

Notice of Annual General Meeting

incorporating Explanatory
Memorandum & Proxy Form

Date of Meeting:

Thursday, 17 September 2020

Time of Meeting:

3.30pm AWST

Place of Meeting:

The Celtic Club

48 Ord Street

WEST PERTH WA 6005

This Notice of Meeting should be read in its entirety. If Shareholders are in doubt as to how they should vote, they should seek advice from their professional advisers prior to voting.

Should you wish to discuss the matters in this Notice of Meeting please do not hesitate to contact the Company Secretary Michelle Simson on (+61 8) 9226 3666.

BREAKER RESOURCES NL
ACN: 145 011 178
NOTICE OF ANNUAL GENERAL MEETING

Notice is hereby given that the Annual General Meeting of Shareholders of Breaker Resources NL will be held at The Celtic Club, 48 Ord Street, West Perth, Western Australia on Thursday, 17 September 2020 at 3.30pm AWST for the purpose of transacting the business outlined below.

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

The Explanatory Memorandum to this Notice provides additional information on matters to be considered at the Meeting. The Explanatory Memorandum and the Proxy Form are part of this Notice. Terms used in this Notice will, unless the context otherwise requires, have the same meaning given to them in the glossary contained in the Explanatory Memorandum.

2020 FINANCIAL REPORT

To receive and consider the Financial Report of the Company for the financial year ended 30 June 2020 consisting of the Financial Statements and Notes, the Directors' Report, the Directors' Declaration and the Independent Audit Report.

The reports referred to above are included in the 2020 Breaker Resources NL Annual Report which has been released to ASX and may be viewed on the Company's website at www.breakerresources.com.au.

Short Explanation: Section 317 of the Corporations Act requires a listed company to lay before the shareholders at each annual general meeting the financial report, the directors' report and the auditor's report for the last financial year that ended before the annual general meeting. There is no associated resolution. A reasonable opportunity will be provided to Shareholders for discussion of the 2020 Financial Report at the AGM.

RESOLUTION 1: ADOPTION OF REMUNERATION REPORT

To consider and, if thought fit, to pass, with or without amendment, the following **advisory only resolution:**

"That, for the purposes of section 250R(2) of the Corporations Act, and for all other purposes, the Remuneration Report forming part of the Company's 2020 Annual Report be and is hereby adopted."

Short Explanation: Section 250R(2) of the Corporations Act requires a listed company to put to shareholders at each annual general meeting a resolution adopting the report on the remuneration of the company's directors, executives and senior managers included in the annual report. The above Resolution is being proposed to comply with this requirement. The vote on this Resolution is advisory and binds neither the Directors nor the Company. A reasonable opportunity will be provided to Shareholders for discussion of the Remuneration Report at the AGM.

Voting Prohibition Statement: The Company will, in accordance with the Corporations Act, disregard any votes cast (in any capacity) on Resolution 1 by or on behalf of a member of the Key Management Personnel (**KMP**) details of whose remuneration are included in the Remuneration Report, or a Closely Related Party of such a member. However, a person (**the voter**) described above may cast a vote on Resolution 1 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 Resolution 1; 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 Resolution 1; and
 - (ii) expressly authorises the Chair to exercise the proxy even if the resolution is connected directly or indirectly with the remuneration of a member of the KMP.

RESOLUTION 2: RE-ELECTION OF MR ERIC VINCENT AS A DIRECTOR

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 6.3 of the Constitution, ASX Listing Rule 14.4 and for all other purposes, Mr Eric Vincent, a director who was appointed a director by the Board, be re-elected as a director of the Company."

Short Explanation: ASX Listing Rule 14.4 provides that any director appointed as an addition to the board may not hold office (without re-election) past the next annual general meeting of the entity. The Company's constitution provides that such a director must retire at the next AGM and is eligible for re-election.

RESOLUTION 3: RE-ELECTION OF MR LINTON PUTLAND AS A DIRECTOR

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 6.3 of the Constitution, and for all other purposes, Mr Linton Putland, a director who retires by rotation, and being eligible, is re-elected as a director of the Company."

Short Explanation: Pursuant to the Constitution, one-third of the Directors of the Company (other than the managing director) must retire at each annual general meeting and, being eligible, may offer themselves for re-election at that annual general meeting.

RESOLUTION 4: RATIFICATION OF PRIOR ISSUE OF 15% PLACEMENT SHARES

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

"That, for the purpose of ASX Listing Rule 7.4 and for all other purposes, Shareholders ratify the issue of 24,153,361 Shares on the terms and conditions set out in the Explanatory Memorandum."

Voting Exclusion: The Company will disregard any votes cast in favour of Resolution 4 by or on behalf of a person who participated in the issue or is a counterparty to the agreement being approved, or an Associate of that person (or those persons). However, the Company need not disregard a vote in favour of Resolution 4 if it is cast by:

- ✦ 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
- ✦ the Chair as proxy or attorney for a person who is entitled to vote, in accordance with a direction on the Proxy Form to vote as the proxy decides; or
- ✦ a holder acting solely in a nominee, trustee, custodial or other fiduciary capacity on behalf of a beneficiary provided the following conditions are met:
 - 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
 - the holder votes on the Resolution in accordance with directions given by the beneficiary to the holder to vote in that way.

RESOLUTION 5: RATIFICATION OF PRIOR ISSUE OF 10% PLACEMENT SHARES

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

"That, for the purpose of ASX Listing Rule 7.4 and for all other purposes, Shareholders ratify the issue of 4,907,643 Shares on the terms and conditions set out in the Explanatory Memorandum."

Voting Exclusion: The Company will disregard any votes cast in favour of Resolution 5 by or on behalf of a person who participated in the issue or is a counterparty to the agreement being approved, or an Associate of that person (or those persons). However, the Company need not disregard a vote in favour of Resolution 5 if it is cast by:

- ✦ 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
- ✦ the Chair as proxy or attorney for a person who is entitled to vote, in accordance with a direction on the Proxy Form to vote as the proxy decides; or
- ✦ a holder acting solely in a nominee, trustee, custodial or other fiduciary capacity on behalf of a beneficiary provided the following conditions are met:
 - 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
 - the holder votes on the Resolution in accordance with directions given by the beneficiary to the holder to vote in that way.

RESOLUTION 6: APPROVAL FOR TRANCHE 2 PLACEMENT SHARES

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

"That, for the purpose of ASX Listing Rule 7.1 and for all other purposes, approval is given for the Company to issue up to 44,737,383 Shares on the terms and conditions set out in the Explanatory Memorandum."

Voting Exclusion: The Company will disregard any votes cast in favour of Resolution 6 by or on behalf of a 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), and any Associates of those persons. However, the Company need not disregard a vote in favour of Resolution 6 if it is cast by:

- ✦ 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
- ✦ the Chair as proxy or attorney for a person who is entitled to vote, in accordance with a direction on the Proxy Form to vote as the proxy decides; or
- ✦ a holder acting solely in a nominee, trustee, custodial or other fiduciary capacity on behalf of a beneficiary provided the following conditions are met:
 - 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
 - the holder votes on the Resolution in accordance with directions given by the beneficiary to the holder to vote in that way.

RESOLUTION 7: APPROVAL FOR ELECTRUM PLACEMENT SHARES

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

"That, for the purpose of ASX Listing Rule 7.1 and for all other purposes, approval is given for the Company to issue up to 9,534,946 Shares to Electrum Strategic Opportunities Fund II LP or its nominee on the terms and conditions set out in the Explanatory Memorandum."

Voting Exclusion: The Company will disregard any votes cast in favour of Resolution 7 by or on behalf of Electrum Strategic Opportunities Fund II LP and any other 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), and any Associates of those persons. However, the Company need not disregard a vote in favour of Resolution 7 if it is cast by:

- ✦ 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
- ✦ the Chair as proxy or attorney for a person who is entitled to vote, in accordance with a direction on the Proxy Form to vote as the proxy decides; or
- ✦ a holder acting solely in a nominee, trustee, custodial or other fiduciary capacity on behalf of a beneficiary provided the following conditions are met:
 - 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
 - the holder votes on the Resolution in accordance with directions given by the beneficiary to the holder to vote in that way.

RESOLUTION 8: APPROVAL FOR ISSUE OF OPTIONS TO A RELATED PARTY – MR MARK EDWARDS

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

"That, for the purposes of ASX Listing Rule 10.11 and for all other purposes, approval is given for the Company to issue 1,250,000 Options to Mr Mark Edwards (or his nominee) on the terms and conditions set out in the Explanatory Memorandum."

Voting Exclusion: The Company will disregard any votes cast in favour of Resolution 8 by or on behalf of Mr Mark Edwards (or his nominee) and any other person who will obtain a material benefit as a result of the issue of the securities (except a benefit solely by reason of being a holder of ordinary securities in the Company) and any Associates of those persons. However, the Company need not disregard a vote in favour of Resolution 8 if it is cast by:

- ✦ 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
- ✦ the Chair as proxy or attorney for a person who is entitled to vote, in accordance with a direction on the Proxy Form to vote as the proxy decides; or
- ✦ a holder acting solely in a nominee, trustee, custodial or other fiduciary capacity on behalf of a beneficiary provided the following conditions are met:
 - 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
 - the holder votes on the Resolution in accordance with directions given by the beneficiary to the holder to vote in that way.

Voting Prohibition Statement: A person appointed as a proxy must not vote, on the basis of that appointment, on this Resolution if:

- (a) the proxy is either:
 - (i) a member of the KMP; or
 - (ii) a Closely Related Party of such a member; and
 - (b) the appointment does not specify the way the proxy is to vote on this Resolution.
- However, the above prohibition does not apply if:
- (c) the proxy is the Chair; and
 - (d) the appointment expressly authorises the Chair to exercise the proxy even though this Resolution is connected directly or indirectly with remuneration of a member of the KMP.

