



## Notice of Annual General Meeting 2019

Notice is hereby given that:

The Annual General Meeting (**Meeting**) of Marmota Limited (**Company**) will be held at:

VENUE: Charles Sturt Meeting Room  
Grant Thornton House  
Level 3  
170 Frome Street  
Adelaide, South Australia 5000

Time: **Wednesday 27 November 2019** at 3.00pm (Adelaide time)

## ORDINARY BUSINESS

### Financial Report

To receive and consider the financial report and reports of the Directors and Auditor for the year ended 30 June 2019.

The Annual Financial Report is available at the website of the Company ([www.marmota.com.au](http://www.marmota.com.au)), under:  
Investors → Corporate Reports → Annual Reports

---

### Resolution 1 Adoption of Remuneration Report

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

“ That the Remuneration Report for the financial year ended 30 June 2019 be adopted. ”

*Note: The vote on this resolution is advisory only and does not bind the Directors or the Company.*

*Note: Key management personnel whose remuneration details are contained in the remuneration report (and their closely related parties) are restricted from voting on this resolution under section 250R(4) of the Corporations Act.*

RECOMMENDATION: The Board recommends voting **FOR** this Resolution.

---

### Resolution 2 Election of Mr Shane Barker as an Executive Director

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

“ That Mr Shane Barker be elected as an Executive Director of the Company. ”

RECOMMENDATION: The Board recommends voting **FOR** this Resolution.

## OTHER BUSINESS

---

### **Resolution 3**      **Ratification of issue of shares on 3 May 2019**

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

“ That approval be given for the purpose of ASX Listing Rule 7.4 and for all other purposes, for the issue on 3 May 2019 of 62,500,000 fully paid ordinary shares at an issue price of \$0.016 per Share to sophisticated and professional investors on the terms and conditions set out in the Explanatory Memorandum. ”

RECOMMENDATION: The Board recommends voting **FOR** this Resolution.

---

### **Resolution 4**      **Ratification of issue of shares on 17 June 2019**

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

“ That approval be given for the purpose of ASX Listing Rule 7.4 and for all other purposes, for the issue on 17 June 2019 of 20,000,000 fully paid ordinary shares at an issue price of \$0.016 per Share to a sophisticated and professional investor on the terms and conditions set out in the Explanatory Memorandum. ”

RECOMMENDATION: The Board recommends voting **FOR** this Resolution.

## SPECIAL BUSINESS

---

### **Resolution 5**      **Approval of 10% placement capacity**

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

“ That, for the purposes of ASX Listing Rule 7.1A and all other purposes, approval is given for the Company to allot and issue Equity Securities up to 10% of the Company’s issued share capital (at the time of the 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. ”

RECOMMENDATION: The Board recommends voting **FOR** this Resolution.

*Note: Approval of this additional capacity provides the company with flexibility, including the flexibility to pursue market opportunities as they arise. It does not mean that the additional capacity will necessarily be used. For more detail, see notes on Resolution 5 in the Explanatory Memorandum.*

---

### **Resolution 6**      **Renewal of Partial Takeover Clause in the Constitution**

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

“ That, for the purposes of section 136(2) of the *Corporations Act* and all other purposes, approval is given for the Company to modify its existing Constitution by reinstating clause 44 for a period of 3 years from the date of approval of this Resolution. ”

*Note: For more detail, see notes on Resolution 6 in the Explanatory Memorandum.*

RECOMMENDATION: The Board recommends voting **FOR** this Resolution.

## **To transact any further business that may be lawfully brought forward**

Further information regarding the business to be transacted at the Meeting is set out in the Explanatory Memorandum accompanying the Notice convening this Meeting. This Notice should be read in conjunction with the accompanying Explanatory Memorandum which forms part of this Notice.

By order of the Board



Lisa Askham-Levy

Company Secretary

Date: 25 September 2019

## VOTING INFORMATION AND NOTES

### A. Voting entitlement on a poll

On a poll, each Shareholder present (in person, by proxy, attorney or representative) has one vote for each fully paid Share they hold.

### B. Proxies

A Shareholder entitled to attend and vote at this meeting is entitled to appoint a proxy to attend and vote on the Shareholder's behalf. If the Shareholder is entitled to cast two or more votes at the meeting, the Shareholder may appoint up to two proxies to attend and vote on the Shareholder's behalf.

If a Shareholder appoints two proxies, each proxy must be appointed to represent a specified proportion or number of the Shareholder's votes. Absent this specification, on a poll, each proxy may exercise half the votes.

A proxy can be either an individual or a body corporate and need not be a Shareholder of the Company. If a Shareholder appoints a body corporate as proxy, the body corporate will need to appoint an individual as its corporate representative and provide satisfactory evidence of this appointment.

If a Shareholder's instruction is to abstain from voting for a particular item of business, the Shareholders' votes will not be counted in computing the required majority on a poll.

