



## ADAVALE RESOURCES LIMITED

("COMPANY")

ACN 008 719 015

### NOTICE OF ANNUAL GENERAL MEETING

Notice is hereby given that the Annual General Meeting of shareholders of Adavale Resources Limited (the **Company**) will be held via a live webcast/teleconference on Friday the 21<sup>st</sup> of December 2020 at 2.00 pm (AEDT) (**Meeting and/or Zoom Meeting**).

To Join Zoom Meeting use the following

<https://us02web.zoom.us/j/2071172949?pwd=eG96RGlQQWdYR1ErNXhvMzN1VnZ1dz09>

If the above link is not successful on your device then use the zoom app and the following ID and Passcode:

Meeting ID: 207 117 2949

Passcode: 4G0d6H

If you cannot use either of the 2 methods above then you may find your local number on this link:

<https://us02web.zoom.us/j/kcnbQS9bdW>

The meeting is being held in this manner due to the continuing restrictions in relation to COVID-19. The Annual General Meeting will be made accessible to shareholders via a live webcast/teleconference which will include the facility for shareholders to ask questions and vote in relation to the business of the meeting. The meeting will operate on the basis that such participation will constitute all Shareholders being present for all purposes of the meeting.

The Explanatory Notes to this Notice provides additional information on matters to be considered at the Annual General Meeting. The Explanatory Notes and the Proxy Form forms part of this notice.

Online Voting prior to the Annual General Meeting is strongly encouraged due to COVID-19 and the challenges presented by holding the meeting online. However for shareholders who instead wish to vote at the Annual General Meeting on the 21<sup>st</sup> December 2020 you will be required to use the "lumiagm app" as per instructions below, this will be required in addition to logging in to the Zoom Meeting as a show of hands will not be an acceptable method at the zoom meeting.

#### To log in:

1. Enter **web.lumiagm.com/329786929** on a smartphone, tablet or computer (using the latest version of Chrome, Safari, Internet Explorer 11, Edge and Firefox).
2. Enter your unique access details:
  - a. **Security holders** will need their Securityholder Reference Number (SRN) or Holder Identification Number (HIN).
  - b. **Proxy holders** will need their proxy code which Computershare will provide via an email no later than 12 hours prior to the Meeting.
  - c. Online voting registration will commence 30 minutes prior to the start of the meeting.
  - d. For full details on how to log on and vote online, please refer to the user guide [www.investorvote.com.au/tip](http://www.investorvote.com.au/tip) at the end of the proxy form.

A helpful guide for using the "lumiagm app" is presented at the end of this Notice

#### BUSINESS OF THE MEETING

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##### ADAVALE RESOURCES LIMITED FINANCIAL STATEMENTS AND REPORTS

To receive and consider the Financial Report, the Directors' Report and the Auditor's Report for the year ended 30 June 2020.

##### Resolution 1: Adoption of Remuneration Report

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

*"To adopt the Remuneration Report for the year ended 30 June 2020."*

In accordance with section 250R of the Corporations Act 2001, the vote on this resolution will be advisory only and will not bind the directors or the Company.

*Note: A voting exclusion statement applies to this resolution (see Explanatory Notes for details).*

#### **Resolution 2: Election of Grant Pierce as a Director**

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

*"That Grant Pierce, a Director appointed on 26 August 2020 and holding office until the next annual general meeting, in accordance with ASX Listing Rule 14.5 and Clause 13 of the Company's Constitution, be elected as a Director of the Company."*

*No voting exclusion statement applies to this resolution.*

#### **Resolution 3: Election of Rod Chittenden as a Director**

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

*"That Rod Chittenden, a Director appointed on 26 August 2020 and holding office until the next annual general meeting, in accordance with ASX Listing Rule 14.5 and Clause 13 of the Company's Constitution, be elected as a Director of the Company."*

*No voting exclusion statement applies to this resolution.*

#### **Resolution 4: Election of Steven Georgiadis as a Director**

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

*"That Steven Georgiadis, a Director appointed on 26 August 2020 and holding office until the next annual general meeting, in accordance with ASX Listing Rule 14.5 and Clause 13 of the Company's Constitution, be elected as a Director of the Company."*