RESOLUTION 9: APPROVAL FOR ISSUE OF OPTIONS TO A RELATED PARTY – MR MICHAEL KITNEY

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

"That, for the purposes of ASX Listing Rule 10.11 and for all other purposes, approval is given for the Company to issue 1,250,000 Options to Mr Michael Kitney (or his nominee) on the terms and conditions set out in the Explanatory Memorandum."

Voting Exclusion: The Company will disregard any votes cast in favour of Resolution 9 by or on behalf of Mr Michael Kitney (or his nominee) and any other person who will obtain a material benefit as a result of the issue of the securities (except a benefit solely by reason of being a holder of ordinary securities in the Company) and any Associates of those persons. However, the Company need not disregard a vote in favour of Resolution 9 if it is cast by:

- ✦ 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
- ✦ the Chair as proxy or attorney for a person who is entitled to vote, in accordance with a direction on the Proxy Form to vote as the proxy decides; or

- ✦ a holder acting solely in a nominee, trustee, custodial or other fiduciary capacity on behalf of a beneficiary provided the following conditions are met:
 - 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
 - the holder votes on the Resolution in accordance with directions given by the beneficiary to the holder to vote in that way.

Voting Prohibition Statement: A person appointed as a proxy must not vote, on the basis of that appointment, on this Resolution if:

- (a) the proxy is either:
 - (i) a member of the KMP; or
 - (ii) a Closely Related Party of such a member; and
- (b) the appointment does not specify the way the proxy is to vote on this Resolution.

However, the above prohibition does not apply if:

- (c) the proxy is the Chair; and
- (d) the appointment expressly authorises the Chair to exercise the proxy even though this Resolution is connected directly or indirectly with remuneration of a member of the KMP.

RESOLUTION 10: APPROVAL FOR ISSUE OF OPTIONS TO A RELATED PARTY – MR ERIC VINCENT

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

“That, for the purposes of ASX Listing Rule 10.11 and for all other purposes, approval is given for the Company to issue 1,250,000 Options to Mr Eric Vincent on the terms and conditions set out in the Explanatory Memorandum.”

Voting Exclusion: The Company will disregard any votes cast in favour of Resolution 10 by or on behalf of Mr Eric Vincent and any other person who will obtain a material benefit as a result of the issue of the securities (except a benefit solely by reason of being a holder of ordinary securities in the Company) and any Associates of those persons. However, the Company need not disregard a vote in favour of Resolution 10 if it is cast by:

- ✦ 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
- ✦ the Chair as proxy or attorney for a person who is entitled to vote, in accordance with a direction on the Proxy Form to vote as the proxy decides; or
- ✦ a holder acting solely in a nominee, trustee, custodial or other fiduciary capacity on behalf of a beneficiary provided the following conditions are met:
 - 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
 - the holder votes on the Resolution in accordance with directions given by the beneficiary to the holder to vote in that way.

Voting Prohibition Statement: A person appointed as a proxy must not vote, on the basis of that appointment, on this Resolution if:

- (a) the proxy is either:
 - (i) a member of the KMP; or
 - (ii) a Closely Related Party of such a member; and
- (b) the appointment does not specify the way the proxy is to vote on this Resolution.

However, the above prohibition does not apply if:

- (c) the proxy is the Chair; and

- (d) the appointment expressly authorises the Chair to exercise the proxy even though this Resolution is connected directly or indirectly with remuneration of a member of the KMP.

RESOLUTION 11: APPROVAL OF 10% PLACEMENT CAPACITY

To consider and, if thought fit, to pass, the following resolution as a **special resolution**:

"That, for the purpose of ASX Listing Rule 7.1A and for all other purposes, approval is given for the issue of Equity Securities totalling up to 10% of the issued capital of the Company at the time of issue, calculated in accordance with the formula prescribed in ASX Listing Rule 7.1A.2 and on the terms and conditions set out in the Explanatory Memorandum."

Voting Exclusion: The Company will disregard any votes cast in favour of Resolution 11 by or on behalf of a 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), and any Associates of those persons. However, the Company need not disregard a vote in favour of Resolution 11 if it is cast by:

- ✦ 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
- ✦ the Chair as proxy or attorney for a person who is entitled to vote, in accordance with a direction on the Proxy Form to vote as the proxy decides; or
- ✦ a holder acting solely in a nominee, trustee, custodial or other fiduciary capacity on behalf of a beneficiary provided the following conditions are met:
 - 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
 - the holder votes on the Resolution in accordance with directions given by the beneficiary to the holder to vote in that way.

By order of the Board.



Michelle Simson

Company Secretary

Date: 13 August 2020

PROXIES

To vote by proxy, please complete and sign the enclosed Proxy Form and return no later than **3.30pm AWST on Tuesday, 15 September 2020** by:

- ✦ hand delivery to: Automic Registry Services
 Level 5, 126 Phillip Street
 SYDNEY NSW 2000; or
- ✦ post to: Breaker Resources NL
 c/- Automic Registry Services
 GPO Box 5193
 SYDNEY NSW 2001; or
- ✦ email to **meetings@automicgroup.com.au**; or
- ✦ lodge online at **<https://investor.automic.com.au/#/loginsah>** via logging in and clicking on "Meetings" and using the Holder Number as shown at the top of the Proxy Form.

A Shareholder entitled to attend and vote at the AGM has the right to appoint up to two (2) proxies. Where more than one (1) proxy is appointed, each proxy must be appointed to represent a specified proportion of the Shareholder's voting rights. A proxy may, but need not be, a Shareholder of the Company and may be an individual or a body corporate.

The instrument appointing the proxy must be in writing, executed by the appointer or their attorney duly authorised in writing or, if such appointer is a corporation, either under seal or under hand of an officer/s duly authorised.

The instrument of proxy (and the power of attorney or other authority, if any, under which it is signed) must be lodged by person, post or email and reach the office of the share registry at least 48 hours prior to the meeting. For the convenience of Shareholders a Proxy Form is enclosed.

Proxy vote if appointment specifies way to vote

Section 250BB(1) of the Corporations Act provides that an appointment of a proxy may specify the way the proxy is to vote on a particular resolution and, if it does:

- ✦ the proxy need not vote on a show of hands, but if the proxy does so, the proxy must vote that way (ie. as directed); and
- ✦ if the proxy has two (2) or more appointments that specify different ways to vote on the resolution – the proxy must not vote on a show of hands; and
- ✦ if the proxy is the chairman of the meeting at which the resolution is voted on – the proxy must vote on a poll, and must vote that way (ie. as directed); and
- ✦ if the proxy is not the chairman – the proxy need not vote on the poll, but if the proxy does so, the proxy must vote that way (ie. as directed).

Transfer of non-chairman proxy to chairman in certain circumstances

Section 250BC of the Corporations Act provides that, if:

- ✦ an appointment of a proxy specifies the way the proxy is to vote on a particular resolution at a meeting of the company's members; and
- ✦ the appointed proxy is not the chairman of the meeting; and
- ✦ at the meeting, a poll is duly demanded on the resolution; and
- ✦ either of the following applies:
 - the proxy is not recorded as attending the meeting; or
 - the proxy does not vote on the resolution,

the chairman of the meeting is taken, before voting on the resolution closes, to have been appointed as the proxy for the purposes of voting on the resolution at the meeting.

ENTITLEMENT TO VOTE

For the purposes of regulation 7.11.37 of the *Corporations Regulations 2001* (Cth), the Directors have determined that members holding Securities at **5.00pm AWST on Tuesday, 15 September 2020** will be entitled to attend the AGM and vote in accordance with the number of Securities held at this time.

Voting will be conducted via a poll and each Shareholder shall be entitled to one (1) vote for every one (1) Share held.

CORPORATIONS

A corporation may elect to appoint a representative in accordance with section 250D of the Corporations Act, in which case the Company will require written proof of the representative's appointment, which must be lodged with, or presented to the Company before the meeting.

EXPLANATORY MEMORANDUM

This Explanatory Memorandum has been prepared for the Shareholders of Breaker Resources NL (ACN 145 011 178) in connection with the business to be conducted at the Annual General Meeting of the Company to be held at The Celtic Club, 48 Ord Street, West Perth, Western Australia, on Thursday, 17 September 2020 commencing at 3.30pm AWST.

This Explanatory Memorandum should be read in conjunction with, and forms part of, the accompanying Notice. The Directors recommend that Shareholders read this Explanatory Memorandum in full before making any decision in relation to the Resolutions. Terms used in this Explanatory Memorandum will, unless the context otherwise requires, have the same meaning given to them as in the glossary contained in this Explanatory Memorandum.

At the AGM, Shareholders will be asked to consider the following Resolutions:

- ✘ adopting the Remuneration Report;
- ✘ electing Mr Eric Vincent as a Director;
- ✘ electing Mr Linton Putland as a Director;
- ✘ ratifying a prior issue of Shares using the Company's 15% placement capacity;
- ✘ ratifying a prior issue of Shares using the Company's 10% placement capacity;
- ✘ approving the issue of the second tranche of Shares in a placement;
- ✘ approving an issue of Shares to Electrum Strategic Opportunities Fund II LP or its nominee;
- ✘ approving an issue of options to director Mark Edwards;
- ✘ approving an issue of options to director Michael Kitney;
- ✘ approving an issue of options to director Eric Vincent; and
- ✘ approving an additional 10% placement capacity for Equity Securities in the 12 months following the date of the Meeting.