To appoint a proxy, a proxy form must be signed by the Shareholder or the Shareholder's attorney duly authorised in writing. If the Shareholder is a corporation, the proxy form must be signed in accordance with section 127 of the Corporations Act. To be effective, a proxy form (and, if it is signed by an attorney, the authority under which it is signed or a certified copy of the authority) must be received by the Company not later than 48 hours prior to the commencement of the meeting. Proxy form and authorities may be lodged:

- by post to:  
Link Market Services Limited, Locked Bag A14, Sydney South, NSW 1235; or
- by facsimile to Link Market Services on: (within Australia) (02) 9287 0309  
(outside Australia) +61 2 9287 0309; or
- by hand to: Link Market Services at 1A Homebush Bay Drive, Rhodes NSW 2138  
or Level 12, 680 George Street, Sydney NSW 2000; or
- online at [www.linkmarketservices.com.au](http://www.linkmarketservices.com.au)

Shareholders who forward their proxy forms by fax must make available the original executed form of the proxy for production at the meeting, if called upon to do so.

#### ***Chairman acting as proxy***

Shareholders may appoint the Chairman as their proxy.

Where the Chairman is appointed as a proxy by a Shareholder entitled to cast a vote on a particular Resolution and the proxy form specifies how the Chairman is to vote on the Resolution (that is, a directed proxy), the Chairman must vote in accordance with that direction.

#### **In respect of proxies where no voting direction has been given (undirected proxies), the Chairman intends to vote all available proxies in favour of each Resolution.**

In relation to Resolution 1, if the Shareholder has appointed the Chairman as their proxy and no voting direction has been given, the Shareholder will be expressly authorising the Chairman to exercise the undirected proxy in respect of Resolution 1 even though the resolution is connected with the remuneration of members of the KMP of the Company. Please read the directions on the proxy form carefully, especially if you intend to appoint the Chairman of the meeting as your proxy.

**C. Voting Exclusion Statement**

In accordance with the Corporations Act and the ASX Listing Rules, the Company will disregard votes cast as per the following table:

<b>Resolution</b>	<b>Persons Excluded From Voting</b>
1. Remuneration Report	<ul style="list-style-type: none"><li>• a member of the Key Management Personnel of the Company whose remuneration details are contained in the remuneration report (KMP); and</li><li>• any Closely Related Party of such a member.</li></ul>
3. Ratification of previous issue of shares	<ul style="list-style-type: none"><li>• any person who participated in the issue of such Shares;</li><li>• any of their associates.</li></ul>
4. Ratification of previous issue of shares	<ul style="list-style-type: none"><li>• any person who participated in the issue of such Shares;</li><li>• any of their associates.</li></ul>
5. 10% placement capacity	<ul style="list-style-type: none"><li>• any person who may participate in any issue of Shares under this resolution;</li><li>• any person who might obtain a benefit, except a benefit solely in the capacity as the holder of Shares, if the resolution is passed; and</li><li>• any associate of any such persons.</li></ul>

However, the Company need not disregard a vote in relation to any resolution if:

- it is cast by a person referred to above who is otherwise excluded from voting on that resolution as proxy for a person who is entitled to vote, in accordance with the directions on the proxy form; or
- it is cast by the Chair of the meeting as proxy for a person who is entitled to vote, in accordance with a direction on the proxy form to vote as the proxy decides.

The Company will also apply the above voting restrictions in relation to persons appointed to vote on behalf of a shareholder under a power of attorney.

**D. Entitlement to vote at the meeting**

For the purpose of the meeting, Shares in the Company will be taken to be held by those persons who are registered holders at 7.00 pm (Sydney time) on Tuesday, 26 November 2019. Accordingly, transactions registered after that time will be disregarded in determining entitlements to attend and vote at the meeting.

**E. Quorum**

The Constitution of the Company provides that 4 Shareholders present in person, by proxy, attorney or body corporate representative shall be a quorum for a general meeting of the Company.

**F. Appointing a corporate representative**

Corporate representatives are requested to bring appropriate evidence of appointments as a representative. Proof of identity will be required for corporate representatives.

**G. Appointment of an attorney**

Attorneys are requested to bring a power of attorney pursuant to which they are appointed. Proof of identity will also be required for attorneys.

## EXPLANATORY MEMORANDUM

### ACCOMPANYING THE NOTICE OF AGM TO BE HELD ON 27 NOVEMBER 2019

#### Financial Report

The Financial Report and the reports of the Directors and Auditor will be laid before the meeting in accordance with section 317 of the Corporations Act.

Shareholders will be given an opportunity to ask questions or make comments about the management of the Company and may also ask a representative of the Company's Auditor questions relevant to the conduct of the audit and the accounting policies adopted by the Company.

#### 1. Adoption of Remuneration Report

The Company has included in the 2019 Annual Report a detailed Remuneration Report which provides prescribed information relating to remuneration. As required by the Corporations Act, the Remuneration Report is submitted for adoption by a non-binding vote.

The Remuneration Report is set out in the 2019 Annual Report and is available from the Company's website: [www.marmota.com.au](http://www.marmota.com.au)

A reasonable opportunity for discussion of the Remuneration Report will be provided at the meeting.

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

- (a) If you appoint a member of the Key Management Personnel as your proxy (other than the Chairman) whose remuneration details are included in the Remuneration Report, or a Closely Related Party of such a member as your proxy you must direct the proxy how they are 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 if a poll is called on this Resolution.
- (b) If you appoint the Chairman as your proxy (where he 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 Chairman how to vote, you must mark the acknowledgement on the Proxy Form to expressly authorise the Chairman to exercise his discretion in exercising your proxy even though this Resolution is connected directly or indirectly with the remuneration of Key Management Personnel.
- (c) If you appoint any other person as your proxy you do not need to direct your proxy how to vote, and you do not need to tick any further acknowledgement on the proxy form.

