

MINOTAUR EXPLORATION LIMITED
ACN 108 483 601

NOTICE OF ANNUAL GENERAL MEETING
EXPLANATORY MEMORANDUM
PROXY FORM

Date of Meeting
28 November 2019

Time of Meeting
11.00 am (Adelaide time)

Place of Meeting
Next Generation
War Memorial Drive
NORTH ADELAIDE SA 5006

NOTICE OF ANNUAL GENERAL MEETING

MINOTAUR EXPLORATION LIMITED ACN 108 483 601

Notice is hereby given that the Annual General Meeting of shareholders of Minotaur Exploration Limited (**Company**) will be held at Next Generation, War Memorial Drive, North Adelaide, SA, 5006 at 11.00 am (Adelaide time) on 28 November 2019.

Ordinary Business

To consider the Financial Statements for the financial year ended 30 June 2019 and accompanying reports of the Directors and Auditor.

Resolution 1: Adoption of Remuneration Report

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

‘That the Company adopt the Remuneration Report for the year ended 30 June 2019 as set out in the Company’s Annual Report for the year ended 30 June 2019.’

Resolution 2: Re-election of Mr George McKenzie as Director

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

‘That Mr George McKenzie, having voluntarily retired in accordance with Listing Rule 14.4 and rule 6.1 of the Company’s Constitution and being eligible, and offering himself, for re-election, is re-elected as a Director with effect immediately following the conclusion of the meeting.’

Resolution 3: Approval of 10% Placement Facility

To consider and, if thought fit, pass, with or without amendment, the following resolution as a **special resolution**:

‘That pursuant to and in accordance with Listing Rule 7.1A and for all other purposes, shareholders approve the issue of Equity Securities up to 10% of the issued capital of the Company (at the time of the issue) calculated in accordance with the formula prescribed in Listing Rule 7.1A.2 and on the terms and conditions in the Explanatory Memorandum which is attached to and forms part of this Notice.’

Resolution 4: Approval of Previous Issue of Shares

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

‘That for the purpose of Listing Rule 7.4 and for all other purposes, approval is given to the previous issue by the Company of 24,375,000 fully paid ordinary shares on the terms and conditions described in the Explanatory Memorandum which is attached to and forms part of this Notice.’

Resolution 5: Approval of Previous Issue of Shares

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

‘That for the purpose of Listing Rule 7.4 and for all other purposes, approval is given to the previous issue by the Company of 6,875,000 fully paid ordinary shares on the terms and conditions described in the Explanatory Memorandum which is attached to and forms part of this Notice.’

Resolution 6: Approval of Amendment to Employee Option Terms

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

‘That in accordance with Listing Rule 6.23.4 and for all other purposes, shareholders approve the amendment of the terms of all issued (but yet to be exercised) and unissued options under the Company’s existing employee incentive scheme known as the ‘Minotaur Exploration Limited Employee Option Plan’, as described in the Explanatory Memorandum.’

Resolution 7: Approval of New Employee Option Plan

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

‘That for the purpose of Listing Rule 7.2, Exception 9(b) and for all other purposes, the Company approves the issue of securities under a new employee incentive scheme known as the ‘Minotaur Exploration Limited Employee Option Plan’, the rules of which are contained in Annexure A to the Explanatory Memorandum which is attached to and forms part of this Notice, as an exception to Listing Rule 7.1.’

Resolution 8: Issue of Options to Mr Andrew Woskett

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

‘That for the purpose of Listing Rule 10.11 and for all other purposes, approval be and is hereby given to the issue by the Company of 7,800,000 options to Mr Andrew Woskett and/or his nominee on the terms and conditions described in the Explanatory Memorandum which is attached to and forms part of this Notice.’

Resolution 9: Issue of Options to Dr Antonio Belperio

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

‘That for the purpose of Listing Rule 10.11 and for all other purposes, approval be and is hereby given to the issue by the Company of 3,200,000 options to Dr Antonio Belperio and/or his nominee on the terms and conditions described in the Explanatory Memorandum which is attached to and forms part of this Notice.’

Resolution 10: Issue of Options to Dr Roger Higgins

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

‘That for the purpose of Listing Rule 10.11 and for all other purposes, approval be and is hereby given to the issue by the Company of 4,000,000 options to Dr Roger Higgins and/or his nominee on the terms and conditions described in the Explanatory Memorandum which is attached to and forms part of this Notice.’

Resolution 11: Issue of Options to Mr George McKenzie

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

‘That subject to the passing of Resolution 2, for the purpose of Listing Rule 10.11 and for all other purposes, approval be and is hereby given to the issue by the Company of 3,200,000 options to Mr George McKenzie and/or his nominee on the terms and conditions described in the Explanatory Memorandum which is attached to and forms part of this Notice.’

DATED 25 OCTOBER 2019

**BY ORDER OF THE BOARD
MINOTAUR EXPLORATION LIMITED**

A handwritten signature in black ink, appearing to read 'V. Lidums', with a long horizontal flourish extending to the right.

**VARIS LIDUMS
COMPANY SECRETARY**

NOTES:

1. Explanatory Memorandum

The Explanatory Memorandum accompanying this Notice of Annual General Meeting is incorporated in and comprises part of this Notice of Annual General Meeting and should be read in conjunction with this Notice of Annual General Meeting.

Shareholders are specifically referred to the Glossary in the Explanatory Memorandum which contains definitions of capitalised terms used in both this Notice of Annual General Meeting and the Explanatory Memorandum.

2. Voting Exclusion Statements

(a) Resolution 1

A vote on Resolution 1 must not be cast (in any capacity) by or on behalf of any of the following persons:

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

However, a person described above may cast a vote on Resolution 1 as a proxy if the vote is not cast on behalf of a person described above and either:

- (i) the person is appointed as a proxy by writing that specifies the way the proxy is to vote on the resolution; or
- (ii) the person is the chair of the meeting and the appointment of the chair as proxy:
 - does not specify the way the proxy is to vote on the resolution; and
 - expressly authorises the chair to exercise the proxy even if the resolution is connected directly or indirectly with the remuneration of a member of the Key Management Personnel for the Company or, if the Company is part of a consolidated entity, for the entity.

(b) Resolution 3

The Company will disregard any votes cast in favour of Resolution 3 by or on behalf of a person (and any associates of such a person) who is expected to participate in the 10% Placement Facility and a person (and any associates of such a person) who will obtain a material benefit as a result of the proposed issue, except a benefit solely by reason of being a holder of ordinary shares.

However, the Company will not disregard a vote if:

- (i) it is cast by the person as proxy for a person who is entitled to vote, in accordance with directions on the proxy form; or
- (ii) it is cast by the person chairing 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.

(c) Resolution 4

The Company will disregard any votes cast in favour of Resolution 4 by or on behalf of persons who participated in the issue of shares, and associates of those persons.

However, the Company will not disregard a vote if:

- (i) it is cast by the person as proxy for a person who is entitled to vote, in accordance with directions on the proxy form; or
- (ii) it is cast by the person chairing 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.

(d) **Resolution 5**

The Company will disregard any votes cast in favour of Resolution 5 by or on behalf of persons who participated in the issue of shares, and associates of those persons.

However, the Company will not disregard a vote if:

- (i) it is cast by the person as proxy for a person who is entitled to vote, in accordance with directions on the proxy form; or
- (ii) it is cast by the person chairing 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.

(e) **Resolution 6**

- (i) For the purposes of the Corporations Act, a person appointed as a proxy must not vote, on the basis of that appointment, on Resolution 6 if:

- the person is either:
 - a member of the Key Management Personnel for the Company or, if the Company is part of a consolidated entity, for the entity; or
 - a Closely Related Party of such a member; and
- the appointment does not specify the way the proxy is to vote on the Resolution.

However, the Company will not disregard a vote if:

- the person is the chair of the meeting at which the Resolution is voted on; and
 - the appointment expressly authorises the chair to exercise the proxy even if the Resolution is connected directly or indirectly with the remuneration of a member of the Key Management Personnel for the Company or, if the Company is part of a consolidated entity, for the entity.
- (ii) For the purposes of the Listing Rules, the Company will disregard any votes cast in favour of Resolution 6 by or on behalf of a person who holds an option under the existing Minotaur Exploration Ltd Employee Option Plan and an associate of that person.

However, subject always to paragraph 2(e)(i) above, the Company will not disregard a vote if:

- it is cast by the person as proxy for a person who is entitled to vote, in accordance with directions on the proxy form; or

- it is cast by the person chairing 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.

(f) **Resolution 7**

- (i) For the purposes of the Corporations Act, a person appointed as a proxy must not vote, on the basis of that appointment, on Resolution 7 if:

- the person is either:
 - a member of the Key Management Personnel for the Company or, if the Company is part of a consolidated entity, for the entity; or
 - a Closely Related Party of such a member; and
- the appointment does not specify the way the proxy is to vote on the Resolution.

However, the Company will not disregard a vote if:

- the person is the chair of the meeting at which the Resolution is voted on; and
- the appointment expressly authorises the chair to exercise the proxy even if the Resolution is connected directly or indirectly with the remuneration of a member of the Key Management Personnel for the Company or, if the Company is part of a consolidated entity, for the entity.

- (ii) For the purposes of the Listing Rules, the Company will disregard any votes cast in favour of Resolution 7 by or on behalf of any Director of the Company (except one who is ineligible to participate in the new Minotaur Exploration Limited Employee Option Plan) and any associates of that Director of the Company.

However, subject always to paragraph 2(f)(i) above, the Company will not disregard a vote if:

- it is cast by the person as proxy for a person who is entitled to vote, in accordance with directions on the proxy form; or
- it is cast by the person chairing 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.

(g) **Resolution 8**

- (i) For the purposes of the Corporations Act, a person appointed as a proxy must not vote, on the basis of that appointment, on Resolution 8 if:

- the person is either:
 - a member of the Key Management Personnel for the Company or, if the Company is part of a consolidated entity, for the entity; or
 - a Closely Related Party of such a member; and
- the appointment does not specify the way the proxy is to vote on the Resolution.

However, the Company will not disregard a vote if:

- the person is the chair of the meeting at which the Resolution is voted on; and
 - the appointment expressly authorises the chair to exercise the proxy even if the Resolution is connected directly or indirectly with the remuneration of a member of the Key Management Personnel for the Company or, if the Company is part of a consolidated entity, for the entity.
- (ii) For the purposes of the Listing Rules, the Company will disregard any votes cast in favour of Resolution 8 if they are cast by or on behalf of Mr Andrew Woskett or his nominee, and associates of Mr Woskett or his nominee.

However, subject always to paragraph 2(g)(i), the Company will not disregard a vote if:

- it is cast by a person 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 person chairing 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.

(h) **Resolution 9**

- (i) For the purposes of the Corporations Act, a person appointed as a proxy must not vote, on the basis of that appointment, on Resolution 9 if:

- the person is either:
 - a member of the Key Management Personnel for the Company or, if the Company is part of a consolidated entity, for the entity; or
 - a Closely Related Party of such a member; and
- the appointment does not specify the way the proxy is to vote on the Resolution.