FINANCIAL AND OTHER REPORTS

As required by section 317 of the Corporations Act, the Financial Statements and Notes for the financial year ended 30 June 2020 and the accompanying Directors' Report, Directors' Declaration and Independent Audit Report will be laid before the meeting. Neither the Corporations Act nor the Constitution requires a vote on the reports however Shareholders will have an opportunity to ask questions about them at the AGM.

The Company will not provide a hard copy of the annual financial report to Shareholders unless specifically requested to do so. The Company's annual financial report is available on its website at www.breakerresources.com.au.

RESOLUTION 1: REMUNERATION REPORT

1.1 Introduction

As required by the Corporations Act, the Board is presenting the Remuneration Report to Shareholders for consideration and adoption by a non-binding vote. The Remuneration Report contains:

- ✘ information about the Board's policy for determining the nature and amount of remuneration of the Directors and senior executives of the Company;
- ✘ a description of the relationship between the Company's remuneration policy and the Company's performance;
- ✘ where applicable, a summary of performance conditions for each of the Directors and senior executives, including a summary of why they were chosen and how performance is measured against them; and
- ✘ remuneration details for each Director and for each of the specified executives.

The Remuneration Report, which is part of the Annual Report, has been sent to Shareholders who have made an election to receive the Annual Report. Copies of the Annual Report are available by contacting the Company's share registry or visiting the Company's website www.breakerresources.com.au.

1.2 General

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

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

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

1.3 Voting consequences

Under the Corporations Act, 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 report for the previous 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.

1.4 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 the AGM.

1.5 Voting exclusion

A voting exclusion statement is included in this Notice. In accordance with section 250R(4) of the Corporations Act, a vote on Resolution 1 must not be cast (in any capacity) by or on behalf of either 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 Resolution 1 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 Resolution 1; 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 Resolution 1; and
- (ii) expressly authorises the Chair to exercise the proxy even if the resolution is connected directly or indirectly with the remuneration of a member of the Key Management Personnel for the Company.

Where appointed as an undirected proxy and authorised to do so, the Chair will cast available proxy votes in favour of Resolution 1. Shareholders may choose to direct the Chair (as proxy) to vote for or against Resolution 1 or to abstain from voting.

1.6 Proxy voting restrictions

Shareholders appointing a proxy for this Resolution should note the following:

- ✘ ***If you appoint a member of the Key Management Personnel (other than the Chair) whose remuneration details are included in the Remuneration Report, or a Closely Related Party of such a member as your proxy:***

You must direct your proxy how to vote on this Resolution. Undirected proxies granted to these persons will not be voted and will not be counted in calculating the required majority on this Resolution.

- ✘ ***If you appoint the Chair as your proxy (where he/she is also a member of the Key Management Personnel whose remuneration details are included in the Remuneration Report, or a Closely Related Party of such a member):***

You do not need to direct your proxy how to vote on this Resolution. However, if you do not direct the Chair how to vote, you should be aware of the acknowledgement on the Proxy Form that expressly authorises the Chair to exercise his/her discretion in exercising your proxy, and that the Chair intends to cast undirected proxies in favour of the Resolution, even though this Resolution is connected directly or indirectly with the remuneration of Key Management Personnel.

- ✘ ***If you appoint any other person as your proxy:***

You do not need to direct your proxy how to vote on this Resolution but may do so if you wish.

RESOLUTION 2: RE-ELECTION OF MR ERIC VINCENT AS A DIRECTOR

2.1 Introduction

Clause 6.2 of the Constitution allows for the Board to appoint a person as a Director. ASX Listing Rule 14.4 provides that any director appointed as an addition to the board may not hold office (without re-election) past the next annual general meeting of the entity.

Mr Eric Vincent was appointed as a Director on 23 March 2020 and in accordance with ASX Listing Rule 14.4 and the Constitution therefore retires at the Meeting and, under Clause 6.3 of the Constitution, is eligible for re-election.

Resolution 2 is an ordinary resolution, requiring it to be passed by a simple majority of votes cast by the Shareholders entitled to vote on it.

2.2 Director's biography

Mr Eric Vincent is the President of Sarissa Capital, an United States-based healthcare-focused activist investment firm. Most recently, Eric served as the Head of Business Development at Mubadala Capital, the financial investment arm of the sovereign wealth firm Mubadala Investment Company. From 2012 through 2017, Eric was Chief Executive Officer of The Electrum Group LLC, an US-based precious metals investment manager.

Eric previously served as President of Ospraie Management, an investment firm focused on commodities and basic industries. From 2007 through October 2009, Mr Vincent served as

Chairman of the Board of Directors of the Managed Funds Association, the leading trade association representing the US hedge fund industry.

He began his career as an attorney at Cravath, Swaine & Moore and holds a Juris Doctor degree from Harvard Law School and a Bachelor of Arts degree from Williams College. Eric was previously a member of the Global Markets Advisory Committee of the US Commodity Futures Trading Commission and a member of the Investor Advisory Group of the Public Company Accounting Oversight Board.

Eric has strong links in the North American capital markets and joins the Board as a nominee of Electrum Strategic Opportunities Fund II LP (**Electrum**), the US-based investment fund which invested \$8million in the Company in November 2019 and to which a further investment of up to \$2.3million and corresponding issue of shares, to maintain their approximate 9.95% holding, is the subject of Resolution 7.

Mr Vincent does not hold any directorships in other ASX-listed companies. He is considered a non-independent director, as assessed against the criteria of the ASX Corporate Governance Council's Corporate Governance Principles and Recommendations, due to his position on the Board as a nominee of Electrum.

2.3 Directors' recommendation

All of the Directors, except Mr Vincent who has abstained from making a recommendation, recommend that Shareholders vote in favour of Resolution 2.

Where appointed as an undirected proxy, the Chair will cast available proxy votes in favour of Resolution 2. Shareholders may choose to direct the Chair (as proxy) to vote for or against Resolution 2 or to abstain from voting.

RESOLUTION 3: RE-ELECTION OF MR LINTON PUTLAND AS A DIRECTOR

3.1 Introduction

Clause 6.3 of the Constitution provides that no Director (except for the managing director) of the Company may hold office (without re-election) past the third annual general meeting following the Director's appointment or three (3) years, whichever period is longer. Clause 6.3 of the Constitution requires that one third (1/3) of the Directors must retire at each annual general meeting.

The Directors to retire at an annual general meeting are those who have been longest in office since their last election, but, as between persons who became Directors on the same day, those to retire shall (unless they otherwise agree among themselves) be determined by drawing lots. The Company currently has five (5) Directors (including the managing director) and therefore one (1) must retire. A Director who retires by rotation under clause 6.3 of the Constitution is eligible for re-election. Accordingly, Mr Linton Putland, last re-elected in 2018, will retire by rotation and, being eligible, offers himself for re-election.

Resolution 3 is an ordinary resolution, requiring it to be passed by a simple majority of votes cast by the Shareholders entitled to vote on it.

3.2 Director's biography

Mr Linton Putland was appointed as a non-executive director of the Company on 16 August 2018. He holds degrees in mining engineering (Bachelor of Engineering, Western Australian School of Mines) and a masters in science (Mineral Economics, Western Australian School of Mines) and has over 30 years' experience in mining operations, joint ventures and corporate management, in Australia, Africa and the Americas over a wide range of commodities. He is a Member of AusIMM and a Graduate Member of AICD.

Mr Putland is principal of LJ Putland & Associates, a private mining consultancy company which was founded in 2002, providing advisory and consultancy services in mining project and company evaluation and due diligence appraisals with a focus on corporate growth. During this period he has also been managing director of a privately owned exploration company, with joint venture interests in Africa. Prior to this he held corporate and senior management roles in IAMGOLD, AurionGold, Delta Gold and Pancontinental Mining.

In the past three years Mr Putland has served as a non-executive director on previously ASX-listed companies Pacific Energy Limited (appointed 18 October 2016; resigned 28 November 2019) and Azumah Resources Limited (appointed 18 July 2018; resigned 14 November 2019). He is considered an independent director, as assessed against the criteria of the ASX Corporate Governance Council's Corporate Governance Principles and Recommendations.

3.3 Directors' recommendation

All of the Directors, except Mr Putland who has abstained from making a recommendation, recommend that Shareholders vote in favour of Resolution 3.

Where appointed as an undirected proxy, the Chair will cast available proxy votes in favour of Resolution 3. Shareholders may choose to direct the Chair (as proxy) to vote for or against Resolution 3 or to abstain from voting.

RESOLUTION 4: RATIFICATION OF PRIOR ISSUE OF 15% PLACEMENT SHARES

4.1 General

On 30 July 2020 the Company announced a two tranche placement to institutional investors, plus an issue to existing major shareholder Electrum, to raise \$20million (before costs) (**Placement**). The Placement was lead managed by Canaccord Genuity. The issue price of \$0.24 per Share represented a 7.7% discount to the five (5) day VWAP leading up to announcement of the issue on 30 July 2020. The Company also announced the conduct of a share purchase plan to enable existing Shareholders to participate in the capital raising, at the same issue price as the Placement, to raise up to \$3 million before costs (**SPP**).

On 5 August 2020, a total of 24,153,361 Shares were issued to investors in the first tranche of the Placement issued utilising the Company's 15% placement capacity under ASX Listing Rule 7.1 (**15% Placement Shares**). The issue of the 15% Placement Shares raised a total of \$5,796,806 before costs. An additional 4,907,643 Shares were also issued in the first tranche of the Placement on 5 August 2020 utilising the Company's 10% placement capacity under ASX Listing Rule 7.1A, raising a further \$1,177,834 before costs (see Resolution 5).

Resolution 4 seeks Shareholder ratification pursuant to ASX Listing Rule 7.4 for the issue of the 15% Placement Shares.

