



## **DISCOVEX RESOURCES LIMITED**

ABN 61 115 768 986

# **NOTICE OF ANNUAL GENERAL MEETING AND EXPLANATORY MEMORANDUM TO SHAREHOLDERS**

**Date of Meeting**

Thursday, 7 October 2021

**Time of Meeting**

10am (AWST)

**Place of Meeting**

PKF Boardroom, Level 5, 35 Havelock Street, West Perth, Western Australia

**A Proxy Form is enclosed**

Please read this Notice and Explanatory Memorandum carefully. If you are unable to attend the Meeting please complete and return the enclosed Proxy Form in accordance with the specified directions.

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## **DiscovEx Resources Limited**

**ABN 61 115 768 986**

### **Notice of Annual General Meeting**

Notice is hereby given that a Annual General Meeting of DiscovEx Resources Limited ABN 61 115 768 986 (**Company**) will be held at 10am (AWST) on Thursday, 7 October 2021 at PKF Boardroom, Level 5, 35 Havelock Street, West Perth, Western Australia.

The Company and the Board are acutely aware of the current circumstances resulting from COVID-19 and the impact it is having, and is likely to continue to have, on physical meetings.

The Board has made the decision that it will hold a physical Meeting with the appropriate social gathering and physical distancing measures in place to comply with the State Government and Federal Government's current restrictions for physical gatherings.

However, the Company strongly encourages all Shareholders to participate in the Meeting by:

- (a) reading this Notice carefully; and
- (b) voting by proxy following the instructions set out in this Notice.

Additionally, circumstances relating to COVID-19 are changing rapidly. The Company will update Shareholders if changing circumstances will impact planning or the arrangements for the Meeting by way of announcement on ASX. The details will also be made available on our website at [www.discovexresources.com.au](http://www.discovexresources.com.au)

The Company encourages all Shareholders to check ASX and the Company's website regularly prior to the Meeting.

The enclosed Explanatory Memorandum accompanies and forms part of this Notice of Meeting.

If you are unable to attend the Annual General Meeting please complete and return the Proxy Form in accordance with the specified directions.

Please note terms used in this Notice of Meeting have the same meaning as set out in the Glossary of the Explanatory Memorandum accompanying this Notice of Meeting.

#### **AGENDA**

##### **Financial Reports**

To receive and consider the financial statements of the Company for the year ended 30 June 2021, together with the Directors' Report and the Auditor's Report as set out in the Annual Report.

### 1. Resolution 1 – Non-binding resolution to adopt Remuneration Report

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

*"That the Remuneration Report as set out in the Annual Report for the year ended 30 June 2021 be adopted."*

**Note:** The vote on this Resolution is advisory only and does not bind the Directors or the Company. Shareholders are encouraged to read the Explanatory Memorandum for further details on the consequences of voting on this Resolution.

**Voting prohibition statement:**

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

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

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

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

*Shareholders should note that the Chair intends to vote any undirected proxies in favour of Resolution 1. In exceptional circumstances, the Chair of the Meeting may change his or her voting intention on Resolution 1, in which case an ASX announcement will be made. Shareholders may also choose to direct the Chair to vote against Resolution 1 or to abstain from voting.*

### 2. Resolution 2 – Election of Director – Heath Hellewell

To consider and, if thought fit, to pass the following resolution as an **ordinary resolution**:

*"That, for the purpose of clause 13.5 of the Constitution and for all other purposes, Mr Heath Hellewell, a Director who was appointed casually on 11 March 2021, retires, and being eligible, be elected as a Director of the Company."*

### 3. Resolution 3 – Election of Director – Kim Massey

To consider and, if thought fit, to pass the following resolution as an **ordinary resolution**:

*"That, for the purpose of clause 13.5 of the Constitution and for all other purposes, Mr Kim Massey, a Director who was appointed casually on 11 March 2021, retires, and being eligible, be elected as a Director of the Company."*

### 4. Resolution 4 – Re-election of Director – David Morgan

To consider and, if thought fit, to pass the following resolution as an **ordinary resolution**:

*"That Mr David Morgan, who retires in accordance with clause 13.2 of the Constitution and, being eligible for re-election, be re-elected as a Director."*

## 5. Resolution 5 – Issue of Options to Director – Toby Wellman

To consider and, if thought fit, to pass, the following resolution as an **ordinary resolution**:

*“That, for the purposes of section 195(4) and section 208 of the Corporations Act, Listing Rule 10.11 and for all other purposes, approval is given for the Company to issue up to 15,000,000 Options to Mr Toby Wellman (or their nominee) on the terms and conditions set out in the Explanatory Statement.”*

### **Voting prohibition statement:**

In accordance with section 224 of the Corporations Act, a vote on this Resolution must not be cast (in any capacity) by or on behalf of a related party of the Company to whom the Resolution would permit a financial benefit to be given, or an associate of such a related party (**Resolution 5 Excluded Party**). However, the above prohibition does not apply if the vote is cast by a person as proxy appointed by writing that specifies how the proxy is to vote on the Resolution and it is not cast on behalf of a Resolution 5 Excluded Party.

In accordance with section 250BD of the Corporations Act, 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 Key Management Personnel; 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.

Provided the Chair is not a Resolution 5 Excluded Party, the above prohibition does not apply if:

- (a) the proxy is the Chair; and
- (b) 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 Key Management Personnel.

### **Voting Exclusion Statement**

In accordance with Listing Rule 14.11, the Company will disregard any votes cast in favour of the Resolution 5 set out below by or on behalf of Mr Toby Wellman (or their 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) or an associate of that person or those persons.

However, this does not apply to a vote cast in favour of the Resolution by:

- (a) a person as a proxy or attorney for a person who is entitled to vote on the Resolution, in accordance with the directions given to the proxy or attorney to vote on the Resolution in that way; or
- (b) the Chair as proxy or attorney for a person who is entitled to vote on the Resolution, in accordance with a direction given to the Chair to vote on the Resolution as the Chair decides; or
- (c) a holder acting solely in a nominee, trustee, custodial or other fiduciary capacity on behalf of a beneficiary provided the following conditions are met:
  - (i) the beneficiary provides written confirmation to the holder that the beneficiary is not excluded from voting, and is not an associate of a person excluded from voting, on the resolution; and
  - (ii) the holder votes on the resolution in accordance with directions given by the beneficiary to the holder to vote in that way.

## 6. Resolution 6 – Issue of Options to Director – Heath Hellewell

To consider and, if thought fit, to pass, the following resolution as an **ordinary resolution**:

*“That, for the purposes of section 195(4) and section 208 of the Corporations Act, Listing Rule 10.11 and for all other purposes, approval is given for the Company to issue up to 9,000,000 Options to Mr Heath Hellewell (or their nominee) on the terms and conditions set out in the Explanatory Statement.”*

### **Voting prohibition statement:**

In accordance with section 224 of the Corporations Act, a vote on this Resolution must not be cast (in any capacity) by or on behalf of a related party of the Company to whom the Resolution would permit a financial benefit to be given, or an associate of such a related party (**Resolution 6 Excluded Party**). However, the above prohibition does not apply if the vote is cast by a person as proxy appointed by writing that specifies how the proxy is to vote on the Resolution and it is not cast on behalf of a Resolution 6 Excluded Party.