*No voting exclusion statement applies to this resolution.*

#### **Resolution 5: Approval for the ratification of the March 2020 placement**

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

*"That, for the purposes of ASX Listing Rule 7.4 and for all other purposes, Shareholders approve the previous issue by the Company of Shares on 23 March 2020 to certain Sophisticated or Professional Investors on the terms and conditions described in the Explanatory Notes."*

*Note: A voting exclusion statement applies to this resolution (see Explanatory Notes for details).*

#### **Resolution 6: Additional 10% Placement Capacity**

To consider and, if thought fit, pass the following as a special resolution of the Company:

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

*Note: A voting exclusion statement applies to this resolution (see Explanatory Notes for details).*

#### **Resolution 7: Approval of the placement to Sophisticated and / or Professional Investors**

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

*"That, for the purposes of ASX Listing Rule 7.1 and for all other purposes, Shareholders approve the proposed issue by the Company of 30,000,000 Shares to Sophisticated and/or Professional Investors on the terms and conditions described in the Explanatory Notes."*

*Note: A voting exclusion statement applies to this resolution (see Explanatory Notes for details).*

#### **Resolution 8: Issue of up to \$500,000 worth of Shares to Service Providers in-lieu of Services**

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

*“That for the purpose of ASX Listing Rule 7.1 and for all other purposes, the Company approve the issue of up to a maximum of \$500,000 of shares in-lieu of geological and related services, and calculated as per the terms and conditions set out in the Explanatory Statement.”*

*Note: A voting exclusion statement applies to this resolution (see Explanatory Notes for details).*

#### **Resolution 9: Issue of Shares to Grant Pierce in-lieu of remuneration**

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

*“That for the purpose of ASX Listing Rule 10.14 and for all other purposes, the Company approve the issue of shares in-lieu of fees to Grant Pierce (or his nominee), a Director of the Company, on such terms and conditions set out in the Explanatory Statement.”*

*Note: A voting exclusion statement applies to this resolution (see Explanatory Notes for details).*

#### **Resolution 10: Issue of Shares to Rod Chittenden in-lieu of remuneration**

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

*“That for the purpose of ASX Listing Rule 10.14 and for all other purposes, the Company approve the issue of shares in-lieu of fees to Rod Chittenden (or his nominee), a Director of the Company, on the terms and conditions set out in the Explanatory Statement.”*

*Note: A voting exclusion statement applies to this resolution (see Explanatory Notes for details).*

#### **Resolution 11: Issue of Shares to Steven Georgiadis in-lieu of remuneration**

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

*“That for the purpose of ASX Listing Rule 10.14 and for all other purposes, the Company approve the issue of shares in lieu of fees to Steven Georgiadis (or his nominee), Director of the Company, on such terms and conditions set out in the Explanatory Statement.”*

*Note: A voting exclusion statement applies to this resolution (see Explanatory Notes for details).*

#### **Resolution 12: Issue of Shares to Gary Stewart in-lieu of remuneration**

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

*“That for the purpose of ASX Listing Rule 7.1 and for all other purposes, the Company approve the issue of shares in lieu of fees to Gary Stewart (or his nominee), former Director of the Company, on such terms and conditions set out in the Explanatory Statement.”*

*Note: A voting exclusion statement applies to this resolution (see Explanatory Notes for details).*

#### **Resolution 13: Issue of Shares to Louis Clinton in-lieu of remuneration**

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

*“That for the purpose of ASX Listing Rule 7.1 and for all other purposes, the Company approve the issue of shares in lieu of fees to Louis Clinton (or his nominee), former Director of the Company, on such terms and conditions set out in the Explanatory Statement.”*

*Note: A voting exclusion statement applies to this resolution (see Explanatory Notes for details).*

#### **Resolution 14: Adavale Securities Plan Approval**

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

*“That the Adavale Securities Plan (ASP) and all the securities issued under the ASP (including Incentive Rights) be approved for the purposes of Listing Rule 7.2, Exception 13, and for all other purposes.*