ASX Listing Rule 7.1 provides that a company must not, subject to specified exceptions, issue or agree to issue during any 12 month period any Equity Securities, or other securities with rights to conversion to equity (such as an option), if the number of those securities exceeds 15% of the number of securities in the same class on issue at the commencement of that 12 month period.

ASX Listing Rule 7.4 sets out an exception to ASX Listing Rule 7.1. It provides that where a company in general meeting ratifies the previous issue of securities made pursuant to ASX Listing Rule 7.1 (and provided that the previous issue did not breach ASX Listing Rule 7.1) those securities will be deemed to have been made with shareholder approval for the purpose of ASX Listing Rule 7.1.

By ratifying the issue of the 15% Placement Shares, the Company will retain the flexibility to issue equity securities in the future up to the 15% annual placement capacity set out in ASX Listing Rule 7.1 without the requirement to obtain prior Shareholder approval. If Shareholder approval is not

received for the Resolution, then the 15% Placement Shares, which have already been issued, will continue to utilise a proportion of the Company's placement capacity under ASX Listing Rule 7.1, which will limit the number of Equity Securities able to be issued in the 12 months following the issue of the 15% Placement Shares.

Resolution 4 is an ordinary resolution, requiring it to be passed by a simple majority of votes cast by the Shareholders entitled to vote on it.

4.2 Technical information required by ASX Listing Rule 7.4

Pursuant to and in accordance with ASX Listing Rule 7.5, the information below is provided in relation to ratification of the issue of the 15% Placement Shares:

- (a) Number of Shares issued
The number of fully paid ordinary shares issued by the Company is 24,153,361 Shares.
- (b) Date of issue & issue price
The 15% Placement Shares were issued on 5 August 2020 at an issue price of \$0.24.
- (c) Allottees
The 15% Placement Shares were allotted to the Placement first tranche recipients, who were determined on the basis of applications received from institutional, sophisticated and professional investors, including clients of the lead manager, Canaccord Genuity. No related parties participated. Note that current substantial shareholder, Electrum, has agreed to acquire shares subject to a separate resolution (see Resolution 7).
- (d) Terms of the shares
The 15% Placement Shares have been issued on the same terms as, and rank equally with, all fully paid ordinary shares in the Company on issue.
- (e) Use of funds
The funds raised through the issue of the 15% Placement Shares will be mainly used to progress drilling activities aimed at growing the Bombora Mineral Resource and expanding future development options at the 600km² Lake Roe Gold Project, together with working capital.
- (f) Voting exclusion
A voting exclusion statement is included in this Notice.

4.3 Directors' recommendation

All of the Directors recommend that Shareholders vote in favour of Resolution 4.

Where appointed as an undirected proxy, the Chair will cast available proxy votes in favour of Resolution 4. Shareholders may choose to direct the Chair (as proxy) to vote for or against Resolution 4 or to abstain from voting.

RESOLUTION 5: RATIFICATION OF PRIOR ISSUE OF 10% PLACEMENT SHARES

5.1 General

As outlined above in section 4.1, the Company recently announced a placement to institutional investors which resulted in the issue of 4,907,643 Shares under ASX Listing Rule 7.1A (**10% Placement Shares**). The 10% Placement Shares were issued as part of the first tranche of the Placement on the same terms as the 15% Placement Shares and raised a total of \$1,177,834 before costs.

ASX Listing Rule 7.1A provides a mechanism by which a company may issue Equity Securities up to 10% of its issued capital, subject to Shareholder approval being received, in advance, at its annual general meeting. The appropriate resolution was passed by Shareholders at the 2019 annual general meeting and therefore the Company was able to issue the 10% Placement Shares.

ASX Listing Rule 7.4 provides that where a company in general meeting ratifies the previous issue of securities made pursuant to ASX Listing Rule 7.1A those securities will be deemed to have been made with shareholder approval and the Company will have the ability to utilise the full placement capacity available under ASX Listing 7.1A in the forthcoming 12 months, subject to the annual general meeting approval being received (see Resolution 11). If Shareholder approval is not received for the Resolution, then the 10% Placement Shares, which have already been issued, will continue to utilise a proportion of the Company's placement capacity under ASX Listing Rule 7.1A, which will limit the number of Equity Securities able to be issued in the 12 months following the issue of the 10% Placement Shares under ASX Listing Rule 7.1A (subject to the passing of Resolution 11).

Resolution 5 seeks Shareholder ratification pursuant to ASX Listing Rule 7.4 for the issue of the 10% Placement Shares (being those issued under ASX Listing Rule 7.1A).

Resolution 5 is an ordinary resolution, requiring it to be passed by a simple majority of votes cast by the Shareholders entitled to vote on it.

5.2 Technical information required by ASX Listing Rule 7.4

Pursuant to and in accordance with ASX Listing Rule 7.5, the information below is provided in relation to ratification of the issue of the 10% Placement Shares:

- (a) Number of Shares issued
The number of fully paid ordinary shares issued by the Company is 4,907,643 Shares.
- (b) Date of issue & issue price
The 10% Placement Shares were issued on 5 August 2020 at an issue price of \$0.24.
- (c) Allottees
The 10% Placement Shares were allotted to the Placement first tranche recipients, who were determined on the basis of applications received from institutional, sophisticated and professional investors, including clients of the lead manager, Canaccord Genuity. No related parties participated. Note that current substantial shareholder, Electrum, has agreed to acquire shares subject to a separate resolution (see Resolution 7).
- (d) Terms of the shares
The 10% Placement Shares have been issued on the same terms as, and rank equally with, all fully paid ordinary shares in the Company on issue.
- (e) Use of funds
The funds raised through the issue of the 10% Placement Shares will be mainly used to progress drilling activities aimed at growing the Bombora Mineral Resource and expanding future development options at the 600km² Lake Roe Gold Project, together with working capital.
- (f) Voting exclusion
A voting exclusion statement is included in this Notice.

5.3 Directors' recommendation

All of the Directors recommend that Shareholders vote in favour of Resolution 5.

Where appointed as an undirected proxy, the Chair will cast available proxy votes in favour of Resolution 5. Shareholders may choose to direct the Chair (as proxy) to vote for or against Resolution 5 or to abstain from voting.

RESOLUTION 6: APPROVAL OF TRANCHE 2 PLACEMENT SHARES**6.1 General**

As outlined above in section 4.1, the Company recently announced a capital raising comprising a two tranche placement to institutional and sophisticated investors, an issue to existing major shareholder Electrum and an SPP (**July 2020 Capital Raising**). The shares associated with the first tranche of the Placement were issued on 5 August 2020 (15% Placement Shares and the 10% Placement Shares) and are the subject of Resolutions 4 and 5 and represent \$6,974,641 of the funds raised, before costs.

The second tranche of the Placement comprises a commitment from institutional and sophisticated investors for a total of 44,737,383 Shares at an issue price of \$0.24 (**Tranche 2 Placement Shares**), for \$10,736,971, before costs. The proposed issue to existing major shareholder, Electrum, is for a total of up to 9,534,946 Shares at an issue price of \$0.24, for a further \$2,288,387, before costs. Neither the Tranche 2 Placement Shares, nor the shares to Electrum, have been issued as the issue of these Shares would exceed the Company's available placement capacity under ASX Listing Rules 7.1 and 7.1A, and none of the exceptions in ASX Listing Rule 7.2 apply, therefore shareholder approval is required.

As stated previously, ASX Listing Rule 7.1 and ASX Listing Rule 7.1A provide a mechanism by which a company can issue securities up to 15% and 10% respectively of its issued capital, subject to various conditions. Following the issue of the 15% Placement Shares and the 10% Placement Shares, the Company had no available capacity under either ASX Listing Rule 7.1 or ASX Listing Rule 7.1A to issue Shares to participants in the second tranche of the Placement and none of the exceptions in ASX Listing Rule 7.2 apply, therefore shareholder approval is required.

If Resolution 6 is passed, the Company will be able to proceed with the issue of the Tranche 2 Placement Shares to the institutional and sophisticated investors who committed to participating in the second tranche of the Placement and secure funds of \$10,736,971 before costs for the Company to enable it to proceed with the intended uses for the full funding of the Placement, as set out in the announcement to the ASX on 30 July 2020 and summarised below in section 6.2(f). The effect of Resolution 6 being passed will be to allow the Company to issue the Tranche 2 Placement Shares, and without using the Company's 15% annual placement capacity granted under ASX Listing Rule 7.1.

If Resolution 6 is not passed, the Company will not be able to proceed with the issue of the Tranche 2 Placement Shares and will only be able to partially proceed with the intended uses for the full funding of the Placement, as set out in the announcement to the ASX on 30 July 2020 and summarised below in section 6.2(f).

Resolution 6 is an ordinary resolution, requiring it to be passed by a simple majority of votes cast by the Shareholders entitled to vote on it.

6.2 Technical information required by ASX Listing Rule 7.1

Pursuant to and in accordance with ASX Listing Rule 7.3, the information below is provided in relation to this Resolution 6:

(a) Maximum number of shares

The maximum number of fully paid ordinary shares to be issued by the Company is 44,737,383 Shares.

(b) Date of issue

It is anticipated that, subject to Shareholder approval being received, the Tranche 2 Placement Shares will be issued on 21 September 2020 but otherwise within three (3) months after the date of the AGM, or such later date to the extent permitted by any ASX waiver or modification of the Listing Rules.

