Terms of Performance Rights

DY6 Metals Ltd (ASX: DY6, “DY6” or the “Company”), advises that it has issued a total of 1,175,000 Performance Rights to employees of the Company (being 800,000 Performance Rights to Senior Exploration Geologist Troth Saindi, and 375,000 Performance Rights to chief financial officer Michelle Sung) pursuant to the Company’s Employee Incentive Plan.

An Appendix 3G has been lodged with ASX in conjunction with this announcement.

Terms of the Performance Rights are attached.

Authorised for release by the Company Secretary.

More information

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DY6 METALS LTD

Terms and Conditions of Performance Rights – Troth Saindi

The key terms and conditions of the Employee Incentive Performance Rights are summarised below:

(a) **General**

(i) (**Share Capital**) Each Performance Right is a right to acquire a share in the capital of the Company.

(ii) (**General meetings**) Each Performance Right confers on the holder (**Holder**) the right to receive notices of general meetings and financial reports and accounts of the Company that are circulated to the Company's shareholders. A Holder has the right to attend general meetings of the Company.

(iii) (**No voting rights**) A Performance Right does not entitle the Holder to vote on any resolutions proposed at a general meeting of the Company, subject to any voting rights provided under the *Corporations Act 2001* (Cth) (**Corporations Act**) or the ASX Listing Rules (**Listing Rules**) where such rights cannot be excluded by these terms.

(iv) (**No dividend rights**) A Performance Right does not entitle the Holder to any dividends.

(v) (**No rights to return of capital**) A Performance Right does not entitle the Holder to a return of capital, whether in a winding up, upon a reduction of capital or otherwise.

(vi) (**No rights on winding up**) A Performance Right does not confer a right to participate in the surplus profits or assets of the Company upon a winding up of the Company.

(vii) (**Transfer of Performance Rights**) A Performance Right is not transferable.

(viii) (**Reorganisation of Capital**) In the event that the issued capital of the Company is reconstructed, all rights of a Holder will be changed to the extent necessary to comply with the Listing Rules at the time of reorganisation provided that, subject to compliance with the Listing Rules, following such reorganisation the economic and other rights of the Holder are not diminished.

(ix) (**Quotation**) The Performance Rights will not be quoted on ASX.

(x) (**No participation in entitlements and bonus issues**) Subject always to the rights under (a)(v)(iii) (**Reorganisation of Capital**), Holders will not be entitled to participate in new issues of capital offered to holders of fully paid ordinary shares in the Company (**Shareholders**) such as bonus issues and entitlement issues.

(xi) (**Amendments required by ASX**) The terms of the Performance Rights may be amended as considered necessary by the board of directors of the Company in order to comply with the Listing Rules or any directions of ASX regarding the terms provided that, subject to compliance with the Listing Rules, following such amendment, the economic and other rights of the Holder are not diminished or terminated.

(xii) (**No other rights**) A Performance Right does not give a Holder any rights other than those expressly provided by these terms and those provided at law where such rights at law cannot be excluded by these terms.

(b) **Definitions**

In this Section, these capitalised terms have the following meanings:

Related Body Corporate has the meaning given to that term in the Corporations Act.

(c) **Milestones**

The Performance Rights will convert into Shares in four (4) tranches upon the satisfaction of each of the milestones set out below (**Milestone**), before the Expiry Date and otherwise in accordance with their terms.

(i) **Milestone 1**

175,000 Performance Rights will convert into Shares upon the Company achieving a market capitalisation (on an undiluted basis) of no less than $25,000,000 for 10 consecutive Trading Days.

(ii) **Milestone 2**

175,000 Performance Rights will convert into Shares upon the Company achieving a market capitalisation (on an undiluted basis) of no less than $35,000,000 for 10 consecutive Trading Days.