*Note: A voting exclusion statement applies to this resolution (see Explanatory Notes for details).*

#### **Resolution 15: Issue of Incentive Rights to Grant Pierce**

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

*“That for the purpose of ASX Listing Rule 10.14 and for all other purposes, approval is given to the grant Incentive Rights under the ASP to Grant Pierce (or his nominee), a Director of the Company, on such terms and conditions set out in the Explanatory Statement.”*

*Note: A voting exclusion statement applies to this resolution (see Explanatory Notes for details).*

#### **Resolution 16: Issue of Incentive Rights to Rod Chittenden**

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

*“That for the purpose of ASX Listing Rule 10.14 and for all other purposes, approval is given to the grant Incentive Rights under the ASP to Rod Chittenden (or his nominee), a Director of the Company, on such terms and conditions set out in the Explanatory Statement.”*

*Note: A voting exclusion statement applies to this resolution (see Explanatory Notes for details).*

#### **Resolution 17: Issue of Incentive Rights to Steven Georgiadis**

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

*“That for the purpose of ASX Listing Rule 10.14 and for all other purposes, approval is given to the grant Incentive Rights under the ASP to Steven Georgiadis (or his nominee), a Director of the Company, on such terms and conditions set out in the Explanatory Statement.”*

*Note: A voting exclusion statement applies to this resolution (see Explanatory Notes for details).*

#### **Resolution 18: Issue of Shares to Olympic Exploration Limited in-lieu of remuneration**

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

*“That for the purpose of ASX Listing Rule 7.1 and for all other purposes, the Company approve the issue of up to AUD150,000 worth of shares in part remuneration to Olympic Exploration Limited (or nominee) for geological and related services in accordance with the terms and the conditions set out in the Explanatory Statement.”*

*Note: A voting exclusion statement applies to this resolution (see Explanatory Notes for details).*

#### **Resolution 19: Approval for the LKC Technology Standby Subscription Agreement**

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

*“That, for the purposes of ASX Listing Rule 7.1 and for all other purposes, approval be and is hereby given for the approval of the LKC Technology Standby Subscription Agreement and issue of fully paid ordinary shares pursuant to the same, and on the terms and conditions set out in the Explanatory Notes.”*

*Note: A voting exclusion statement applies to this resolution (see Explanatory Notes).*

## ENTITLEMENT TO VOTE

The Directors have determined pursuant to regulation 7.11.37 of the Corporations Regulations 2001 (Cth) that the persons eligible to vote at the Meeting are those who are registered Shareholders of the Company as at 7.00pm (AEDT) on 19 December 2020 (**Entitlement Time**), subject to any applicable voting exclusion.

This means that if you are not the registered holder of a share in the Company at the Entitlement Time, you will not be entitled to vote at the Meeting.

## ANNUAL REPORT

Copies of the Company's full Annual Report are available from the Company Secretary, and on the Company's website at [www.adavaleresources.com](http://www.adavaleresources.com)

## VOTING OPTIONS AND PROXIES

If you do not plan to attend the meeting online, then you are encouraged to complete and return the Proxy Form which accompanies this Notice of Annual General Meeting.

### Voting by Proxy

A Shareholder who is entitled to attend and vote at this Meeting is entitled to appoint not more than 2 proxies to attend and vote in place of the Shareholder.

If the Shareholder appoints 2 proxies, the Shareholder may specify the proportion or number of votes each proxy is entitled to exercise. If no proportion or number of votes is specified, each proxy may exercise half of the Shareholder's votes. If the specified proportion or number of votes exceed that which the Shareholder is entitled to, each proxy may exercise half of the Shareholder's votes. Any fractions of votes brought about by the apportionment of votes to a proxy will be disregarded.

A proxy need not be a Shareholder of the Company. A body corporate appointed as a Shareholder's proxy may appoint a representative to exercise any of the powers the body may exercise as a proxy at the Meeting. The representative should bring to the Meeting evidence of his or her appointment, including any authority under which the appointment is signed, unless it has previously been given to the Company.

