tax totalling in excess of \$40 million from FY18 to FY22 and continued to rely on ongoing debt and equity support.

Given the above, and expiry of the Remagen debt facility in early February 2023, a notice of default was issued by Remagen. At the same time, Jonathan Henry, Rob Kirman, and Rob Brauer of McGrathNicol were appointed as Joint and Several Administrators of M8S and a formal demand was issued by Remagen requesting repayment of the loan. The demand expired without repayment from M8S.

On 2 June 2023, M8S announced that it had executed the DOCA which, amongst other things, allowed for the repayment in full of the debt due to Remagen. However, following the DOCA, the Company remained in a negative net asset position, with the debt associated with the Convertible Notes comprising a significant portion of M8S's liabilities.

The Proposed Transaction has the primary purpose of improving the Company's net asset position by clearing the debt and accrued interest associated with the Convertible Notes. Should the Proposed Transaction not be approved, the Company will be required to repay the Convertible Notes with accrued interest, currently totalling \$8.65 million, by 31 March 2025 and 3 October 2025. Noting M8S's historical performance, current cash balance, and solvency basis, it is unlikely that M8S will be able to make the repayment without additional funding. As such, the Company will need to take immediate action to source funds to repay the debt should the Proposed Transaction or any of the interdependent resolutions not be approved.

There is no guarantee that an alternative proposal to raise capital would be successful or that it would be on more favourable terms. If the Company cannot attract alternative forms of funding, it will not be able to repay the amounts owing under the Convertible Notes when they become due in March 2025. Given the Company's history of being heavily reliant on funding from third parties to remain solvent, there is a possibility of insolvency should no alternative form of funding present itself.

### 8.2 Alternative proposals

We have been advised that whilst the Company has been suspended from trading on the ASX, it has had limited access to funding and has therefore relied on support from M8H, as its major shareholder, to remain solvent. M8S has not been able to explore any alternative funding options until it is recapitalised via a return to ASX trading.

On 25 January 2023, M8S announced that it had received a notice of intent to make an unsolicited all cash proportional all market takeover bid from Adroit to acquire every five M8S Shares not currently owned by them at an offer price of \$0.014 per Share. This offer was rescinded in an announcement on 21 February 2023 due to the appointment of the Administrators.

As stated in Section 3.1 above, the Administrators sought expressions of interest for the going concern sale of the business. This process resulted in the pooled DOCA proposal by M8H proceeding due to it being superior by way of both value and conditions compared to all other FBOs.

### 8.3 Advantages and disadvantages

In assessing whether the Non-Associated Shareholders are likely to be better off if the Proposed Transaction proceeds, than if it does not, we have also considered various advantages and disadvantages that are likely to accrue to the Non-Associated Shareholders.

#### Advantages of approving the Proposed Transaction

**Table 16 Advantages of approving the Proposed Transaction**

Advantage	Details
The Proposed Transaction is fair	<p>The assessed value of an M8S Share post the Proposed Transaction, with the maximum Placement subscription, lies above the assessed value of an M8S Share prior to the Proposed Transaction.</p> <p>We note that the value of an M8S Share prior to the Proposed Transaction is negative, implying nil value. If the Placement is approved alongside the Proposed Transaction and is successfully subscribed, the cash received would have the impact of increasing the cash balance of the Company, thereby improving M8S's net asset position.</p> <p>The Placement would need to raise a minimum of approximately \$1.85 million to result in a positive assessed value of an M8S Share post the Proposed Transaction.</p>
Improved net asset position	The Proposed Transaction will improve the net asset position of the Company through the clearing of the debt associated with the Convertible Notes and accrued interest.
Limited alternatives available	<p>As stated in Section 8.2 above, the pooled DOCA proposal by M8H was considered to be the superior offer of all expressions of interest for the going concern sale of M8S, indicating a lack of market sentiment on the performance and position of the Company.</p> <p>We are not aware of any alternative proposals and there is no guarantee that an alternative proposal would be successful or have more favourable terms.</p>

