

# PELSART RESOURCES N.L.

ACN 009 449 101

## Scheme of Arrangement

### Chairperson's Script – Scheme Meeting

Meeting venue: Swan Room, Parmelia Hilton Perth, 14 Mill Street, Perth, Western Australia and online at [www.investor.automic.com.au](http://www.investor.automic.com.au)

Meeting time: 10.00am (AWST) Friday, 9 August 2024

## 1. INTRODUCTION AND WELCOME

Good morning everyone and welcome to the scheme meeting of the shareholders of Pelsart Resources NL.

My name is William Moncrieff. I am counsel of law firm Blackwall Legal LLP in Perth, legal adviser to Pelsart for the scheme of arrangement being considered today.

The Pelsart board proposed that I act as Chair of today's meeting and I confirm I have been appointed by the Court as the Chair and am charged with reporting the scheme meeting to the Court.

On 18 June 2024, I was transferred one (1) Pelsart share to become a shareholder of Pelsart and allow me to perform my role as Chair of the scheme meeting.

Could shareholders present at the meeting please indicate by show of hands you approve of me continuing as Chair of this meeting.

Today's scheme meeting has been convened pursuant to an order of the Supreme Court of Western Australia made on 19 July 2024 to enable Pelsart shareholders to consider and vote on a resolution to approve a scheme of arrangement under which it is proposed that Sanfield Holdings Limited, which I will now refer to as **Sanfield**, will acquire all of the shares in Pelsart that it does not already hold (which I will now refer to as the **Scheme**).

It is now 10:00am (Perth time) and I have been informed that a quorum is present. Accordingly, I declare the scheme meeting open and on behalf of the board of Pelsart, formally welcome our shareholders and visitors.

This scheme meeting is being held in person and virtually via the Automic platform.

For those shareholders present in person at the meeting, please ensure that you have recorded your attendance with the share registry if you have not already done so.



## 2. BOARD AND OFFICERS PRESENT AT MEETING

I would like to begin by introducing the members of the Pelsart board and senior management, who are present at today's meeting in person and online today. They are:

- Mr James Chan, Director, who is present in person here.
- Mr Richard Tan, Director, who is present in person here.
- Mr Sean Hughes, Director, who is present online at the virtual meeting.
- Dr Enk Ee Tan, Director, who is present online at the virtual meeting.
- Mr Steven Roberts, Company Secretary, who is present in person here.

I would also like to welcome Ms Geraldine Pereira from the Company's secretarial services provider, Greenwich & Co, who is present in person here.

Finally, I would like to welcome Ms Namratha Gunnala from the Company's share registry Automic who will be the returning officer for this meeting.

## 3. NOTICE OF SCHEME MEETING

Prior to this meeting Pelsart sent to shareholders the Scheme Booklet dated 24 June 2024 and the Supplementary Scheme Booklet dated 22 July 2024 for the purposes of scheme of arrangement to be considered at today's meeting.

For the purposes of this meeting I will refer to the Scheme Booklet and the Supplementary Scheme Booklet as the Scheme Booklet.

Notice of this scheme meeting was included as Annexure A to the Supplementary Scheme Booklet, which was dispatched to Pelsart shareholders on 26 July 2024.

The Notice of Scheme Meeting has been given in accordance with the orders made by Her Honour Justice Hill of the Supreme Court of Western Australia on 19 July 2024.

Unless there are any objections, I will take the Notice of Scheme Meeting as read.



## 4. MEETING LOGISTICS

Before commencing the formal business of today's scheme meeting, I would like to outline the logistics of the meeting, including how to ask questions and vote.

As I noted before, this scheme meeting is being held in person and virtually via the Automic platform. For those participating online, attendees can watch a live webcast of the meeting. In addition, shareholders and proxies have the ability to ask questions and submit votes.

If any shareholder experiences any technical issues during the course of the meeting, they should contact Pelsart's share registry, Automic, by telephone on 1300 288 644 (within Australia) and +61 2 9698 5414 (outside Australia). You can also refer to the online meeting guide prepared by Automic for the scheme meeting which is available to download at [investor.automic.com.au](http://investor.automic.com.au).

If we experience any technical issues during today's meeting that result in a significant number of shareholders being unable to reasonably participate, I will adjourn this meeting. If that occurs, we will notify shareholders on the Pelsart website at [pelsart.com.au](http://pelsart.com.au). We would hope that any technical issues can be resolved quickly, and that the reconvened meeting would be held later today. Please check the Pelsart website if this eventuates.