Subject to the specific proxy provisions applying to resolution 1 (see the Explanatory Notes below):

- If a Shareholder has not directed their proxy how to vote, the proxy may vote as the proxy determines, and
- If a Shareholder appoints the Chairman of the Meeting as proxy and does not direct the Chairman how to vote on an item of business, the Chairman will vote in accordance with his voting intention as stated in this Notice of Meeting, namely in favour of each of the proposed resolutions set out in the Notice of Meeting.

### Proxy Voting by the Chairman

For Resolution 1 (Remuneration Report), where the Chairman is appointed as a Shareholder's proxy and that shareholder has not specified the way in which the *Chairman is to vote on Resolution 1, the Shareholder is directing the Chairman to vote in accordance with the Chairman's* voting intentions for this item of business.

The Chairman intends to vote all undirected proxies in favour of the resolutions put in the Notice of Meeting.

To be effective, the Proxy Form must be completed, signed and lodged (together with the relevant original power of attorney or a certified copy if the proxy is signed by an attorney) with the Company at its share registry, as an original or by facsimile, **no later than 2.00 pm (AEDT) on 19 December 2020 (Proxy Deadline)**.

Proxy forms may be submitted in one of the following ways:

- By mail** to Computershare Investor Services Pty Limited (**Computershare**) using the reply-paid envelope or GPO Box 242, Melbourne VIC 3001. Please allow sufficient time so that it reaches Computershare by the Proxy Deadline;
- By fax** to Computershare on 1800 783 447 (inside Australia) or +61 3 9473 2555 (outside Australia);
- Online** via the Company's Share Registry website at [www.investorvote.com.au](http://www.investorvote.com.au). Please refer to the Proxy Form for more information; or
- By hand delivery** to Computershare at Level 3, 60 Carrington Street, Sydney NSW 2000.

Proxy Forms and Powers of Attorney must be received by the Proxy Deadline.

**Corporate Representatives**

Where a shareholding is registered in the name of a corporation, the corporate shareholder may appoint a person to act as its representative to attend the meeting by providing that person with:

- a. a letter or certificate authorising him or her as the corporation's representative, executed in accordance with the corporation's constitution; or
- b. a copy of the resolution appointing the representative, certified by a secretary or director of the corporation.

## Voting Exclusion Statements

Resolution 1 (Adoption of Remuneration Report)	<p>The Company will disregard any votes cast for the resolution by or on behalf of:</p> <ol style="list-style-type: none"> <li>1. any Director;</li> <li>2. a member of the Company's Key Management Personnel named in the Remuneration Report or their Closely Related Parties, regardless of the capacity in which the vote is cast; or</li> <li>3. as a proxy by a member of the Company's KMP at the date of the AGM or a closely related party of such a member; or</li> <li>4. an Associate of those persons.</li> </ol>
Resolution 5 (ratification of prior issue)	The Company will disregard any votes cast in favour of the resolution by or on behalf of a person who participated in the issue.
Resolution 14	The Company will disregard any votes cast for the resolution by or on behalf of any person who is eligible to participate in the Adavale Security Plan.
Resolutions 7, 8, 12, 13, 18 and 19 (future issues)	The Company will disregard any votes cast in favour of the resolutions by or on behalf of a person who is expected to participate in, or who will obtain a material benefit as the result of, the proposed issue (except for a benefit solely by reason of being a holder of ordinary securities in the entity.)
Resolution 9, 10, 11, 15, 16 and 17 (approval for issues of securities to a related party)	<p>The Company will disregard any votes cast in favour of the resolutions by or on behalf of:</p> <ol style="list-style-type: none"> <li>1. a person referred to in ASX Listing Rules 10.14.1, 10.14.2 or 10.14.3 who is eligible to participate in the APS;</li> <li>2. as a proxy by a member of the Company's KMP at the date of the AGM or a closely related party of such a member; or</li> <li>3. an Associate of those persons.</li> </ol>

With regards to all the above resolutions, the Company will disregard any votes cast in favour of all the resolutions by or on behalf of:

- the named person or class of persons excluded from voting; and
- an associate of that person or those persons.