In accordance with section 250BD of the Corporations Act, a person appointed as a proxy must not vote, on the basis of that appointment, on this Resolution if:

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

Provided the Chair is not a Resolution 6 Excluded Party, the above prohibition does not apply if:

- (e) the proxy is the Chair; and
- (f) 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 Key Management Personnel.

### **Voting Exclusion Statement**

In accordance with Listing Rule 14.11, the Company will disregard any votes cast in favour of the Resolution 6 set out below by or on behalf of Mr Heath Hellewell (or their 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) or an associate of that person or those persons.

However, this does not apply to a vote cast in favour of the Resolution by:

- (a) a person as a proxy or attorney for a person who is entitled to vote on the Resolution, in accordance with the directions given to the proxy or attorney to vote on the Resolution in that way; or
- (b) the Chair as proxy or attorney for a person who is entitled to vote on the Resolution, in accordance with a direction given to the Chair to vote on the Resolution as the Chair decides; or
- (c) a holder acting solely in a nominee, trustee, custodial or other fiduciary capacity on behalf of a beneficiary provided the following conditions are met:
  - (i) the beneficiary provides written confirmation to the holder that the beneficiary is not excluded from voting, and is not an associate of a person excluded from voting, on the resolution; and
  - (ii) the holder votes on the resolution in accordance with directions given by the beneficiary to the holder to vote in that way.

## 7. Resolution 7 – Issue of Options to Director – David Morgan

To consider and, if thought fit, to pass, the following resolution as an **ordinary resolution**:

*“That, for the purposes of section 195(4) and section 208 of the Corporations Act, Listing Rule 10.11 and for all other purposes, approval is given for the Company to issue up to 7,000,000 Options to Mr David Morgan (or their nominee) on the terms and conditions set out in the Explanatory Statement.”*

### **Voting prohibition statement:**

In accordance with section 224 of the Corporations Act, a vote on this Resolution must not be cast (in any capacity) by or on behalf of a related party of the Company to whom the Resolution would permit a financial benefit to be given, or an associate of such a related party (Resolution 7 Excluded Party). However, the above prohibition does not apply if the vote is cast by a person as proxy appointed by writing that specifies how the proxy is to vote on the Resolution and it is not cast on behalf of a Resolution 7 Excluded Party.

In accordance with section 250BD of the Corporations Act, a person appointed as a proxy must not vote, on the basis of that appointment, on this Resolution if:

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

Provided the Chair is not a Resolution 7 Excluded Party, the above prohibition does not apply if:

- (i) the proxy is the Chair; and
- (j) 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 Key Management Personnel.

### **Voting Exclusion Statement**

In accordance with Listing Rule 14.11, the Company will disregard any votes cast in favour of the Resolution 7 set out below by or on behalf of Mr David Morgan (or their 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) or an associate of that person or those persons.

However, this does not apply to a vote cast in favour of the Resolution by:

- (a) a person as a proxy or attorney for a person who is entitled to vote on the Resolution, in accordance with the directions given to the proxy or attorney to vote on the Resolution in that way; or
- (b) the Chair as proxy or attorney for a person who is entitled to vote on the Resolution, in accordance with a direction given to the Chair to vote on the Resolution as the Chair decides; or
- (c) a holder acting solely in a nominee, trustee, custodial or other fiduciary capacity on behalf of a beneficiary provided the following conditions are met:
  - (i) the beneficiary provides written confirmation to the holder that the beneficiary is not excluded from voting, and is not an associate of a person excluded from voting, on the resolution; and
  - (ii) the holder votes on the resolution in accordance with directions given by the beneficiary to the holder to vote in that way.

## 8. Resolution 8 – Issue of Options to Former Director – Bradley Drabsch

To consider and, if thought fit, to pass, the following resolution as an **ordinary resolution**:

*“That, for the purposes of section 195(4) and section 208 of the Corporations Act, Listing Rule 10.11 and for all other purposes, approval is given for the Company to issue up to 2,000,000 Options to Mr Bradley Drabsch (or their nominee) on the terms and conditions set out in the Explanatory Statement.”*

### **Voting prohibition statement:**

In accordance with section 224 of the Corporations Act, a vote on this Resolution must not be cast (in any capacity) by or on behalf of a related party of the Company to whom the Resolution would permit a financial benefit to be given, or an associate of such a related party (**Resolution 8 Excluded Party**). However, the above prohibition does not apply if the vote is cast by a person as proxy appointed by writing that specifies how the proxy is to vote on the Resolution and it is not cast on behalf of a Resolution 8 Excluded Party.

In accordance with section 250BD of the Corporations Act, a person appointed as a proxy must not vote, on the basis of that appointment, on this Resolution if:

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

Provided the Chair is not a Resolution 8 Excluded Party, the above prohibition does not apply if:

- (m) the proxy is the Chair; and
- (n) 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 Key Management Personnel.

### **Voting Exclusion Statement**

In accordance with Listing Rule 14.11, the Company will disregard any votes cast in favour of the Resolution 8 set out below by or on behalf of Mr Bradley Drabsch (or their 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) or an associate of that person or those persons.

However, this does not apply to a vote cast in favour of the Resolution by:

- (a) a person as a proxy or attorney for a person who is entitled to vote on the Resolution, in accordance with the directions given to the proxy or attorney to vote on the Resolution in that way; or
- (b) the Chair as proxy or attorney for a person who is entitled to vote on the Resolution, in accordance with a direction given to the Chair to vote on the Resolution as the Chair decides; or
- (c) a holder acting solely in a nominee, trustee, custodial or other fiduciary capacity on behalf of a beneficiary provided the following conditions are met:
  - (i) the beneficiary provides written confirmation to the holder that the beneficiary is not excluded from voting, and is not an associate of a person excluded from voting, on the resolution; and
  - (ii) the holder votes on the resolution in accordance with directions given by the beneficiary to the holder to vote in that way.



## **9. Resolution 9 – Additional 10% Placement Capacity**

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

*"That, for the purposes of Listing Rule 7.1A and for all other purposes, Shareholders approve the issue of Equity Securities up to 10% of the Company's issued capital (at the time of issue) calculated in accordance with the formula prescribed in Listing Rule 7.1A.2 and otherwise on the terms and conditions set out in the Explanatory Memorandum."*

### **OTHER BUSINESS**

**To deal with any other business which may be brought forward in accordance with the Constitution and Corporations Act.**

Details of the definitions and abbreviations used in this Notice are set out in the Glossary to the Explanatory Memorandum.

**By Order of the Board**

A handwritten signature in black ink, appearing to read "N Schmidt", written in a cursive style.

**Nerida Schmidt**  
**Company Secretary**  
2 September 2021

## **NOTES**

These notes form part of the Notice of Meeting and should be read in conjunction with the accompanying Explanatory Memorandum. Capitalised words and phrases used in this Notice of Meeting are defined in the Glossary contained in the accompanying Explanatory Memorandum.