- (c) Issue price
The issue price of the Tranche 2 Placement Shares will be \$0.24, being the same price as the 15% Placement Shares, the 10% Placement Shares, shares to be issued subject to Resolution 7 and Shares issued or to be issued under the SPP.
- (d) Allottees
The Tranche 2 Placement Shares will be allotted to the recipients of the second tranche of the Placement, who were determined on the basis of applications received from institutional, sophisticated and professional investors, including clients of the lead manager, Canaccord Genuity, and include two proposed new substantial shareholders, Paulson & Co. Inc.* and Franklin Templeton Institutional, LLC. No related parties participated. Note that current substantial shareholder, Electrum, has agreed to acquire shares subject to a separate resolution (see Resolution 7).
- (e) Terms of the shares
The Tranche 2 Placement 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.
- (f) Use of funds
The funds raised through the issue of the Tranche 2 Placement Shares will be mainly used to progress drilling activities aimed at growing the Bombora Mineral Resource and expanding future development options at the 600km² Lake Roe Gold Project, together with working capital.
- (g) Voting exclusion
A voting exclusion statement is included in this Notice.

** It is expected that at the conclusion of the July 2020 Capital Raising, Paulson & Co. Inc. will hold a position at approximately 9.95% of the Company, however if required, the investment will be scaled back to ensure that Paulson & Co. Inc.'s shareholding remains below 10% at the conclusion of the raising, due to foreign investment and taxation implications.*

6.3 Directors' recommendation

All of the Directors recommend that Shareholders vote in favour of Resolution 6.

Where appointed as an undirected proxy, the Chair will cast available proxy votes in favour of Resolution 6. Shareholders may choose to direct the Chair (as proxy) to vote for or against Resolution 6 or to abstain from voting.

RESOLUTION 7: APPROVAL OF ELECTRUM PLACEMENT

7.1 General

As outlined above in sections 4.1 and 6.1, the July 2020 Capital Raising includes an investment commitment between the Company and existing major shareholder Electrum. Electrum became a 9.95% shareholder in the Company in November 2019 with an \$8 million investment. Electrum's nominee, Eric Vincent, was appointed a director in March 2020 (see Resolution 2).

To enable Electrum to maintain its position as a 9.95% shareholder in the Company, Electrum has committed to a maximum investment under the July 2020 Capital Raising of \$2,288,387, representing 9,534,946 Shares at an issue price of \$0.24 (**Electrum Shares**), being the same issue price as for other participants, including Shareholders under the SPP. It is expected that at the conclusion of the July 2020 Capital Raising, Electrum will maintain its current position at 9.95% of the Company, however if required, the investment will be scaled back to ensure that Electrum's shareholding remains below 10% at all times, due to taxation implications.

As stated previously, ASX Listing Rule 7.1 and ASX Listing Rule 7.1A provide a mechanism by which a company can issue securities up to 15% and 10% respectively of its issued capital, subject to various conditions. Following the issue of the 15% Placement Shares and the 10% Placement Shares, the Company had no available capacity under either ASX Listing Rule 7.1 or ASX Listing Rule 7.1A to issue Shares to Electrum and none of the exceptions in ASX Listing Rule 7.2 apply, therefore shareholder approval is required.

If Resolution 7 is passed, the Company will be able to fulfil the funding commitment made by Electrum and proceed with the issue of the Electrum Shares and proceed with the intended uses for the full funding of the July 2020 Capital Raising, as set out in the announcement to the ASX on 30 July 2020 and summarised below in section 7.2(f). The effect of Resolution 7 being passed will be to allow the Company to fulfil the funding commitment made by Electrum and issue the Electrum Shares, and without using the Company's 15% annual placement capacity granted under ASX Listing Rule 7.1.

If Resolution 7 is not passed, the Company will not be able to proceed with the issue of the Electrum Shares without using ASX Listing Rule 7.1 capacity and may only be able to partially proceed with the intended uses for the full funding of the Placement, as set out in the announcement to the ASX on 30 July 2020 and summarised below in section 7.2(f). Subject to further agreement between Electrum and the Company, and shareholder approval of Resolutions 4 and/or 5, if Resolution 7 is not approved, the Company may consider a replacement offer akin to the shares the subject of Resolution 7, utilising its then available ASX Listing Rule 7.1 or ASX Listing Rule 7.1A capacity, to provide the additional ~\$2.3 million that would not be forthcoming as a result of Resolution 7 not being passed.

Resolution 7 is an ordinary resolution, requiring it to be passed by a simple majority of votes cast by the Shareholders entitled to vote on it.

7.2 Technical information required by ASX Listing Rule 7.1

Pursuant to and in accordance with ASX Listing Rule 7.3, the information below is provided in relation to this Resolution 7:

- (a) Maximum number of shares
The maximum number of Electrum Shares to be issued is 9,534,946.
- (b) Date of issue
It is anticipated that, subject to Shareholder approval being received, the Electrum Shares will be issued, together with the Tranche 2 Placement Shares, on 21 September 2020 but otherwise within three (3) 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.
- (c) Issue price
The issue price of the Electrum Shares will be \$0.24, being the same price as the 15% Placement Shares, the 10% Placement Shares, the Tranche 2 Placement Shares and Shares issued or to be issued under the SPP.
- (d) Allottees
The Electrum Shares will be issued to Electrum Strategic Opportunities Fund II LP, an existing shareholder in the Company, or its nominee.
- (e) Terms of the shares
The Electrum 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.

(f) Use of funds
The funds raised through the issue of the Electrum Shares will be mainly used to progress drilling activities aimed at growing the Bombora Mineral Resource and expanding future development options at the 600km² Lake Roe Gold Project, together with working capital.

(g) Voting exclusion
A voting exclusion statement is included in this Notice.

7.3 Directors' recommendation

All of the Directors, except Eric Vincent (as the Electrum nominee to the Board who has abstained from making a recommendation), recommend that Shareholders vote in favour of Resolution 7.

Where appointed as an undirected proxy, the Chair will cast available proxy votes in favour of Resolution 7. Shareholders may choose to direct the Chair (as proxy) to vote for or against Resolution 7 or to abstain from voting.

RESOLUTIONS 8-10: APPROVAL FOR ISSUE OF OPTIONS TO RELATED PARTIES

8.1 Introduction

The Company intends, subject to obtaining Shareholder approval, to issue a total of 3,750,000 Options (**Director Options**) to Messrs Mark Edwards, Michael Kitney and Eric Vincent (**Related Parties**) or their nominees in the proportions and on the terms and conditions set out below.

The Director Options are intended to form a component of the remuneration of the Related Parties in order to keep cash payments to a minimum and to provide incentives linked to the performance of the Company. Given the speculative nature of the Company's activities and the small management team responsible for its running, it is considered that the performance of the Directors and the performance and value of the Company are closely related. As such, the Director Options proposed to be granted will only generally be of benefit if the Directors perform to a level whereby the value of the Company increases sufficient to warrant exercising the Director Options.

8.2 Background to Requirement for Shareholder Approval

For a public company, or an entity that a 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 benefit falls within an exception set out in sections 210 to 216 of the Corporations Act.

The grant of the Director Options constitutes a financial benefit and Messrs Edwards, Kitney and Vincent are related parties by virtue of being Directors of the Company. The Board has determined that the benefit being provided is reasonable in the circumstances and reflects arms' length terms and is therefore subject to one of the Corporations Act exceptions.

It is proposed that the Director Options be issued under the Company's Incentive Option Scheme 2015 (**2015 Plan**). ASX Listing Rule 10.14 requires shareholder approval to be obtained where an entity issues, or agrees to issue, securities to a related party under the auspices of an employee incentive scheme, and none of the exceptions in ASX Listing Rule 10.16 apply.

ASX Listing Rule 7.2 (Exception 13) provides an exception for the issue of Equity Securities under an employee incentive scheme to not utilise any of the Company's available placement capacity under ASX Listing Rule 7.1, if the scheme has, within the previous three years, been approved by shareholders. The 2015 Plan was approved by Shareholders at the 2016 annual general meeting

and again at the 2019 annual general meeting and therefore the Company is able to rely on the exception in relation to the Director Options. Approval pursuant to ASX Listing Rule 7.1 is therefore not required and the grant of the Director Options will not be included in the 15% calculation of the Company's 12 month capacity to issue Shares or other securities without shareholder approval pursuant to ASX Listing Rule 7.1.

If Resolutions 8, 9 and 10 are passed, the Company will be able to issue the Director Options to provide incentivised remuneration to the Related Parties. If Resolutions 8, 9 and 10 are not passed, the Company will not issue the Director Options.

8.3 Technical information required by ASX Listing Rule 10.14

Pursuant to and in accordance with ASX Listing Rule 10.15, the following information is provided in relation to the proposed grant of Director Options:

(a) Parties and related party category

The related parties are Messrs Edwards, Kitney and Vincent and they are each related parties by virtue of being Directors of the Company. If any Director Options are to be granted to a nominee of a Related Party then such nominee will be a related party by virtue of being an entity controlled by that Related Party.

(b) Maximum number of securities

The maximum number of Director Options to be granted to each of the Related Parties is:

- (i) 1,250,000 Options to Mr Edwards or nominee;
- (ii) 1,250,000 Options to Mr Kitney or nominee; and
- (iii) 1,250,000 Options to Mr Vincent.

It is proposed that the Director Options to Mr Vincent are granted to Mr Vincent himself, and not a nominee, for the reason that Mr Vincent is resident in the United States (**US**) and a direct transaction enables the issue of the Options to fall within exemptions available under both US federal and state securities legislation.

(c) Date of issue

The Director Options will be issued to the Related Parties no later than three (3) years after the date of the Meeting (or such later date as permitted by any ASX waiver or modification of the ASX Listing Rules) and it is anticipated all Director Options will be issued on one date. The present intention is for the Director Options, if approved, to be issued within 14 days of the Annual General Meeting.