However, with regards to all the above resolutions, the Company need not disregard a vote cast in favour of a resolution if:

1. a person as proxy or attorney for a person who is entitled to vote on the resolution, in accordance with directions given to the proxy or attorney to vote on the resolution in that way; or
2. the chair of the meeting as proxy or attorney for a person who is entitled to vote on the resolution, in accordance with a direction given to the chair to vote on the resolution as the chair decides; or
3. a holder acting solely in a nominee, trustee, custodial or other fiduciary capacity on behalf of a beneficiary provided the following conditions are met;
  - a. the beneficiary provides written confirmation to the holder that the beneficiary is not excluded from voting, and is not an associate of a person excluded from voting, on the resolution; and

- b. the holder votes on the resolution in accordance with directions given to the beneficiary to the holder to vote in that way.

**OTHER BUSINESS**

To transact any other business that might be legally brought before the AGM.

*By Order of the Board of Directors*

**Julian Richard Rockett**

**Company Secretary & In-House Counsel**

*16 November 2020*



## **Explanatory Notes**

### **Financial Statements**

As required by section 317 of the Corporations Act the Financial Report, Directors' Report and Auditor's Report of the Company for the most recent financial year must be laid before the Meeting.

There is no requirement for a formal resolution on this Item.

The Chairman of the Meeting will allow a reasonable opportunity at the Meeting for Shareholders to ask questions about or make comments on the management of the Company. Shareholders will be given a reasonable opportunity at the Meeting to ask the Company's auditor, HLB Mann Judd (**Mann Judd**), questions about the Audit Report, the conduct of its audit of the Company's Financial Report for the financial year ended 30 June 2020, the preparation and content of the Auditor's Report, the accounting policies adopted by the Company in its preparation of the financial statements and the independence of Mann Judd in relation to the conduct of the audit.

### **Resolution 1: Adoption of Remuneration Report**

In accordance with section 300A of the Corporations Act the Company has included in its Annual Report a Remuneration Report for the consideration of Shareholders.

As provided by section 250R(3) of the Corporations Act, the resolution on this item of business is advisory only and does not bind the Board or the Company.

Directors recommend that Shareholders Adopt the Remuneration Report.

### **DIRECTOR ELECTIONS – RESOLUTIONS 2, 3 AND 4**

#### **Resolution 2: Election of Grant Pierce as a Director**

The Company's Constitution permits Directors, at any time, to appoint any person to be a Director, either to fill a casual vacancy or as an addition to the existing Directors. Any Director so appointed holds office until the end of the next following general meeting and is eligible for re-election at that meeting.

Resolution 2 provides for the election of Grant Pierce as a Director of the Company in accordance with the Constitution. Details of Grant Pierce qualifications and experience are outlined as follows:

Grant is a qualified mining engineer with 30 years of operating experience in both Australia and Africa. He has managed both open-pit and underground mines across a range of mineral commodities. In addition he has held numerous senior development roles, taking green and brown field projects to either shovel ready status or into production.

Grant was a member of the development team that built Tanzania's first modern gold mine, Resolute's Golden Pride Project (ASX:RSG) and was Operations Manager of the mine for its first 6 years.

Other senior roles include Executive General Manager (Tanzania) for Barrick Gold Corporation (NYSE:GOLD), during which time the Tulawaka Gold Mine was built and subsequently General Manager Operations for Perseus Mining, taking the Edikan Gold Project from the environmental permitting stage to its first gold pour.

Most recently Grant was an Executive Director of EcoGraf Limited (ASX:EGR) and played a pivotal role in the development of the Company, leading to the Company receiving the Epanko Graphite Projects' Environmental Certificate, Mining Licence, delivering the Bankable Feasibility Study and subsequent completion of banking independent due diligence.

Grant has been publicly recognised within Australia and internationally for his philanthropic work with remote communities in developing nations.