## 5. HOW TO ASK A QUESTION

Any Pelsart shareholder (or their proxies, attorneys or corporate representatives) is eligible to ask questions. Questions must be relevant to the business of today's meeting, being the approval of the scheme.

When we issued the notice of meeting, we also invited shareholders to submit their questions before the scheme meeting. We will address those questions during question time later in today's proceedings.

For shareholders attending the scheme meeting in person, you will be given the opportunity to ask questions at the appropriate time. Please raise your hand to indicate to the moderator if you have a question or comment you wish to make.

For shareholders attending the scheme meeting virtually, questions can be submitted at any time using the online platform. To ask a question, click the Q & A icon and type your question in the text box, then click the send button. These instructions are included in the Automic online meeting guide and are now shown on-screen. Questions received through the online platform will be put to the meeting during question time later in today's proceedings.



For shareholders attending the scheme meeting virtually who wish to ask a verbal question, you can do so by typing in your holder identification number followed by “I’d like to speak” in the “Q&A” function. A popup will then appear on your screen to notify you that “the host would like you to speak” for which you can unmute and ask your question. If you have any technical issues, please resubmit your question in writing.

We will address all questions. However, questions may be moderated or amalgamated to avoid repetition and, if questions are particularly lengthy, we may need to summarise them in the interests of time.

## 6. HOW TO VOTE

As described in the Scheme Booklet and the Notice of Scheme Meeting, voting on the scheme resolution will be conducted by way of a poll.

The Supreme Court of Western Australia has ordered that, for the purposes of determining the eligibility and entitlement to vote at this scheme meeting, Pelsart shares will be taken to be held by the persons who were registered Pelsart shareholders as at 5.00pm (AWST) on 7 August 2024. Eligible Pelsart shareholders and duly appointed proxies, attorneys and corporate representatives of eligible Pelsart shareholders are entitled to vote on the scheme resolution.

Shareholders who are attending the scheme meeting in person may vote by filling out their voting card. The voting cards will be collected after the vote. You must lodge your voting card for your votes to be counted, which I will ask you to do after consideration of the resolution.

For shareholders who are attending the scheme meeting virtually, voting today will be conducted online by Pelsart’s share registry, Automic. To provide you with enough time to vote, I will shortly open voting.

At that time, if you are eligible to vote at this meeting, once voting opens click on “refresh” to be taken to the voting screen. To cast your vote, select your voting direction and click “confirm” to submit your vote. You will receive a vote confirmation notification on your screen. You cannot change your vote after it has been submitted.

Shareholders had the option to appoint a proxy for today’s meetings. If you did not do this and you are participating in the meeting online, you may also vote via the online platform during the meeting by selecting the voting tab on the navigation bar. Instructions on how to vote are included in the Supplementary Scheme Booklet and also now shown on screen.



I now declare voting open. Please submit your votes at any time. I will give you a warning before I move to close voting.

After the scheme meeting closes, your votes will be counted and the results will be published on Pelsart's website as soon as possible.

## 7. PROXIES

In relation to proxies, I advise the meeting that a number of valid proxies have been received by Pelsart and I will provide the proxy details after discussion on today's resolution.

Proxy forms validly lodged prior to the date of the Supplementary Scheme Booklet remained valid for the scheme meeting unless withdrawn or revoked.

In relation to the proxies that I am holding as chair, I advise that if a member has directed me to vote in a certain way, I will vote in accordance with that direction. If I have not been directed to vote in any way, I intend to vote in favour of the resolution.

## 8. OVERVIEW OF THE SCHEME

By way of background, on 15 March 2024, Pelsart and Sanfield entered into a scheme implementation deed under which Sanfield agreed to acquire all of the shares in Pelsart that it does not already hold.

Sanfield is a company registered in Hong Kong and currently holds 92.91% of the shares in Pelsart, with the remaining 7.09% minority interest held by members of the public.

If the scheme proceeds:

- All of your scheme shares, and the rights attaching to those shares, will be acquired by and transferred to Sanfield; and
- Pelsart will become a wholly-owned subsidiary of Sanfield.

I have been informed that no competing proposal has emerged, nor are the independent directors in any discussions that could lead to a competing proposal.

The Scheme Booklet includes, among other things, an overview of the scheme, the key considerations relevant to each shareholder's vote, including reasons to vote in favour of, or against, the scheme, the risks associated with the scheme, a profile of both Pelsart and Sanfield and the tax implications of the scheme.