However, the Company will not disregard a vote if:

- the person is the chair of the meeting at which the Resolution is voted on; and
 - the appointment expressly authorises the chair to exercise the proxy even if the Resolution is connected directly or indirectly with the remuneration of a member of the Key Management Personnel for the Company or, if the Company is part of a consolidated entity, for the entity.
- (ii) For the purposes of the Listing Rules, the Company will disregard any votes cast in favour of Resolution 9 if they are cast by or on behalf of Dr Antonio Belperio or his nominee, and associates of Dr Belperio or his nominee.

However, subject always to paragraph 2(h)(i), the Company will not disregard a vote if:

- it is cast by a person 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 person chairing 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.

(i) **Resolution 10**

- (i) For the purposes of the Corporations Act, a person appointed as a proxy must not vote, on the basis of that appointment, on Resolution 10 if:

- the person is either:
 - a member of the Key Management Personnel for the Company or, if the Company is part of a consolidated entity, for the entity; or
 - a Closely Related Party of such a member; and
- the appointment does not specify the way the proxy is to vote on the Resolution.

However, the Company will not disregard a vote if:

- the person is the chair of the meeting at which the Resolution is voted on; and
- the appointment expressly authorises the chair to exercise the proxy even if the Resolution is connected directly or indirectly with the remuneration of a member of the Key Management Personnel for the Company or, if the Company is part of a consolidated entity, for the entity.

- (ii) For the purposes of the Listing Rules, the Company will disregard any votes cast in favour of Resolution 10 if they are cast by or on behalf of Dr Roger Higgins or his nominee, and associates of Dr Higgins or his nominee.

However, subject always to paragraph 2(i)(i), the Company will not disregard a vote if:

- it is cast by a person 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 person chairing 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.

(j) **Resolution 11**

- (i) For the purposes of the Corporations Act, a person appointed as a proxy must not vote, on the basis of that appointment, on Resolution 11 if:

- the person is either:
 - a member of the Key Management Personnel for the Company or, if the Company is part of a consolidated entity, for the entity; or
 - a Closely Related Party of such a member; and
- the appointment does not specify the way the proxy is to vote on the Resolution.

However, the Company will not disregard a vote if:

- the person is the chair of the meeting at which the Resolution is voted on; and
 - the appointment expressly authorises the chair to exercise the proxy even if the Resolution is connected directly or indirectly with the remuneration of a member of the Key Management Personnel for the Company or, if the Company is part of a consolidated entity, for the entity.
- (ii) For the purposes of the Listing Rules, the Company will disregard any votes cast in favour of Resolution 11 if they are cast by or on behalf of Mr George McKenzie or his nominee, and associates of Mr McKenzie or his nominee.

However, subject always to paragraph 2(j)(i), the Company will not disregard a vote if:

- it is cast by a person 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 person chairing 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.

3. Proxies

A shareholder entitled to attend this Meeting and vote is entitled to appoint a proxy to attend and vote for the shareholder at the Meeting. A proxy need not be a shareholder. If the shareholder is entitled to cast two or more votes at the Meeting the shareholder may appoint two proxies and may specify the proportion or number of votes which each proxy is appointed to exercise. A form of proxy accompanies this Notice.

To record a valid vote, a shareholder will need to take the following steps:

- 3.1 cast the shareholder's vote online by visiting www.investorvote.com.au and entering the shareholder's Control Number, SRN/HIN and PIN, which are shown on the first page of the enclosed proxy form; or
- 3.2 complete and lodge the manual proxy form at the share registry of the Company, Computershare Investor Services Pty Limited:
 - (a) by post at the following address:

Computershare Investor Services Pty Limited
GPO Box 242
MELBOURNE VIC 3001

OR
 - (b) by facsimile on 1800 783 447 (within Australia) or +61 3 9473 2555 (outside Australia); or
- 3.3 for Intermediary Online subscribers only (custodians), cast the shareholder's vote online by visiting www.intermediaryonline.com,

so that it is received no later than 11.00 am (Adelaide time) on 26 November 2019.

Please note that if the chair of the meeting is your proxy (or becomes your proxy by default), you expressly authorise the chair to exercise your proxy on Resolutions 1 and 6 to 11 (inclusive) even though they are connected directly or indirectly with the remuneration of a member of the Key Management Personnel for the Company, which includes the chair. If you appoint the chair as

your proxy you can direct the chair to vote for or against or abstain from voting on Resolutions 1 and 6 to 11 (inclusive) by marking the appropriate box on the proxy form.

The chair intends to vote undirected proxies in favour of each item of business. In exceptional circumstances, the chair may change his or her voting intention on any resolution, in which case an ASX announcement will be made.

4. 'Snap Shot' Time

The Company may specify a time, not more than 48 hours before the Meeting, at which a 'snapshot' of shareholders will be taken for the purposes of determining shareholder entitlements to vote at the Meeting. The Directors have determined that all shares of the Company that are quoted on ASX as at 7.00 pm (Adelaide time) on 26 November 2019 shall, for the purposes of determining voting entitlements at the Meeting, be taken to be held by the persons registered as holding the shares at that time.

5. Corporate Representative

Any corporate shareholder who has appointed a person to act as its corporate representative at the Meeting should provide that person with a certificate or letter executed in accordance with the Corporations Act authorising him or her to act as that company's representative. The authority may be sent to the Company and/or registry in advance of the Meeting or handed in at the Meeting when registering as a corporate representative.

EXPLANATORY MEMORANDUM

This Explanatory Memorandum forms part of the Notice convening the Annual General Meeting of shareholders of Minotaur Exploration Limited to be held on 28 November 2019. This Explanatory Memorandum is to assist shareholders in understanding the background to and the legal and other implications of the Notice and the reasons for the resolutions proposed. Both documents should be read in their entirety and in conjunction with each other.

Other than the information set out in this Explanatory Memorandum, the Directors believe that there is no other information that could reasonably be required by shareholders to consider Resolutions 1 to 11 (inclusive).

1. RESOLUTION 1: ADOPTION OF REMUNERATION REPORT

The Annual Report for the year ended 30 June 2019 contains a Remuneration Report which sets out the remuneration policy of the Company.

An electronic copy of the 2019 Annual Report is available to download or view on the Company's website at <http://www.minotaurexploration.com.au/investor-information/annual-reports>. The 2019 Annual Report has also been sent by post to those shareholders who have previously elected to receive a hard copy. In addition, the Company has also enabled online voting, details of which are explained on the proxy form.

Section 250R(2) of the Corporations Act requires that a resolution to adopt the Remuneration Report be put to the vote of the Company. Shareholders should note that the vote on Resolution 1 is advisory only and, subject to the matters outlined below, will not bind the Company or the Directors. However, the Board will take the outcome of the vote into consideration when reviewing the Company's remuneration policy.

Section 250R(4) of the Corporations Act prohibits a vote on this resolution being cast (in any capacity) by or on behalf of any 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, under section 250R(5) of the Corporations Act a person described above may cast a vote on Resolution 1 as a proxy if the vote is not cast on behalf of a person described above and either:

- (a) the person is appointed as a proxy by writing that specifies the way the proxy is to vote on the resolution; or
- (b) the person is the chair of the meeting and the appointment of the chair as proxy:
 - (i) does not specify the way the proxy is to vote on the resolution; and
 - (ii) expressly authorises the chair to exercise the proxy even if the resolution is connected directly or indirectly with the remuneration of a member of the Key Management Personnel for the Company or, if the Company is part of a consolidated entity, for the entity.

Please note that if the chair of the meeting is your proxy (or becomes your proxy by default), you expressly authorise the chair to exercise your proxy on Resolution 1 even though it is connected directly or indirectly with the remuneration of a member of the Key Management Personnel for the Company, which includes the chair. If you appoint the chair as your proxy

you can direct the chair to vote for or against or abstain from voting on Resolution 1 by marking the appropriate box on the proxy form.

The chair intends to vote undirected proxies in favour of Resolution 1.

Resolution 1 is an ordinary resolution.

Please also note that under sections 250U and 250V of the Corporations Act, if at two consecutive annual general meetings of a listed company at least 25% of votes cast on a resolution that the remuneration report be adopted are against adoption of the report, at the second of these annual general meetings there must be put to the vote a resolution that another meeting be held within 90 days at which all directors (except the managing director) who were directors at the date the remuneration report was approved at the second annual general meeting must stand for re-election. So, in summary, shareholders will be entitled to vote in favour of holding a general meeting to re-elect the Board if the Remuneration Report receives 'two strikes'. The Remuneration Report did not receive a 'first strike' at the Company's 2018 annual general meeting.

2. **RESOLUTION 2: RE-ELECTION OF MR GEORGE MCKENZIE AS DIRECTOR**

In accordance with Listing Rule 14.4 and rule 6.1 of the Constitution at every Annual General Meeting one third of the Directors for the time being or, if their number is not three or a multiple of three, then the number nearest to but not exceeding one third of the Directors for the time being (excluding those who retire under rule 9.2 of the Constitution) must retire from office and are eligible for re-election. Accordingly, Mr George McKenzie retires as a Director of the Company and, being eligible, offers himself for re-election.

A resume for Mr McKenzie follows:

Mr George McKenzie BA LLB (cum laude), FAICD, MtB (Order of Merit) (Non-Executive Director)

Mr McKenzie is a commercial lawyer with over 25 years' experience representing many of South Australia's explorers and mine developers. He was a long standing Councillor of the South Australian Chamber of Mines and Energy Inc (SACOME), having served as Vice-President and member of the Executive Committee of the Chamber. Mr McKenzie was also a member of the Minerals and Energy Advisory Council which advises the Minister of Mineral Resources and Energy on strategic issues, from inception of the Council in 2000 until 30 June 2019.

Resolution 2 is an ordinary resolution.

The Directors (other than Mr McKenzie) recommend that shareholders vote in favour of Resolution 2.

The chair intends to vote undirected proxies in favour of Resolution 2.

3. **RESOLUTION 3: APPROVAL OF 10% PLACEMENT FACILITY**

3.1 **General**

Listing Rule 7.1A enables an eligible entity to issue Equity Securities up to 10% of its issued ordinary share capital through placements over a 12 month period after the annual general meeting (**10% Placement Facility**). The 10% Placement Facility is in addition to the eligible entity's 15% placement capacity under Listing Rule 7.1.

An eligible entity for the purposes of 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 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.

The exact number of Equity Securities which may be issued under the 10% Placement Facility will be determined in accordance with the formula prescribed in Listing Rule 7.1A.2 (refer to section 3.2(c)).

3.2 **Description of Listing Rule 7.1A**

(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 on issue the following classes of Equity Securities:

- (i) ordinary shares quoted on ASX
- (ii) options not quoted on ASX

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

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 10% Placement Period (refer to section 3.2(f)), a number of Equity Securities calculated in accordance with the following formula:

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

Where:

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

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

(Note that A has the same meaning in 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 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 Listing Rule 7.1 or 7.4.