Source: RSM Analysis

#### Disadvantages of approving the Proposed Transaction

**Table 17 Disadvantages of approving the Proposed Transaction**

Disadvantages	Details
Dilutionary impact to Non-Associated Shareholders	Should the Proposed Transaction be approved, Non-Associated Shareholders' collective interest in M8S (including M8H) will decline from 100% to 41.93% with the Placement, post Proposed Transaction.
Significant influence of Patina Metals (inclusive of the Flugge Parties)	<p>Should the Proposed Transaction be approved, Patina Metals' (inclusive of the Flugge Parties) interest in M8S increases to above 50%, surpassing the threshold allowing them to pass an ordinary resolution.</p> <p>Therefore, Patina Metals and the Flugge Parties would be significantly increasing their operational and governance control of M8S and their voting power.</p>
Access to future funding	M8H, as the majority shareholder, has historically been a significant contributor of funding for M8S. Patina Metals significantly increasing their interest and becoming the new majority shareholder in M8S may deter M8H from providing funding in the future.

Source: RSM Analysis

## 8.4 Conclusion on Reasonableness

In our opinion, the position of the Non-Associated Shareholders if the Proposed Transaction is approved is more advantageous than their position if it is not approved. Therefore, in the absence of any other relevant information and/or a superior alternative, we consider that the Proposed Transaction is **reasonable** for the Non-Associated Shareholders of M8S.

An individual Shareholder's decision in relation to the Proposed Transaction may be influenced by their individual circumstances. If in doubt, Shareholders should consult an independent advisor.

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# APPENDICES

## A. Declarations and Disclaimers

### Declarations and Disclosures

RSM Corporate Australia Pty Ltd holds Australian Financial Services Licence 255847 issued by ASIC pursuant to which they are licensed to prepare reports for the purpose of advising clients in relation to proposed or actual mergers, acquisitions, takeovers, corporate reconstructions or share issues.

### Qualifications

Our report has been prepared in accordance with professional standard APES 225 "Valuation Services" issued by the Accounting Professional & Ethical Standards Board.

RSM Corporate Australia Pty Ltd is beneficially owned by the partners of RSM Australia Pty Ltd (RSM) a large national firm of chartered accountants and business advisors.

Nadine Marke and Justin Audcent are directors of RSM Corporate Australia Pty Ltd. Both Nadine Marke and Justin Audcent are Chartered Accountants with extensive experience in the field of corporate valuations and the provision of independent expert's reports for transactions involving publicly listed and unlisted companies in Australia.

### Reliance on this Report

This report has been prepared solely for the purpose of assisting Shareholders of the Company in considering the Proposed Transaction. We do not assume any responsibility or liability to any party as a result of reliance on this report for any other purpose.

### Reliance on Information

Statements and opinions contained in this report are given in good faith. In the preparation of this report, we have relied upon information provided by the Directors and management of M8S and we have no reason to believe that this information was inaccurate, misleading or incomplete. RSM Corporate Australia Pty Ltd does not imply, nor should it be construed that it has carried out any form of audit or verification on the information and records supplied to us.

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

In addition, we have considered publicly available information which we believe to be reliable. We have not, however, sought to independently verify any of the publicly available information which we have utilised for the purposes of this report.

We assume no responsibility or liability for any loss suffered by any party as a result of our reliance on information supplied to us.

### Disclosure of Interest

At the date of this report, none of RSM Corporate Australia Pty Ltd, RSM, Justin Audcent, Nadine Marke, nor any other member, director, partner or employee of RSM Corporate Australia Pty Ltd and RSM has any interest in the outcome of the Proposed Transaction, except that RSM Corporate Australia Pty Ltd are expected to receive a fee of approximately \$30,000 (excluding goods and services tax ("GST")) based on time occupied at normal professional rates for the preparation of this report. The fees are payable regardless of M8S receiving Shareholder approval for the Proposed Transaction, or otherwise.

RSM Australia Partners are the appointed auditors of M8S.

### Consents

RSM Corporate Australia Pty Ltd consents to the inclusion of this report in the form and context in which it is included with the Notice of Extraordinary General Meeting and Explanatory Memorandum to be issued to Shareholders. Other than this report, none of RSM Corporate Australia Pty Ltd or RSM Australia Pty Ltd or has been involved in the preparation of the Notice of General Meeting and Explanatory Memorandum. Accordingly, we take no responsibility for the content of the Notice of General Meeting and Explanatory Statement.