(iii) **Milestone 3**

175,000 Performance Rights will convert into Shares upon the Company achieving a market capitalisation (on an undiluted basis) of no less than $50,000,000 for 10 consecutive Trading Days; and

(iv) **Milestone 4**

275,000 Performance Rights will convert into Shares upon the Company successfully delineating a JORC or NI43-101 compliant Mineral Resource on the Tenements of a minimum of 50Mt having a minimum grade of at least 1% HMS within 36 months.

(d) **Change in control**

Performance Rights will automatically convert into Shares upon the happening of either of the following events:

(i) **Takeover bid**: the occurrence of the offeror under a takeover offer in respect of all Shares announcing that it has achieved acceptances in respect of more than 50.1% of Shares and that takeover bid has become unconditional; or

(ii) **Scheme of arrangement**: the announcement by the Company that Shareholders have at a Court-convened meeting of Shareholders voted in favour, by the necessary majority, of a proposed scheme of arrangement (excluding a merger by way of scheme of arrangement for the purposes of a corporate restructure including change of domicile, or any reconstruction, consolidation, sub-division, reduction or return of the issued capital of the Company) under which all Company securities are to be either cancelled or transferred to a third party, and the Court, by order, approves the proposed scheme of arrangement,

provided that the offeror under the takeover bid, or the third party under the scheme of arrangement (as applicable), or the acquirer under such disposal, does not control the Company at the time of issue of the Performance Rights.

(e) **Expiry Date**

(i) The Expiry Date for each of the Performance Rights is 5.00pm (Western Australian Standard Time) on the date, which is 3 years after the date of their issue (**Expiry Date**).

(ii) To the extent that any Performance Rights have not converted into Shares by the applicable Expiry Date, such Performance Rights for each Holder will automatically lapse and be deemed to have been cancelled without payment or other compensation to the Holder.

(f) **Conversion of Performance Rights**

(i) Any conversion of Performance Rights into Shares is on a one for one basis (subject to (a)(v)(iii), if applicable).

(ii) The Company must issue the relevant number of Shares to the Holder immediately upon conversion of any Performance Rights.

(iii) A Performance Right, which converts immediately, ceases to exist.

(g) **Takeover provisions**

(i) If the conversion of Performance Rights (or part thereof) under (c) would result in any person being in contravention of section 606(1) of the Corporations Act, then the conversion of each Performance Right that would cause the contravention shall be deferred until such time or times thereafter that the conversion would not result in a contravention of section 606(1) of the Corporations Act.

(ii) Where (g)(i) applies, if requested to do so by the affected Holder, the Company must seek to obtain the approval of its shareholders under section 611, item 7 of the Corporations Act for the conversion of the affected Performance Rights at the Company's next annual general meeting.

(iii) A Holder must promptly notify the Company in writing if they consider that the conversion of Performance Rights (or part thereof) under (c) may result in the contravention of section 606(1) of the Corporations Act, failing which the Company is entitled to assume that such conversion will not result in any person being in contravention of section 606(1) of the Corporations Act (unless it is on notice to the contrary through a substantial holder notice which has been lodged in relation to the Company).

(iv) The Company may (but is not obliged to) by written notice request that a Holder confirm to the Company in writing within 7 days if they consider that the conversion of Performance Rights under (c) may result in the contravention of section 606(1) of the Corporations Act. If the Holder does not confirm to the Company within 7 days that they consider such conversion may result in the contravention of section 606(1) of the Corporations Act, then the Company is entitled to assume that such conversion will not result in any person being in contravention of section 606(1) of the Corporations Act (unless it is on notice to the contrary through a substantial holder notice which has been lodged in relation to the Company).

(h) **Quotations**

If the Company is listed on the ASX at the time, upon conversion of the Performance Rights into Shares in accordance with these terms, the Company must within 7 days after the conversion, apply for and use its best endeavours to obtain the official quotation on ASX of the Shares arising from the conversion.

(i) **Conversion procedure**

(i) The Company will procure that the Holder is issued with a new holding statement for the Shares as soon as practicable following the conversion of the Performance Rights into Shares.