(d) Listing Rule 7.1 and Listing Rule 7.1A

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

At the date of this Notice, the Company has on issue 334,396,917 ordinary shares and therefore has a capacity to issue:

- (i) subject to shareholder approval being obtained under Resolution 5, 50,159,537 Equity Securities under Listing Rule 7.1; and
- (ii) subject to shareholder approval being obtained under Resolutions 3 and 4, 33,439,691 Equity Securities under Listing Rule 7.1A.

The actual number of Equity Securities that the Company will have capacity to issue under Listing Rule 7.1 will be calculated at the date of issue of the Equity Securities in accordance with the formula prescribed in Listing Rule 7.1.

The actual number of Equity Securities that the Company will have capacity to issue under Listing Rule 7.1A will be calculated at the date of issue of the Equity Securities in accordance with the formula prescribed in Listing Rule 7.1A.2 (refer to section 3.2(c)).

(e) Minimum Issue Price

The issue price of Equity Securities issued under Listing Rule 7.1A must be not less than 75% of the VWAP of Equity Securities in the same 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; or
- (ii) if the Equity Securities are not issued within five Trading Days of the date referred to in section 3.2(e)(i), the date on which the Equity Securities are issued.

(f) 10% Placement Period

Shareholder approval of the 10% Placement Facility under 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; and

- (ii) the date of the approval by shareholders of a transaction under Listing Rule 11.1.2 (a significant change to the nature or scale of activities) or 11.2 (disposal of main undertaking),

(10% Placement Period).

3.3 Listing Rule 7.1A

The effect of Resolution 3 will be to allow the Directors to issue the Equity Securities under Listing Rule 7.1A during the 10% Placement Period in addition to using the Company's 15% placement capacity under Listing Rule 7.1.

Resolution 3 is a special resolution and therefore requires approval of at least 75% of the votes cast by shareholders entitled to vote (in person, by proxy, by attorney or, in the case of a corporate shareholder, by a corporate representative) on the Resolution.

3.4 Specific information required by Listing Rule 7.3A

Pursuant to and in accordance with Listing Rule 7.3A, information is provided in relation to the approval of the 10% Placement Facility as follows to the extent that such information is not disclosed elsewhere in this Explanatory Memorandum:

- (a) The Equity Securities will be issued at an issue price of not less than 75% of the VWAP for the Company's Equity Securities in the same class 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; or
 - (ii) if the Equity Securities are not issued within five Trading Days of the date in section 3.4(a)(i), the date on which the Equity Securities are issued.
- (b) There is a risk that:
 - (i) the market price for the Company's Equity Securities in the same class may be significantly lower on the date of the issue of the Equity Securities than on the date of the 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 in the same class 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 risk of voting dilution of existing shareholders on the basis of the current market price of shares and the current number of ordinary shares for variable 'A' calculated in accordance with the formula in Listing Rule 7.1A.2 as at the date of this Notice.

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 shares on issue may increase as a result of issues of ordinary shares that do not require shareholder approval (for example, a pro rata entitlements issue) or future specific

placements under Listing Rule 7.1 that are approved at a future shareholders' meeting; and

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

Variable 'A' in formula in Listing Rule 7.1A.2		Issue Price		
		\$0.029 50% decrease in issue price	\$0.058 issue price	\$0.116 100% increase in issue price
Current Variable 'A' 334,396,917 shares	10% voting dilution	33,439,691 shares	33,439,691 shares	33,439,691 shares
	Funds raised	\$969,751	\$1,939,502	\$3,879,004
50% increase in current Variable 'A' 501,595,375 shares	10% voting dilution	50,159,537 shares	50,159,537 shares	50,159,537 shares
	Funds raised	\$1,454,626	\$2,909,253	\$5,818,506
100% increase in current Variable 'A' 668,793,834 shares	10% voting dilution	66,879,383 shares	66,879,383 shares	66,879,383 shares
	Funds raised	\$1,939,502	\$3,879,004	\$7,758,008

The table has been prepared on the following assumptions:

- The Company issues the maximum number of Equity Securities available under the 10% Placement Facility.
 - No current options are exercised into shares before the date of the issue of the Equity Securities.
 - 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%.
 - The table does not show an example of dilution that may be caused to a particular shareholder by reason of placements pursuant to the 10% Placement Facility, based on that shareholder's holding at the date of the Meeting.
 - The table shows only the effect of issues of Equity Securities under Listing Rule 7.1A and no other issues of Equity Securities.
 - The issue of Equity Securities under the 10% Placement Facility consists only of shares.
 - The issue price is \$0.058, being the closing price of the shares on ASX on 9 October 2019.
- (c) The Company will only issue and allot the Equity Securities during the 10% Placement Period. The approval under Resolution 3 for the issue of the Equity Securities will cease to be valid in the event that shareholders approve a transaction under Listing Rule 11.1.2 (a significant change to the nature or scale of activities) or Listing Rule 11.2 (disposal of main undertaking).

- (d) The Company may seek to issue the Equity Securities for the following purposes:
- (i) non-cash consideration for the acquisition of new assets and investments. In such circumstances, the Company will provide a valuation of the non-cash consideration as referred to in the Note to Listing Rule 7.1A.3; or
 - (ii) cash consideration. In such circumstances, the Company intends to use the funds raised towards an acquisition of new assets or investments (including expense associated with such acquisition), continued exploration and feasibility study expenditure on the Company's current assets and/or general working capital.
- (e) The Company will comply with the disclosure obligations under Listing Rules 7.1A.4 and 3.10.5A upon issue of any Equity Securities.
- (f) 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 and the number of Equity Securities allotted to each 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 issue or other issue in which the 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 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 is successful in acquiring new assets or investments, it is likely that the allottees under the 10% Placement Facility will be the vendors of the new assets or investments or the nominee of such vendors.

- (g) The Company previously obtained shareholder approval under Listing Rule 7.1A at its 2018 Annual General Meeting.
- (i) The Company has issued 38,750,000 Equity Securities in the 12 months preceding the date of this Meeting, representing 11.84% of the total number of Equity Securities on issue at the commencement of that 12 month period.
 - (ii) Details of the Equity Securities referred to in section 3.4(g)(i) is as follows:

Date of issue:	12 December 2018
Number issued:	7,500,000
Class/Type of equity security:	Options not quoted on ASX

Summary of terms:	Options each to acquire one fully paid ordinary share with an exercise price of \$0.0525 and an exercise period expiry date of 31 December 2021
Names of persons who received securities or basis on which those persons was determined:	Issued pursuant to the Company's Employee Option Plan to eligible persons (as defined in the Plan) or permitted nominees (as defined in the Plan)
Price:	Nil
Discount to market price (if any):	N/A
Total cash consideration received:	Nil
Amount of cash consideration spent:	N/A
Use of cash consideration:	N/A
Intended use for remaining amount of cash (if any):	N/A

Date of issue:	23 May 2019
Number issued:	24,375,000
Class/Type of equity security:	Ordinary shares
Summary of terms:	Same as terms and conditions of already issued fully paid ordinary shares in the Company
Names of persons who received securities or basis on which those persons was determined:	Professional and/or sophisticated investor applicants as determined by the Board
Price:	\$0.04 per share
Discount to market price (if any):	4.8% discount to the last trading price of \$0.042 on 13 May 2019
Total cash consideration received:	\$975,000
Amount of cash consideration spent:	\$975,000
Use of cash consideration:	To fund working capital and exploration activities primarily on the Company's Highlands, Windsor, and Peake and Denison projects
Intended use for remaining amount of cash (if any):	N/A

Date of issue:	6 June 2019
Number issued:	6,875,000
Class/Type of equity security:	Ordinary shares
Summary of terms:	Same as terms and conditions of already issued fully paid ordinary shares in the Company
Names of persons who received securities or basis on which those persons was determined:	Professional and/or sophisticated investor applicants as determined by the Board
Price:	\$0.04 per share
Discount to market price (if any):	4.8% discount to the last trading price of \$0.042 on 13 May 2019
Total cash consideration received:	\$275,000
Amount of cash consideration spent:	\$275,000

Use of cash consideration:	To fund working capital and exploration activities primarily on the Company's Highlands, Windsor, and Peake and Denison projects
Intended use for remaining amount of cash (if any):	N/A

- (h) A voting exclusion statement is included in the Notice. At the date of the Notice, the Company has not approached any particular existing shareholder or security holder or an identifiable class of existing security holder to participate in the issue of the Equity Securities. No existing shareholder's votes will therefore be excluded under the voting exclusion statement in the Notice.

Resolution 3 is a **special resolution**.

The Directors recommend that shareholders vote in favour of Resolution 3.

The chair intends to vote undirected proxies in favour of Resolution 3.

4. **RESOLUTIONS 4 AND 5: APPROVAL OF PREVIOUS ISSUES OF SHARES**

Listing Rule 7.1 provides that a company must not, subject to certain exceptions, issue or agree to issue more equity securities in any 12 month period other than the number which is equal to 15% of its fully paid ordinary securities on issue at the start of that 12 month period (**15% share issue capacity**).

Listing Rule 7.1A provides that certain eligible companies may seek shareholder approval at its annual general meeting (**AGM**) to issue up to a further 10% of its fully paid ordinary securities on issue at the start of the 12 month period commencing on the date of the AGM (**10% share issue capacity**). The Company is an eligible company and sought and received Shareholder approval to the 10% share issue capacity at its AGM on 28 November 2018. The Shareholder approval is valid until the earlier of 12 months from the date of the AGM (that is, until 28 November 2019) or, if the Company undertakes a significant transaction requiring Shareholder approval under Listing Rule 11.1.2 or 11.2, the date shareholders approve that transaction.

Listing Rule 7.4 provides that an issue of securities made without approval under Listing Rule 7.1 or 7.1A will be treated as having been made with shareholder approval for the purposes of those Listing Rules if shareholders subsequently approve it and the issue did not breach Listing Rule 7.1 or 7.1A (as the case may be).

On 16 May 2019, the Company announced a placement of 31,250,000 shares (Placement Shares) at an issue price of \$0.04 per share to raise \$1,250,000. The Placement Shares were issued on 23 May 2019 and 6 June 2019. Of the Placement Shares, 24,375,000 shares were issued without shareholder approval under Listing Rule 7.1A, and 6,875,000 shares were issued without shareholder approval under Listing Rule 7.1.

Accordingly, the Company is seeking shareholder approval under Listing Rule 7.4 to approve the issues on 23 May 2019 and 6 June 2019 of:

- 24,375,000 shares issued under the Company's 10% share issue capacity; and
- 6,875,000 shares issued under the Company's 15% share issue capacity.

Without shareholder approval pursuant to Listing Rule 7.4, the issues will be counted towards the Company's 15% share issue capacity and 10% share issue capacity respectively and will

therefore reduce the Company's capacity to issue securities in the future without obtaining shareholder approval.