## B. Sources of Information

In preparing this Report we have relied upon the following principal sources of information:

- Draft copies of the Notice of Meeting;
- \$10M Binding Convertible Note Deed between M8S and M8H;
- \$2.5M Binding Convertible Note Deed between M8S and M8H;
- Variation of \$10M Binding Convertible Note Deed;
- Deed of Assignment, Assumption and Variation between M8S, M8H and Patina Metals;
- Board Minutes relating to the appraisal and approval of the Proposed Transaction;
- Administrators Report to Creditors;
- Audited financial statements for M8S for the years ended 30 June 2022, 30 June 2023 and 30 June 2024
- Unaudited statement of financial position for M8S as at 30 September 2024;
- M8S Asset Register as at 30 September 2024;
- M8S ASX Announcements;
- M8S Annual Reports;
- S&P Capital IQ database;
- RSM Control Premium Study 2021;
- IBIS World Report – Waste Treatment & Disposal Services in Australia;
- S&P Capital IQ database; and
- Discussions with Directors and Management of M8S.

## C. Glossary of Terms and Abbreviations

Term	Definition
\$	Australian dollar
Adroit	Adroit Capital Group ESG Pty Ltd
Act	Corporations Act 2001 (Cth)
AFCA	Australian Financial Complaints Authority
AFSL	Australian Financial Services Licence
APES	Accounting Professional & Ethical Standards Board
ASIC	Australian Securities & Investments Commission
ASX	Australian Securities Exchange
ASX Listing Rules	The listing rules of ASX as amended from time to time
BDS	Brajkovich Demolition & Salvage (WA) Pty Ltd
C&D	Construction and demolition
C&I	Commercial and industrial
CAGR	Compound annual growth rate
CAPEX	Capital expenditure
Company / M8 Sustainable / M8S	M8 Sustainable Limited
Consolidation	Consolidation of M8S' current issued capital on a ten to one basis
Control basis	As assessment of the Fair Value on an equity interest, which assumes the holder or holders have control of the entity in which the equity is held
Control Premium Study	RSM Control Premium Study 2021
Convertible Notes	Convertible Notes held by Patina Metals which will convert into Conversion Shares should the Proposed Transaction be approved
Convertible Note Facilities	Convertible Note Facilities of value \$10 million (varied to \$5.5 million) and \$2.5 million
Conversion Price	\$0.05
Conversion Shares	172,923,700 shares, on a post-Consolidation basis, M8S will issue to Patina Metals should the Proposed Transaction be approved
DCF	Discounted cash flows
Deed of Convertible Note Assignment	Tri-party Deed of Assignment, Assumption and Variation between M8S, M8H and Patina Metals
Directors	Directors of the Company
DOCA	Deed of Company Arrangement
DWER	Department of Water & Environmental Regulation of the Government of Western Australia
Explanatory Statement	The explanatory statement accompanying the Notice
Fair Value	The amount at which an asset could be exchanged between a knowledgeable and willing but not anxious seller and a knowledgeable and willing but not anxious buyer, both acting at arm's length

