

BINDING TERMS SHEET

STRICTLY PRIVATE AND CONFIDENTIAL

Foxfire Metals Pty Ltd (ACN 609 688 824) (**Foxfire**) proposes to spin-out its wholly owned subsidiaries Foxfire Lithium Limited (ACN 665 921 184) (**Foxfire Lithium**), Axel REE Limited (ACN 665 921 273) (**Axel**) and Elemental Mining Limited (ACN 665 921 139) (**Elemental**) (together, the **Foxfire Subsidiaries**) and as part of the proposed transaction to dispose of three projects to Foxfire Lithium (**Foxfire Lithium Demerger**), Axel (**Axel Demerger**) and Elemental (**Elemental Demerger**) (together, the **Demergers**).

It is then proposed that each of the Foxfire Subsidiaries will apply for admission the official list of the Australian Securities Exchange (**ASX**).

Foxfire wishes to issue convertible notes in Foxfire to raise an aggregate of \$1,800,000 to fund the transaction costs incurred by Foxfire in relation to the Demergers and proposed ASX listings and for general working capital.

This terms sheet (**Terms Sheet**) sets out the terms and conditions upon which the investor set out at Schedule 1 (**Subscriber**) agrees to subscribe for convertible notes in Foxfire.

This Terms Sheet is legally binding and supersedes any and all previous correspondence, agreements or understandings between the parties in respect of the convertible notes the subject of this Terms Sheet. Foxfire and the Subscriber are collectively referred to as the **Parties** in this Terms Sheet.

1.	Principal	(a) The Subscriber agrees to subscribe for the number of convertible notes set out in Schedule 1 (Convertible Notes) with a face value of \$0.90 each (Face Value) equating to a total face value of the amount set out in Schedule 1 (Principal Amount) convertible into fully paid ordinary shares on the terms and conditions set out in this Terms Sheet. (b) The Convertible Notes will be unsecured. (c) The Convertible Notes will not be quoted on the ASX or any other financial market.
2.	Subscription Date	On the date which is two business days following the date the last of the Parties executes this Terms Sheet (Subscription Date): (a) the Subscriber must pay the Principal Amount to Foxfire by way of bank cheque or other immediately available funds as directed by Foxfire; and (b) subject to satisfaction of clause 2(a), Foxfire must issue to the Subscriber the Convertible Notes and register the Subscriber as the holder of the Convertible Notes.
3.	Maturity Date	The Convertible Notes must be converted on or before the 31 March 2024 (Maturity Date).
4.	Conversion	(a) Foxfire and the Subscriber agree that, subject to compliance with clause 6: (i) Foxfire Lithium : upon both the settlement of the Foxfire Lithium Demerger and Foxfire Lithium receiving conditional approval to list on the ASX (Foxfire Lithium Listing) occurring before the Maturity Date, one third (1/3) of the Convertible Notes will automatically convert into fully paid ordinary shares in Foxfire Lithium (Foxfire Lithium

		<p>Shares) at a conversion price of \$0.06 per Foxfire Lithium Share (Foxfire Lithium Conversion); or</p> <p>(ii) Axel: upon both the settlement of the Axel Demerger and Axel receiving conditional approval to list on the ASX (Axel Listing) occurring before the Maturity Date, one third (1/3) of the Convertible Notes will automatically convert into fully paid ordinary shares in Axel (Axel Shares) at a conversion price of \$0.06 per Axel Share (Axel Conversion); or</p> <p>(iii) Elemental: upon both the settlement of the Elemental Demerger and Elemental receiving conditional approval to list on the ASX (Elemental Listing) occurring before the Maturity Date, one third (1/3) of the Convertible Notes will automatically convert into fully paid ordinary shares in Elemental Mining Limited (Elemental Shares) at a conversion price of \$0.06 per Elemental Share (Elemental Conversion); or</p> <p>(iv) Foxfire: if any conversion has not occurred in accordance with clauses 4(a)(i), 4(a)(ii) or 4(a)(iii) by the Maturity Date, the remaining Convertible Notes will convert into fully paid ordinary shares in Foxfire (Foxfire Shares) at a conversion price of \$0.18 per Foxfire Share on the Maturity Date (Foxfire Conversion).</p> <p>Together, the Foxfire Lithium Shares, Axel Shares, Elemental Shares and Foxfire Shares are referred to as the Shares) and together, the Foxfire Lithium Conversion, Axel Conversion, Elemental Conversion and Foxfire Conversion are referred to as the Conversion.</p> <p>(b) The Subscriber agrees to subscribe for the Shares (as applicable) to be issued on conversion of the Convertible Notes subject to the constitutions of Foxfire, Foxfire Lithium, Axel or Elemental (as applicable) (the Issuer or Issuers, as applicable) and to becoming a member of each relevant Issuer.</p> <p>(c) Shares (as applicable) issued on conversion of the Convertible Notes will be fully paid, unencumbered and will rank pari passu in all respects with the fully paid ordinary shares in the capital of the relevant Issuer then on issue.</p> <p>Fractional entitlements to Shares (as applicable) issued on conversion of the Convertible Notes will be rounded up to the nearest whole number.</p>
5.	Interest	<p>(a) Interest is payable on the Principal Amount at a rate of 6% (Interest).</p> <p>(b) The Interest will be paid by Foxfire to the Subscriber in cash to the bank account set out in Schedule 1 within fifteen business days of the Maturity Date.</p>
6.	Compliance with laws	The Convertible Notes may not be converted in accordance with this Terms Sheet if such conversion would cause the relevant Issuer or the Subscriber to breach the <i>Corporations Act</i>