For the purpose of Listing Rule 7.5 information regarding the Placement Shares is provided as follows:

- 31,250,000 shares have been issued, 24,375,000 under the Company's 10% share issue capacity and 6,875,000 under the Company's 15% share issue capacity.
- The shares were issued at \$0.04 per share.
- The terms and conditions of the shares are the same as the terms and conditions of already issued shares.
- The allottees of the shares are professional and sophisticated investor applicants as determined by the Board, none of whom are related parties of the Company.
- Funds raised from the issue of the shares will be used to fund working capital and exploration activities primarily on the Company's Highlands, Windsor, and Peake and Denison projects.

Resolutions 4 and 5 are ordinary resolutions.

The Directors do not have an interest in the outcome of Resolutions 4 and 5 and recommend that Shareholders vote in favour of Resolutions 4 and 5.

The chair intends to vote undirected proxies in favour of Resolutions 4 and 5.

5. **RESOLUTION 6: APPROVAL OF AMENDMENT TO EMPLOYEE OPTION TERMS**

5.1 **Background**

Resolution 6 seeks shareholder approval to amend the terms of options which have been issued under the Company's existing Employee Option Plan (**Existing Option Plan**).

Resolution 6 does not seek shareholder approval for the issue of further options under the Existing Option Plan nor does Resolution 6 seek to change the vesting conditions, exercise price or the expiry date of the options presently issued under the Existing Option Plan.

5.2 **Proposed change**

The proposed amendment relates to the introduction of a cashless exercise mechanism. The purpose of this mechanism is to enable a participant under the Existing Option Plan to exercise their vested options over shares by choosing to receive (in shares) only the positive difference between the exercise price and the Company's share price (determined as described below) at exercise.

Whether the cashless exercise mechanism will be utilised by a participant (assuming Resolution 6 is approved) will be at the absolute discretion of the participant. That is, the participant may decide to not use the cashless exercise mechanism but exercise the options the participant holds under the current exercise terms and conditions of the Existing Option Plan. The result of this is shown in the table below.

5.3 Impact of the proposed change

The introduction of this mechanism will not change the fundamental entitlement of participants under the Existing Option Plan nor does it result in a more favourable economic outcome to the participants than if the participants were to pay the exercise price in respect of all the options issued to them under the Existing Option Plan.

Rather, the cashless exercise mechanism is designed to ensure that participants holding options that have vested are not restricted from receiving the shares they are entitled to on exercise of the options because of their inability to fund the exercise price.

Moreover, where utilised by participants, the cashless exercise mechanism will result in less shares being issued on exercise of the options. This will benefit all shareholders because less shares being issued means that there will be less dilution to all shareholdings.

For completeness, it is also noted that while dilution of existing shareholders will be less, as a consequence of the mechanism change, the Company will not receive any funds when the options are exercised in accordance with the cashless exercise mechanism.

Worked example

The following example demonstrates how the cashless exercise mechanism will operate in comparison to how the Existing Option Plan currently works:

- (a) A participant holds 100,000 options under the Existing Option Plan, each with an exercise price of \$0.15.
- (b) All 100,000 options vest and the participant is entitled to exercise those options (**Vested Options**).
- (c) At the time the participant exercises the Vested Options (**Exercise Date**), the Company's share price is \$0.25 (**Share Price**).
- (d) Under the amended terms of the Existing Option Plan, the Share Price will be determined by using a volume weighted average price over the 5 trading days immediately preceding the Exercise Date.
- (e) The difference in how the cashless exercise mechanism will operate in comparison to how the Existing Option Plan currently works is shown in the table below:

How the Existing Option Plan currently works	How the cashless exercise mechanism will operate if Resolution 6 is approved
Under the terms and conditions of the Existing Option Plan, the participant is required to pay \$15,000 to the Company to exercise the options and in return the participant will be issued with 100,000 shares (being the number of Vested Options (100,000) multiplied by the exercise price (\$0.15) = \$15,000). Immediately following such exercise, the	If the cashless exercise mechanism is inserted into the terms and conditions of the Existing Option Plan, then rather than paying \$15,000 to the Company and receiving 100,000 shares, the participant may elect to not pay an amount to the Company but will receive 40,000 shares only (see the calculation below for how this is

How the Existing Option Plan currently works	How the cashless exercise mechanism will operate if Resolution 6 is approved
net economic benefit to the participant is \$10,000 (the total value of the shares based on the Share Price (\$25,000) minus the money the participant paid to exercise the Vested Options (\$15,000)).	determined (Cashless Calculation)). Immediately following this cashless exercise, the net economic benefit to the participant is \$10,000 as they will have received \$10,000 worth of shares.
That is: <ul style="list-style-type: none"> the participant will pay \$15,000; 100,000 new shares will be issued to the participant; and the Company will receive \$15,000 cash. 	That is: <ul style="list-style-type: none"> the participant will pay \$0; 40,000 new shares will be issued to the participant; and the Company will receive \$0 cash.

Cashless Calculation

<i>Using the details from the above example, the cashless mechanism will work as follows:</i>	
[no. of options issued to participant] x exercise price = \$X	100,000 x \$0.15 = \$15,000
[no. of options issued to participant] x Share Price = \$Y	100,000 x \$0.25 = \$25,000
\$Y - \$X = \$Z	\$25,000 - \$15,000 = \$10,000
\$Z / Share Price = [shares issued to participant without the participant paying any money]	\$10,000/\$0.25 = 40,000 shares

There are currently 10,030,000 options over shares (excluding 5,105,000 options which will expire prior to the date of the Meeting) which have been issued but have not been exercised or forfeited under the Existing Option Plan that will obtain the benefit of the cashless exercise mechanism if this Resolution 6 is passed.

The changes to the Existing Option Plan, namely the introduction of the cashless exercise mechanism described above, have been conditionally approved by the Board. The condition to the Board's approval is that shareholder approval for the change is obtained.

In order for the cashless exercise mechanism to apply to the terms of options already issued under the Existing Option Plan but not yet exercised, shareholder approval is required under Listing Rule 6.23.4, as explained below.

5.4 Requirement for Shareholder approval

Listing Rule 6.23.4 provides that a change to the terms of the options can only be made if holders of ordinary securities approve the change.

It is noted that the insertion and use of the cashless exercise mechanism does not have the effect of reducing the participant's exercise price (as the net economic benefit to the participant is the same whether the cashless exercise mechanism is used or is not used), increasing the period for exercise (as the period for exercise remains

unchanged) or increasing the number of securities received on exercise (as the number of securities received on exercise will be reduced).

Shareholder approval is being sought to approve the amendment to the terms of options issued under the Existing Option Plan so that the Company will satisfy Listing Rule 6.23.4.

Resolution 6 is an ordinary resolution.

The Directors recommend that shareholders vote in favour of Resolution 6.

Please note that if the chair of the meeting is your proxy (or becomes your proxy by default), you expressly authorise the chair to exercise your proxy on Resolution 6 even though it is connected directly or indirectly with the remuneration of a member of the Key Management Personnel for the Company, which includes the chair. If you appoint the chair as your proxy you can direct the chair to vote for or against or abstain from voting on Resolution 6 by marking the appropriate box on the proxy form.

The chair intends to vote undirected proxies in favour of Resolution 6.

6. **RESOLUTION 7: APPROVAL OF NEW EMPLOYEE OPTION PLAN**

6.1 **General**

Subject to shareholder approval of Resolution 7, the Company will adopt a new Employee Option Plan to:

- (a) establish a method by which officers, employees and contractors can participate in the future growth and profitability of the Company;
- (b) provide an incentive and reward for their contributions to the Company; and
- (c) attract and retain a high standard of managerial and technical personnel for the benefit of the Company.

Shareholder approval of the Employee Option Plan is being sought to enable the Company to issue options to directors, officers, employees and contractors of the Company and to issue shares if they choose to exercise the options, without being required to include the options within the Company's 15% limit for the purpose of Listing Rule 7.1.

6.2 **Reason for Shareholder Approval**

Listing Rule 7.1 restricts the number of equity securities that a listed company may issue in any 12 month period, without the approval of shareholders, up to 15% of the number of ordinary securities on issue at the start of the period, subject to certain adjustments and permitted exceptions. In calculating the 15% limit the Company may exclude shares issued in that 12-month period with the approval of shareholders for the purposes of Listing Rule 7.1.

One of the exceptions to Listing Rule 7.1 is Listing Rule 7.2 – Exception 9, which provides that Listing Rule 7.1 does not apply to an issue under an employee incentive scheme if, within the three years before the date of issue, shareholders have approved the issue as an exception to Listing Rule 7.1.

Shareholder approval is sought to enable the Company to grant options under the Employee Option Plan, without experiencing the delays and costs involved in having

to obtain shareholder approval each time the Company wishes to issue securities which exceed the 15% limit contained in Listing Rule 7.1 and do not otherwise fall within one of the nominated Listing Rule exceptions.

As at the date of the Notice, the Company has not issued any options to Eligible Persons under the Employee Option Plan.

6.3 Summary of the Terms of the Employee Option Plan

- (a) Under the Employee Option Plan the Directors may offer to grant options to a Director, a full-time or part-time employee, or a contractor of the Company at the Directors' discretion (**Eligible Person**), having regard to the Eligible Person's seniority, position, length of service, record of employment, potential contribution to the growth and profitability of the Company or an associated company and any other matter which the Directors consider relevant.
- (b) Following receipt of the offer, an Eligible Person or an associate of an Eligible Person may apply for options up to the number specified in the offer. No consideration is payable by an Eligible Person to the Company in respect of the grant of an option.
- (c) The Directors must not offer or issue options to any Eligible Person in accordance with the Employee Option Plan if the total number of shares the subject of options, when aggregated with:
 - (i) the number of shares in the same class which would be issued were each outstanding offer or invitation or option to acquire unissued shares in the Company, being an offer or invitation made or option acquired pursuant to the Employee Option Plan or any other employee or executive share plan extended only to Eligible Persons, to be accepted or exercised (as the case may be); and
 - (ii) the number of shares in the same class issued during the previous three years pursuant to the Employee Option Plan or any other employee or executive share plan extended only to Eligible Persons,would exceed 5% of the total number of issued shares in the Company as at the time of the proposed offer or issue (however, the Company may disregard certain offers to senior managers of the Company, persons situated outside of Australia and other sophisticated investors exempt under section 708 of the Corporations Act).
- (d) The exercise price payable on the exercise of an option shall be determined by the Directors in their absolute discretion at the time of offering the options and will be set out in the offer.
- (e) The exercise period of each option shall be the period beginning on the date the option vests (if applicable) or the vesting conditions (if any) have been waived and the performance conditions (if any) have been satisfied or waived and ending on the date of the third anniversary of the date of issue or as otherwise determined by the Directors (**Exercise Period**).
- (f) An Eligible Person may, at their election, exercise their vested options over shares by choosing to receive (in shares) only the positive difference between the exercise price and the Company's share price at exercise, determined by using a volume weighted average price over the 5 trading days immediately

preceding the exercise date. This mechanism will not change the fundamental entitlement of the Eligible Person nor does it result in a more favourable economic outcome than if the Eligible Person were to pay the exercise price in respect of all their options.