(ii) The Company must use its best endeavours to release to ASX a notice under sections 708A(5) and (6) of the Corporations Act in relation to the Shares within 5 Business Days of conversion of the Performance Rights into Shares.

(j) **Ranking of Shares**

Subject to any applicable laws and the Listing Rules, the Shares into which the Performance Rights will convert will be freely tradable and will rank pari passu in all respects with the Shares on issue at the date of conversion.

Terms and Conditions of Performance Rights – Michelle Sung

The key terms and conditions of the Incentive Performance Rights are summarised below:

(a) **General**

(i) (**Share Capital**) Each Performance Right is a right to acquire a share in the capital of the Company.

(ii) (**General meetings**) Each Performance Right confers on the holder (**Holder**) the right to receive notices of general meetings and financial reports and accounts of the Company that are circulated to the Company's shareholders. A Holder has the right to attend general meetings of the Company.

(iii) (**No voting rights**) A Performance Right does not entitle the Holder to vote on any resolutions proposed at a general meeting of the Company, subject to any voting rights provided under the *Corporations Act 2001* (Cth) (**Corporations Act**) or the ASX Listing Rules (**Listing Rules**) where such rights cannot be excluded by these terms.

(iv) (**No dividend rights**) A Performance Right does not entitle the Holder to any dividends.

(v) (**No rights to return of capital**) A Performance Right does not entitle the Holder to a return of capital, whether in a winding up, upon a reduction of capital or otherwise.

(vi) (**No rights on winding up**) A Performance Right does not confer a right to participate in the surplus profits or assets of the Company upon a winding up of the Company.

(vii) (**Transfer of Performance Rights**) A Performance Right is not transferable.

(viii) (**Reorganisation of Capital**) In the event that the issued capital of the Company is reconstructed, all rights of a Holder will be changed to the extent necessary to comply with the Listing Rules at the time of reorganisation provided that, subject to compliance with the Listing Rules, following such reorganisation the economic and other rights of the Holder are not diminished.

(ix) (**Quotation**) The Performance Rights will not be quoted on ASX.

(x) (**No participation in entitlements and bonus issues**) Subject always to the rights under (a)(v)(iii) (**Reorganisation of Capital**), Holders will not be entitled to participate in new issues of capital offered to holders of fully paid ordinary shares in the Company (**Shareholders**) such as bonus issues and entitlement issues.

(xi) (**Amendments required by ASX**) The terms of the Performance Rights may be amended as considered necessary by the board of directors of the Company in order to comply with the Listing Rules or any directions of ASX regarding the terms provided that, subject to compliance with the Listing Rules, following such amendment, the economic and other rights of the Holder are not diminished or terminated.

(xii) (**No other rights**) A Performance Right does not give a Holder any rights other than those expressly provided by these terms and those provided at law where such rights at law cannot be excluded by these terms.

(b) **Definitions**

In this Section, these capitalised terms have the following meanings:

Related Body Corporate has the meaning given to that term in the Corporations Act.

(c) **Milestones**

The Performance Rights will convert into Shares in three (3) tranches upon the satisfaction of each of the milestones set out below (**Milestone**), before the Expiry Date and otherwise in accordance with their terms.

(i) **Milestone 1**

125,000 Performance Rights will convert into Shares upon the Company achieving a market capitalisation (on an undiluted basis) of no less than $25,000,000 for 10 consecutive Trading Days.

(ii) **Milestone 2**

125,000 Performance Rights will convert into Shares upon the Company achieving a market capitalisation (on an undiluted basis) of no less than $35,000,000 for 10 consecutive Trading Days.