		2001 (Cth) (Corporations Act), the ASX Listing Rules or any other applicable laws or regulations.
7.	Escrow	<p>(a) The Subscriber:</p> <p>(i) acknowledges that any Shares issued pursuant to the Conversion may be subject to escrow restrictions in accordance with the ASX Listing Rules; and</p> <p>(ii) agrees to promptly do all things required by the relevant Issuer to give effect to any escrow restrictions to which the Shares may be subject in accordance with the ASX Listing Rules, including executing and delivering to the relevant Issuer a restriction agreement in a form required by the Issuer prior to issue of the Shares.</p> <p>(b) In the event that the Subscriber fails to promptly do all things required by the Issuer to give effect to any escrow restrictions in accordance with this clause 7 (and otherwise within three business days of request by the Issuer), the Issuer may transfer the Convertible Notes to a third party investor for their Face Value (Default Transfer) and the Subscriber irrevocably appoints the relevant Issuer as its lawful attorney to act for it in its name or otherwise as the relevant Issuer deems fit for the purposes of doing all such acts and executing all such documents as may be reasonably necessary or desirable to complete the Default Transfer. The Subscriber is bound by all acts of the relevant issuer as attorney pursuant to this clause 7.</p>
8.	Participation Rights	There will be no participation rights or entitlements inherent in the Convertible Notes (including rights to dividends or other payments) and the Subscriber will not be entitled to participate in new issues of capital (including rights issues, returns of capital, bonus issues or otherwise) offered to any the Issuers' shareholders, unless and until the Convertible Notes are converted.
9.	Voting Rights	The Subscriber will be able to attend the general meetings of the Issuers but is not entitled to vote at any Issuers' general meetings prior to conversion of the Convertible Notes into Shares (as applicable).
10.	Mutual Representations and Warranties	Each Party represents and warrants that:

		<ul style="list-style-type: none"> (a) (if it is a corporation) it is a corporation incorporated (or taken to be incorporated) or registered and validly existing under laws of the jurisdiction in which it is domiciled; (b) (if it is a corporation) it has the corporate power to own its assets and to carry on its business as it is now being conducted; (c) it has full power and authority to enter into and perform its obligations under this Terms Sheet; (d) it has taken all necessary action to authorise the execution, delivery and performance of this Terms Sheet in accordance with its terms; and (e) this Terms Sheet constitutes legal, valid and binding obligations and, subject to any necessary stamping and registration, is enforceable in accordance with its terms (subject to laws generally affecting creditors rights and to principles of equity).
11.	Subscriber Representations and Warranties	<p>The Subscriber represents and warrants that:</p> <ul style="list-style-type: none"> (a) it comes within the definition of a sophisticated investor or a professional investor for the purposes of section 708(8) or 708(11) of the Corporations Act (respectively) or is otherwise a person to whom the Convertible Notes and the Shares or the Shares the subject of the Conversion (as applicable) may be issued without disclosure under Chapter 6D of the Corporations Act; (b) it is a person to whom it is lawful to offer or issue the Convertible Notes and Shares (as applicable) without a prospectus or disclosure document; (c) the issue of the Convertible Notes and the Shares (as applicable) does not require registration, lodgement, qualification, disclosure or any other action or formality by the Issuers in the jurisdiction in which the Subscriber is located or in which the offer of the Convertible Notes and the Shares (as applicable) are received; (d) it agrees to subscribe for the Shares and agrees to be bound by the constitutions of the Issuers on and from the date of issue of the Shares; (e) it has made and relied entirely upon its own assessment of the Issuers and the Shares and has conducted its own independent investigation with respect to the Shares including, without limitation, the merits, the risks and any particular tax consequences of subscribing for or purchasing, owning or disposing of the Shares (as applicable) in light of its particular situation as well as any consequences arising under the laws of any other taxing jurisdiction; (f) it understands that an investment in the Issuers involves a degree of risk and the Convertible Notes are a speculative investment; and (g) except for any liability which cannot by law be excluded, none of the Issuers, or any directors, officers, employees or advisers of the Issuers, accept any