### **How to vote**

Shareholders can vote by either:

- attending the Meeting and voting in person or by attorney or, in the case of corporate Shareholders, by appointing a corporate representative to attend and vote; or
- appointing a proxy to attend and vote on their behalf using the Proxy Form accompanying this Notice of Meeting and by submitting their proxy appointment and voting instructions in person, electronically, by post or by facsimile.

### **Voting in person (or by attorney)**

Shareholders, or their attorneys, who plan to attend the Meeting are asked to arrive at the venue 15 minutes prior to the time designated for the Meeting, if possible, so that their holding may be checked against the Company's share register and attendance recorded. A properly executed original (or certified copy) of the power of attorney under which an attorney has been authorised to attend and vote at the Meeting must be lodged with the Company's share registry before 10am (AWST) on Tuesday 5 October 2021 (48 hours before the commencement of the Meeting). If facsimile transmission is used, the power of attorney must be certified.

### **Voting by a Corporation**

A Shareholder that is a corporation may appoint an individual to act as its representative and vote in person at the Meeting. The appointment must comply with the requirements of section 250D of the Corporations Act. The representative should bring to the Meeting evidence of his or her appointment, including any authority under which it is signed unless previously given to the Company's share registry.

### **Voting by proxy**

- A Shareholder entitled to attend and vote is entitled to appoint not more than two proxies. Each proxy will have the right to vote on a poll and also to speak at the Meeting.
- The appointment of the proxy may specify the proportion or the number of votes that the proxy may exercise. Where more than one proxy is appointed and the appointment does not specify the proportion or number of the Shareholder's votes each proxy may exercise, the votes will be divided equally among the proxies (i.e. where there are two proxies, each proxy may exercise half of the votes).
- A proxy need not be a Shareholder.
- The proxy can be either an individual or a body corporate.

- If a proxy is not directed how to vote on an item of business, the proxy may vote, or abstain from voting, as they think fit.
- Should any resolution, other than those specified in this Notice, be proposed at the Meeting, a proxy may vote on that resolution as they think fit.
- If a proxy is instructed to abstain from voting on an item of business, they are directed not to vote on the Shareholder's behalf on the poll and the Shares that are the subject of the proxy appointment will not be counted in calculating the required majority.
- Shareholders who return their Proxy Forms with a direction how to vote but do not nominate the identity of their proxy will be taken to have appointed the Chairman of the Meeting as their proxy to vote on their behalf. If a Proxy Form is returned but the nominated proxy does not attend the Meeting, the Chairman of the Meeting will act in the place of the nominated proxy and vote in accordance with any instructions. Proxy appointments in favour of the Chairman of the Meeting, the secretary or any Director, that do not contain a direction how to vote will be used where possible to support each of the Resolutions proposed in this Notice, provided they are entitled to cast votes as proxy under the voting exclusion rules which apply to some of the proposed Resolutions. However, in exceptional circumstances, the Chair of the Meeting may change his or her voting intention, in which case an ASX announcement will be made. These rules are explained in this Notice.
- To be effective, proxies must be received by 10am (AWST) on Tuesday 5 October 2021. Proxies received after this time will be invalid.
- Proxies may be lodged using any of the following methods:

Shareholders are encouraged to vote by voting online or by completing a Proxy Form.

Lodgement of a Proxy Form will not preclude a Shareholder from attending and voting at the Meeting in person.

Proxy Forms can be lodged:

Online: [www.investor.automic.com.au/#/loginsah](http://www.investor.automic.com.au/#/loginsah)

By email: [meetings@automicgroup.com.au](mailto:meetings@automicgroup.com.au)

By mail: Automic  
GPO Box 5193  
Sydney NSW 2001

By telephone: 1300 288 664 (within Australia)  
+61 2 9698 5415 (outside Australia)

By fax: +61 2 8583 3040

By mobile: Scan the QR Code available on the Proxy Form.

The Proxy Form must be signed by the Shareholder or the Shareholder's attorney. Proxies given by corporations must be executed in accordance with the Corporations Act. Where the appointment of a proxy is signed by the appointer's attorney, a certified copy of the power of attorney, or the power itself, must be received at the above address, or by facsimile, and by 10am (AWST) on Tuesday 5 October 2021. If facsimile transmission is used, the power of attorney must be certified.

**Shareholders who are entitled to vote**

In accordance with regulations 7.11.37 and 7.11.38 of the *Corporations Regulations 2001* (Cth), the Board has determined that a person's entitlement to vote at the Meeting will be the entitlement of that person set out in the Company's register of Shareholders as at 10am (AWST) on Tuesday 5 October 2021.

## **DISCOVEX RESOURCES LIMITED**

**ABN 61 115 768 986**

### **EXPLANATORY MEMORANDUM**

#### **INTRODUCTION**

This Explanatory Memorandum has been prepared for the information of the Shareholders of DiscovEx Resources Limited (**Company**), in connection with the business to be conducted at the Annual General Meeting of the Company to be held on Thursday, 7 October 2021 at 10am (AWST) at PKF Boardroom, Level 5, 35 Havelock Street, West Perth, Western Australia.

Certain abbreviations and other defined terms are used throughout this Explanatory Memorandum. Defined terms are generally identifiable by the use of an upper case first letter. Shareholders are specifically referred to the Glossary in this Explanatory Memorandum which contains definitions of capitalised terms used in the Notice of Meeting and this Explanatory Memorandum.

#### **1. FINANCIAL REPORTS**

The first item of the Notice deals with the presentation of the consolidated annual financial report of the Company for the financial year ended 30 June 2021 together with the Directors' declaration and report in relation to that financial year and the Auditor's Report on those financial statements. Shareholders should consider these documents and raise any matters of interest with the Directors when this item is being considered.

No Resolution is required to be moved in respect of this item.

Shareholders will be given a reasonable opportunity at the Meeting to ask questions and make comments on the accounts and on the business, operations and management of the Company.

The Chairman will also provide Shareholders a reasonable opportunity to ask the Auditor or the Auditor's representative questions relevant to:

- the conduct of the audit;
- the preparation and content of the independent audit report;
- the accounting policies adopted by the Company in relation to the preparation of the accounts; and
- the independence of the Auditor in relation to the conduct of the audit.

The Chairman will also allow a reasonable opportunity for the Auditor or their representative to answer any written questions submitted to the Auditor under section 250PA of the Corporations Act.

## **2. RESOLUTION 1 – NON-BINDING RESOLUTION TO ADOPT REMUNERATION REPORT**

In accordance with section 250R(2) of the Corporations Act the Company is required to put to its Shareholders a resolution that the Remuneration Report as disclosed in the Company's 2021 Annual Report be adopted. The Remuneration Report is set out in the Company's 2021 Annual Report and is also available on the Company's website ([www.discoverresources.com.au](http://www.discoverresources.com.au)).

The vote on this Resolution 1 is advisory only and does not bind the Directors or the Company.

However, if at least 25% of the votes cast are against adoption of the remuneration report at two consecutive annual general meetings, the Company will be required to put a resolution to the second annual general meeting (**Spill Resolution**), to approve calling a general meeting (**Spill Meeting**). If more than 50% of Shareholders vote in favour of the Spill Resolution, the Company must then convene a Spill Meeting within 90 days of the second annual general meeting. All of the Directors who were in office when the applicable Directors' report was approved, other than the Managing Director, will need to stand for re-election at the Spill Meeting if they wish to continue as Directors.