<b>FBO</b>	Final Binding Offer
<b>Fernview</b>	Fernview Environmental Pty Ltd
<b>Flugge Parties</b>	Damien Flugge & Felicianna Flugge
<b>FME</b>	Future Maintainable Earnings
<b>FSG</b>	Financial Services Guide
<b>FYxx</b>	Financial year ending 30 June 20xx
<b>Gingin Facility</b>	Gingin Landfill Facility
<b>HY24</b>	Half-year ended 31 December 2023
<b>IER</b>	This Independent Expert Report
<b>JV</b>	Joint Venture between M8S and iHub
<b>M8H</b>	M8 Holdings Limited
<b>Maddington Facility</b>	Maddington Waste Facility
<b>McGrathNicol</b>	McGrathNicol Restructuring or the Administrators
<b>MD</b>	Managing Director
<b>Non-Associated Shareholders</b>	Shareholders who are not a party, or associated to a party, to the Proposed Transaction
<b>NED</b>	Non-executive Director
<b>Notice</b>	The notice of meeting to vote on, inter alia, the Proposed Transaction
<b>NWC</b>	Net working capital
<b>OCI</b>	Other comprehensive income
<b>Option or Options</b>	Unlisted options to acquire Shares with varying vesting conditions
<b>Patina Metals</b>	Patina Metals Pty Ltd, the recipient of the Conversion Shares upon approval of the Proposed Transaction
<b>Pickles</b>	Pickles Auctions Pty Ltd
<b>PP&amp;E</b>	Property, Plant and equipment
<b>Proposed Transaction</b>	Conversion of debt payable under the Convertible Notes with accrued interest into Conversion Shares at the Conversion Price, on a post-Consolidation basis
<b>QMP</b>	Quoted Market Price
<b>Recapitalisation Strategy</b>	The combination of the Consolidation, Proposed Transaction, and Placement to allow M8S to recapitalise and strengthen its balance sheet
<b>Remagen</b>	Remagen Capital Management Pty Ltd
<b>Report or IER</b>	This Independent Expert's Report prepared by RSM dated December 2024
<b>Resolution</b>	The resolutions set out in the Notice
<b>RG 111</b>	ASIC Regulatory Guide 111 Content of Expert Reports
<b>RSM, we, us, or ours</b>	RSM Corporate Australia Pty Ltd
<b>RSS</b>	Reforme Special Situation Pty Ltd
<b>S&amp;P Capital IQ</b>	An entity of Standard and Poors which is a third-party provider of company and other financial information

**Share or M8S Share** Ordinary fully paid share in the capital of the Company

**Shareholder** A holder of Share

**VA** Voluntary Administration

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## D. Industry Overview

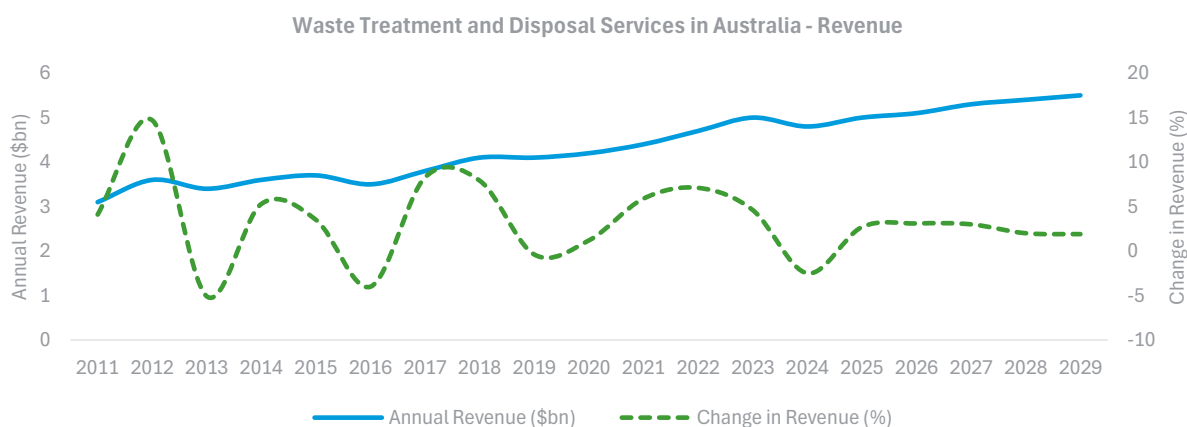
### Waste Treatment and Disposal Services in Australia<sup>1</sup>

#### Overview

The Company operates in the waste treatment and disposal services industry in Australia (the “Industry”). The firms in the industry primarily treat or dispose of solid, liquid and other waste types, including hazardous waste. The industry also includes businesses that mainly operate landfills, combustors, incinerators, compost dumps and other treatment facilities (except sewage treatment facilities), including waste transfer stations.

The industry’s performance has been growing steadily in the past years as household waste generation has been rising. The COVID-19 pandemic disrupted operations in the industry, but such setbacks have since recovered for household waste generation, however, the construction sector demand for waste management has continued to decline. Additionally, recyclable and recoverable waste materials have been treated more by firms that do not occupy the industry, prompting a further hinderance on revenue.