The Scheme Booklet outlines the proposed scheme and attaches the scheme transaction documents, including the scheme implementation deed, scheme of arrangement, deed poll and the independent expert report prepared by BDO Corporate Finance (WA) Pty Ltd (who I will now refer to as **BDO**).

The Supplementary Scheme Booklet provides shareholders further information in relation to the interests of a Pelsart director which was omitted from the Scheme Booklet and to correct the Scheme Booklet in relation to the omitted information. It discloses the fact that Dr Enk Ee Tan has an indirect interest in Pelsart through his shareholding in Sanfield's parent company, Primecorp Enterprises Limited.

The Supplementary Scheme Booklet attaches the notice convening today's meeting.

I will take these documents as read.

## 9. SCHEME CONSIDERATION

If the scheme becomes effective and is implemented, scheme shareholders will receive a cash payment of A\$0.035 for every one scheme share held.

Payment will be made by cheque and electronic funds transfer by direct deposit into scheme shareholders' nominated bank accounts, as advised to Automic as at the scheme record date. If you have a bank account with an Australian ADI, we encourage you to update banking instructions to receive payment in a timely and efficient manner. If a scheme shareholder has not nominated a bank account, payment will be made by cheque (in Australian dollars) posted to the scheme shareholder's registered address as shown on the Automic share register.

## 10. INDEPENDENT DIRECTORS' RECOMMENDATION

As you are aware, the Pelsart board established the Independent Scheme Committee comprising James Chan and Richard Tan for the purposes of:

- Considering the scheme proposal;
- If the scheme was considered acceptable by the independent directors, Pelsart entering into the scheme implementation deed; and
- If the scheme implementation deed was agreed to, Pelsart implementing the scheme in accordance with the scheme implementation deed and the provisions of Part 5.1 of the Corporations Act.



The independent directors of Pelsart unanimously recommend that shareholders vote in favour of the resolution at today's meeting. This recommendation is made in the absence of a superior proposal and subject to the independent expert continuing to conclude that the scheme is fair and reasonable and therefore in the best interests of Pelsart shareholders.

As noted in the Supplementary Scheme Booklet, the other directors, being Mr Sean Hughes and Dr Enk Ee Tan, have refrained from making a recommendation due to their personal interests as directors of Sanfield.

Richard Tan has disclosed that he intends to vote in favour of the scheme in respect of the Pelsart shares he holds.

Dr Enk Ee Tan does not stand to receive any benefit by reason of his indirect interest in Pelsart, nor can he vote or cause Sanfield to vote in favour of the scheme at today's scheme meeting.

## 11. REASONS TO VOTE FOR OR AGAINST THE SCHEME

The Scheme Booklet sets out the detailed reasons for the independent directors' recommendation. In summary, they include the following:

- The independent expert has concluded that the scheme consideration is fair and reasonable and therefore in the best interests of Pelsart shareholders.
- The Scheme Consideration presents an opportunity for Scheme Participants to realise certain cash value for their Scheme Shares.
- As at the date of this meeting, the independent directors have not received a superior proposal and consider it unlikely that a superior proposal will emerge.

There may also be reasons you wish to vote against the scheme, and these are set out in the Scheme Booklet. In summary, they include the following:

- You may disagree with the Pelsart board and the opinion of the independent expert and consider that the scheme is not in your best interests.
- You may believe that the implementation of the Scheme will preclude the possibility of receiving the benefit of any future, potentially more favourable, proposal for your Scheme Shares.
- You may consider that a superior proposal may be made.
- The tax consequences of the scheme may not be suitable for you.



## 12. INDEPENDENT EXPERT

Pelsart appointed BDO as the independent expert to assess the merits of the scheme and provide an opinion on whether the scheme is in the best interests of Pelsart shareholders.

The independent expert has concluded that the scheme is fair and reasonable and therefore in the best interests of Pelsart shareholders, in the absence of a superior proposal.

The independent expert has determined the preferred value of a Pelsart share on a controlling interest basis is A\$0.022 and the value of the scheme consideration of A\$0.035 is greater than the value of a Pelsart share prior to the scheme.

A copy of the independent expert's report is included as Annexure E to the Scheme Booklet.

The independent expert was provided a copy of the Supplementary Scheme Booklet and did not consider it necessary to revise the independent expert's report in contained in the Scheme Booklet.

## 13. STATUS OF SCHEME CONDITIONS

As stated in the Scheme Booklet, implementation of the scheme is subject to a number of conditions. The conditions that remain outstanding are:

- Shareholder approval of the scheme at today's scheme meeting.
- Final approval by the Supreme Court of Western Australia at the second court hearing which is scheduled for 14 August 2024, at 2.15pm (AWST).