(d) Consideration

The Director Options will be granted for nil cash consideration. Accordingly, no funds will be raised by their grant however funds will be raised in the future to the extent the Director Options are exercised. Relevantly, the exercise price of the Director Options is the price that is the VWAP calculated over the 10 trading days on which trades were recorded on the ASX preceding the date of grant plus a 17.5% premium. On the assumption that the Director Options were issued on the date of this Notice of Meeting, the exercise price of the Director Options would have been \$0.300 (based on the 10 day VWAP of the Shares up to and including 12 August 2020 plus a 17.5% premium) and a total of up to \$1,125,500 in funds would be raised by the Company upon exercise of the Director Options.

(e) Remuneration

Each of the Company's non-executive directors currently receive directors' fees of \$48,000 per annum, inclusive of superannuation. The expected remuneration for each of the Related Parties in 2020/21 is therefore \$48,000.

- (f) **Securities previously issued**
1,250,000 Options have previously been issued to Mr Edwards in 2016 and 1,250,000 Options previously issued to Mr Kitney in 2016 under the 2015 Plan. These Options were issued for nil cash consideration. No Options have been previously issued to Mr Vincent.
- (g) **Terms and conditions**
The terms and conditions of the Director Options are set out in Schedule 1. The Director Options will be issued under the 2015 Plan and will be subject to the 2015 Plan rules. If however there is any inconsistency between the terms of the Director Options as set out in Schedule 1 and the 2015 Plan, the terms as set out in Schedule 1 will prevail to the extent of the inconsistency.
- All Directors are entitled to participate in the 2015 Plan and the Company's other directors, Thomas Sanders and Linton Putland, currently hold Options under the 2015 Plan, the issue of which Options was approved by Shareholders at the 2018 annual general meeting. Accordingly approval is being sought for the issue of Director Options to Messrs Edwards, Kitney and Vincent.
- (h) **Value**
An indicative option valuation for the Director Options has been determined using the Black Scholes Option Pricing Model and the valuation inputs and methodology are set out in Schedule 2. The indicative value of the Director Options is \$0.1200 per Director Option.
- The primary purpose of the grant of the Director Options to the Related Parties is to provide a performance linked incentive component in the overall remuneration package for each of the Related Parties to motivate and reward the performance of the Related Party in their respective roles as Directors.
- The Board acknowledges that the grant of Director Options to the Related Parties is contrary to Recommendation 8.2 of the Corporate Governance Principles and Recommendations (Fourth Edition) as published by the ASX Corporate Governance Council. The Board however considers the grant of the Director Options to non-executive Directors as being reasonable in the circumstances having regard to the size and level of operations of the Company and the importance of attracting and retaining non-executive Directors in a manner which does not unduly impact on cash reserves.
- (i) **No loan**
There is no associated loan in relation to the proposed grant of the Director Options.
- (j) **Approval statement**
If approved by Shareholders, details of the Director Options will be published in the Company's Annual Report for the period in which they are issued, along with a statement that approval was obtained under ASX Listing Rule 10.14. Resolutions 8, 9 and 10 only contemplate the issue of Options to Messrs Edwards, Kitney and Vincent. Any other issue of Options to other Directors who are entitled to participate in the 2015 Plan will be subject to a future approval by shareholders under ASX Listing Rule 10.14.
- (k) **Voting exclusion**
A voting exclusion statement is included in this Notice.

RESOLUTION 11: APPROVAL OF 10% PLACEMENT CAPACITY**9.1 General**

ASX Listing Rule 7.1A provides that an Eligible Entity may seek Shareholder approval at its annual general meeting to allow it to issue Equity Securities up to 10% of its issued capital (**10% Placement Capacity**).

An Equity Security is a share, a unit in a trust, a right to a share in a trust or option, an option over an issued or unissued security, a convertible security, or, any security that ASX decides to classify as an equity security. If Shareholders approve Resolution 11, the number of Equity Securities the Company may issue under the 10% Placement Capacity will be determined in accordance with the formula prescribed in ASX Listing Rule 7.1A.2 (as set out in Section 9.2 below).

The effect of Resolution 11, if passed, will be to allow the Company to issue Equity Securities up to 10% of the Company's fully paid ordinary securities on issue under the 10% Placement Capacity during the period up to 12 months after the Meeting, without subsequent Shareholder approval and without using the Company's 15% annual placement capacity granted under ASX Listing Rule 7.1. If Resolution 11 is not passed, then the Company will not be able to issue any Equity Securities using the 10% Placement Capacity under ASX Listing Rule 7.1A and will only have the 15% placement capacity available under ASX Listing Rule 7.1.

Resolution 11 is a special resolution. Accordingly, at least 75% of votes cast by Shareholders present and eligible to vote at the AGM must be in favour of Resolution 11 for it to be passed.

9.2 ASX Listing Rule 7.1A

ASX Listing Rule 7.1A enables an Eligible Entity to seek shareholder approval at its annual general meeting to issue Equity Securities in addition to those under the Eligible Entity's 15% annual placement capacity under ASX Listing Rule 7.1.

An **Eligible Entity** is one that, as at the date of the relevant annual general meeting:

- (a) is not included in the S&P/ASX 300 Index; and
- (b) has a maximum market capitalisation (excluding restricted securities and securities quoted on a deferred settlement basis) of \$300,000,000.

The Company is an Eligible Entity as it is not included in the S&P/ASX 300 Index and has a current market capitalisation of approximately \$62.73 million (based on the Company's closing price of Shares of \$0.240 on 12 August 2020).

Any Equity Securities issued must be in the same class as an existing class of quoted Equity Securities. At the date of the AGM, the Company will have one (1) class of quoted Equity Securities on issue, being the Shares (ASX Code: BRB).

The exact number of Equity Securities that the Company may issue with an approval under ASX Listing Rule 7.1A will be calculated according to the following formula:

$$(A \times D) - E$$

Where:

- A** is the number of Shares on issue at the commencement of the 12 month period immediately preceding the date of issue or agreement:
- (i) plus the number of Shares issued in the previous 12 months under an exception in ASX Listing Rule 7.2 other than exception 9, 16 or 17;
 - (ii) plus the number of Shares issued in the previous 12 months on the conversion of convertible securities within ASX Listing Rule 7.2, exception 9, where:
 - o the convertible securities were issued or agreed to be issued before the commencement of the previous 12 month period; or

- the issue of, or agreement to issue, the convertible securities was approved, or taken under the ASX Listing Rules to have been approved, under ASX Listing Rules 7.1 or 7.4;
 - (iii) plus the number of Shares issues in the previous 12 months under an agreement to issue Equity Securities within ASX Listing Rule 7.2, exception 16, where
 - the agreement was entered into before the commencement of the previous 12 month period; or
 - the agreement or issue was approved, or taken under the ASX Listing Rules to have been approved, under ASX Listing Rules 7.1 or 7.4;
 - (iv) plus the number of partly paid ordinary shares that became fully paid in the previous 12 months;
 - (v) plus the number of Shares issued in the previous 12 month period with approval of Shareholders under ASX Listing Rules 7.1 and 7.4; and
 - (vi) less the number of Shares cancelled in the previous 12 months.
- D** is 10%.
- E** is the number of Equity Securities issued or agreed to be issued under ASX Listing Rule 7.1A.2 in the 12 months before the date of issue or agreement to issue where the issue or agreement has not been subsequently approved by Shareholders under ASX Listing Rule 7.4.

9.3 Technical information required by ASX Listing Rule 7.1A

Pursuant to and in accordance with ASX Listing Rule 7.3A, the information below is provided in relation to this Resolution 11:

- (a) Minimum price
- The minimum price at which the Equity Securities may be issued is 75% of the volume weighted average price of Equity Securities in that class, calculated over the 15 ASX trading days on which trades in that class were recorded immediately before:
- (i) the date on which the price at which the Equity Securities are to be issued is agreed; or
 - (ii) if the Equity Securities are not issued within five (5) ASX trading days of the date in Section 9.3(a)(i), the date on which the Equity Securities are issued.
- (b) Date of issue
- The Equity Securities may be issued under the 10% Placement Capacity commencing on the date of the Meeting and expiring on the first to occur of:
- (i) 12 months after the date of the Meeting;
 - (ii) the time and date of the Company's annual general meeting in 2021; and
 - (iii) the time and date of approval by Shareholders of any transaction under ASX Listing Rules 11.1.2 (a significant change to the nature or scale of the Company's activities) or 11.2 (disposal of the Company's main undertaking) (after which date, an approval under ASX Listing Rule 7.1A ceases to be valid),
- (10% Placement Capacity Period).**
- (c) Risk of dilution
- Any issue of Shares under the 10% Placement Capacity will dilute the interests of Shareholders who do not receive any Shares under the issue. If Resolution 11 is approved by Shareholders and the Company issues the maximum number of Equity Securities available under the 10% Placement Capacity, the economic and voting dilution of existing Shares would be as shown in the table below.

The table shows the dilution of existing Shareholders calculated in accordance with the formula outlined in ASX Listing Rule 7.1A.2, on the basis of the current market price of Shares (rounded to a whole number of cents) and the current number of Shares on issue as at the date of this Notice. The table also shows the voting dilution impact where the number of Shares on issue (Variable A in the formula) changes and the economic dilution where there are changes in the issue price of Shares issued under the 10% Placement Capacity.

Number of Shares on Issue	Dilution			
		\$0.12 50% decrease in issue price	\$0.24 issue price	\$0.48 100% increase in issue price
260,381,080 (Variable A*)	10% voting dilution - Shares issued	26,038,108 Shares	26,038,108 Shares	26,038,108 Shares
	Funds raised	\$3,124,572	\$6,249,145	\$12,498,291
390,571,620 (50% increase in Variable A*)	10% voting dilution - Shares issued	39,057,162 Shares	39,057,162 Shares	39,057,162 Shares
	Funds raised	\$4,686,859	\$9,373,718	\$18,747,437
520,762,160 (100% increase in Variable A*)	10% voting dilution - Shares issued	52,076,216 Shares	52,076,216 Shares	52,076,216 Shares
	Funds raised	\$6,249,145	\$12,498,291	\$24,996,583

* Variable A represents the number of Shares on issue at the date of this Notice. Variable A could increase as a result of the issue of Shares under the SPP which is part of the July 2020 Capital Raising, issue of the Tranche 2 Placement Shares and/or the Electrum Shares or the future issue of Shares that do not require Shareholder approval or the exercise of Options.