#### **Recommendation**

The Chair of the meeting (notwithstanding it maybe be that Mr Pierce) intends to vote all undirected proxies in favour of the resolutions put in the Notice of Meeting.

The Directors (except for Mr Pierce who abstains) recommend for Shareholders to vote in favour of this resolution.

### **Resolution 3: Election of Rod Chittenden as a Director**

The Company's Constitution permits Directors, at any time, to appoint any person to be a Director, either to fill a casual vacancy or as an addition to the existing Directors. Any Director so appointed holds office until the end of the next following general meeting and is eligible for re-election at that meeting.

Resolution 3 provides for the election of Rod Chittenden as a Director of the Company in accordance with the Constitution. Details of Rod Chittenden qualifications and experience are outlined as follows:

Rod has 40 years of experience in the Minerals industry across Africa, Australia and South America, both in executive management roles and metallurgical project development roles from exploration to production.

Rod has largely resided in Africa for more than a decade and worked on Magnis Energy Technologies (ASX:MNS) Nachu Graphite Project, spearheading initial metallurgical programs. Rod also played a key role in the commissioning of Paladin Energy's (ASX:PDN) Langer Heinrich and Kayelekera projects. Prior to that Rod has worked for major miners including Newcrest (ASX:NCM) and Barrick Gold (NYSE:GOLD).

#### **Recommendation**

The Chair of the meeting intends to vote all undirected proxies in favour of the resolutions put in the Notice of Meeting.

The Directors (except for Mr Chittenden abstaining) recommend that Shareholders vote in favour of this resolution.

### **Resolution 4: Election of Steven Georgiadis as a Director**

The Company's Constitution permits Directors, at any time, to appoint any person to be a Director, either to fill a casual vacancy or as an addition to the existing Directors. Any Director so appointed holds office until the end of the next following general meeting and is eligible for re-election at that meeting.

Resolution 4 provides for the election of Steven Georgiadis as a Director of the Company in accordance with the Constitution. Details of Steven Georgiadis qualifications and experience are outlined as follows:

Steven is an attorney with over 20 years of experience encompassing private equity transactions, corporate finance and corporate governance.

Steven is a highly respected advisor to private and public companies both within Australia and internationally. His experience covers both listed and unlisted companies with operations in Tanzania and South-East Africa.

#### **Recommendation**

The Chair of the meeting intends to vote all undirected proxies in favour of the resolutions put in the Notice of Meeting.

The Directors (with Mr Georgiadis abstaining) recommend that Shareholders vote in favour of this resolution.

### **RATIFICATION OF PRIOR ISSUES OF SHARES**

#### **Resolution 5**

The Company is seeking subsequent Shareholder approval under Resolution 5 for the issue of securities pursuant to Listing Rule 7.4 so that such securities are not taken into account in determining the Company's capacity to issue up to 15% of its issued Shares, over the next 12 months without the need for further Shareholder approval.

#### **Listing Rule 7.1**

Broadly speaking, and subject to a number of exceptions, Listing Rule 7.1 limits the amount of entity securities that a listed company can issue without the approval of Shareholders of the Company to 15% of the Company's fully paid ordinary shares that it had on issue at the start of the period.

#### **Listing Rule 7.4**

Listing Rule 7.4 allows for subsequent shareholder approval of issues of equity securities for the purposes of Listing Rule 7.1 if the Company did not breach the ASX Listing Rule 7.1 placement limit at the time of

issue and the holders of ordinary shares subsequently approve the issue. The Company is now seeking approval for the issue of these securities in the manner provided by ASX Listing Rule 7.4.

The Company wishes to retain as much flexibility as possible to issue additional equity securities into the future without having to obtain shareholder approval for such issues under ASX Listing Rule 7.1.

- If resolution 5 is passed, the issue will be excluded in calculating Adavale's 15% limit in Listing Rule 7.1, effectively increasing the number of equity securities without shareholder approval over the 12-month period following the issue date.
- If resolution 5 is not passed, the issue will be included in Adavale's 15% limit in Listing Rule 7.1, effectively decreasing the number of equity securities it can issue without shareholder approval over the 12-month period following the Issue Date.