The Pelsart board is not aware of any circumstances to date that would prevent any of the outstanding conditions from being satisfied.

## 14. INDICATIVE TIMETABLE

If the scheme resolution is approved at today's scheme meeting:

- The second court hearing will be held on 14 August 2024. If the court approves the scheme, a copy of the orders will be lodged with the Australian Securities and Investments Commission and the scheme will become effective.





- The scheme record date is expected to be 5:00pm (AWST) on 22 August 2024. All shareholders of Pelsart (other than Sanfield) that are recorded on the Automatic share register on the scheme record date will transfer all of their Pelsart shares to Sanfield in exchange for A\$0.035 in cash for each ordinary fully paid share they hold.
- On the implementation date (currently expected to be 29 August 2024), the scheme will be implemented and the scheme consideration will be paid.

If the resolution is not approved by Pelsart shareholders at today's meeting or the court does not approve the scheme, or if any other condition precedent is not satisfied (or waived, if applicable), the scheme will not proceed and shareholders will not be able to realise the value of their Pelsart shares.

## 15. SCHEME RESOLUTION

We will now proceed to the formal business of today's meeting. The sole item of business today is the scheme resolution.

The scheme resolution, as set out in the Notice of Scheme Meeting, is as follows:

“That pursuant to and in accordance with section 411 of the Corporations Act, the scheme of arrangement proposed between Pelsart and scheme participants, as contained in and more particularly described in the Scheme Booklet accompanying this notice of scheme meeting, is agreed to.

Your Directors are authorised:

- to agree to such alterations or conditions as are directed by the Court; and
- subject to approval of the Scheme by the Court, to implement the Scheme with any such alterations or conditions.”

The scheme resolution must be approved by both:

- A majority in number (that is, more than 50%) of Pelsart shareholders present and voting at the scheme meeting (whether in person or by proxy, attorney or, in the case of a body corporate, corporate representative).
- At least 75% of the votes cast on the scheme resolution (again whether in person or by proxy, attorney or, in the case of a body corporate, corporate representative).

I note that Sanfield is not a scheme participant and is not entitled to vote on the scheme resolution.



I also note and declare that I will not vote the one Pelsart share that I hold personally.

## 16. PROXY RESULTS

We will now turn to voting on the scheme resolution, beginning with the proxy position. Details of the proxies received for today's meeting are now displayed on screen.

Proxies have been received from 148 shareholders in respect of 20,372,037 shares or 1.11% of the 1,833,552,401 total shares, and 15.67% of the 129,987,711 scheme shares.

Proxy votes were:

- 18,248,271 shares voted **for** the resolution, representing 89.75% of proxy votes, from 128 shareholders;
- 108,999 shares voted **against** the resolution, representing 0.53% of proxy votes, from 8 shareholders;
- 1,975,567 shares **discretionary**, representing 0.53% of proxy votes; from 11 shareholders; and
- 40,000 shares abstained from voting, from 1 shareholder.

I note that with respect to the discretionary votes, any open proxy appointments in favour of the chair of the meeting will be voted by me as proxy "for" the scheme resolution.

## 17. QUESTIONS

I now give shareholders an opportunity to raise any questions and comments before we proceed to vote on the scheme resolution.

We will begin with questions received prior to the meeting, then from the floor and then finally questions submitted online.

[Break for questions – first request the Company Secretary to read out any question received online from shareholders attending the virtual meeting.]

Thank you for your questions.



As there are no further questions we will now proceed to voting on the scheme resolution.

## 18. VOTING

I have previously declared that voting is now open

I now ask Pelsart shareholders and duly appointed proxies, attorneys and corporate representatives to cast their vote on the scheme resolution if they have not already done so, as voting will be closing shortly.

If you are present in person at the meeting today and have a voting card, the returning officer will collect it from you shortly.

If you are attending the virtual meeting and you are eligible to vote at this meeting, click on “refresh” to be taken to the voting screen. To cast your vote, select your voting direction and click “confirm” to submit your vote. You will receive a vote confirmation notification on your screen.

I will give Pelsart shareholders a few minutes to vote on the scheme resolution, before formally closing the poll.

[Break for voting.]

I now declare the poll on the scheme resolution closed.

We will announce the results of the poll on Pelsart’s website.

## 19. MEETING CLOSE

That concludes the formal proceedings and official business of today’s scheme meeting.

Thank you for your attendance and participation at the meeting.

I now declare the meeting closed.