The remuneration report for the year ended 30 June 2020 did not receive a vote of more than 25% against its adoption at the Company's last annual general meeting held on 13 November 2020. Accordingly, if at least 25% of the votes cast on Resolution 1 are against adoption of the Remuneration Report, it will not result in the Company putting a Spill Resolution to Shareholders.

The Remuneration Report explains the Board policies in relation to the nature and level of remuneration paid to Directors, sets out remuneration details for each Director and sets out the details of any equity based compensation.

The Chair of the Meeting will give Shareholders a reasonable opportunity to ask questions about, or make comments on the Remuneration Report.

### **Voting**

Note that a voting exclusion applies to Resolution 1 in the terms set out in the Notice of Meeting. In particular, the Directors and other Restricted Voters may not vote on this Resolution and may not cast a vote as proxy, unless the appointment gives a direction on how to vote or the proxy is given to the Chair and expressly authorises the Chair to exercise your proxy even if the Resolution is connected directly or indirectly with the remuneration of a member of the Key Management Personnel. The Chair will use any such proxies to vote in favour of the Resolution. In exceptional circumstances, the Chair of the Meeting may change his or her voting intention on Resolution 1, in which case an ASX announcement will be made.

Shareholders are urged to carefully read the Proxy Form and provide a direction to the proxy on how to vote on this Resolution.

## **3. RESOLUTION 2 – ELECTION OF DIRECTOR – HEATH HELLEWELL**

Clause 13.5 of the Constitution of the Company provides that the Board may appoint a person to be a Director at any time either to fill a casual vacancy or as an addition to the existing Directors, but only where the total number of Directors does not at any time exceed the maximum number specified by the

Constitution. In accordance with the Constitution, any Director so appointed automatically retires at the next annual general meeting and is eligible for election by Shareholders but shall not be taken into account in determining the Directors who are to retire by rotation (if any) at that meeting.

Mr Heath Hellewell, having been appointed as a Director on 11 March 2021, retires in accordance with clause 13.5 of the Constitution and, being eligible, seeks election at the Annual General Meeting.

Heath joined the Company after senior executive roles at Capricorn Metals Ltd (ASX:CMM), Doray Minerals Limited, Independence Group NL (ASX:IGO) and exploration roles at Resolute Mining Limited (ASX: RSG) and DeBeers Australia Pty Ltd.

Heath joined IGO in 2000 prior to the Company's IPO and was part of the team that identified and acquired the Tropicana project area, eventually leading to the discovery of the Tropicana gold deposit.

Following the discovery of the Andy Well gold deposits in 2010, Doray Minerals was named "Gold Explorer of the Year" in 2011 by The Gold Mining Journal and in 2014 Heath was the co-winner of the prestigious "Prospector of the Year" award, presented by the Association of Mining and Exploration Companies.

In 2016 Heath was instrumental in the acquisition of the Karlawinda Gold Project to form Capricorn Metals Ltd (ASX: CMM).

Heath is currently an independent Non-Executive Director of Core Lithium Ltd (ASX: CXO) and Duketon Mining Limited (ASX: DKM).

Mr Hellewell is considered to be an independent Director of the Company.

The members of the Board (other than Mr Hellewell) have reviewed Mr Hellewell's performance since his appointment to the Board and considers that Mr Hellewell's skills and experience will continue to enhance the Board's ability to perform its role. Accordingly, the Board supports the re-election of Mr Hellewell and recommends that Shareholders vote in favour of Resolution 2.

#### **4. RESOLUTION 3 – ELECTION OF DIRECTOR – KIM MASSEY**

Clause 13.5 of the Constitution of the Company provides that the Board may appoint a person to be a Director at any time either to fill a casual vacancy or as an addition to the existing Directors, but only where the total number of Directors does not at any time exceed the maximum number specified by the Constitution. In accordance with the Constitution, any Director so appointed automatically retires at the next annual general meeting and is eligible for election by Shareholders but shall not be taken into account in determining the Directors who are to retire by rotation (if any) at that meeting.

Mr Kim Massey, having been appointed as a Director on 11 March 2021, retires in accordance with clause 13.5 of the Constitution and, being eligible, seeks election at the Annual General Meeting.

Kim brings a wealth of corporate, financial, markets and industry experience to the role. Kim is a qualified Chartered Accountant and currently the Chief Executive Officer of Capricorn Metals Ltd (ASX:CMM). He was previously Chief Financial Officer of Australian gold producer Regis Resources Ltd (ASX:RRL) for 10 years, until May 2019. Kim oversaw Regis Resources' financial and corporate activities and had responsibilities in investor relations, business development and strategy. He was an integral part of the financing and development of the Duketon gold projects for Regis. Given the high profile of his previous role, he is well known to the relevant sections of equity and debt markets in Australia.

Mr Massey is considered to be an independent Director of the Company.

The members of the Board (other than Mr Massey) have reviewed Mr Massey's performance since his appointment to the Board and considers that Mr Massey's skills and experience will continue to enhance the Board's ability to perform its role. Accordingly, the Board supports the re-election of Mr Massey and recommends that Shareholders vote in favour of Resolution 3.

#### **5. RESOLUTION 4 – RE-ELECTION OF DIRECTOR – DAVID MORGAN**

Clause 13.2 of the Constitution provides that at each annual general meeting of the Company, one third of the Directors (other than alternate Directors and the Managing Director) for the time being, or, if their number is not a multiple of 3, then such number as is appropriate to ensure that no Director other than alternate Directors and the Managing Director holds office for more than 3 years, shall retire from office. The Directors to retire are those who have been in office the longest since their last election, but, as between Directors who become Directors on the same day, those to retire shall (unless they otherwise agree among themselves) be determined by drawing lots. A retiring Director is eligible for re-election.

Mr Morgan was last elected as a Director at the Company's 2020 annual general meeting held on 13 November 2020, and is the Director who has been in office the longest since his last election. Pursuant to clause 13.2 of the Constitution, Mr Morgan, being a Director, has agreed to retire by rotation and, being eligible, offers himself for re-election as a Director.

Mr Morgan is a mining engineer and mechanical engineer with 35 years' experience in the mining industry in Australia and Africa. He has previously held a number of executive development and mine operations roles involving project engineering, maintenance and contract earthmoving for companies such as Rio Tinto, Macmahon and WMC Resources. He was General Manager Operations for Equigold in Queensland where he was responsible for the building, commissioning and management of the Mt Rawdon Gold Mine. He was General Manager Mining and Metallurgy for Sundance Resources' Mbalam Iron Ore Project in Cameroon where he oversaw the completion of a PFS on a \$3.3 billion Direct Shipping Ore and Itabirite project for that company, including the delivery of 10 years of JORC compliant, high grade Ore Reserves and the establishment of project metallurgical and processing parameters.