In accordance with ASX Listing Rule 7.5, the following information is provided in relation to the above Resolution and the securities subject of their ratification:

<b>Resolution 5</b>	
<b>Date of issue</b>	23 March 2020
<b>Number of securities issued</b>	280,462 – LR 7.1 11,719,538 – LR 7.1A (TOTAL – 12,000,000)
<b>Terms of Securities</b>	Fully paid ordinary shares
<b>Names of persons who received securities or basis on which those persons were determined</b>	<p>Fourteen (14) investors participated in this placement.</p> <p><u>Related parties</u></p> <p>The placement included the issue to two (2) related parties who are former (but then current) directors for 250,000 shares each.</p> <p>Each director did not appear aware of the breach of LR 10.11 at the time, as evidenced by the prompt and accurate description in their Appendix 3Ys. The Company announced</p> <ul style="list-style-type: none"> <li>• the breach of Listing Rule 10.11 on 17 April 2020 and the mitigation actions; and</li> <li>• 15 May 2020 that these securities were duly divested to unrelated parties.</li> </ul> <p>No other subscriber to this placement was a related party.</p> <p>The persons or entities selected to participate in this issue by the Company was due to their:</p> <ol style="list-style-type: none"> <li>1. supported the Company and its new direction; and</li> <li>2. willingness to provide a cash injection quickly.</li> </ol>
<b>Issue Price of Securities</b>	\$0.02 per share
<b>Use of funds raised</b>	Funds raised here were used to initiate the Kabanga North and North East Nickel exploration projects and meet ordinary working capital requirements.
<b>Voting exclusion statement</b>	Refer to the Notice of Meeting for details of the voting exclusion statement for the resolution.

## Voting Exclusions

A voting exclusion applies to resolution 5 is prescribed in the Voting Exclusion Table.

## Recommendations

The Chair of the meeting intends to vote all undirected proxies in favour of this resolution.

Each Director recommend for Shareholders vote in favour of this Resolution 5.

### **Special Resolution 6 – Approval of additional 10% Placement Capacity**

The Special Resolution seeks Shareholder approval by way of special resolution for the Company to have the additional 10% capacity provided for in Listing Rule 7.1A to issue equity securities without Shareholder approval.

#### **Listing Rule 7.1A**

Under Listing Rule 7.1A, an eligible entity can seek approval from its members, by way of a special resolution passed at its annual general meeting, to increase a Company's Listing Rule 7.1 15% limit by an extra 10% to a total of 25% of issue capacity.

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

The Resolution is a special resolution and therefore requires approval of 75% of the votes cast by Shareholders entitled to vote and voting on this Resolution for it to be passed.

- If the Resolution is passed, the Company will be able to issue equity securities up to the combined 25% limit in Listing Rules 7.1 and 7.1A without any further Shareholder approval.
- If the Resolution is not passed, the Company will not be able to access the additional 10% capacity to issue equity securities without Shareholder approval provided for in Listing Rule 7.1A and will remain subject to the 15% limit on issuing equity securities without Shareholder approval set out in Listing Rule 7.1.

#### **Eligibility**

An eligible entity under ASX Listing Rule 7.1A is one which, at the date of the resolution, has a market capitalisation of \$300 million or less and is not included in the S&P / ASX 300 Index. The Company anticipates that it will be an eligible entity for the purposes of ASX Listing Rule 7.1A at the time of the Meeting.