The table above uses the following assumptions:

- (i) The Company currently has 260,381,080 Shares on issue. This does not include any fully paid shares to be issued as a result of the SPP which forms part of the July 2020 Capital Raising, nor the issue of any other Shares for which shareholder approval is sought during the Meeting.
- (ii) The issue price set out above is based on the ASX closing price of the Shares on 12 August 2020 of \$0.240, rounded to the closest whole number of cents.
- (iii) The Company issues the maximum possible number of Equity Securities under the 10% Placement Capacity.
- (iv) The issue of Equity Securities under the 10% Placement Capacity consists only of Shares.
- (v) The calculations above do not show the dilution that any one particular Shareholder will be subject to as at the date of the Meeting. All Shareholders should consider the dilution caused to their own shareholding depending on their specific circumstances.
- (vi) The 10% voting dilution reflects the aggregate percentage dilution against the issued share capital at the time of issue. This is why the voting dilution is shown in each example as 10%.
- (vii) The table does not set out any dilution pursuant to approvals under ASX Listing Rule 7.1.

Shareholders should note that there is a risk that:

- (i) the market price for the Company's Shares may be significantly lower or higher on the issue date than on the date of the Meeting; and
- (ii) the Shares may be issued at a price that is at a discount to the market price for those Shares on the date of issue.

(d) Purpose of issue under 10% Placement Capacity

The Company may issue Equity Securities under the 10% Placement Capacity for the purposes of raising funds for the acquisition of new resources, assets and investments (including expenses associated with such an acquisition), continued exploration expenditure or development work on the Company's Lake Roe and Ularring Rock projects (funds would then be used for exploration activities, development work and/or project administration) and general working capital.

The purpose of seeking the 10% Placement Capacity is to enable the Company the flexibility to issue Equity Securities in addition to the 15% placement capacity afforded to the Company under ASX Listing Rule 7.1, should the Board identify a need and opportunity to do so. The Directors are not currently aware of any matters which would require a change to the Company's current corporate and strategic objectives.

The Company's exploration activities on its Lake Roe and Ularring Rock projects are detailed in the Annual Report as supplemented by ongoing updates to the ASX, particularly in relation to the Lake Roe Gold Project. If the Company raises funds under the 10% Placement Capacity for the purpose of applying those funds towards further exploration expenditure on its projects, it will release details of the use of funds to ASX.

(e) Allocation under the 10% Placement Capacity

The allottees of any Equity Securities to be issued under the 10% Placement Capacity have not yet been determined. However, the allottees of Equity Securities could consist of current Shareholders or new investors (or both), none of whom will be a related party of the Company.

The Company will determine the allottees at the time of the issue under the 10% Placement Capacity, having regard to the following factors:

- (i) the purpose of the issue;
- (ii) alternative methods for raising funds available to the Company at that time, including, but not limited to, an entitlement issue or other offer where existing Shareholders may participate;
- (iii) the effect of the issue of the Equity Securities on the control of the Company;
- (iv) the circumstances of the Company, including, but not limited to, the financial position and solvency of the Company;
- (v) prevailing market conditions; and
- (vi) advice from corporate, financial and broking advisers (if applicable).

(f) Previous issues under ASX Listing Rule 7.1A

In the 12 months preceding the date of the Meeting, the Company has issued 20,830,486 Shares using the 10% placement capacity available under ASX Listing Rule 7.1A. The issue of these securities represents 9.8% of the total number of Equity Securities on issue at the commencement of the 12 month period (being 17 September 2019), which was 212,927,492 on a fully diluted basis.

Details of Equity Securities issued during the 12 months preceding the date of the Meeting under ASX Listing Rule 7.1A are provided below.

Date of Issue	15 November 2019	5 August 2020
Number Issued	15,922,843	4,907,643
Class of Equity Securities issued and terms	Fully paid ordinary shards	Fully paid ordinary shares
Names of allottees or basis for allotment	Electrum Strategic Opportunities Fund II LP	Issued to Institutional and sophisticated investors under the first tranche of a Placement (refer section 5.2(c) for further information)
Equity Securities' price of issue and discount to market	\$0.35 (the Equity Securities were issued at a premium to the closing market price of \$0.31 on the date of agreement)	\$0.24 (representing a 7.7% discount to the closing market price on the date of agreement)
Total cash consideration and use of funds	\$5,572,995 (before costs) The funds have been expended in full and were used to ramp up reverse circulation and diamond drilling aimed at growing the Bombora Mineral Resource at the Company's Lake Roe Gold Project.	\$1,177,834 (before costs) The funds are still to be expended and are to be mainly used to progress drilling activities aimed at growing the Bombora Mineral Resource and expanding future development options at Lake Roe, together with working capital.

(g) Compliance with ASX Listing Rules 7.1A.4

If the Company issues Equity Securities pursuant to the 10% Placement Capacity, it will give to ASX a list of the allottees of the Equity Securities and the number of Equity Securities allotted to each (not for release to the market), in accordance with ASX Listing Rule 7.1A.4.

(h) Voting exclusion

A voting exclusion statement is included in this Notice. As at the date of this Notice, the Company has no plans for an issue of Equity Securities under ASX Listing Rule 7.1A and has not invited any existing Shareholder to participate in an issue of Equity Securities under ASX Listing Rule 7.1A. Therefore, no existing Shareholders will be excluded from voting on Resolution 11.

9.4 Directors' recommendation

All of the Directors recommend that Shareholders vote in favour of Resolution 11.

Where appointed as an undirected proxy, the Chair will cast available proxy votes in favour of Resolution 11. Shareholders may choose to direct the Chair (as proxy) to vote for or against Resolution 11 or to abstain from voting.

GLOSSARY

In this Explanatory Memorandum and the Notice, the following terms have the following meanings unless the context otherwise requires:

\$	means Australian dollars.
10% Placement Capacity	is defined in Section 9.1.
10% Placement Capacity Period	is defined in Section 9.3(b).
10% Placement Shares	is defined in Section 5.1.
15% Placement Shares	is defined in Section 4.1.
2015 Plan	means the Company's Incentive Option Scheme 2015 (as approved by Shareholders at the 2019 annual general meeting)
Annual General Meeting, Meeting or AGM	means the Company's annual general meeting for the financial year ended 30 June 2020.
Annual Report	means the directors' report, the annual financial report and auditors' report in respect of the financial year ended 30 June 2020.
Associate	has the same meaning as defined in section 11 and sections 13 to 17 of the Corporations Act.
ASX	means ASX Ltd (ACN 008 624 691) and, where context requires, the Australian Securities Exchange operated by ASX Ltd.
AWST	means Australian Western Standard Time as observed in Perth, Western Australia.
Board	means the board of Directors of the Company.
Chair	means the chairman of the Meeting.
Closely Related Party	has the same meaning as defined in section 9 of the Corporations Act.
Company	means Breaker Resources NL (ACN 145 011 178).
Constitution	means the constitution of the Company.
Corporations Act	means the <i>Corporations Act 2001</i> (Cth).
Director	means a director of the Company.
Director Options	is defined in Section 8.1.
Electrum	means Electrum Strategic Opportunities Fund II LP.
Electrum Shares	Is defined in Section 7.1.
Eligible Entity	is defined in Section 9.2.
Equity Securities	bears the meaning given to that term in the Listing Rules and includes a share, a right to a share or option, an option, a convertible security and any security that ASX decides to classify as an Equity Security.

Explanatory Memorandum	means this information attached to the Notice, which provides information to Shareholders about the Resolutions contained within the Notice.
July 2020 Capital Raising	is defined in Section 6.1.
Key Management Personnel or KMP	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.
Meeting	means the Annual General Meeting.
Notice or Notice of Meeting	means the Notice of Annual General Meeting accompanying this Explanatory Memorandum.
Option	means an option to acquire a Share.
Optionholder	means the holder of an Option.
Placement	is defined in Section 4.1.
Proxy Form	means the proxy form attached to this Notice.
Related Parties	is defined in Section 8.1.
Remuneration Report	means the remuneration report of the Company outlined in the Annual Report.
Resolution	means a resolution contained in the Notice.
Share	means a fully paid ordinary share in the capital of the Company.
Shareholder	means the holder of a Share.
Spill Meeting	is defined in Section 1.3.
Spill Resolution	is defined in Section 1.3.
SPP	is defined in Section 4.1.
the voter	is defined in Section 1.5.
Tranche 2 Placement Shares	is defined in Section 6.1.
Variable A	means "A" as set out in the calculation in Section 8.3(c) of this Notice.
VWAP	means the volume weighted average price of Shares as traded on the ASX.