		liability or responsibility in relation to the Convertible Notes.
12.	Conversion to satisfy Convertible Notes	<p>(a) The issue of Shares under this Terms Sheet will be deemed to have satisfied all obligations owed to the Subscriber in respect of the Convertible Notes.</p> <p>(b) Upon the Convertible Notes being converted in accordance with clause 4, all of the Issuers' obligations under this Terms Sheet will come to an end other than in respect of any unpaid Interest outstanding at the time of conversion (as applicable).</p>
13.	Event of Default	<p>It is an event of default if, whether or not it is within the control of the Issuers:</p> <p>(a) failure to perform: an Issuer (as applicable) fails to perform or observe any material undertaking, obligation or agreement expressed or implied in this Terms Sheet and the Issuer does not remedy that failure within 10 business days, or such longer period as is determined by the Subscriber, after receipt by the Issuer of a notice from the Subscriber specifying the failure;</p> <p>(b) misrepresentation: any warranty, representation or statement by an Issuer is or becomes false, misleading or incorrect in a material respect when made or regarded as made by the Issuer under this Terms Sheet;</p> <p>(c) receiver: a receiver, receiver and manager, official manager, trustee, administrator or similar official is appointed, or steps taken for such appointment, over any of the assets or undertaking of Foxfire;</p> <p>(d) insolvency: Foxfire is or becomes unable to pay its debts when they are due or is or becomes unable to pay its debts within the meaning of the Corporations Act or is presumed to be insolvent under the laws of its place of its incorporation;</p> <p>(e) arrangements: Foxfire enters into or resolves to enter into any arrangement, composition or compromise with, or assignment for the benefit of, its creditors or any class of them otherwise than while solvent and with the prior written consent of the Subscriber;</p> <p>(f) administrator: an administrator is appointed or a resolution is passed or any steps are taken to appoint, or to pass a resolution to appoint, an administrator to Foxfire;</p> <p>(g) winding up: an application or order is made for the winding-up or dissolution of Foxfire, which application is not dismissed or withdrawn within 21 days or a resolution is passed or any steps are taken to pass a resolution for the winding-up or dissolution of Foxfire otherwise than for the purpose of an amalgamation or reconstruction which has the prior written consent of the Subscriber,</p> <p>(each an Event of Default).</p>

		If an Event of Default occurs and is subsisting, the Convertible Notes shall become immediately redeemable for their Face Value (and accrued Interest).
14.	Assignment	The Subscriber may not assign its rights under this Terms Sheet without the prior consent of the other Parties.
15.	Further Assurance	Each Party shall sign, execute and do all deeds, acts, documents and things as may reasonably be required by the other Party to effectively carry out and give effect to the terms and intentions of this Terms Sheet.
16.	Formal Agreement	Notwithstanding the fact that this Terms Sheet is legally binding on the Parties, if requested by Foxfire, the Parties agree to negotiate in good faith to execute a formal agreement reflecting the terms of this Terms Sheet (Formal Agreement).
17.	Notice	<p>Each notice authorised or required to be given to a Party shall be in writing and may be delivered personally or sent by properly addressed prepaid mail or by email in each case addressed to the Party at its address set out below:</p> <p>In the case of Foxfire: Address: Suite 3/16 Cotham Road, Kew VIC 3101 Email: patv@foxfirecapital.com Attention: Pat Volpe</p> <p>In the case of Foxfire Lithium: Address: Suite 3/16 Cotham Road, Kew VIC 3101 Email: patv@foxfirecapital.com Attention: Pat Volpe</p> <p>In the case of Axel: Address: Suite 3/16 Cotham Road, Kew VIC 3101 Email: patv@foxfirecapital.com Attention: Pat Volpe</p> <p>In the case of Elemental: Address: Suite 3/16 Cotham Road, Email: patv@foxfirecapital.com Attention: Pat Volpe</p> <p>In the case of the Subscriber: as set out in Schedule 1.</p>
18.	Severance	If any provision of this Terms Sheet is invalid and not enforceable in accordance with its terms, all other provisions which are self-sustaining and capable of separate enforcement without regard to the invalid provision, shall be and continue to be valid and forceful in accordance with their terms.