**RECOMMENDATION:** *The Board recommends shareholders vote in favour of adopting the Remuneration Report.*

## 2. Election of Mr Shane Barker as a Director

Mr Barker was appointed as Executive Director (Production) on 1 September 2019, and retires in accordance with the requirements of the Company's Constitution and ASX Listing Rule 14.4, and, being eligible, has offered himself for re-election as a Director.

### **Mr Shane Barker BAppSc (Metallurgy)**

Mr Barker joined the Board of Marmota on 1 September 2019 in the new role of: *Executive Director (Production)*. He is a metallurgist with extensive production experience over more than 30 years at companies such as BHP (Olympic Dam Expansion Study, Kalgoorlie and Kambalda), Evolution Mining, WMC, Ross Mining, Sons of Gwalia, ALCOA, Coolgardie Gold etc. Mr Barker was the principal metallurgist and Manager of the Processing team operating the highly successful White Dam gold heap leach mine in South Australia. He has worked both within Australia and internationally. His experience has encompassed most metallurgical unit processes such as crushing, grinding, flotation, CIL/CIP, heap leaching, BiOX, thickening, filtration and tailings management.

**RECOMMENDATION:** *The Board (other than the director who is the subject of this resolution) recommends that shareholders vote in favour of Mr Barker's election.*

## 3. Ratification of issue of shares on 3 May 2019

Resolution 3 seeks ratification of the allotment and issue by the Company of 62,500,000 Shares at an issue price of \$0.016 per Share. These Shares were issued within the Company's existing capacity under ASX Listing Rule 7.1. Refer to the Company's Appendix 3B lodged with the ASX on 3 May 2019.

ASX Listing Rule 7.1 provides that a company must not, subject to specified exceptions, issue or agree to issue more equity securities during any 12 month period than that amount which represents 15% of the number of fully paid ordinary securities on issue at the commencement of that 12 month period. ASX Listing Rule 7.4 provides that an issue by a company of equity securities made without approval under ASX Listing Rule 7.1 is treated as having been made with approval for the purposes of ASX Listing Rule 7.1 if the issue did not breach ASX Listing Rule 7.1 and the company's members subsequently approve it.

While the outcome of Resolution 3 will have no effect on the issue of the Shares in question, Shareholder approval will restore the Company's ability to issue further equity securities under ASX Listing Rule 7.1 in the next 12 months from the date of issue, to the extent of the 62,500,000 Shares.

### *Technical information required by ASX Listing Rule 7.5*

Pursuant to and in accordance with ASX Listing Rule 7.5, the following information is provided in relation to the Placement:

- (a) The number of securities: 62,500,000 fully paid ordinary shares;
- (b) The price at which the securities were issued: \$0.016 per share;
- (c) The terms of the securities:  
The Shares issued were fully paid ordinary shares in the capital of the Company issued on the same terms and conditions as the Company's existing Shares;
- (d) The Placement Shares were allotted and issued to sophisticated and institutional investors including some existing shareholders, none of whom were related parties of the Company;
- (e) The use of the funds raised: exploration activities (including extensional drilling at Aurora Tank, reconnaissance drilling at Aurora Tank, geochemical/biogeochemical surface sampling programs etc) and working capital requirements; and
- (f) Voting exclusion statement: A voting exclusion statement forms part of this notice

**RECOMMENDATION:** *The Board recommends that eligible shareholders vote in favour of the ratification of the previous issues of shares.*

#### 4. Ratification of issue of shares on 17 June 2019

Resolution 4 seeks ratification of the allotment and issue by the Company of 20,000,000 Shares at an issue price of \$0.016 per Share to sophisticated and professional investors. These Shares were issued within the Company's existing capacity under ASX Listing Rule 7.1. Refer to the Company's Appendix 3B lodged with the ASX on 17 June 2019.

ASX Listing Rule 7.1 provides that a company must not, subject to specified exceptions, issue or agree to issue more equity securities during any 12 month period than that amount which represents 15% of the number of fully paid ordinary securities on issue at the commencement of that 12 month period. ASX Listing Rule 7.4 provides that an issue by a company of equity securities made without approval under ASX Listing Rule 7.1 is treated as having been made with approval for the purposes of ASX Listing Rule 7.1 if the issue did not breach ASX Listing Rule 7.1 and the company's members subsequently approve it.

While the outcome of Resolution 4 will have no effect on the issue of the Shares in question, Shareholder approval will restore the Company's ability to issue further equity securities under ASX Listing Rule 7.1 in the next 12 months from the date of issue, to the extent of the 20,000,000 Shares.