(iii) **Milestone 3**

125,000 Performance Rights will convert into Shares upon the Company achieving a market capitalisation (on an undiluted basis) of no less than $50,000,000 for 10 consecutive Trading Days; and

(d) **Change in control**

Performance Rights will automatically convert into Shares upon the happening of either of the following events:

(i) **Takeover bid**: the occurrence of the offeror under a takeover offer in respect of all Shares announcing that it has achieved acceptances in respect of more than 50.1% of Shares and that takeover bid has become unconditional; or

(ii) **Scheme of arrangement**: the announcement by the Company that Shareholders have at a Court-convened meeting of Shareholders voted in favour, by the necessary majority, of a proposed scheme of arrangement (excluding a merger by way of scheme of arrangement for the purposes of a corporate restructure including change of domicile, or any reconstruction, consolidation, sub-division, reduction or return of the issued capital of the Company) under which all Company securities are to be either cancelled or transferred to a third party, and the Court, by order, approves the proposed scheme of arrangement,

provided that the offeror under the takeover bid, or the third party under the scheme of arrangement (as applicable), or the acquirer under such disposal, does not control the Company at the time of issue of the Performance Rights.

(e) **Expiry Date**

(i) The Expiry Date for each of the Performance Rights is 5.00pm (Western Australian Standard Time) on the date, which is 3 years after the date of their issue (**Expiry Date**).

(ii) To the extent that any Performance Rights have not converted into Shares by the applicable Expiry Date, such Performance Rights for each Holder will automatically lapse and be deemed to have been cancelled without payment or other compensation to the Holder.

(f) **Conversion of Performance Rights**

(i) Any conversion of Performance Rights into Shares is on a one for one basis (subject to (a)(v)(iii), if applicable).

(ii) The Company must issue the relevant number of Shares to the Holder immediately upon conversion of any Performance Rights.

(iii) A Performance Right, which converts immediately, ceases to exist.

(g) **Takeover provisions**

(i) If the conversion of Performance Rights (or part thereof) under (c) would result in any person being in contravention of section 606(1) of the Corporations Act, then the conversion of each Performance Right that would cause the contravention shall be deferred until such time or times thereafter that the conversion would not result in a contravention of section 606(1) of the Corporations Act.

(ii) Where (g)(i) applies, if requested to do so by the affected Holder, the Company must seek to obtain the approval of its shareholders under section 611, item 7 of the Corporations Act for the conversion of the affected Performance Rights at the Company's next annual general meeting.

(iii) A Holder must promptly notify the Company in writing if they consider that the conversion of Performance Rights (or part thereof) under (c) may result in the contravention of section 606(1) of the Corporations Act, failing which the Company is entitled to assume that such conversion will not result in any person being in contravention of section 606(1) of the Corporations Act (unless it is on notice to the contrary through a substantial holder notice which has been lodged in relation to the Company).

(iv) The Company may (but is not obliged to) by written notice request that a Holder confirm to the Company in writing within 7 days if they consider that the conversion of Performance Rights under (c) may result in the contravention of section 606(1) of the Corporations Act. If the Holder does not confirm to the Company within 7 days that they consider such conversion may result in the contravention of section 606(1) of the Corporations Act, then the Company is entitled to assume that such conversion will not result in any person being in contravention of section 606(1) of the Corporations Act (unless it is on notice to the contrary through a substantial holder notice which has been lodged in relation to the Company).

(h) **Quotations**

If the Company is listed on the ASX at the time, upon conversion of the Performance Rights into Shares in accordance with these terms, the Company must within 7 days after the conversion, apply for and use its best endeavours to obtain the official quotation on ASX of the Shares arising from the conversion.

(i) **Conversion procedure**

(i) The Company will procure that the Holder is issued with a new holding statement for the Shares as soon as practicable following the conversion of the Performance Rights into Shares.

(ii) The Company must use its best endeavours to release to ASX a notice under sections 708A(5) and (6) of the Corporations Act in relation to the Shares within 5 Business Days of conversion of the Performance Rights into Shares.

(j) **Ranking of Shares**

Subject to any applicable laws and the Listing Rules, the Shares into which the Performance Rights will convert will be freely tradable and will rank pari passu in all respects with the Shares on issue at the date of conversion.