Australia is one of the world’s largest producers of waste per person, which is directly correlated with waste removal demand and therefore, industry growth. Rising waste production in the mining and agriculture sectors has been a catalyst for demand growth for the industry, along with a rise in medical waste production. The industry revenue is forecasted to grow at an annualised 2.5% over the five years through 2028-29, to \$5.5 billion. Its growth is expected to be driven by the projected growth in population and the expansion of construction activities, along with higher prices for specialised hazardous and electronic waste services. However, recycling activities are also expected to grow, which will consequently restrict the growth in demand for waste treatment and disposal.



Key external drivers which can influence the Industry are:

- demand from solid waste collection services;
- demand from construction;
- demand from liquid waste collection services;
- demand from manufacturing; and
- population.

The key success factors which can influence the Industry are:

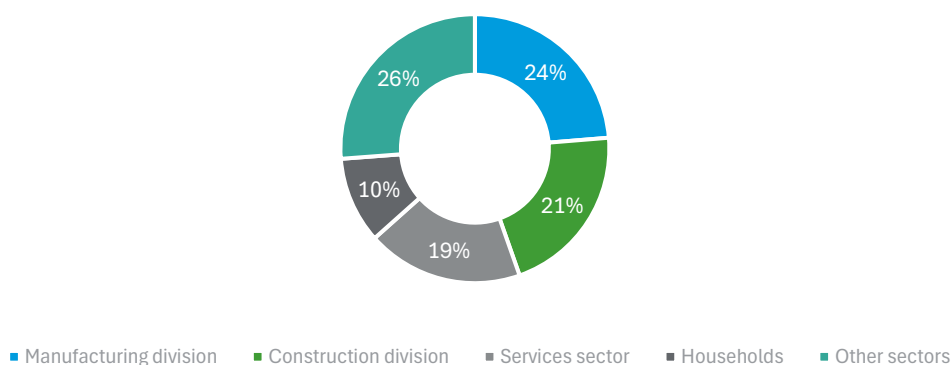
- compliance with government regulations;
- a high prior success rate (including completed prior contracts);
- an extensive distribution/collection network;
- access to the latest available and most efficient technology and techniques; and

<sup>1</sup> IBISWorld Industry Report – D2921 Waste Treatment and Disposal Services in Australia, August 2023

- economies of scale.

The construction sector is the second largest market for waste treatment businesses as it produces a large amount of waste which can typically be treated and disposed of. Consequently, if construction activities fall, then waste management volumes will fall, making the construction orientated waste management providers to be contingent on the prospects of construction in Australia.

Waste Treatment Disposal Services in Australia - Categories



The Industry displays moderate market share concentration, with the four largest players accounting for over 40% of the Industry revenue. Its concentration has increased over the past five years due to acquisition activities and local councils outsourcing services. The two major players are Cleanaway Waste management and Veolia, holding 20.2% and 14.3% market share, respectively. Competition in the Industry is low, but it is increasing due to both internal competition driven by the growth in establishments and external competition driven by the push by governments to increase recycling and recovery. However, the Industry exhibits significant barriers to entry, which include substantial capital requirements, technologies, government regulations and geographic constraints.

**RSM Corporate Australia Pty Ltd**

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M8 SUSTAINABLE LIMITED  
ABN 12 620 758 358

## Need assistance?



**Phone:**  
1300 850 505 (within Australia)  
+61 3 9415 4000 (outside Australia)



**Online:**  
[www.investorcentre.com/contact](http://www.investorcentre.com/contact)

## M8 Sustainable Limited 2023 and 2024 Annual General Meetings

The M8 Sustainable Limited 2023 Annual General Meeting will be held on Friday, 14 February 2025 at 11:00am (WST) and the 2024 Annual General Meeting will be held on Friday, 14 February 2025 at 11:30am (WST). You are encouraged to participate in the meetings using the following options:



### MAKE YOUR VOTE COUNT - 2023 ANNUAL GENERAL MEETING

To lodge a proxy, access the Notice of Meeting and other meeting documentation visit [www.investorvote.com.au](http://www.investorvote.com.au) and use the below information:



Control Number: 184664

For Intermediary Online subscribers (custodians) go to [www.intermediaryonline.com](http://www.intermediaryonline.com)

For your proxy appointment to be effective it must be received by 11:00am (WST) on Wednesday, 12 February 2025.