- (g) Notwithstanding item (e) above, subject to the written consent of the Directors, the options may be declared free of any restrictions on exercise:
 - (i) during a bid period in relation to a takeover bid (as that term is defined in the Corporations Act);
 - (ii) at any time after a Change of Control Event has occurred. A Change of Control Event means, if an entity does not have control of the Company, the event pursuant to which that entity acquires control of the Company; or
 - (iii) at any time after the Company enters into a scheme of arrangement with its creditors or members or any class thereof pursuant to section 411 of the Corporations Act.
- (h) Notwithstanding item (e) above, options may expire prior to the expiry date in the following circumstances:
 - (i) if the Eligible Person is a Director, 30 days after the Eligible Person ceases to be a Director, or immediately if the other Directors determine that the Director has acted fraudulently, dishonestly or in breach of their obligations to the Company;
 - (ii) if the Eligible Person is an employee, 30 days after termination of the Eligible Person's employment either voluntarily or without cause, or immediately upon termination of the Eligible Person's employment with cause; or
 - (iii) if the Eligible Person is a contractor, 30 days after termination of the Eligible Person's engagement either voluntarily or without cause, or immediately upon termination of the Eligible Person's engagement with cause.
- (i) All shares issued upon the exercise of options will upon allotment rank equally with all existing shares in the capital of the Company. If the shares are quoted, the Company will apply for quotation by ASX of all shares allotted pursuant to the exercise of options within 15 business days after the issue of the shares. However, the Company will not apply for official quotation by ASX of the options.
- (j) Except with the consent of Directors, options may not be transferred. The Directors may in their discretion, allow the transfer of options to an associate or related body corporate of the Eligible Person.
- (k) In the event of any reconstruction (including a consolidation, subdivision, reduction or return) of the issued capital of the Company, the number of Options to which each holder of options is entitled will be reconstructed in the manner required by the Listing Rules.
- (l) The holder of an option will only be permitted to participate in a pro rata issue to the holders of shares on the prior exercise of the option.

- (m) The Exercise Price of an option will be reduced in accordance with the formula set out in the Employee Option Plan in the event of the Company making a pro rata issue of shares to shareholders.
- (n) The Directors may from time to time alter, modify, add or repeal any of the provisions of the Employee Option Plan by an instrument in writing without obtaining the consent of shareholders of the Company.
- (o) The rules of the Employee Option Plan shall be construed in accordance with the laws of South Australia.

A copy of the terms and conditions of the Employee Option Plan is contained in Annexure A to this Explanatory Memorandum.

Resolution 7 is an ordinary resolution.

The Directors recommend that shareholders vote in favour of Resolution 7.

Please note that if the chair of the meeting is your proxy (or becomes your proxy by default), you expressly authorise the chair to exercise your proxy on Resolution 7 even though it is connected directly or indirectly with the remuneration of a member of the Key Management Personnel for the Company, which includes the chair. If you appoint the chair as your proxy you can direct the chair to vote for or against or abstain from voting on Resolution 7 by marking the appropriate box on the proxy form.

The chair intends to vote undirected proxies in favour of Resolution 7.

7. **RESOLUTIONS 8, 9, 10 AND 11: ISSUE OF OPTIONS TO DIRECTORS**

7.1 **General**

The Company has agreed, subject to obtaining shareholder approval, to issue its Directors a total of 18,200,000 options (**Related Party Options**) as a key component of their remuneration. Resolutions 8, 9, 10 and 11 seek shareholder approval for the grant of the Related Party Options to the following Directors and/or their respective nominees:

- (a) Mr Andrew Woskett: 7,800,000 options
- (b) Dr Antonio Belperio: 3,200,000 options
- (c) Dr Roger Higgins: 4,000,000 options
- (d) Mr George McKenzie: 3,200,000 options (subject to the passing of Resolution 2)

7.2 **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 grant of the Related Party Options constitutes giving a financial benefit and Mr Woskett, Dr Belperio, Dr Higgins and Mr McKenzie are related parties of the Company by virtue of being Directors.

The Directors consider that shareholder approval pursuant to Chapter 2E of the Corporations Act is not required because the grant of the Related Party Options is considered reasonable remuneration in the circumstances and was negotiated on an arm's length basis.

7.3 Listing Rule 10.11

Listing Rule 10.11 also requires shareholder approval to be obtained where an entity issues, or agrees to issue, securities to a related party, or a person whose relationship with the entity or a related party is, in ASX's opinion, such that approval should be obtained, unless an exception in Listing Rule 10.12 applies.

As the grant of the Related Party Options involves the issue of securities to related parties of the Company, shareholder approval pursuant to Listing Rule 10.11 is required unless an exception applies. It is the view of the Directors that the exceptions set out in Listing Rule 10.12 do not apply in the current circumstances.

Approval pursuant to Listing Rule 7.1 is not required for the grant of the Related Party Options as approval is being obtained under Listing Rule 10.11. Accordingly, the grant of the Related Party Options to Mr Woskett, Dr Belperio, Dr Higgins and Mr McKenzie will not be included in the use of the Company's 15% annual placement capacity pursuant to Listing Rule 7.1.

7.4 Technical Information required by Listing Rule 10.13

Pursuant to and in accordance with Listing Rule 10.13, the following information is provided in relation to Resolutions 8, 9, 10 and 11:

- (a) The Related Party Options will be granted to Mr Woskett, Dr Belperio, Dr Higgins and Mr McKenzie (subject to the passing of Resolution 2) and/or their respective nominees.
- (b) The number of Related Party Options to be issued is as follows:
 - (i) Mr Woskett: 7,800,000 options
 - (ii) Dr Belperio: 3,200,000 options
 - (iii) Dr Higgins: 4,000,000 options
 - (iv) Mr McKenzie: 3,200,000 options (subject to the passing of Resolution 2)
- (c) The Related Party Options will be granted no later than one 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 the issue will occur on the same date.
- (d) The Related Party Options will be issued for no cash consideration, and accordingly no funds will be raised.

- (e) The exercise price of the Related Party Options will be as follows:

	Exercise Price: 10 cents	Exercise Price: 12 cents
Mr Woskett	4,900,000	2,900,000
Dr Belperio	2,000,000	1,200,000
Dr Higgins	2,500,000	1,500,000
Mr McKenzie	2,000,000	1,200,000

All Related Party Options will have an exercise period expiry date of three years after the date of issue, and will otherwise be issued on the terms and conditions of the new Minotaur Exploration Limited Employee Option Plan set out in Annexure A to this Explanatory Memorandum.

Each of Resolutions 8, 9, 10 and 11 is an ordinary resolution.

As the Directors have an interest in Resolutions 8, 9, 10 and 11, they do not wish to make a recommendation as to how shareholders ought to vote on Resolutions 8, 9, 10 and 11.

Please note that if the chair of the meeting is your proxy (or becomes your proxy by default), you expressly authorise the chair to exercise your proxy on Resolutions 8, 9, 10 and 11 even though they are connected directly or indirectly with the remuneration of a member of the Key Management Personnel for the Company, which includes the chair. If you appoint the chair as your proxy you can direct the chair to vote for or against or abstain from voting on Resolutions 8, 9, 10 and 11 by marking the appropriate box on the proxy form.

The chair intends to vote undirected proxies in favour of Resolutions 8, 9, 10 and 11.

The passing of Resolution 11 is conditional upon, and subject to, the passing of Resolution 2. Accordingly, if you intend to vote in favour of Resolution 11, you should also vote in favour of Resolution 2.

8. GLOSSARY

In this Explanatory Memorandum and Notice of Annual General Meeting the following expressions have the following meanings unless stated otherwise or unless the context otherwise requires:

10% Placement Facility has the meaning given in section 3.1;

10% Placement Period has the meaning given in section 3.2(f);

ASX means ASX Limited ACN 008 624 691;

Board means the board of directors of the Company;

Closely Related Party of a member of the Key Management Personnel for an entity means:

- (a) a spouse or child of the member;

- (b) a child of the member's spouse;
- (c) a dependant of the member or of 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 dealings with the entity;
- (e) a company the member controls; or
- (f) a person prescribed as such by the *Corporations Regulations 2001* (Cth);

Company means Minotaur Exploration Limited ACN 108 483 601;

Constitution means the existing constitution of the Company;

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

Director means a director of the Company;

Equity Securities has the same meaning as in the Listing Rules;

Key Management Personnel has the same meaning as in the accounting standards as defined in section 9 of the Corporations Act (so the term broadly includes those persons having authority and responsibility for planning, directing and controlling the activities of the Company, directly or indirectly, including any director, whether executive or otherwise, of the Company);

Listing Rules means the listing rules of ASX;

Meeting means the meeting of shareholders convened by the Notice;

Notice means the notice of meeting to which this Explanatory Memorandum is attached;

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

VWAP means volume weighted average market price.

ANNEXURE A

1. Definitions and interpretation

1.1 Definitions

In these Terms, unless the contrary intention appears:

Applicable Law means any one or more or all, as the context requires of:

- (a) Corporations Act and the *Corporations Regulations 2001* (Cth);
- (b) Listing Rules;
- (c) any other applicable securities laws;
- (d) the constitution of the Company;
- (e) any practice note, policy statement, class order, declaration, guideline, policy or procedure pursuant to the provisions of which ASIC, ASX or other equivalent authority is authorised or entitled to regulate, implement or enforce, either directly or indirectly, the provisions of any of the foregoing statutes, regulations or rules or any conduct of any duly authorised person, pursuant to any of the abovementioned statutes, regulations or rules.

Approved Foreign Market means any of the following financial markets: the American Stock Exchange, Borsa Italiana, Bursa Malaysia Main Board or Second Board, Euronext Amsterdam, Euronext Paris, Frankfurt Stock Exchange, Hong Kong Stock Exchange, JSE (also known as the Johannesburg Stock Exchange), London Stock Exchange, Nasdaq Global Market, Nasdaq Global Select Market, New York Stock Exchange, New Zealand Exchange, Singapore Exchange, SWX Swiss Exchange, Tokyo Stock Exchange or the Toronto Stock Exchange.

ASIC means the Australian Securities and Investments Commission.

Associate has the same meaning as is ascribed to that term in sections 12 to 16 (inclusive) of the Corporations Act.

Associated Body Corporate means:

- (a) a body corporate that is a Related Body Corporate of the Company;
- (b) a body corporate that has voting power in the Company of not less than 20%;
or
- (c) a body corporate in which the Company has voting power of not less than 20%.

ASX means the ASX Limited ACN 008 624 691.

Auditor means the registered auditor of the Company as appointed from time to time.

Australian CDI means a CHESS Depository Interest traded on ASX, with a Share or stock as the underlying security.

Bid Period, in relation to an off-market bid or a market bid in respect of Eligible Products, means the period referred to in the definition of that expression in section 9 of the Corporations Act (or equivalent legislation), provided that where a bid is publicly announced prior to the service of a bidder's statement on the Company, the bid period shall be deemed to have commenced at the time of that announcement.

Business Day means a day on which the stock market of ASX is open for trading in securities.

Certificate means the certificate for the Options issued by the Company to a Participant.