Mr Morgan is a Member of the Institution of Engineers Australia (MIEAust), a Fellow of the Australasian Institute of Mining and Metallurgy (FAusIMM) and holds a Graduate Membership of the Australian institute of Company Directors (GAICD).

Mr Morgan was Managing Director of the Company from 26 April 2018 until 1 December 2019.

Mr Morgan is not considered to be an independent Director of the Company as he is a former Managing Director and has received performance-based remuneration.

The members of the Board (other than Mr Morgan) have reviewed Mr Morgan's performance since his appointment to the Board and considers that Mr Morgan's skills and experience will continue to enhance the Board's ability to perform its role. Accordingly, the Board supports the re-election of Mr Morgan and recommends that Shareholders vote in favour of Resolution 4.



## 6. RESOLUTIONS 5 TO 8 - APPROVAL OF ISSUE OF OPTIONS TO DIRECTORS AND FORMER DIRECTOR

### 6.1 General

The Company has agreed, subject to obtaining Shareholder approval, to issue up to an aggregate of 33,000,000 Options to Mr Toby Wellman, Mr Heath Hellewell, Mr David Morgan and Mr Bradley Drabsch (or their nominee) (**Option Recipients**) in the proportions set out in Section 6.5(b) and on the terms and conditions set out below.

Resolutions 5 to 8 seek Shareholder approval for the issue of the Options to the Option Recipients.

### 6.2 Chapter 2E of the Corporations Act

For a public company, or an entity that the public company controls, to give a financial benefit to a related party of the public company, the public company or entity must:

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

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

The issue of Options to the Option Recipients constitutes giving a financial benefit and each of the Option Recipients is a related party of the Company by virtue of being a Director or former Director (within the past 6 months).

As the Options are proposed to be issued to all but one of the Directors, the Directors are unable to form a quorum to consider whether one of the exceptions set out in sections 210 to 216 of the Corporations Act applies to the issue of the Options. Accordingly, Shareholder approval for the issue of Options to the Option Recipients is sought in accordance with Chapter 2E of the Corporations Act.

### 6.3 Listing Rule 10.11

Listing Rule 10.11 provides that unless one of the exceptions in Listing Rule 10.12 applies, a listed company must not issue or agree to issue equity securities to:

- 10.11.1 a related party;
- 10.11.2 a person who is, or was at any time in the 6 months before the issue or agreement, a substantial (30%+) holder in the company;
- 10.11.3 a person who is, or was at any time in the 6 months before the issue or agreement, a substantial (10%+) holder in the company and who has nominated a Director to the board of the company pursuant to a relevant agreement which gives them a right or expectation to do so;

- 10.11.4 an associate of a person referred to in Listing Rules 10.11.1 to 10.11.3; or
- 10.11.5 a person whose relationship with the company or a person referred to in Listing Rules 10.11.1 to 10.11.4 is such that, in ASX's opinion, the issue or agreement should be approved by its shareholders,

unless it obtains the approval of its shareholders.

The issue of Options falls within Listing Rule 10.11.1 and does not fall within any of the exceptions in Listing Rule 10.12. It therefore requires the approval of Shareholders under Listing Rule 10.11.

Resolutions 5 to 8 seek the required Shareholder approval for the issue of the Options under and for the purposes of Chapter 2E of the Corporations Act and Listing Rule 10.11.

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

If Resolutions 5 to 8 are passed, the Company will be able to proceed with the issue of the Options to the Option Recipients within one month after the date of the Meeting (or such later date as permitted by any ASX waiver or modification of the Listing Rules). As approval pursuant to Listing Rule 7.1 is not required for the issue of the Options (because approval is being obtained under Listing Rule 10.11), the issue of the Options will not use up any of the Company's 15% annual placement capacity.

If any of the Resolutions 5 to 8 are not passed, the Company will not be able to proceed with the issue of the Options and no alternative consideration or incentive will be given.

#### 6.5 Technical Information required by Listing Rule 10.13 and section 219 of the Corporations Act

Pursuant to and in accordance with Listing Rule 10.13 and section 219 of the Corporations Act, the following information is provided in relation to Resolutions 5 to 8:

- (a) the Options will be issued to the following persons:
- (i) Mr Toby Wellman (or their nominee) pursuant to Resolution 5;
  - (ii) Mr Heath Hellewell (or their nominee) pursuant to Resolution 6;
  - (iii) Mr David Morgan (or their nominee) pursuant to Resolution 7;
  - (iv) Mr Bradley Drabsch (or their nominee) pursuant to Resolution 8;

each of whom falls within the category set out in Listing Rule 10.11.1 by virtue of being a Director or former Director (within the past 6 months).

- (b) the maximum number of Options to be issued to the Option Recipients (being the nature of the financial benefit proposed to be given) is 33,000,000 comprising:
- (i) 15,000,000 Options to Mr Toby Wellman (or his nominee) pursuant to Resolution 5;

- (ii) 9,000,000 Options to Mr Heath Hellewell (or his nominee) pursuant to Resolution 6;
  - (iii) 7,000,000 Options to Mr David Morgan (or his nominee) pursuant to Resolution 7;
  - (iv) 2,000,000 Options to Mr Bradley Drabsch (or his nominee) pursuant to Resolution 8;
- (c) the terms and conditions of the Options are set out in Schedule 1;
- (d) the Options will be issued no later than 1 month after the date of the Meeting (or such later date to the extent permitted by any ASX waiver or modification of the Listing Rules) and it is intended that issue of the Options will occur on the same date;
- (e) the issue price of the Options will be nil. The Company will not receive any other consideration in respect of the issue of the Options (other than in respect of funds received on exercise of the Options);
- (f) the purpose of the issue of the Options is to provide a performance linked incentive component in the remuneration package for the Option Recipients to align the interests of the Option Recipients with those of Shareholders, to motivate and reward the performance of the recipients of Options in under Resolutions 5 to 8 in their roles as Directors and Technical Advisor (Mr Bradley Drabsch) and to provide a cost effective way from the Company to remunerate the Option Recipients, which will allow the Company to spend a greater proportion of its cash reserves on its operations than it would if alternative cash forms of remuneration were given to the Option Recipients;
- (g) the Options are unquoted Options. The Company has agreed to issue the Options to the Option Recipients subject to Shareholder approval for the following reasons:
- (i) the Options are unquoted; therefore, the issue of the Options has no immediate dilutionary impact on Shareholders;
  - (ii) the deferred taxation benefit which is available to the Option Recipients in respect of an issue of Options is also beneficial to the Company as it means the Option Recipients are not required to immediately sell the Options to fund a tax liability (as would be the case in an issue of Shares where the tax liability arises upon issue of the Shares) and will instead, continue to hold an interest in the Company; and
  - (iii) it is not considered that there are any significant opportunity costs to the Company or benefits foregone by the Company in issuing the Options on the terms proposed;
- (h) the number of Options to be issued to each of the Option Recipients has been determined based upon a consideration of:
- (i) current market standards and/or practices of other ASX listed companies of a similar size and stage of development to the Company;
  - (ii) the remuneration of the Option Recipients; and

- (iii) incentives to attract and retain the service of the Option Recipients who have appropriate knowledge and expertise, while maintaining the Company's cash reserves.