### MAKE YOUR VOTE COUNT - 2024 ANNUAL GENERAL MEETING

To lodge a proxy, access the Notice of Meeting and other meeting documentation visit [www.investorvote.com.au](http://www.investorvote.com.au) and use the below information:



Control Number: 184666

For Intermediary Online subscribers (custodians) go to [www.intermediaryonline.com](http://www.intermediaryonline.com)

For your proxy appointment to be effective it must be received by 11:30am (WST) on Wednesday, 12 February 2025.



### ATTENDING THE MEETINGS IN PERSON

The meetings will be held at:  
Suite 7, 145 Stirling Highway, Nedlands WA 6009

You may elect to receive meeting-related documents, or request a particular one, in electronic or physical form and may elect not to receive annual reports. To do so, contact Computershare.



M8 SUSTAINABLE LIMITED  
ABN 12 620 758 358

## Need assistance?



**Phone:**  
1300 850 505 (within Australia)  
+61 3 9415 4000 (outside Australia)



**Online:**  
[www.investorcentre.com/contact](http://www.investorcentre.com/contact)



## YOUR VOTE IS IMPORTANT

For your proxy appointment to be effective it must be received by **11:00am (WST) on Wednesday, 12 February 2025.**

# Proxy Form - 2023 Annual General Meeting

## How to Vote on Items of Business

All your securities will be voted in accordance with your directions.

### APPOINTMENT OF PROXY

**Voting 100% of your holding:** Direct your proxy how to vote by marking one of the boxes opposite each item of business. If you do not mark a box your proxy may vote or abstain as they choose (to the extent permitted by law). If you mark more than one box on an item your vote will be invalid on that item.

**Voting a portion of your holding:** Indicate a portion of your voting rights by inserting the percentage or number of securities you wish to vote in the For, Against or Abstain box or boxes. The sum of the votes cast must not exceed your voting entitlement or 100%.

**Appointing a second proxy:** You are entitled to appoint up to two proxies to attend the meeting and vote on a poll. If you appoint two proxies you must specify the percentage of votes or number of securities for each proxy, otherwise each proxy may exercise half of the votes. When appointing a second proxy write both names and the percentage of votes or number of securities for each in Step 1 overleaf.

**A proxy need not be a securityholder of the Company.**

### SIGNING INSTRUCTIONS FOR POSTAL FORMS

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

**Joint Holding:** Where the holding is in more than one name, all of the securityholders 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 form when you return it.

**Companies:** Where the company has a Sole Director who is also the Sole Company Secretary, this form must be signed by that person. If the company (pursuant to section 204A of the Corporations Act 2001) does not have a Company Secretary, a Sole Director can also sign alone. Otherwise this form must be signed by a Director jointly with either another Director or a Company Secretary. Please sign in the appropriate place to indicate the office held. Delete titles as applicable.

### PARTICIPATING IN THE MEETING

#### Corporate Representative

If a representative of a corporate securityholder or proxy is to participate in the meeting you will need to provide the appropriate "Appointment of Corporate Representative". A form may be obtained from Computershare or online at [www.investorcentre.com/au](http://www.investorcentre.com/au) and select "Printable Forms".

## Lodge your Proxy Form:

**XX**

### Online:

Lodge your vote online at [www.investorvote.com.au](http://www.investorvote.com.au) using your secure access information or use your mobile device to scan the personalised QR code.

Your secure access information is



**Control Number: 184664**

For Intermediary Online subscribers (custodians) go to [www.intermediaryonline.com](http://www.intermediaryonline.com)

### By Mail:

Computershare Investor Services Pty Limited  
GPO Box 242  
Melbourne VIC 3001  
Australia

### By Fax:

1800 783 447 within Australia or  
+61 3 9473 2555 outside Australia



**PLEASE NOTE:** For security reasons it is important that you keep your SRN/HIN confidential.

You may elect to receive meeting-related documents, or request a particular one, in electronic or physical form and may elect not to receive annual reports. To do so, contact Computershare.

**Change of address.** If incorrect, mark this box and make the correction in the space to the left. Securityholders sponsored by a broker (reference number commences with 'X') should advise your broker of any changes.