Change of Control Event means, if an entity does not have Control of the Company, the event pursuant to which that entity acquires Control of the Company.

Company means Minotaur Exploration Limited ABN 35 108 483 601.

Company Secretary means the secretary of the Company (or his or her delegate) as appointed from time to time.

Control has the meaning ascribed to that term in section 50AA of the Corporations Act.

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

Depository Interest means:

- (a) Australian CDIs, able to be traded on ASX, where the underlying security is a share or stock; or
- (b) depository interests that are able to be traded on an Approved Foreign Market where the underlying security is a share or stock,

where 'able to be traded' has the meaning given in section 761A of the Corporations Act.

Directors means the directors for the time being of the Company.

Eligible Employee, Eligible Associate, Eligible Contractor and Eligible Person have the meanings ascribed to those terms in clause 12.

Eligible Financial Market means ASX or an Approved Foreign Market (and, unless otherwise stated, is limited to the main board of that market).

Eligible Nominee means:

- (a) an immediate family member of the Eligible Person;
- (b) a company whose members comprise no persons other than the Eligible Person or immediate family members of the Eligible Person; or
- (c) a corporate trustee of a self-managed superannuation fund (within the meaning of the *Superannuation Industry (Supervision) Act 1993* (Cth)), where the Eligible Person is a director of the trustee.

Eligible Products means:

- (a) Shares in a class able to be traded on ASX;
- (b) Shares or fully paid stocks in a class able to be traded on an Approved Foreign Market;
- (c) Depository (beneficial) Interests in a class able to be traded on an Eligible Financial Market;
- (d) fully paid units in registered managed investment schemes in a class able to be traded on ASX; and
- (e) fully paid Stapled Securities in a class able to be traded on ASX,

where, 'able to be traded' has the meaning given in section 761A of the Corporations Act, and subject to such other criteria as may be imposed by ASIC Class Order [CO 14/1000] or otherwise from time to time.

Eligible Products Registry means the applicable Eligible Products registry of the Company from time to time.

Eligible Prospective Person means a person to whom an offer of an Option is made, but who can only accept the offer if an arrangement is entered into that will result in the person becoming an Eligible Person of a kind other than an Eligible Prospective Person.

Exercise means an exercise effected under clause 6.

Exercise Date means the date upon which an Option is Exercised in accordance with clause 6.1.

Exercise Notice means a notice given under clause 6.1.

Exercise Period means in relation to a particular grant of Options, the period beginning on the date determined in accordance with the provisions of clause 5.3 and ending on the date of the third anniversary of the Issue Date of those Options or as otherwise determined by the Directors at the Relevant Date.

Exercise Price means the price at which an Option may be Exercised in accordance with clause 3.2(b), as varied in accordance with these Terms.

Issue Date means the date upon which Options are issued to an Eligible Person pursuant to this Plan.

Listing Rules means the official listing rules of ASX, as varied from time to time and, for so long as the Eligible Products are listed or quoted on any other stock exchange (if ever) where such stock exchange requires compliance with its listing rules, the listing rules applicable to that stock exchange.

Market Value per Share means, on a given day:

- (a) the average closing sale price per Share (weighted by reference to volume) recorded on the stock market of ASX during the five trading days immediately preceding that day (excluding special crossings and overnight sales); or

- (b) in circumstances where there has been no trading in the Shares on the stock market of ASX during the five trading days immediately preceding that day (excluding special crossings and overnight sales), the last sale price recorded on the stock market of ASX (excluding special crossings and overnight sales).

Offer means an Offer of Options by the Directors to an Eligible Person pursuant to this Plan.

Option means an option over Plan Products granted pursuant to the Plan.

Option Price means the amount payable for an Option as referred to in clause 3.2(a).

Participant means an Eligible Person to whom Options have been issued pursuant to the Plan.

Performance Conditions means one or more conditions (if any), as determined by the Directors under clause 5.2 and notified to a Participant in the Offer, which must be satisfied or waived by the Directors before an Option may be Exercised.

Permitted Nominee has the meaning given to it by clause 4.3.

Plan means the Employee Option Plan for the Company established in accordance with these Terms.

Plan Product means an Eligible Product in the capital of the Company issued upon Exercise of an Option or in respect of which an Option has been granted.

Related Body Corporate has the same meaning as is ascribed to that term in section 50 of the Corporations Act.

Relevant Date means the date on which the Directors resolve to offer an Option or such other date as the Directors determine.

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

Stapled Security means two or more Eligible Products which, under the terms on which each is traded, must be transferred together.

Terms means these general terms and conditions, as varied from time to time.

1.2 Interpretation

In these Terms, unless the context requires otherwise:

- (a) a reference to a word includes the singular and the plural of the word and vice versa;
- (b) a reference to a gender includes any gender;
- (c) if a word or phrase is defined, then other parts of speech and grammatical forms of that word or phrase have a corresponding meaning;
- (d) a term which refers to a natural person includes a company, a partnership, an association, a corporation, a body corporate, a joint venture or a governmental agency;

- (e) headings are included for convenience only and do not affect interpretation;
- (f) a reference to a document includes a reference to that document as amended, novated, supplemented, varied or replaced;
- (g) a reference to a thing includes a part of that thing and includes but is not limited to a right;
- (h) the terms 'included', 'including' and similar expressions when introducing a list of items do not exclude a reference to other items of the same class or genus;
- (i) a reference to a part, clause, party, annexure, exhibit or schedule is a reference to an item of that type in these Terms and includes a reference to the provisions or terms of that part, clause, annexure, exhibit or schedule;
- (j) a reference to these Terms includes each annexure, exhibit and a schedule to these Terms;
- (k) a reference to a party to this document includes the party's successors and permitted assigns and includes any person to whom these Terms are novated;
- (l) a reference to a statute or statutory provision includes but is not limited to:
 - (1) a statute or statutory provision which amends, extends, consolidates or replaces the statute or statutory provision;
 - (2) a statute or statutory provision which has been amended, extended, consolidated or replaced by the statute or statutory provision; and
 - (3) subordinate legislation made under the statute or statutory provision including but not limited to an order, regulation, or instrument;
- (m) a reference to a document is a reference to a document of any kind including but not limited to an agreement in writing, a certificate, a notice, or an instrument;
- (n) reference to '\$', 'A\$', 'Australian Dollars' or 'dollars' is a reference to the lawful tender for the time being and from time to time of the Commonwealth of Australia;
- (o) a provision of these Terms is not to be construed against the Company solely on the ground that the Company is responsible for the preparation of these Terms or a particular provision;
- (p) a reference to an asset includes all property or title of any nature including but not limited to a business, a right, a revenue and a benefit, whether beneficial, legal or otherwise;
- (q) a reference to liquidation includes appointment of an administrator, compromise, arrangement, merger, amalgamation, reconstruction, winding up, dissolution, assignment for the benefit of creditors, scheme composition or arrangement of creditors, insolvency, bankruptcy or any similar procedure or if applicable changes in the constitution of a partnership or the death of a person; and

- (r) a reference to a body which is not a party to these Terms which ceases to exist or whose power or function is transferred to another body, is a reference to the body which replaces or substantially succeeds to the power or function of the first body.

1.3 **Business Day and Day**

- (a) If these Terms require that the day on which a thing must be done is a day which is not a Business Day, then that thing must be done on or by the next Business Day.
- (b) If an event occurs on a day which is not a Business Day, or occurs later than 5.00 pm local time at the place that the event occurs, then the event is deemed to have occurred on the next Business Day in the place that the event occurs.
- (c) A reference to a day is a reference to a time period which begins at midnight and ends 24 hours later.
- (d) A reference to a period of time unless specifically written otherwise, includes the first day of that period.

2. **Directors' authority**

- 2.1 The Directors will establish and administer the Plan in accordance with these Terms and, subject to any Applicable Law, will have the absolute discretion and power to:
 - (a) determine appropriate procedures for administration of the Plan;
 - (b) resolve conclusively all questions of fact or interpretation arising in connection with the Plan or these Terms;
 - (c) delegate to any one or more persons for such period and subject to such conditions as they may determine, the exercise of their powers or discretions, or of any of them, under these Terms; and
 - (d) alter, modify, add to or repeal any of these Terms, even where such alteration, modification, addition or repeal:
 - (1) will or may adversely affect, whether materially or otherwise, any existing right or entitlement of a Participant or otherwise disadvantage an existing Participant; and
 - (2) occurs either during or after the expiry of the Exercise Period and irrespective of whether or not the Options, or the Plan Product or Plan Products that have been issued to a Participant pursuant to the Exercise of an Option, have or would have otherwise fully vested in that Participant.
- 2.2 The Company undertakes to each Participant that the powers and rights available to the Directors under clause 2.1(d) will not be exercised in a capricious, malicious or unreasonable manner.
- 2.3 Subject to these Terms, the Directors may from time to time in their absolute discretion determine those Eligible Persons to whom an offer to participate in the Plan will be made and the terms of such an offer.

3. Options, option price and exercise price

- 3.1 Subject to these Terms, the Directors may determine from time to time to grant Options upon such terms and to such Eligible Persons as they see fit.
- 3.2 Unless otherwise determined by the Directors:
- (a) the Option Price will be nil;
 - (b) the Exercise Price will be the amount determined by the Directors on the Relevant Date and specified in an Offer; and
 - (c) the Directors will notify the Participants in writing of the Exercise Price of an Option at the time of making an Offer.

4. Offer of options

- 4.1 Subject to these Terms, the Company (acting through the Directors) may make an Offer at such times and on such terms as the Directors consider appropriate. Each Offer must state:
- (a) that the Eligible Person to whom it is addressed may accept the whole or any lesser number of Options offered. The Offer may stipulate a minimum number of Options and any multiple of such minimum or any other number which may be accepted;
 - (b) the period within which the Offer may be accepted and the Exercise Period;
 - (c) the method of calculation of the Exercise Price; and
 - (d) any other matters which the Directors may determine or is required under any Applicable Law.
- 4.2 Upon receipt of an Offer of Options, an Eligible Person may, within the period specified in the Offer:
- (a) accept the whole or any lesser number of Options offered by notice in writing to the Directors; or
 - (b) nominate an Eligible Nominee in whose favour the Eligible Person wishes to renounce the Offer by notice in writing to the Directors. The Directors may, in their absolute discretion, resolve not to allow such renunciation of an Offer in favour of an Eligible Nominee without giving any reason for such decision.
- 4.3 Upon:
- (a) receipt of the acceptance referred to in paragraph 4.2(a) or
 - (b) the Directors resolving to allow a renunciation of an Offer in favour of an Eligible Nominee (**Permitted Nominee**) and the Permitted Nominee accepting the whole or any lesser number of Options offered by notice in writing to the Directors,

the Eligible Person or the Permitted Nominee, as the case may be, will be taken to have agreed to be bound by these Terms and will be issued Options subject to these Terms.

- 4.4 Certificates for Options will be dispatched within 10 Business Days after their Issue Date.
- 4.5 If Options are issued to a Permitted Nominee of an Eligible Person, the Eligible Person must, without limiting any provision in these Terms, ensure that the Permitted Nominee complies with these Terms.