The Company does not consider that there are any significant opportunity costs to the Company or benefits foregone by the Company in issuing the Options upon the terms proposed;

- (i) the total remuneration package for each of the Option Recipients for the previous financial year and the proposed total remuneration package for the current financial year are set out below:

Related Party	Current Financial Year	Previous Financial Year
Toby Wellman	\$242,000	\$206,967
Heath Hellewell	\$66,000	\$19,162
David Morgan	\$34,100	\$33,945
Kim Massey	\$34,100	\$10,402
Bradley Drabsch	*	\$144,000

\*Mr Drabsch resigned from the role of Managing Director on 23 April 2021. Mr Drabsch is now engaged as Technical Advisor and invoices the Company for work performed on an ad hoc basis.

- (j) the value of the Options and the pricing methodology is set out in Schedule 2;
- (k) the Options are not being issued under an agreement;
- (l) the relevant interests of the Option Recipients in securities of the Company as at the date of this Notice are set out below:

Related Party	Shares	Options
Toby Wellman: Mr Toby Wellman <Serpentine Investment A/C>	12,500,000	1,250,000 <sup>1</sup> 8,000,000 <sup>2</sup> 8,000,000 <sup>3</sup> 8,000,000 <sup>4</sup>
Heath Hellewell: Nedlands Nominees Pty Ltd Centrepeak Resources Group Pty Ltd	16,250,000 34,986,595	1,250,000 <sup>1</sup> -
David Morgan: Emlyn Holdings Pty Ltd ATF Glyn Dwr Trust DBG Morgan & FM Morgan ATF Morgold Super Fund Penygroes Pty Ltd Mr DBG Morgan	23,095,885 3,370,792 1,250,000 3,250,000	- - 7,625,000 <sup>1</sup> 625,000 <sup>1</sup>
Bradley Drabsch: Mr Bradley James Drabsch <Oceantobush A/C>	12,500,000	1,250,000 <sup>1</sup> 8,000,000 <sup>2</sup> 8,000,000 <sup>3</sup> 8,000,000 <sup>4</sup>

Notes:

1. EXERCISE PRICE \$0.02 EXPIRING 9 DECEMBER 2022
2. EXERCISE PRICE \$0.017, EXPIRING 1 DECEMBER 2023
3. EXERCISE PRICE \$0.0225, EXPIRING 1 DECEMBER 2023
4. EXERCISE PRICE \$0.0315, EXPIRING 1 DECEMBER 2023

- (m) if the Options issued to the Option Recipients are exercised, a total of 33,000,000 Shares would be issued. This will increase the number of Shares on issue from 2,568,664,076 (being the total number of Shares on issue as at the date of this Notice) to 2,601,664,076 (assuming that no Shares are issued and no convertible securities vest or are exercised) with the effect that the shareholding of existing Shareholders would be diluted by an aggregate of 1.3 %, comprising 0.6 % by Mr Toby Wellman, 0.3 % by Mr Heath Hellewell, 0.3 % by Mr David Morgan and 0.1% by Mr Bradley Drabsch.

The market price for Shares during the term of the Options would normally determine whether the Options are exercised. If, at any time any of the Options are exercised and the Shares are trading on ASX at a price that is higher than the exercise price of the Options, there may be a perceived cost to the Company;

- (n) the trading history of the Shares on ASX in the 12 months before the date of this Notice is set out below:

	Price	Date
Highest	0.011	20/01/2021
Lowest	0.004	05/10/2020
Last	0.005	27/08/2021

- (o) each Option Recipient has a material personal interest in the outcome of Resolutions 5 to 8 on the basis that all of the Option Recipients (or their nominees) are to be issued Options should Resolutions 5 to 8 be passed. For this reason, the Directors that are Option Recipients do not believe that it is appropriate to make a recommendation on Resolutions 5 to 8 of this Notice; and
- (p) the Board is not aware of any other information that is reasonably required by Shareholders to allow them to decide whether it is in the best interests of the Company to pass Resolutions 5 to 8.

## 5 RESOLUTION 9 – APPROVAL OF 7.1A MANDATE

### 5.1 – General

Broadly speaking, and subject to a number of exceptions, Listing Rule 7.1 limits the amount of Equity Securities that a listed company can issue without the approval of its shareholders over any 12 month period to 15% of the fully paid ordinary securities it had on issue at the start of that period.

However, under Listing Rule 7.1A, an eligible entity may seek shareholder approval by way of a special resolution passed at its annual general meeting to increase this 15% limit by an extra 10% to 25% (**7.1A Mandate**).

An 'eligible entity' means an entity which is not included in the S&P/ASX 300 Index and has a market capitalisation of \$300,000,000 or less. The Company is an eligible entity for these purposes.

Resolution 9 seeks Shareholder approval by way of special resolution for the Company to have the additional 10% placement capacity provided for in Listing Rule 7.1A to issue Equity Securities without Shareholder approval.

If Resolution 9 is passed, the Company will be able to issue Equity Securities up to the combined 25% limit in Listing Rules 7.1 and 7.1A without any further Shareholder approval.

If Resolution 9 is not passed, the Company will not be able to access the additional 10% capacity to issue Equity Securities without Shareholder approval under Listing Rule 7.1A, and will remain subject to the 15% limit on issuing Equity Securities without Shareholder approval set out in Listing Rule 7.1.

## **5.2 - Technical information required by Listing Rule 7.1A**

Pursuant to and in accordance with Listing Rule 7.3A, the information below is provided in relation to Resolution 9:

### **(a) Period for which the 7.1A Mandate is valid**

The 7.1A Mandate will commence on the date of the Meeting and expire on the first to occur of the following:

- (i) the date that is 12 months after the date of this Meeting;
- (ii) the time and date of the Company's next annual general meeting; and
- (iii) the time and date of approval by Shareholders of any transaction under Listing Rule 11.1.2 (a significant change in the nature or scale of activities) or Listing Rule 11.2 (disposal of the main undertaking).

### **(b) Minimum Price**

Any Equity Securities issued under the 7.1A Mandate must be in an existing quoted class of Equity Securities and be issued at a minimum price of 75% of the volume weighted average price of Equity Securities in that class, calculated over the 15 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 by the entity and the recipient of the Equity Securities; or
- (ii) if the Equity Securities are not issued within 10 trading days of the date in Section 4.3(b)(i), the date on which the Equity Securities are issued.

### **(c) Use of funds raised under the 7.1A Mandate**

The Company intends to use funds raised from issues of Equity Securities under the 7.1A Mandate towards exploration and evaluation of the Sylvania Gold Project near Newman in WA, Newington Gold Project near Southern Cross in WA, the Edjudina Gold Project near Laverton in WA, ongoing targeting and evaluation of new exploration and growth opportunities in the WA gold sector, general working capital and administrative expenses.

(d) **Risk of Economic and Voting Dilution**

Any issue of Equity Securities under the 7.1A Mandate will dilute the interests of Shareholders who do not receive any Shares under the issue.

If Resolution 9 is approved by Shareholders and the Company issues the maximum number of Equity Securities available under the 7.1A Mandate, the economic and voting dilution of existing Shares would be as shown in the table below.