##### *Technical information required by ASX Listing Rule 7.5*

Pursuant to and in accordance with ASX Listing Rule 7.5, the following information is provided in relation to the Placement:

- (a) The number of securities: 20,000,000 fully paid ordinary shares;
- (b) The price at which the securities were issued: \$0.016 per share;
- (c) The terms of the securities:
  - The Shares issued were fully paid ordinary shares in the capital of the Company issued on the same terms and conditions as the Company's existing Shares;
- (d) The Placement Shares were allotted and issued to sophisticated and institutional investors, none of whom were related parties of the Company;
- (e) The use of the funds raised: exploration activities (including extensional drilling at Aurora Tank, reconnaissance drilling at Aurora Tank) and working capital requirements; and
- (f) Voting exclusion statement: A voting exclusion statement forms part of this notice

RECOMMENDATION: *The Board recommends that eligible shareholders vote in favour of the ratification of the previous issues of shares.*

#### 5. Approval of 10% placement capacity

##### 5.1 Background

ASX Listing Rule 7.1A enables eligible entities to issue Equity Securities (as that term is defined in the ASX Listing Rules) up to 10% of their issued capital through placements over a twelve month period after the Annual General Meeting (**10% Placement Facility**). The 10% Placement Facility is in addition to the Company's 15% placement capacity under ASX Listing Rule 7.1.

An eligible entity for the purposes of ASX Listing Rule 7.1A is an entity that is not included in the S&P/ASX 300 Index and has a market capitalisation of \$300 million or less. The Company is an eligible entity.

The effect of this resolution will be to allow the Directors to issue the Equity Securities under ASX Listing Rule 7.1A during the 10% Placement Period separate to the Company's 15% placement capacity under ASX Listing Rule 7.1.

As at the date of this Notice of Meeting, the Company has the capacity to issue 15,479,467 shares under ASX Listing Rule 7.1.

The Company is now seeking shareholder approval by way of a special resolution to have the ability to issue Equity Securities under the 10% Placement Facility. Resolution 5 is a special resolution and therefore requires approval of 75% of the votes cast by Shareholders present and eligible to vote (in



person, by proxy, by attorney or, in the case of a corporate Shareholder, by a corporate representative).

The exact number of Equity Securities (if any) to be issued under the 10% Placement Facility will be determined in accordance with the formula prescribed in ASX Listing Rule 7.1.A.2 (refer to Section 5.2 (c) below). The Company may use funds raised from any 10% Placement Facility for funding specific projects and/or general working capital. It may also use the 10% Placement Facility for non cash consideration purposes such as joint venture or project acquisitions (although the Company presently has no intention to do so).

The Directors of the Company believe that Resolution 5 is in the best interests of the Company and unanimously recommend that Shareholders vote in favour of this resolution.

## **5.2 ASX Listing Rule 7.1.A**

### **(a) Shareholder approval**

The ability to issue Equity Securities under the 10% Placement Facility is subject to shareholder approval by way of a special resolution at an annual general meeting.

### **(b) Equity Securities**

Any Equity Securities issued under the 10% Placement Facility must be in the same class as an existing quoted class of Equity Securities of the Company.

The Company, as at the date of the Notice, has one class of Equity Securities being Shares.

### **(c) Formula for calculating 10% Placement Facility**

ASX Listing Rule 7.1A.2 provides that eligible entities which have obtained shareholder approval at an annual general meeting may issue or agree to issue, during the 12 month period after the date of the annual general meeting, a number of Equity Securities calculated in accordance with the following formula:

#### **(A x D) – E**

A is the number of shares on issue 12 months before the date of the issue or agreement:

- (i) plus the number of fully paid shares issued in the 12 months under an exception in ASX Listing Rule 7.2;
- (ii) plus the number of partly paid shares that became fully paid in the 12 months;
- (iii) plus the number of fully paid shares issued in the 12 months with approval of holders of shares under ASX Listing Rules 7.1 and 7.4;
- (iv) less the number of fully paid shares cancelled in the 12 months.

*Note: A has the same meaning in ASX Listing Rule 7.1 when calculating an entity's 15% placement capacity.*

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 the issue or agreement to issue that are not issued with the approval of shareholders under ASX Listing Rules 7.1 or 7.4.

### **(d) ASX Listing Rule 7.1 and ASX Listing Rule 7.1A**

The ability of an entity to issue Equity Securities under ASX Listing Rule 7.1A is in addition to the entity's 15% placement capacity under ASX Listing Rule 7.1.

The actual number of Equity Securities that the Company will have capacity to issue under ASX Listing Rule 7.1A will be calculated at the date of issue of the Equity Securities in accordance with the formula prescribed in ASX Listing Rule 7.1A.2 (refer to Section 5.2(c) above).

- (e) *Minimum Issue Price*  
The issue price of Equity Securities issued under ASX Listing Rule 7.1A must be not less than 75% of the volume weighted average price of Equity Securities in the same class calculated over the 15 Trading Days (as defined in the ASX Listing Rules) 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 5 Trading Days of the date in paragraph (i) above, the date on which the Equity Securities are issued.
- (f) *10% Placement Period*  
Shareholder approval of the 10% Placement Facility under ASX Listing Rule 7.1A is valid from the date of the annual general meeting at which the approval is obtained and expires on the earlier to occur of:
- (i) the date that is 12 months after the date of the annual general meeting at which the approval is obtained; or
  - (ii) the date of the approval by shareholders of a transaction under ASX Listing Rules 11.1.2 (a significant change to the nature or scale of activities) or 11.2 (disposal of main undertaking).
- (the 10% Placement Period)**

### 5.3 Specific Information required by ASX Listing Rule 7.3A

Pursuant to and in accordance with ASX Listing Rule 7.3A, information is provided in relation to the approval of the 10% Placement Facility as follows:

- (a) *Minimum Price*  
Any Equity Securities issued will be issued at an issue price of not less than 75% of the volume weighted average price for the Company's Equity Securities over the 15 Trading Days 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 5 Trading Days of the date in paragraph (i) above, the date on which the Equity Securities are issued.
- (b) *Risk of Voting Dilution*  
If Resolution 5 is approved by the Shareholders and the Company issues Equity Securities under the 10% Placement Facility, the existing Shareholders' voting power in the Company would be diluted as shown in the below table (in the case of unlisted options, only if the unlisted options are exercised). There is a risk that:
- (i) the market price for the Company's Equity Securities may be significantly lower on the date of the issue of the Equity Securities than on the date of the Annual General Meeting; and
  - (ii) the Equity Securities may be issued at a price that is at a discount to the market price for the Company's Equity Securities on the issue date, which may have an effect on the amount of funds raised by the issue of the Equity Securities.

The table below shows the dilution of existing Shareholders on the basis of the current market price of Shares and the current number of ordinary securities for variable "A" calculated in accordance with the formula in ASX Listing Rule 7.1A(2) as at the date of this Notice of Meeting.

The table also shows:

- (i) two examples where variable "A" has increased by 50% and 100%. Variable "A" is based on the number of ordinary shares the Company has on issue. The number of ordinary securities on issue may increase as a result of issues of ordinary securities that do not require Shareholder approval (for example, a pro-rata entitlements issue or scrip issued under a takeover offer) or future specific placements under ASX Listing Rule 7.1 that are approved at a future Shareholders' meeting; and

- (ii) two examples of where the price of ordinary securities has decreased by 50% and increased by 100% as against the current market price.

Variable "A" in ASX Listing Rule 7.1A.2	Issue Price (per Share)	Dilution		
		50% decrease in Deemed Price: 1.6 cents	Deemed Price: 3.2 cents	100% Increase in Deemed Price: 6.4 cents
Current Variable A 735,696,452 Shares	10% Voting Dilution	73,569,645 shares	73,569,645 shares	73,569,645 shares
	Funds Raised	\$1,177,114	\$2,345,229	\$4,708,457
50% increase in current Variable A 1,103,544,678 shares	10% Voting Dilution	110,354,468 shares	110,354,468 shares	110,354,468 shares
	Funds Raised	\$1,765,671	\$3,531,343	\$7,062,686
100% increase in current Variable A 1,471,392,904 Shares	10% Voting Dilution	147,139,290 shares	147,139,290 shares	147,139,290 shares
	Funds Raised	\$2,345,229	\$4,708,457	\$9,416,915

The table has been prepared on the following assumptions:

- (i) The Company issues the maximum securities available under the ASX Listing Rule 7.1A being 10% of the Company's shares on issue at the date of the Meeting;
- (ii) No unlisted options are exercised into fully paid ordinary securities before the date of the issue of securities under ASX Listing Rule 7.1A. The Company has 6,050,000 unlisted options on issue at the date of this Notice of Meeting;
- (iii) The table does not demonstrate an example of dilution that may be caused to a particular shareholder by reason of placements under ASX Listing Rule 7.1A, based on that shareholder's holding at the date of the Meeting;
- (iv) The table only demonstrates the effect of issues of securities under ASX Listing Rule 7.1A. It does not consider placements made under ASX Listing Rule 7.1, the "15% rule";
- (v) The price of ordinary securities is deemed for the purposes of the table above to be \$0.032 cents, being the closing price of the Company's listed securities on ASX on 24 September 2019 (**Deemed Price**). The Deemed Price is indicative only and does not consider the 25% discount to market that the securities may be placed at;
- (vi) The table does not demonstrate the effect of listed options being issued under ASX Listing Rule 7.1A. It only considers the issue of the fully paid ordinary securities; and
- (vii) The table does not take into account resolutions to be put before this Meeting.
- (c) *Date of Issue*  
The Company will only issue and allot the Equity Securities during the 10% Placement Period. The approval under Resolution 5 for the issue of the Equity Securities will cease to be valid in the event that Shareholders approve a transaction under ASX Listing Rule 11.1.2 (a significant change to the nature or scale of activities or ASX Listing Rule 11.2 (disposal of main undertaking).

(d) *Purpose of the Issue under the 10% Placement Capacity*

The Company may seek to issue the Equity Securities for the following purposes:

- (i) non-cash consideration including for joint venture, licensing or collaboration agreements or the acquisition of new projects (although the Company presently has no proposal to do so). In such circumstances, the Company will provide a valuation of the non-cash consideration as required by ASX Listing Rule 7.1A.3; or
- (ii) cash consideration. In such circumstances, the Company intends to use the funds raised towards advancing exploration of the Company's prospects, which includes the Company's Gawler Craton Gold Project and/or its Yorke Peninsula Copper Project in South Australia and/or its Uranium Project in South Australia and/or general working capital.

The Company will comply with the disclosure obligations under ASX Listing Rules 7.1A(4) and 3.10.5A upon issue of any Equity Securities.

(e) *Allocation Policy*

The Company's allocation policy is dependent on the prevailing market conditions at the time of any proposed issue pursuant to the 10% Placement Facility. The identity of the allottees of Equity Securities will be determined on a case-by-case basis having regard to factors including but not limited to the following:

- (i) the methods of raising funds that are available to the Company, including but not limited to, rights issues or other issues in which existing security holders can participate;
- (ii) the effect of the issue of the Equity Securities on the control of the Company;
- (iii) the financial situation and solvency of the Company; and
- (iv) advice from corporate, financial and broking advisers (if applicable).