5. **Vesting and entitlement**

- 5.1 At the time of making an Offer of Options, the Directors may impose such vesting conditions (if any) as they consider appropriate.
- 5.2 At the time of making an Offer of Options, the Directors may impose such Performance Conditions (if any) as they consider appropriate.
- 5.3 No Option can be Exercised until:
 - (a) it has vested under the vesting conditions (if any) applicable to the Option in accordance with clause 5.1 or the vesting conditions have been waived by the Directors; and
 - (b) the Performance Conditions (if any) applicable to the Option in accordance with clause 5.2 have been satisfied or waived by the Directors.
- 5.4 Once an Option is able to be exercised in accordance with clause 5.3, it:
 - (a) may be Exercised during the Exercise Period; and
 - (b) entitles the Participant to subscribe for and be allotted 1 Plan Product at the Exercise Price.
- 5.5 Notwithstanding these Terms, while the Eligible Products are listed on the ASX or other Eligible Financial Market, the Company must allot and issue Plan Products upon Exercise of an Option in accordance with the Applicable Laws.
- 5.6 Plan Products issued upon the Exercise of Options will rank equally with all existing Eligible Products (of that class) in the capital of the Company from their respective issue date.

6. **Exercise of options**

- 6.1 An Option is Exercised by:
 - (a) the Participant lodging with the Company an Exercise Notice;
 - (b) subject to clause 6.6, the receipt by the Company of a payment by or on behalf of a Participant and in immediately available funds, of the Exercise Price for each of the Options the subject of such Exercise Notice; and
 - (c) the Participant lodging with the Company the Certificate for those Options, for cancellation by the Company.
- 6.2 Subject to clause 6.1, within 15 Business Days after the later of the following:
 - (a) receipt by the Company of an Exercise Notice given in accordance with these terms and conditions and, subject to clause 6.6, payment of the Exercise

Price for each Option being exercised if the Company is not in possession of excluded information (as defined in section 708A(7) of the Corporations Act); and

- (b) the date the Company ceases to be in possession of excluded information in respect to the Company (if any) following the receipt of the Exercise Notice and payment of the Exercise Price for each Option being exercised by the Company,

the Company will:

- (c) allot and issue the Plan Products pursuant to the exercise of the Options;
- (d) comply with all Applicable Laws, including, in respect of Eligible Products being Shares (**Plan Shares**) to give ASX a notice that complies with section 708A(5)(e) of the Corporations Act or lodge a prospectus with ASIC that qualifies the Plan Shares for resale under section 708A(11) of the Corporations Act; and
- (e) apply for official quotation on ASX or other Eligible Financial Market (as the case may require) of the Plan Products issued pursuant to the exercise of the Options.

6.3 Subject to the provisions of clause 6.4, Exercise of some only of the Options held by a Participant does not prevent Exercise of any remaining vested unExercised Options.

6.4 Options may not be Exercised in parcels of less than 1,000. Holders of less than 1,000 Options may Exercise those Options in full but not in part.

6.5 Notwithstanding any other provision of this clause 6 or clause 5 but subject to the written consent of the Directors, all Options may be Exercised:

- (a) during a Bid Period;
- (b) at any time after a Change of Control Event has occurred; or
- (c) if, on an application under section 411 of the Corporations Act, a court orders a meeting to be held concerning a proposed compromise or arrangement for the purposes of or in connection with a scheme for the reconstruction of the Company or its amalgamation with any other company.

6.6 If a Participant's Exercise Notice is given in respect of Options over Plan Products being Shares, the Participant may elect in that Exercise Notice to undertake a cashless exercise of their Options rather than pay the relevant Exercise Price. If the Participant so elects, the Company shall in full satisfaction of its obligations under clause 6.2 procure the delivery to the Participant of a number of Shares calculated as follows (to be rounded down to the nearest whole number):

$$[O \times D] / MV$$

Where:

D an amount (expressed in Australian dollars) equal to MV minus OEP, provided that where the result is negative, it will be deemed to be zero

MV Market Value per Share

O Number of Options being exercised

OEP Exercise Price of the Options being exercised

Where the Participant elects to undertake a cashless exercise of Options with different Exercise Prices at the same time, the above formula will be applied in respect of each tranche of Options with a different Exercise Price.

7. Lapse of options

7.1 Subject to clause 5.3, if the Participant is a Director or the Permitted Nominee of a Director, an Option may be Exercised by that Participant at any time prior to the first to occur of:

- (a) the expiry of the Exercise Period;
- (b) the expiry of 30 days after the person ceases to be a Director; and
- (c) a determination by the other Directors that that Director has acted fraudulently, dishonestly or in breach of that Director's obligations to the Company and that the Option is to be forfeited.

If such a Participant fails, for any reason, to Exercise all the Options registered in his or her name prior to such occurrence, those Options that the Participant would have been entitled to Exercise and that have not been Exercised, and any right or entitlement of a Participant to have those Options vested in that Participant, will lapse and be of no further force or effect.

7.2 If a resolution of a general meeting of the Company to remove a person as a Director is passed, that person or the Permitted Nominee of that person who is a Participant may only Exercise a proportion of the Options that are registered in that Participant's name as is equal to the proportion that the period from the Issue Date of those Options to the date of passage of the resolution bears to the Exercise Period and the balance of those Options will be wholly and unconditionally forfeited, lapse and be of no further force or effect upon and from the date of passage of the resolution.

7.3 Unless otherwise determined by the Directors and subject to clause 5.3, if a Participant is an Eligible Employee or the Permitted Nominee of an Eligible Employee, an Option may be Exercised by that Participant at any time prior to the first to occur of:

- (a) the expiry of the Exercise Period;
- (b) the expiry of 30 days after termination of the Eligible Employee's employment where such termination has either been voluntary on the Eligible Employee's part or otherwise has occurred without cause; and
- (c) termination of the Eligible Employee's employment with cause.

If such a Participant fails, for any reason, to Exercise all the Options registered in his or her name prior to such occurrence, those Options that the Participant would have been entitled to Exercise and that have not been Exercised, and any right or entitlement of a Participant to have those Options vested in that Participant, will lapse and be of no further force or effect.

7.4 Unless otherwise determined by the Directors and subject to clause 5.3, if a Participant is an Eligible Contractor or the Permitted Nominee of an Eligible Contractor, an Option may be Exercised by that Participant at any time prior to the first to occur of:

- (a) the expiry of the Exercise Period;
- (b) the expiry of 30 days after termination of the Eligible Contractor's engagement where such termination has either been voluntary on the Eligible Contractor's part or otherwise has occurred without cause; and
- (c) termination of the Eligible Contractor's engagement with cause.

If such a Participant fails, for any reason, to Exercise all the Options registered in his or her name prior to such occurrence, those Options that the Participant would have been entitled to Exercise and that have not been Exercised, and any right or entitlement of a Participant to have those Options vested in that Participant, will lapse and be of no further force or effect.

8. **Transfer**

Except with the consent of Directors, Options may not be transferred and will not be quoted on or by the ASX or other Eligible Financial Market. The Directors may in their discretion, and subject to the requirements of ASIC Class Order [CO 14/1000] or other applicable requirements from time to time, allow the transfer of Options to an Associate or Related Body Corporate of a Participant.

9. **Quotation of plan products**

The Company will apply to the ASX or other applicable Eligible Financial Market for official quotation of Plan Products issued on the Exercise of Options, if the Company is, at the time of issue of those Plan Products, admitted to the official list of the ASX or other Eligible Financial Market, as the case may be.

10. **Participation in future issues**

10.1 **New Issues**

Participants may only participate in new issues of securities to holders of Eligible Products if an Option has been exercised and Plan Products allotted in respect of the Option before the record date for determining entitlements to the issue. The Company must give at least nine Business Days' notice (or such greater period of notice (if any) as may be required by the Listing Rules) to Participants of any new issue before the record date for determining entitlements to the issue in accordance with the Listing Rules.

10.2 **Bonus Issues**

If there is a bonus issue of Eligible Products of the relevant class (**Bonus Issue**) to the holder of Eligible Products, the number of Plan Products over which an Option is exercisable will be increased by the number of Eligible Products which the Participant would have received if the Option had been exercised before the record date for the Bonus Issue (**Bonus Eligible Products**). Upon issue the bonus Eligible Products will rank pari passu in all respects with the other Eligible Products of the Company in that class on issue at the date of issue of the Bonus Eligible Products.

10.3 Pro Rata Issue

If there is a pro rata issue (other than a Bonus Issue) to the holders of Eligible Products, the Exercise Price of an Option will be reduced according to the following formula:

$$A = \frac{O - E [P - (S+D)]}{N + 1}$$

A = the new exercise price of the Option.

O = the old exercise price of the Option.

E = the number of Eligible Products into which one Option is exercisable.

P = the value of an Eligible Product at the time the pro rata rights issue is made as determined by an accountant independent of the Company, but if the Eligible Products are quoted on the ASX or other Eligible Financial Market, the average closing sale price per Eligible Product (weighted by reference to volume) recorded on the stock market of ASX or other applicable Eligible Financial Market during the 5 trading days ending on the day immediately before the ex rights date or ex entitlements date (excluding special crossings, overnight sales and exchange traded option exercises).

S = the subscription price for an Eligible Product under the pro rata issue.

D = any dividend due but not yet paid on existing Eligible Products which will not be payable in respect of new Eligible Products issued under the pro rata issue.

N = the number of Eligible Products with rights or entitlements that must be held to receive a right to 1 new Eligible Product.

10.4 Reorganisation of Capital

If, prior to the expiry or lapse of any Options, there is a reorganisation of the issued capital of the Company, those Options will be reorganised to the extent necessary to comply with the Listing Rules.

10.5 Aggregation

If Options are Exercised simultaneously then the Participant may aggregate the number of Plan Products or fractions of Plan Products to which the Participant is entitled to subscribe for under those Options. Fractions in the aggregate number only will be disregarded in determining the total entitlement to subscribe.

10.6 Advice

In accordance with the Listing Rules, the Company must give notice to each Participant of any adjustment to the number of Eligible Products for which the Participant is entitled to subscribe or to the Exercise Price pursuant to the provisions of clauses 10.2, 10.3 or 10.4.

11. Maximum number

11.1 Subject to any variation to the requirements under ASIC Class Order [CO 14/1000] or otherwise from time to time, the Company shall not offer or issue Options to any

Eligible Person in accordance with this Plan if the total number of Eligible Products the subject of Options, when aggregated with:

- (a) the number of Eligible Products in that class issuable if each outstanding right or option to acquire unissued Eligible Products was exercised into Eligible Products pursuant to the Plan or any share, performance right or option scheme extended to any or all of the employees, contractors and/or directors of the Company and its Associated Bodies Corporate, and which includes this Plan (Incentive Scheme); and
- (b) the number of Eligible Products in that class issued pursuant to the Plan or any Incentive Scheme during the previous three years,

(disregarding any offer or invitation made, or option acquired or share or other Eligible Product issued following the making of an offer or invitation, to a person situated at the time of receipt of the offer or invitation outside Australia or any offer or invitation which, pursuant to Chapter 6D of the Corporations Act (or other Applicable Law), does not need disclosure to investors), would exceed 5% of the total number of issued Eligible Products in that class as at the time of the proposed offer or issue. For the avoidance of doubt, where an Option lapses without being exercised, the Eligible Products concerned shall be excluded from any calculation under this clause.