# Proxy Form

Please mark  to indicate your directions

## Step 1 Appoint a Proxy to Vote on Your Behalf

XX

I/We being a member/s of M8 Sustainable Limited hereby appoint

the Chairman of the Meeting **OR**

**PLEASE NOTE:** Leave this box blank if you have selected the Chairman of the Meeting. Do not insert your own name(s).

or failing the individual or body corporate named, or if no individual or body corporate is named, the Chairman of the Meeting, as my/our proxy to act generally at the meeting on my/our behalf and to vote in accordance with the following directions (or if no directions have been given, and to the extent permitted by law, as the proxy sees fit) at the 2023 Annual General Meeting of M8 Sustainable Limited to be held at Suite 7, 145 Stirling Highway, Nedlands WA 6009 on Friday, 14 February 2025 at 11:00am (WST) and at any adjournment or postponement of that meeting. **Chairman authorised to exercise undirected proxies on remuneration related resolutions:** Where I/we have appointed the Chairman of the Meeting as my/our proxy (or the Chairman becomes my/our proxy by default), I/we expressly authorise the Chairman to exercise my/our proxy on Resolution 1 (except where I/we have indicated a different voting intention in step 2) even though Resolution 1 is connected directly or indirectly with the remuneration of a member of key management personnel, which includes the Chairman.

**Important Note:** If the Chairman of the Meeting is (or becomes) your proxy you can direct the Chairman to vote for or against or abstain from voting on Resolution 1 by marking the appropriate box in step 2.

## Step 2 Items of Business

**PLEASE NOTE:** If you mark the **Abstain** box for an item, you are directing your proxy not to vote on your behalf on a show of hands or a poll and your votes will not be counted in computing the required majority.

	For	Against	Abstain
Resolution 1 Adoption of 2023 Remuneration Report	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Resolution 2 Confirmation of appointment of auditor	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Resolution 3 Election of Damien Flugge	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Resolution 4 Re-election of Saithsiri Saksitthisereekul	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>

The Chairman of the Meeting intends to vote undirected proxies in favour of each item of business. In exceptional circumstances, the Chairman of the Meeting may change his/her voting intention on any resolution, in which case an ASX announcement will be made.

## Step 3 Signature of Securityholder(s) *This section must be completed.*

Individual or Securityholder 1  Securityholder 2  Securityholder 3  / /  
 Sole Director & Sole Company Secretary Director Director/Company Secretary Date

### Update your communication details (Optional)

Mobile Number  Email Address   
 By providing your email address, you consent to receive future Notice of Meeting & Proxy communications electronically





M8 SUSTAINABLE LIMITED  
ABN 12 620 758 358

## Need assistance?



**Phone:**  
1300 850 505 (within Australia)  
+61 3 9415 4000 (outside Australia)



**Online:**  
[www.investorcentre.com/contact](http://www.investorcentre.com/contact)



## YOUR VOTE IS IMPORTANT

For your proxy appointment to be effective it must be received by **11:30am (WST) on Wednesday, 12 February 2025.**

# Proxy Form - 2024 Annual General Meeting

## How to Vote on Items of Business

All your securities will be voted in accordance with your directions.

### APPOINTMENT OF PROXY

**Voting 100% of your holding:** Direct your proxy how to vote by marking one of the boxes opposite each item of business. If you do not mark a box your proxy may vote or abstain as they choose (to the extent permitted by law). If you mark more than one box on an item your vote will be invalid on that item.

**Voting a portion of your holding:** Indicate a portion of your voting rights by inserting the percentage or number of securities you wish to vote in the For, Against or Abstain box or boxes. The sum of the votes cast must not exceed your voting entitlement or 100%.

**Appointing a second proxy:** You are entitled to appoint up to two proxies to attend the meeting and vote on a poll. If you appoint two proxies you must specify the percentage of votes or number of securities for each proxy, otherwise each proxy may exercise half of the votes. When appointing a second proxy write both names and the percentage of votes or number of securities for each in Step 1 overleaf.

**A proxy need not be a securityholder of the Company.**

### SIGNING INSTRUCTIONS FOR POSTAL FORMS

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

**Joint Holding:** Where the holding is in more than one name, all of the securityholders 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 form when you return it.