The table below shows the dilution of existing Shareholders calculated in accordance with the formula outlined in Listing Rule 7.1A.2, on the basis of the closing market price of Shares and the number of Equity Securities on issue as at 27 August 2021.

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 7.1A Mandate.

Variable A	Number of Shares issued and funds raised under the 10% Placement Capacity and dilution effect	Dilution		
		\$0.0025 Issue Price at half the current market price	\$0.005 Issue Price at current market price	\$0.010 Issue Price at double the current market price
Current Variable A 2,568,664,076 Shares	Shares issued	256,866,407	256,866,407	256,866,407
	Funds raised	\$642,166	\$1,284,332	\$2,568,664
	Dilution effect	10%	10%	10%
50% increase in current Variable A 3,852,996,114 Shares	Shares issued	385,299,611	385,299,611	385,299,611
	Funds raised	\$963,249	\$1,926,498	\$3,852,996
	Dilution effect	10%	10%	10%
100% increase in current Variable A 5,137,328,152 Shares	Shares issued	513,732,815	513,732,815	513,732,815
	Funds raised	\$1,284,332	\$2,568,664	\$5,137,328
	Dilution effect	10%	10%	10%

\*The number of Shares on issue (Variable A in the formula) could increase as a result of the issue of Shares that do not require Shareholder approval (such as under a pro-rata rights issue or scrip issued under a takeover offer) or that are issued with Shareholder approval under Listing Rule 7.1.

**Note this table assumes:**

- (i) There are currently 2,568,664,076 Shares on issue.
- (ii) The issue price set out above is the closing market price of the Shares on the ASX on 27 August 2021 (i.e. \$0.005)
- (iii) The Company issues the maximum possible number of Equity Securities under the 7.1A Mandate.
- (iv) The Company has not issued any Equity Securities in the 12 months prior to the Meeting that were not issued under an exception in Listing Rule 7.2 or with approval under Listing Rule 7.1.
- (v) The issue of Equity Securities under the 7.1A Mandate consists only of Shares. It is assumed that no Options are exercised into Shares before the date of issue of the Equity Securities.

- (vi) *The calculations above do not show the dilution that any one particular Shareholder will be subject to. All Shareholders should consider the dilution caused to their own shareholding depending on their specific circumstances.*
- (vii) *This table does not set out any dilution pursuant to approvals under Listing Rule 7.1 unless otherwise disclosed.*
- (viii) *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%.*
- (ix) *The table does not show an example of dilution that may be caused to a particular Shareholder by reason of placements under the 7.1A mandate, based on that Shareholder's holding at the date of the Meeting.*

Shareholders should note that there is a risk that:

- (a) the market price for the Company's Shares may be significantly lower on the issue date than on the date of the Meeting; and
- (b) 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.

(e) **Allocation policy under the 7.1A Mandate**

The recipients of the Equity Securities to be issued under the 7.1A Mandate have not yet been determined. However, the recipients of Equity Securities could consist of current Shareholders or new investors (or both), none of whom will be related parties of the Company.

The Company will determine the recipients at the time of the issue under the 7.1A Mandate, having regard to the following factors:

- (a) the purpose of the issue;
- (b) alternative methods for raising funds available to the Company at that time, including, but not limited to, an entitlement issue, share purchase plan, placement or other offer where existing Shareholders may participate;
- (c) the effect of the issue of the Equity Securities on the control of the Company;
- (d) the circumstances of the Company, including, but not limited to, the financial position and solvency of the Company;
- (e) prevailing market conditions; and
- (f) advice from corporate, financial and broking advisers (if applicable).

(f) **Previous approval under Listing Rule 7.1A**

The Company previously obtained Shareholder approval under Listing Rule 7.1A on 13 November 2020 at its 2020 annual general meeting (**Previous Approval**).

During the period preceding the date of the Meeting, being on and from 14 November 2020, the Company issued no Shares pursuant to the Previous Approval (**Previous Issue**).

(g) **Voting Exclusion Statement**

As at the date of this Notice, the Company is not proposing to make an issue of Equity Securities under Listing Rule 7.1A. Accordingly, a voting exclusion statement is not included in this Notice.



## GLOSSARY

\$ means Australian dollars.

**7.1A Mandate** has the meaning given to that term in Section 5.1.

**Accounting Standards** has the meaning given to that term in the Corporations Act.

**Annual General Meeting** or **Meeting** means the annual general meeting set out in the Notice.

**Annual Report** means the annual report of the Company for the year ended 30 June 2021.

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

**ASX** means ASX Limited ABN 98 008 624 691 and, where the context permits, the Australian Securities Exchange operated by ASX Limited.

**Auditor** means the Company's auditor from time to time (if any).

**Auditor's Report** means the report of the Auditor contained in the Annual Report for the year ended 30 June 2021.

**AWST** means western standard time as recognised in Perth, Western Australia.

**Board** means the board of Directors of the Company.

**Business Day** has the same meaning given to it in the Listing Rules.

**Chair** or **Chairman** means the individual elected to chair meetings of the Company from time to time.

**Child Entity** has the same meaning given to it in the Listing Rules.

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

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

**Company** or **DiscovEx** means DiscovEx Resources Limited ABN 61 115 768 986.

**Constitution** means the constitution of the Company, as amended from time to time.

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

**Director** means a director of the Company.

**Directors' Report** means the report of the Directors contained in the Annual Report for the year ended 30 June 2021.

**Equity Securities** 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 explanatory memorandum.

**Glossary** means this Glossary set out in the Explanatory Memorandum.

**Key Management Personnel** has the same meaning as in the accounting standards issued by the Australian Accounting Standards Board and means those persons having authority and responsibility for planning, directing and controlling the activities of the Company, or if the Company is part of a consolidated entity, of the consolidated entity, directly or indirectly, including any director (whether executive or otherwise) of the Company, or if the Company is part of a consolidated entity, of an entity within the consolidated group.

**Listing Rules** means the listing rules of the ASX.

**Managing Director** means the managing director of the Company.

**Notice** or **Notice of Meeting** means the notice of annual general meeting which accompanies this Explanatory Memorandum.

**Option** means an option to acquire a Share.

**Option Recipients** means Mr Toby Wellman, Mr Heath Hellewell, Mr David Morgan and Mr Bradley Drabsch.

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

**Remuneration Report** means the remuneration report set out in the Annual Report for the year ended 30 June 2021.

**Resolution** means a resolution proposed pursuant to the Notice.

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

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

**Shareholder** means the holder of Shares.

**Spill Resolution** has the meaning given to that term in Section 2.

**Spill Meeting** has the meaning given to that term in Section 2.

**Trading Day** means a day determined by ASX to be a trading day in accordance with the Listing Rules.

**Variable A** means “A” as set out in the formula in Listing Rule 7.1A.2.

**VWAP** means in relation to a particular period, the volume weighted average price of trading in Shares on ASX over that period.

**WA** means Western Australia.

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## SCHEDULE 1 – TERMS AND CONDITIONS OF OPTIONS

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(a) **Entitlement**

Each Option entitles the holder to subscribe for one Share upon exercise of the Option.