The allottees under the 10% Placement Facility have not been determined as at the date of this Notice of Meeting, but may include existing substantial Shareholders and/or new Shareholders who are not related parties or associates of a related party of the Company.

Further, if the Company were to pursue an acquisition and were it to be successful in acquiring new resources assets or investments, it is possible that the allottees under the 10% Placement Facility will be the vendors of the new resources assets or investments.

(f) *Previous Approval*

The Company obtained Shareholder approval under ASX Listing Rule 7.1A at the 2018 AGM.

	<b>Number of ordinary shares</b>
Shares on issue at 24 September 2018	653,196,452
Shares issued in the prior 12 months	82,500,000
Shares on issue at 24 September 2019	<u>735,696,452</u>
Shares issued as a percentage of shares on issue at 24 September 2018	12.6 %

The Shares issues in the prior 12 months total 82,500,000 fully paid ordinary shares, are set out below:

<b>Detail of Issues:</b>	(a) 62,500,000 shares – 3 May 2019 (b) 20,000,000 shares – 17 June 2019
<b>Summary of terms:</b>	(a) Placement to sophisticated and professional investors (b) Placement to sophisticated and professional investors  In all cases, shares rank parri passu with all other shares on issue.
<b>Names of persons who received securities or basis on which those persons was determined:</b>	(a) Sophisticated or professional investors as part of placement (b) Sophisticated or professional investors as part of placement
<b>Price at which equity securities were issued:</b>	(a) \$0.016 (b) \$0.016
<b>Discount of issue price to closing market price on the date of issue (if any):</b>	(a) No discount to market close on 3 May 2019 (b) No discount to market close on 17 June 2019
<b>Total cash consideration received:</b>	(a) \$1,000,000 cash (b) \$ 320,000 cash
<b>Amount of cash consideration spent:</b>	Approximately \$550,000. Cash when raised is held in a common bank account and is not tracked separately
<b>Use of cash consideration:</b>	For exploration of the Company's prospects (including extensional drilling at Aurora Tank, reconnaissance drilling at Aurora Tank, geochemical and biogeochemical surface sampling programs), and for general working capital
<b>Intended use for remaining amount of cash (if any):</b>	For exploration of the Company's prospects, and in particular to advance the Company's gold discovery at Aurora Tank and the Company's gold prospects in the Gawler Craton around Challenger, and for general working capital

(g) *Voting Exclusion Statement – ASX Listing Rule 7.3A7*  
A voting exclusion statement is included in this Notice.

**RECOMMENDATION:** *The Board recommends shareholders vote in favour of approving the 10% placement capacity.*

## **6. Renewal of Partial Takeover Clause in the Constitution**

### **6.1 General**

Section 648G(1) of the *Corporations Act* provides that a company's proportional takeover approval provisions, unless sooner omitted from its constitution, cease to apply at the end of 3 years from adoption or renewal as appropriate unless otherwise specified.

When the provisions cease to apply, a company's constitution is modified by omitting the provisions.

The Company's Constitution (including the proportional takeover provisions set out in clause 44) was adopted on 25 November 2014. Accordingly, the proportional takeover provisions included in the Constitution have expired.

Resolution 6 is a special resolution which will enable the Company to modify its Constitution by reinstating clause 44 for a period of 3 years from the date of Shareholder approval. It is noted that Shareholder approval will not result in a change to the wording of clause 44.

The Company is permitted to seek further Shareholder approval to renew this clause for further periods of up to 3 years on each occasion.

### **6.2 Proportional takeover provisions (clause 44 of Constitution)**

#### **6.2.1 General**

A proportional takeover bid is a takeover bid where the offer made to each shareholder is only for a proportion of that shareholder's shares.

The proportional takeover provisions set out in clause 44 of the Constitution provides that a proportional takeover bid for Shares may only proceed after the bid has been approved by a meeting of Shareholders held in accordance with the terms set out in the *Corporations Act*.

This clause will cease to have effect on the third anniversary of the date of the adoption of the last renewal of the clause.

#### **6.2.2 Information required by section 648G of the *Corporations Act***

##### *Effect of proportional takeover provisions*

Where offers have been made under a proportional off-market bid in respect of a class of securities in a company, the registration of a transfer giving effect to a contract resulting from the acceptance of an offer made under such a proportional off-market bid is prohibited unless and until a resolution to approve the proportional off-market bid is passed or the deadline for obtaining such approval has passed.

##### *Reasons for proportional takeover provisions*

A proportional takeover bid may result in control of the Company changing without Shareholders having the opportunity to dispose of all their Shares. By making a partial bid, a bidder can obtain practical control of the Company by acquiring less than a majority interest. Shareholders are exposed to the risk of being left as a minority in the Company and the risk of the bidder being able to acquire control of the Company without payment of an adequate control premium. These amended provisions allow Shareholders to decide whether a proportional takeover bid is acceptable in principle and assist in ensuring that any partial bid is appropriately priced.

##### *Knowledge of any acquisition proposals*

As at the date of this Notice, no Director is aware of any proposal by any person to acquire, or to increase the extent of, a substantial interest in the Company.