19.	Variation	No modification or alteration of the terms of this Terms Sheet shall be binding unless made in writing dated subsequent to the date of this Terms Sheet and duly executed by the Parties.
20.	Counterparts	This Terms Sheet may be executed in any number of counterparts, each of which when executed and delivered to the other Party shall constitute an original, but all counterparts together shall constitute one and the same agreement.
21.	Costs	Each Party shall bear their own legal costs of and incidental to the preparation, negotiation and execution of this Terms Sheet and any Formal Agreement. The Subscriber will pay any stamp duty assessed on or in respect of this Terms Sheet.
22.	Confidentiality	This Terms Sheet and all other information disclosed by the Parties to each other (Confidential Information) is confidential and each Party shall ensure that the Confidential Information remains confidential, except that the Parties may make disclosure to their relevant advisors or as otherwise required by the law or the ASX Listing Rules or the rules of a securities exchange.
23.	Governing Law	This Terms Sheet shall be governed by and construed in accordance with the law from time to time in Victoria. The Parties agree to submit to the non-exclusive jurisdiction of the Courts of Victoria and the Courts which hear appeals from those Courts.

EXECUTED by)
FOXFIRE METALS PTY LTD)
ACN 609 688 824)
in accordance with section 127 of the)
Corporations Act 2001 (Cth):)

Signature of director

Signature of director/company
secretary*

Name of director

Name of director/company secretary*

*please delete as applicable

EXECUTED by)
FOXFIRE LITHIUM LIMITED)
ACN 622 921 184)
in accordance with section 127 of the)
Corporations Act 2001 (Cth):)

Signature of director

Signature of director/company
secretary*

Name of director

Name of director/company secretary*

*please delete as applicable

EXECUTED by)
AXEL REE LIMITED)
ACN 622 921 273)
in accordance with section 127 of the)
Corporations Act 2001 (Cth):)

Signature of director

Signature of director/company
secretary*

Name of director

Name of director/company secretary*

*please delete as applicable

EXECUTED by)
ELEMENTAL MINING LIMITED)
ACN 622 921 139)
in accordance with section 127 of the)
Corporations Act 2001 (Cth):)

Signature of director

Signature of director/company secretary*

Name of director

Name of director/company secretary*

*please delete as applicable

EXECUTEDBY)
ACN)
in accordance with section 127 of the)
Corporations Act 2001 (Cth):)

Signature of director

Signature of director/company secretary*

Name of director

Name of director/company secretary*

*please delete as applicable

If the Investor is an individual

SIGNED BY)
)
] in the presence of:)

Signature of witness

Signature

Name of witness

If the Investor is a Corporate Trustee

EXECUTED BY)
)
ATF)
ACN)

in accordance with section 127 of the
Corporations Act 2001 (Cth):

Signature of director

Signature of director/company secretary*

Name of director

Name of director/company secretary*

*please delete as applicable

If the Investor is an individual trustee of a Trust (fill in 1 execution block for an individual trustee or 2 execution blocks for joint trustees):

SIGNED BY)
)
_____))
(Insert trustee name)

(Insert trustee signature)

As Trustee for:

(Insert name of trust)

in the presence of:

Signature of witness

Name of witness

SIGNED BY)
)
_____))
(Insert trustee name)

(Insert trustee signature)

As Trustee for:

(Insert name of trust)

in the presence of:

Signature of witness

Name of witness

SCHEDULE 1 – INVESTOR AND SUBSCRIPTION DETAILS

Company (Issuer):	Foxfire Metals Pty Ltd (ACN 609 688 824)
Subscriber:	Name: Address: Email: Attention:
Number of Convertible Notes subscribed for:	
Face Value of each Convertible Note:	\$0.90
Principal Amount:	\$
Nominated bank account for payment of Interest on Conversion	Account Name: Foxfire Metals Pty Ltd BSB: 193 879 Account No.: 442 763 435] Bank: Bank of Melbourne