(b) **Tranches**

The Options shall be issued in two tranches, one half of the Options shall form Tranche 1 (**Tranche 1**) and one half shall form Tranche 2 (**Tranche 2**).

(c) **Vesting Date**

The Options shall vest as follows:

- (i) Tranche 1 Options shall vest upon the recipient serving 6 months in the current role with the Company; and
- (ii) Tranche 2 Options shall vest upon the recipient serving 18 months in the current role with the Company,

**(Vesting Date).**

(d) **Exercise Price**

Subject to paragraph (k), the amount payable upon exercise of each Option will be equal to:

- (i) Tranche 1: 145% of the VWAP of Shares traded on ASX for the 5 trading days up to and including the day prior to the Meeting;
- (ii) Tranche 2: 190% of the VWAP of Shares traded on ASX for the 5 trading days up to and including the day prior to the Meeting,

**(Exercise Price).**

(e) **Expiry Date**

Each Option will expire at 5:00 pm (WST) on the date that is 4 years following its date of issue (**Expiry Date**). An Option not exercised before the Expiry Date will automatically lapse on the Expiry Date.

(f) **Exercise Period**

The Options are exercisable at any time:

- (i) after the Vesting Date; and
- (ii) on or prior to the Expiry Date,

**(Exercise Period).**

(g) **Notice of Exercise**

The Options may be exercised during the Exercise Period by notice in writing to the Company in the manner specified on the Option certificate (**Notice of Exercise**) and payment of the Exercise Price for each Option being exercised in Australian currency by electronic funds transfer or other means of payment acceptable to the Company.

(h) **Exercise Date**

A Notice of Exercise is only effective on and from the later of the date of receipt of the Notice of Exercise and the date of receipt of the payment of the Exercise Price for each Option being exercised in cleared funds (**Exercise Date**).

(i) **Timing of issue of Shares on exercise**

Within five Business Days after the Exercise Date, the Company will:

- (i) issue the number of Shares required under these terms and conditions in respect of the number of Options specified in the Notice of Exercise and for which cleared funds have been received by the Company;
- (ii) if required, give ASX a notice that complies with section 708A(5)(e) of the Corporations Act, or, if the Company is unable to issue such a notice, lodge with ASIC a prospectus prepared in accordance with the Corporations Act and do all such things necessary to satisfy section 708A(11) of the Corporations Act to ensure that an offer for sale of the Shares does not require disclosure to investors; and
- (iii) if admitted to the official list of ASX at the time, apply for official quotation on ASX of Shares issued pursuant to the exercise of the Options.

If a notice delivered under (i)(ii) for any reason is not effective to ensure that an offer for sale of the Shares does not require disclosure to investors, the Company must, no later than 20 Business Days after becoming aware of such notice being ineffective, lodge with ASIC a prospectus prepared in accordance with the Corporations Act and do all such things necessary to satisfy section 708A(11) of the Corporations Act to ensure that an offer for sale of the Shares does not require disclosure to investors.

(j) **Shares issued on exercise**

Shares issued on exercise of the Options rank equally with the then issued shares of the Company.

(k) **Reconstruction of capital**

If at any time the issued capital of the Company is reconstructed, all rights of an Optionholder are to be changed in a manner consistent with the Corporations Act and the ASX Listing Rules at the time of the reconstruction.

(l) **Participation in new issues**

There are no participation rights or entitlements inherent in the Options and holders will not be entitled to participate in new issues of capital offered to Shareholders during the currency of the Options without exercising the Options.

(m) **Change in exercise price**

An Option does not confer the right to a change in Exercise Price or a change in the number of underlying securities over which the Option can be exercised.

(n) **Adjustment for bonus issues**

If the Company makes a bonus issue of Shares or other securities to at least all Shareholders registered in Australia (other than an issue in lieu or in satisfaction of dividends or by way of dividend reinvestment):

- (i) the number of Shares or other securities which must be issued on the exercise of an Option will be increased by the number of Shares or other securities which the Option holder would have received if the Option holder had exercised the Option before the record date for the bonus issue; and
- (ii) no change will be made to the Exercise Price.

For the avoidance of doubt, if a bonus issue of Shares or other securities is also made to Shareholders registered outside of Australia, as well as all Shareholders registered in Australia, the provisions of this paragraph (n) will apply.

(o) **Transferability**

The Options are transferable subject to any restriction or escrow arrangements imposed by ASX or under applicable Australian securities laws.

## SCHEDULE 2 – VALUATION OF OPTIONS

The Options to be issued to the Option Recipients pursuant to Resolutions 5 to 8 have been valued by internal management.

Using the Black & Scholes option model and based on the assumptions set out below, the Options were ascribed the following value:

<b>Assumptions:</b>	
Valuation date	27/08/2021
Market price of Shares	\$0.005
Exercise price	Tranche 1 - \$0.0073. Tranche 2 - \$0.0095
Expiry date (length of time from issue)	4 years
Risk free interest rate	0.492%
Volatility (discount)	183.04%
<b>Indicative value per Option</b>	Tranche 1 - \$0.0046. Tranche 2 - \$0.0045.
<b>Total Value of Options</b>	<b>\$150,926</b>
- 15,000,000 Options to Mr Toby Wellman (Resolution 5)	<b>\$68,603</b>
- 9,000,000 Options to Mr Heath Hellewell (Resolution 6)	<b>\$41,162</b>
- 7,000,000 Options to Mr David Morgan (Resolution 7)	<b>\$32,015</b>
- 2,000,000 Options to Mr Bradley Drabsch (Resolution 8)	<b>\$9,147</b>

**Note:** The valuation noted above is not necessarily the market price that the Options could be traded at and is not automatically the market price for taxation purposes.

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# Proxy Voting Form

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

Holder Number:

Your proxy voting instruction must be received by **10.00am (WST) on Tuesday, 5 October 2021**, 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

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.

### STEP 1 – APPOINT A PROXY

If you wish to appoint someone other than the Chair 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 Chair of the Meeting will be appointed as your proxy by default.

### DEFAULT TO THE CHAIR OF THE MEETING

Any directed proxies that are not voted on a poll at the Meeting will default to the Chair of the Meeting, who is required to vote these proxies as directed. Any undirected proxies that default to the Chair 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.

### STEP 2 - VOTES ON ITEMS OF BUSINESS

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

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

**Joint holding:** Where the holding is in more than one name, all 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>.

## Lodging your Proxy Voting Form:

### Online:

Use your computer or smartphone to appoint a proxy at <https://investor.automic.com.au/#/loginsah> or scan the QR code below using your smartphone

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



### BY MAIL:

Automic  
GPO Box 5193  
Sydney NSW 2001

### IN PERSON:

Automic  
Level 5, 126 Phillip Street  
Sydney NSW 2000

### BY EMAIL:

[meetings@automicgroup.com.au](mailto:meetings@automicgroup.com.au)

### BY FACSIMILE:

+61 2 8583 3040

All enquiries to Automic:

**WECHAT:** <https://automicgroup.com.au/>

**PHONE:** 1300 288 664 (Within Australia)  
+61 2 9698 5414 (Overseas)