*Advantages and disadvantages of proportional takeover provisions during the period in which they have been in effect*

The Directors consider that the proportional takeover provisions had no advantages or disadvantages for them during the period in which they have been in effect. The advantages and disadvantages of the proportional takeover provisions for Shareholders include those set out immediately below, which were applicable during the period in which they have been in effect.

*Potential advantages and disadvantages of proportional takeover provisions*

The Directors consider that the proportional takeover provisions have no potential advantages or disadvantages for them and that they remain free to make a recommendation on whether an offer under a proportional takeover bid should be accepted.

The potential advantages of the proportional takeover provisions for Shareholders include:

- (a) the right to decide by majority vote whether an offer under a proportional takeover bid should proceed;
- (b) assisting in preventing Shareholders from being locked in as a minority;
- (c) increasing the bargaining power of Shareholders which may assist in ensuring that any proportional takeover bid is adequately priced; and
- (d) each individual Shareholder may better assess the likely outcome of the proportional takeover bid by knowing the view of the majority of Shareholders which may assist in deciding whether to accept or reject an offer under the takeover bid.

The potential disadvantages of the proportional takeover provisions for Shareholders include:

- (a) proportional takeover bids may be discouraged;
  - (i) lost opportunity to sell a portion of their Shares at a premium; and
  - (ii) the likelihood of a proportional takeover bid succeeding may be reduced.

### **6.3 Recommendation of the Board**

The Directors do not believe the potential disadvantages outweigh the potential advantages of reinstating the proportional takeover provisions and as a result consider that the reinstatement of the proportional takeover provision set out in clause 44 of the Constitution is in the interest of Shareholders and unanimously recommend that Shareholders vote in favour of Resolution 6.

**RECOMMENDATION:** *The Board recommends shareholders vote in favour of approving the renewal of the partial takeover clause in the Constitution.*

***The Chairman of the Meeting intends to vote undirected proxies:***

***FOR each of the Resolutions 1 to 6***

## **GLOSSARY OF TERMS**

In this Explanatory Memorandum the following expressions have the following meanings:

**ASIC** means the Australian Securities and Investments Commission;

**ASX** means ASX Limited;

**Chairman** means the chairman of the Meeting in accordance with the Constitution;

**Closely Related Party** has the same meaning as in the Corporations Act;

**Company** or **Marmota** means Marmota Ltd ACN 119 270 816;

**Constitution** means the Constitution of the Company;

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

**Directors** means the Directors of the Company;

**Explanatory Memorandum** means this Explanatory Memorandum incorporated in the Notice of Meeting;

**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;

**Notice** or **Notice of Meeting** means the notice of meeting incorporating this Explanatory Memorandum;

**Relevant Interest** has the meaning given to that term in the Corporations Act;

**Remuneration Report** means the remuneration report set out in the Director's Report section of the Company's annual financial report for the year ended 30 June 2019;

**Resolution** means a resolution set out in the Notice of Meeting;

**Shares** means fully paid ordinary shares in the Company;

**Shareholder** means a holder of Shares;

**Vacating Directors** means the Directors who were directors of the Company when the resolution to make the Directors' Report considered at the last annual general meeting of the Company was passed, other than the Managing Director of the Company at that time;


**2018 AGM** means the Annual General Meeting of the Company held on 14 November 2018;


**2019 AGM** means the Annual General Meeting of the Company to be held on 27 November 2019.



**LODGE YOUR VOTE**
 **ONLINE**  
[www.linkmarketservices.com.au](http://www.linkmarketservices.com.au)
 **BY MAIL**  
 Marmota Limited  
 C/- Link Market Services Limited  
 Locked Bag A14  
 Sydney South NSW 1235 Australia

 **BY FAX**  
 +61 2 9287 0309

 **BY HAND**  
 Link Market Services Limited  
 1A Homebush Bay Drive, Rhodes NSW 2138; or  
 Level 12, 680 George Street, Sydney NSW 2000

 **ALL ENQUIRIES TO**  
 Telephone: +61 1300 554 474

# SAMPLE


**X99999999999**
**PROXY FORM**

I/We being a member(s) of Marmota Limited and entitled to attend and vote hereby appoint:


**APPOINT A PROXY**
 **the Chairman of the Meeting (mark box)**
**OR** if you are **NOT** appointing the Chairman of the Meeting as your proxy, please write the name of the person or body corporate you are appointing as your proxy

 or failing the person or body corporate named, or if no person or body corporate is named, the Chairman of the Meeting, as my/our proxy to act on my/our behalf (including to vote in accordance with the following directions or, if no directions have been given and to the extent permitted by the law, as the proxy sees fit) at the Annual General Meeting of the Company to be held at **3:00pm (Adelaide time) on Wednesday, 27 November 2019 at Charles Sturt Meeting Room, Grant Thornton House, Level 3, 170 Frome Street, Adelaide, South Australia 5000 (the Meeting)** and at any postponement or adjournment of the Meeting.

**Important for Resolution 1:** If the Chairman of the Meeting is your proxy, either by appointment or by default, and you have not indicated your voting intention below, you expressly authorise the Chairman of the Meeting to exercise the proxy in respect of Resolution 1, even though the Resolution is connected directly or indirectly with the remuneration of a member of the Company's Key Management Personnel (**KMP**).