12. **Eligible persons**

12.1 **Eligible Employee** means:

- (a) a person who is engaged in the full time or part time employment of the Company or an Associated Body Corporate of the Company and includes any Director holding a salaried employment or office in the Company or an Associated Body Corporate of the Company;
- (b) a person within the meaning of a 'casual employee' as defined in ASIC Class Order [CO 14/1000] as varied or replaced from time to time and, as at the date of this Plan, a person who is, or might reasonably be expected to be, engaged to work the number of hours that are the pro-rata equivalent of 40% or more of a comparable full-time position with the Company or an Associated Body Corporate of the Company, or such other criteria as may be imposed by ASIC Class Order [CO 14/1000] or otherwise from time to time; and
- (c) subject to the requirements of ASIC Class Order [CO 14/1000] as varied or replaced from time to time, any person acquiring and holding any Plan Product or Options for the benefit of any such employee (other than any employee who is a Director), provided that the Plan Product and Options are acquired and held on such terms and conditions as have been previously approved by the Directors including, without limitation, any trustee of a trust established by the Company to hold Plan Products or Options for the benefit of such employees.

12.2 **Eligible Associate** means:

- (a) any Director, including non-executive Director or officer, of the Company or an Associated Body Corporate of the Company; and
- (b) subject to the requirements of ASIC Class Order [CO 14/1000] as varied or replaced from time to time, any person or entity acquiring and holding any Plan Product for the benefit of any Eligible Employee who is a Director or

officer of the Company or an Associated Body Corporate of the Company at the time of such acquisition or any person referred to in clause 12.2(a), and provided that the Plan Product is acquired and held on such terms and conditions as have been previously approved by the Directors.

12.3 **Eligible Contractor** means an individual or company within the meaning of a 'contractor' as defined in ASIC Class Order [CO 14/1000] as varied or replaced from time to time and, as at the date of this Plan:

- (a) an individual with whom the Company or an Associated Body Corporate of the Company has entered into a contract for the provision of services under which that individual performs work for the Company or an Associated Body Corporate of the Company; or
- (b) a company with whom the Company or an Associated Body Corporate of the Company has entered into a contract for the provision of services under which an individual, who is a director of the company or their spouse, performs work for the Company or an Associated Body Corporate of the Company,

where the individual who performs the work under or in relation to the contract is, or might reasonably be expected to be, engaged to work the number of hours that are the pro-rata equivalent of 40% or more of a comparable full-time position with the Company or an Associated Body Corporate of the Company, or such other criteria as may be imposed by ASIC Class Order [CO 14/1000] or otherwise from time to time; and

- (c) subject to the requirements of ASIC Class Order [CO 14/1000] as varied or replaced from time to time, any person acquiring and holding any Plan Product or Options for the benefit of any such Eligible Contractor (other than any Eligible Contractor who is a Director), provided that the Plan Product and Options are acquired and held on such terms and conditions as have been previously approved by the Directors including, without limitation, any trustee of a trust established by the Company to hold Plan Products or Options for the benefit of such Eligible Contractors.

12.4 An Eligible Employee or Eligible Contractor may also be an Eligible Associate.

12.5 **Eligible Persons** means Eligible Employees, Eligible Associates and Eligible Contractors and includes an Eligible Prospective Person.

13. **Notices**

Notices must be given by the Company to the Participant in the manner prescribed by the constitution of the Company for the giving of notices to members of the Company and the relevant provisions of the constitution of the Company apply with all necessary modifications to notices to any Participant.

14. **Overriding restrictions on grant and exercise**

14.1 Notwithstanding any other provision of these Terms, all rights and entitlements attaching to an Option or of a Participant under this Plan will be changed or amended to the extent necessary to comply with the Listing Rules that apply to a reorganisation of the capital of the Company, at the time that that re-organisation becomes effective.

14.2 No Option may be Exercised if to do so would contravene the Applicable Law.

14.3 Without limitation to the provisions of this clause 14:

- (a) the Option terms and conditions must allow the rights of a Participant to comply with the Listing Rules applying to a reorganisation of capital of the Company at the time of the reorganisation; and
- (b) subject to the provisions of clause 14.3(a), any reorganisation of capital of the Company must not be done in a manner or with the effect that will prejudice the rights or interests, or the value of the rights or interests, of Participants in the Options they hold, immediately prior to the time of any such reorganisation.

15. **Right of participants**

15.1 Nothing in these Terms:

- (a) confers on a Participant the right to receive any Eligible Products;
- (b) confers on a Participant who is a Director the right to continue as a Director;
- (c) confers on a Participant the right to continue as an employee or contractor of the Company or an Associated Body Corporate of the Company;
- (d) affects any rights which the Company, or an Associated Body Corporate of the Company, may have to terminate the appointment of a Participant who is a Director or terminate the employment of an employee or the engagement of a contractor; or
- (e) may be used to increase damages in any action brought against the Company or an Associated Body Corporate in respect of any such termination.

16. **Termination and suspension of the plan**

The Directors may resolve at any time to terminate or suspend the operation of the Plan.

17. **Governing law**

The Plan is governed by and shall be construed and take effect in accordance with the laws of South Australia.



MINOTAUR
EXPLORATION

Minotaur Exploration Ltd

ACN 108 483 601

Need assistance?



Phone:

1300 850 505 (within Australia)
+61 3 9415 4000 (outside Australia)



Online:

www.investorcentre.com/contact



YOUR VOTE IS IMPORTANT

For your proxy appointment to be effective it must be received by **11.00am (Adelaide time) on Tuesday 26 November 2019**

Proxy Form

How to Vote on Items of Business

All your securities will be voted in accordance with your directions.

APPOINTMENT OF PROXY

Voting 100% of your holding: Direct your proxy how to vote by marking one of the boxes opposite each item of business. If you do not mark a box your proxy may vote or abstain as they choose (to the extent permitted by law). If you mark more than one box on an item your vote will be invalid on that item.

Voting a portion of your holding: Indicate a portion of your voting rights by inserting the percentage or number of securities you wish to vote in the For, Against or Abstain box or boxes. The sum of the votes cast must not exceed your voting entitlement or 100%.

Appointing a second proxy: You are entitled to appoint up to two proxies to attend the meeting and vote on a poll. If you appoint two proxies you must specify the percentage of votes or number of securities for each proxy, otherwise each proxy may exercise half of the votes. When appointing a second proxy write both names and the percentage of votes or number of securities for each in Step 1 overleaf.

A proxy need not be a securityholder of the Company.

SIGNING INSTRUCTIONS FOR POSTAL FORMS

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

Joint Holding: Where the holding is in more than one name, all of the securityholders 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 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 sign in the appropriate place to indicate the office held. Delete titles as applicable.

ATTENDING THE MEETING

If you are attending in person, please bring this form with you to assist registration.

Corporate Representative

If a representative of a corporate securityholder or proxy is to attend the meeting you will need to provide the appropriate "Appointment of Corporate Representative" prior to admission. A form may be obtained from Computershare or online at www.investorcentre.com under the help tab, "Printable Forms".

Lodge your Proxy Form:

XX

Online:

Lodge your vote online at www.investorvote.com.au using your secure access information or use your mobile device to scan the personalised QR code.

Your secure access information is



For Intermediary Online subscribers (custodians) go to www.intermediaryonline.com

By Mail:

Computershare Investor Services Pty Limited
GPO Box 242
Melbourne VIC 3001
Australia

By Fax:

1800 783 447 within Australia or
+61 3 9473 2555 outside Australia



PLEASE NOTE: For security reasons it is important that you keep your SRN/HIN confidential.

☐ **Change of address.** If incorrect, mark this box and make the correction in the space to the left. Securityholders sponsored by a broker (reference number commences with 'X') should advise your broker of any changes.

Proxy Form

Please mark ☒ to indicate your directions

Step 1 Appoint a Proxy to Vote on Your Behalf

XX

I/We being a member/s of Minotaur Exploration Ltd hereby appoint

☐ the Chairman of the Meeting **OR**

PLEASE NOTE: Leave this box blank if you have selected the Chairman of the Meeting. Do not insert your own name(s).

or failing the individual or body corporate named, or if no individual or body corporate is named, the Chairman of the Meeting, as my/our proxy to act generally at the meeting on my/our behalf and to vote in accordance with the following directions (or if no directions have been given, and to the extent permitted by law, as the proxy sees fit) at the Annual General Meeting of Minotaur Exploration Ltd to be held at Next Generation, War Memorial Drive, North Adelaide SA 5006 on Thursday, 28 November 2019 at 11.00am (Adelaide time) and at any adjournment or postponement of that meeting.

Chairman authorised to exercise undirected proxies on remuneration related resolutions: Where I/we have appointed the Chairman of the Meeting as my/our proxy (or the Chairman becomes my/our proxy by default), I/we expressly authorise the Chairman to exercise my/our proxy on Items 1, 6, 7, 8, 9, 10 & 11 (except where I/we have indicated a different voting intention in step 2) even though Items 1, 6, 7, 8, 9, 10 & 11 are connected directly or indirectly with the remuneration of a member of key management personnel, which includes the Chairman.

Important Note: If the Chairman of the Meeting is (or becomes) your proxy you can direct the Chairman to vote for or against or abstain from voting on Items 1, 6, 7, 8, 9, 10 & 11 by marking the appropriate box in step 2.

Step 2 Items of Business

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

Ordinary Business		For	Against	Abstain		For	Against	Abstain
1	Adoption of Remuneration Report	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	11 Issue of Options to Mr George McKenzie	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
2	Re-election of Mr George McKenzie as Director	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>				
3	Approval of 10% Placement Facility	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>				
4	Approval of Previous Issue of 24,375,000 Shares	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>				
5	Approval of Previous Issue of 6,875,000 Shares	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>				
6	Approval of Amendment to Employee Option Terms	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>				
7	Approval of New Employee Option Plan	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>				
8	Issue of Options to Mr Andrew Woskett	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>				
9	Issue of Options to Dr Antonio Belperio	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>				
10	Issue of Options to Dr Roger Higgins	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>				

The Chairman of the Meeting intends to vote undirected proxies in favour of each item of business. In exceptional circumstances, the Chairman of the Meeting may change his/her voting intention on any resolution, in which case an ASX announcement will be made.

Step 3 Signature of Securityholder(s) *This section must be completed.*

Individual or Securityholder 1

Securityholder 2

Securityholder 3

Sole Director & Sole Company Secretary

Director

Director/Company Secretary

Date

Update your communication details (Optional)

Mobile Number

Email Address

By providing your email address, you consent to receive future Notice of Meeting & Proxy communications electronically