**Companies:** Where the company has a Sole Director who is also the Sole Company Secretary, this form must be signed by that person. If the company (pursuant to section 204A of the Corporations Act 2001) does not have a Company Secretary, a Sole Director can also sign alone. Otherwise this form must be signed by a Director jointly with either another Director or a Company Secretary. Please sign in the appropriate place to indicate the office held. Delete titles as applicable.

### PARTICIPATING IN THE MEETING

#### Corporate Representative

If a representative of a corporate securityholder or proxy is to participate in the meeting you will need to provide the appropriate "Appointment of Corporate Representative". A form may be obtained from Computershare or online at [www.investorcentre.com/au](http://www.investorcentre.com/au) and select "Printable Forms".

## Lodge your Proxy Form:

**XX**

### Online:

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Your secure access information is



**Control Number: 184666**

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GPO Box 242  
Melbourne VIC 3001  
Australia

### By Fax:

1800 783 447 within Australia or  
+61 3 9473 2555 outside Australia



**PLEASE NOTE:** For security reasons it is important that you keep your SRN/HIN confidential.

You may elect to receive meeting-related documents, or request a particular one, in electronic or physical form and may elect not to receive annual reports. To do so, contact Computershare.

**Change of address.** If incorrect, mark this box and make the correction in the space to the left. Securityholders sponsored by a broker (reference number commences with 'X') should advise your broker of any changes.

# Proxy Form

Please mark  to indicate your directions

## Step 1 Appoint a Proxy to Vote on Your Behalf

XX

I/we being a member/s of M8 Sustainable Limited hereby appoint

the Chairman of the Meeting **OR**

**PLEASE NOTE:** Leave this box blank if you have selected the Chairman of the Meeting. Do not insert your own name(s).

or failing the individual or body corporate named, or if no individual or body corporate is named, the Chairman of the Meeting, as my/our proxy to act generally at the meeting on my/our behalf and to vote in accordance with the following directions (or if no directions have been given, and to the extent permitted by law, as the proxy sees fit) at the 2024 Annual General Meeting of M8 Sustainable Limited to be held at Suite 7, 145 Stirling Highway, Nedlands WA 6009 on Friday, 14 February 2025 at 11:30am (WST) and at any adjournment or postponement of that meeting. **Chairman authorised to exercise undirected proxies on remuneration related resolutions:** Where I/we have appointed the Chairman of the Meeting as my/our proxy (or the Chairman becomes my/our proxy by default), I/we expressly authorise the Chairman to exercise my/our proxy on Resolutions 1 and 2 (except where I/we have indicated a different voting intention in step 2) even though Resolutions 1 and 2 are connected directly or indirectly with the remuneration of a member of key management personnel, which includes the Chairman.

**The Chairman of the Meeting intends to vote undirected proxies in favour of each item of business with the exception of Resolution 2 where the Chairman of the Meeting intends to vote against.**

**Important Note:** If the Chairman of the Meeting is (or becomes) your proxy you can direct the Chairman to vote for or against or abstain from voting on Resolutions 1 and 2 by marking the appropriate box in step 2.

## Step 2 Items of Business

**PLEASE NOTE:** If you mark the **Abstain** box for an item, you are directing your proxy not to vote on your behalf on a show of hands or a poll and your votes will not be counted in computing the required majority.

	For	Against	Abstain
Resolution 1 Adoption of 2024 Remuneration Report	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Resolution 2 Spill Resolution	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Resolution 3 Re-election of Damien Flugge	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Resolution 4 Re-election of Saithsiri Saksitthisereekul	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Resolution 5 Consolidation of Capital	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Resolution 6 Approval of issue of Shares on conversion of Convertible Notes	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Resolution 7 Approval to issue Shares to investors under a Placement	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>

The Chairman of the Meeting intends to vote undirected proxies in favour of each item of business with the exception of Resolution 2 where the Chairman of the Meeting intends to vote against. In exceptional circumstances, the Chairman of the Meeting may change his/her voting intention on any resolution, in which case an ASX announcement will be made.

## Step 3 Signature of Securityholder(s) *This section must be completed.*

Individual or Securityholder 1

Sole Director & Sole Company Secretary

Securityholder 2

Director

Securityholder 3

Director/Company Secretary

/ /

Date

**Update your communication details** (Optional)

Mobile Number

Email Address

By providing your email address, you consent to receive future Notice of Meeting & Proxy communications electronically