**The Chairman of the Meeting intends to vote undirected proxies in favour of each item of business.**
**VOTING DIRECTIONS**
**Proxies will only be valid and accepted by the Company if they are signed and received no later than 48 hours before the Meeting. Please read the voting instructions overleaf before marking any boxes with an** 
**Resolutions**

	For	Against	Abstain*		For	Against	Abstain*
1 Adoption of Remuneration Report	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	5 Approval of 10% placement capacity	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
2 Election of Mr Shane Barker as an Executive Director	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	6 Renewal of Partial Takeover Clause in the Constitution	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
3 Ratification of issue of shares on 3 May 2019	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>				
4 Ratification of issue of shares on 17 June 2019	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>				

 \* If you mark the Abstain box for a particular Item, you are directing your proxy not to vote on your behalf on a show of hands or on a poll and your votes will not be counted in computing the required majority on a poll.

**SIGNATURE OF SHAREHOLDERS – THIS MUST BE COMPLETED**

Shareholder 1 (Individual)

Joint Shareholder 2 (Individual)

Joint Shareholder 3 (Individual)




Sole Director and Sole Company Secretary

Director/Company Secretary (Delete one)

Director

 This form should be signed by the shareholder. If a joint holding, either shareholder may sign. If signed by the shareholder's attorney, the power of attorney must have been previously noted by the registry or a certified copy attached to this form. If executed by a company, the form must be executed in accordance with the company's constitution and the *Corporations Act 2001* (Cth).


## HOW TO COMPLETE THIS SHAREHOLDER PROXY FORM

### YOUR NAME AND ADDRESS

This is your name and address as it appears on the Company's share register. If this information is incorrect, please make the correction on the form. Shareholders sponsored by a broker should advise their broker of any changes. **Please note: you cannot change ownership of your shares using this form.**

### APPOINTMENT OF PROXY

If you wish to appoint the Chairman of the Meeting as your proxy, mark the box in Step 1. 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 in Step 1. A proxy need not be a shareholder of the Company.

### DEFAULT TO 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 those 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 Form, including where the Resolution is 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 placing a mark in 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 A SECOND PROXY

You are entitled to appoint up to two persons as proxies to attend the Meeting and vote on a poll. If you wish to appoint a second proxy, an additional Proxy Form may be obtained by telephoning the Company's share registry or you may copy this form and return them both together.

To appoint a second proxy you must:

- (a) on each of the first Proxy Form and the second Proxy Form state the percentage of your voting rights or number of shares applicable to that form. If the appointments do not specify the percentage or number of votes that each proxy may exercise, each proxy may exercise half your votes. Fractions of votes will be disregarded; and
- (b) return both forms together.

### SIGNING INSTRUCTIONS

You must sign this form as follows in the spaces provided:

**Individual:** where the holding is in one name, the holder must sign.

**Joint Holding:** where the holding is in more than one name, either shareholder may sign.

**Power of Attorney:** to sign under Power of Attorney, you must lodge the Power of Attorney with the registry. If you have not previously lodged this document for notation, please attach a certified photocopy of the Power of Attorney to this form when you return it.

**Companies:** where the company has a Sole Director who is also the Sole Company Secretary, this form must be signed by that person. If the company (pursuant to section 204A of the *Corporations Act 2001*) does not have a Company Secretary, a Sole Director can also sign alone. Otherwise this form must be signed by a Director jointly with either another Director or a Company Secretary. Please indicate the office held by signing in the appropriate place.

### CORPORATE REPRESENTATIVES

If a representative of the corporation is to attend the Meeting the appropriate "Certificate of Appointment of Corporate Representative" must be produced prior to admission in accordance with the Notice of Meeting. A form of the certificate may be obtained from the Company's share registry or online at [www.linkmarketservices.com.au](http://www.linkmarketservices.com.au).

### LODGEMENT OF A PROXY FORM

This Proxy Form (and any Power of Attorney under which it is signed) must be received at an address given below by **3:00pm (Adelaide time) on Monday, 25 November 2019**, being not later than 48 hours before the commencement of the Meeting. Any Proxy Form received after that time will not be valid for the scheduled Meeting.

Proxy Forms may be lodged using the reply paid envelope or:



#### ONLINE

[www.linkmarketservices.com.au](http://www.linkmarketservices.com.au)

Login to the Link website using the holding details as shown on the Proxy Form. Select 'Voting' and follow the prompts to lodge your vote. To use the online lodgement facility, shareholders will need their "Holder Identifier" - Securityholder Reference Number (SRN) or Holder Identification Number (HIN).



#### BY MAIL

Marmota Limited  
C/- Link Market Services Limited  
Locked Bag A14  
Sydney South NSW 1235  
Australia



#### BY FAX

+61 2 9287 0309



#### BY HAND

delivering it to Link Market Services Limited\*  
1A Homebush Bay Drive  
Rhodes NSW 2138  
or  
Level 12  
680 George Street  
Sydney NSW 2000

\* During business hours (Monday to Friday, 9:00am–5:00pm)

**IF YOU WOULD LIKE TO ATTEND AND VOTE AT THE ANNUAL GENERAL MEETING, PLEASE BRING THIS FORM WITH YOU.  
THIS WILL ASSIST IN REGISTERING YOUR ATTENDANCE.**