SCHEDULE 1

The Director Options entitle the holder to subscribe for fully paid ordinary shares in the capital of Breaker Resources NL (**Company**) on the following terms and conditions:

- (b) Each Director Option gives the holder of the Director Options (**Optionholder**) the right to subscribe for one (1) Share.
- (c) The Director Options are issued pursuant to, and will be subject to, the rules of the Company's 2015 Plan. Terms defined in the 2015 Plan will bear the same meaning where used in these terms and conditions, unless the context otherwise requires.
- (d) Each Director Option will expire at 5.00pm (WST) on 30 September 2023 (**Expiry Date**). A Director Option not exercised before the Expiry Date will automatically lapse on the Expiry Date. Director Options will lapse immediately and all rights in respect of the Director Options will be lost if the Relevant Person in relation to the Optionholder ceases to be an Eligible Participant and the Director Options are not exercised within a period of three (3) months after the Relevant Person ceasing to an Eligible Participant (or a further date as determined by the Board) (**Ceasing Date**).
- (e) Subject to these terms and conditions and those of the 2015 Plan, the amount payable upon exercise of each Director Option will be 117.5% of the VWAP (volume weighted average price of trading on ASX in fully paid ordinary shares in the capital of the Company) calculated over the 10 trading days on which trades were recorded on ASX preceding the date of the grant of the Director Option (**Exercise Price**).
- (f) As provided for in the 2015 Plan, the Director Options are not transferrable or assignable.
- (g) Should there be any inconsistency between the terms and conditions in this Schedule 1 and the rules of the 2015 Plan then the terms and conditions in this Schedule 1 will prevail to the extent of the inconsistency.
- (h) The Director Options held by each Optionholder may be exercised in whole or in part.
- (i) An Optionholder may exercise their Director Options by lodging with the Company, any time after issue and before 5.00pm (AWST) on the Expiry Date or Ceasing Date (whichever is the earlier):
 - (i) an "Option Certificate" or "Holding Statement" or similar in relation to the Director Options;
 - (ii) a written notice of exercise of Director Options specifying the number of Director Options being exercised; and
 - (iii) subject to paragraph (o) a cheque or electronic funds transfer for the Exercise Price multiplied by the number of Director Options being exercised;(**Exercise Notice**).
- (j) Within 10 Business Days of receipt of the Exercise Notice accompanied by the Exercise Price, the Company will, subject to the Listing Rules (if relevant), issue to the Optionholder the number of Shares required under these terms and conditions in respect of the number of Director Options specified in the Exercise Notice.
- (k) All Shares issued upon the exercise of Options will upon issue rank pari passu in all respects with other Shares.
- (l) The Company will not apply for quotation of the Director Options on ASX however the Company will apply for quotation of all Shares issued pursuant to the exercise of Director Options on ASX within 10 Business Days after the date of issue of those Shares.

- (m) There are no participating rights or entitlements inherent in the Director Options and Optionholders will not be entitled to participate in new issues of capital offered to shareholders during the currency of the Director Options without exercising the Director Options.
- (n) Optionholders have the right to exercise their Director Options prior to the date of determining entitlements to any capital issues to the then existing shareholders of the Company made during the currency of the Director Options, and will be granted a period of at least six (6) business days before books closing date to exercise the Director Options.
- (o) In the event of any re-organisation (including reconstruction, consolidation, subdivision, reduction or return of capital) of the issued capital of the Company, the Director Options will be re-organised as required by the Listing Rules or the Corporations Act, but in all other respects the terms of exercise will remain unchanged.
- (p) In the event the Company proceeds with a pro rata issue (except a bonus issue) of securities to the holders of Shares after the date of issue of the Director Options, the exercise price of the Director Options will be adjusted in accordance with the formula set out in the Listing Rules.
- (q) In the event the Company proceeds with a bonus issue of securities to the holders of Shares after the date of issue of the Director Options, the number of Shares issued on exercise of each Director Option will include the number of bonus Shares that would have been issued if the Director Option had been exercised prior to the record date for the bonus issue.
- (r) Where the market price of a Share as recorded on ASX exceeds the Exercise Price of a Director Option at the time of exercise of the Director Options, the Company may decide in its absolute discretion that an Optionholder will not be required to provide payment of the Exercise Price of Director Options exercised or to be exercised but only if on exercise of the Director Options, the Optionholder elects that the Company instead allot and issue the number of Shares that are, on the exercise date, equal in value (with value determined in accordance with such market price on ASX on the date of exercise) to the difference between the market price, calculated on the date of exercise, of the Shares which would otherwise have been issued as a result of such exercise and the Exercise Price otherwise payable in relation to the Director Options so exercised (with the number of Shares rounded down).

SCHEDULE 2

The Company has valued the Director Options using the Black Scholes Option Pricing Model (**Model**). The value of an option calculated by the Model is a function of a number of variables. The valuation of the Director Options has been prepared using the following assumptions:

Variable	Input
Share price ¹	\$0.240
Exercise price ²	\$0.300
Time (years to expiry)	3.13 years
Risk free interest rate ³	0.27%
Volatility ⁴	85.19%

Notes:

- ¹ The underlying value of each Share is based on the ASX closing price on the last trading day before the date of this Notice of Meeting being \$0.240.
- ² The exercise price of each Director Option is calculated on the assumption that the Director Options were issued on the date of this Notice of Meeting and therefore the exercise price would have been \$0.300 (based on the 10-day VWAP of the Shares up to and including 12 August 2020 plus a 17.5% premium).
- ³ Risk free interest rate is that derived from the zero coupon yield from Australian government bonds as at 12 August 2020 with the closest similar term to that of the Director Options.
- ⁴ Volatility of the Share price is determined from the historic volatility of the market price of the Shares and the mean reversion tendency of volatilities.

Based on the assumptions, it is considered that the estimated average value of the Director Options to be \$0.1200 per Director Option. No adjustment has been made to the fair value of the Director Options for potential dilution.

Any change in the variables applied in the Model calculation between the date of the valuation and the date that the Director Options are issued will have an impact on their value.

It should be noted that this valuation is not necessarily the market price that the unlisted Director Options could be traded at and is not automatically the market price for taxation purposes.

If you are attending the meeting
in person, please bring this with you
for Securityholder registration.

Holder Number:

Vote by Proxy: BRB

Your proxy voting instruction must be received by **3.30pm (AWST) on Tuesday, 15 September 2020**, being **not later than 48 hours** before the commencement of the Meeting. Any Proxy Voting instructions received after that time will not be valid for the scheduled Meeting.

SUBMIT YOUR PROXY VOTE ONLINE

Vote online at <https://investor.automic.com.au/#/loginsah>

Login & Click on 'Meetings'. Use the Holder Number as shown at the top of this Proxy Voting form.

- ✓ **Save Money:** help minimise unnecessary print and mail costs for the Company.
- ✓ **It's Quick and Secure:** provides you with greater privacy, eliminates any postal delays and the risk of potentially getting lost in transit.
- ✓ **Receive Vote Confirmation:** instant confirmation that your vote has been processed. It also allows you to amend your vote if required.



SUBMIT YOUR PROXY VOTE BY PAPER

Complete the form overleaf in accordance with the instructions set out below.

YOUR NAME AND ADDRESS

The name and address shown above is as it appears on the Company's share register. If this information is incorrect, and you have an Issuer Sponsored holding, you can update your address through the investor portal: <https://investor.automic.com.au/#/home> Shareholders sponsored by a broker should advise their broker of any changes.

VOTING UNDER STEP 1 - APPOINTING A PROXY

If you wish to appoint someone other than the Chairman of the Meeting as your proxy, please write the name of that Individual or body corporate. A proxy need not be a Shareholder of the Company. Otherwise if you leave this box blank, the Chairman of the Meeting will be appointed as your proxy by default.

DEFAULT TO THE CHAIRMAN OF THE MEETING

Any directed proxies that are not voted on a poll at the Meeting will default to the Chairman of the Meeting, who is required to vote these proxies as directed. Any undirected proxies that default to the Chairman of the Meeting will be voted according to the instructions set out in this Proxy Voting Form, including where the Resolutions are connected directly or indirectly with the remuneration of KMP.

VOTES ON ITEMS OF BUSINESS – PROXY APPOINTMENT

You may direct your proxy how to vote by marking one of the boxes opposite each item of business. All your shares will be voted in accordance with such a direction unless you indicate only a portion of voting rights are to be voted on any item by inserting the percentage or number of shares you wish to vote in the appropriate box or boxes. If you do not mark any of the boxes on the items of business, your proxy may vote as he or she chooses. If you mark more than one box on an item your vote on that item will be invalid.

APPOINTMENT OF SECOND PROXY

You may appoint up to two proxies. If you appoint two proxies, you should complete two separate Proxy Voting Forms and specify the percentage or number each proxy may exercise. If you do not specify a percentage or number, each proxy may exercise half the votes. You must return both Proxy Voting Forms together. If you require an additional Proxy Voting Form, contact Automic Registry Services.

SIGNING INSTRUCTIONS

You must sign this form as follows in the spaces provided

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

Joint holding: Where the holding is in more than one name, all of the Shareholders 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 Proxy Voting Form when you return it.

Companies: To be signed in accordance with your Constitution. Please sign in the appropriate box which indicates the office held by you.

Email Address: Please provide your email address in the space provided.

By providing your email address, you elect to receive all communications despatched by the Company electronically (where legally permissible) such as a Notice of Meeting, Proxy Voting Form and Annual Report via email.

CORPORATE REPRESENTATIVES

If a representative of the corporation is to attend the Meeting the appropriate 'Appointment of Corporate Representative' should be produced prior to admission. A form may be obtained from the Company's share registry online at <https://automic.com.au>.

ATTENDING THE MEETING

Completion of a Proxy Voting Form will not prevent individual Shareholders from attending the Meeting in person if they wish. Where a Shareholder completes and lodges a valid Proxy Voting Form and attends the Meeting in person, then the proxy's authority to speak and vote for that Shareholder is suspended while the Shareholder is present at the Meeting.

POWER OF ATTORNEY

If a representative as power of attorney of a Shareholder of the Company is to attend the Meeting, a certified copy of the Power of Attorney, or the original Power of Attorney, must be received by the Company in the same manner, and by the same time as outlined for proxy forms.