The exact number of equity securities that may be issued pursuant to the 10% Placement Capacity will be determined in accordance with the formula prescribed in ASX Listing Rule 7.1A.2 which provides that eligible entities which have obtained Shareholder approval at an Annual General Meeting may issue or agree to issue, during the 12-month period after the date of the Annual General Meeting, a number of equity securities calculated as follows:

#### **(A x D) – E**

Where

**A** is the number of fully paid ordinary securities on issue 12 months before the date of issue or agreement to issue (the relevant period):

- plus the number of fully paid ordinary securities issued in the 12 months under an exception in ASX Listing Rule 7.2 other than exception 9, 16 or 17;
- plus the number of fully paid ordinary securities issued in the relevant period on the conversion of convertible securities under rule 7.2 exception 9 where:
  - the convertible securities were issued or agreed to be issued before the commencement of the relevant period; or
  - the issue of, or agreement to issue, the convertible securities was approved, or taken under these rules to have been approved, under rule 7.1 or rule 7.4;
- plus the number of fully paid ordinary securities issued in the relevant period under an agreement to issue securities within rule 7.2 exception 16 where:
  - the agreement was entered into before the commencement of the relevant period; or

- the agreement or issue was approved, or taken under these rules to have been approved, under rule 7.1 or 7.4;
- plus the number of fully paid ordinary securities issued in the relevant period with approval under rule 7.1 or rule 7.4;
- plus the number of partly paid ordinary securities that became fully paid in the 12 months;
- less the number of fully paid ordinary securities cancelled in the 12 months;

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

D is 10%.

E is the number of equity securities issued or agreed to be issued under ASX Listing Rule 7.1A.2 in the relevant period where this issue or agreement has not subsequently been approved by the holders of its ordinary securities under ASX Listing Rule 7.4.

**relevant period** means the 12- month period immediately preceding the date of issue or agreement.

Any equity securities issued under the 10% Placement Capacity must be in an existing quoted class of the Company's equity securities. The Company presently has one class of quoted securities, being Shares (ASX Code: ADD).

### Required information

The following information is provided to Shareholders to allow them to assess the Resolution, including for the purposes of ASX Listing Rule 7.3A.

### Minimum price

As required by ASX Listing Rule 7.1A.3, any equity securities issued by the Company under ASX Listing Rule 7.1A can only be issued at a price that is no less than 75% of the volume weighted average market price for securities in that class calculated over the 15 trading days on which trades in that class were recorded immediately before:

- the date on which the price at which the securities are to be issued is agreed by the Company and the recipient of the securities; or
- if the securities are not issued within 10 trading days of the date in paragraph (a) above, the date on which the securities are issued.

### Risk of economic and voting dilution to existing Shareholders

If the Resolution is approved by Shareholders and the Company issues securities under the 10% Placement Capacity, the additional economic and voting interests in the Company will be diluted. There is a risk that the market price of the Company's securities may be significantly lower on the issue date than on the date of the Annual General Meeting and the securities may be issued at a price that is at a discount to the market price on the issue date.

The table below shows a number of potential dilution scenarios for a capital raising which may be conducted under ASX Listing Rule 7.1A as required by ASX Listing Rule 7.3A.4 where the number of the Company's Shares on issue (Variable "A" in the formula in ASX Listing Rule 7.1A.2) has remained current or increased by either 50% or 100% and the Share price has decreased by 50%, remained current or increased by 100% based on the closing Share price on ASX at 29 October 2020.

Variable "A" in ASX Listing Rule 7.1.A.2		Dilution		
		\$0.016  50% decrease in Issue Price	\$0.032  Issue Price	\$0.064  100% increase in Issue Price
Current Variable A	10% Voting Dilution	17,119,434	17,119,434	17,119,434

171,194,340 Shares	<b>Funds Raised</b>	\$273,911	\$547,822	\$1,095,644
<b>50% increase in current Variable A</b>	<b>10% Voting Dilution</b>	25,679,151	25,679,151	25,679,151
256,791,510 Shares	<b>Funds Raised</b>	\$410,866	\$821,733	\$1,643,466
<b>100% increase in current Variable A</b>	<b>10% Voting Dilution</b>	34,238,868	34,238,868	34,238,868
342,388,680 Shares	<b>Funds Raised</b>	\$547,822	\$1,095,644	\$2,191,288

The above dilution table uses the following assumptions which the Company does not represent will necessarily occur:

- the “issue price at current market price” is the closing price of the Shares on ASX on **29 October** 2020.
- Variable “A” is 171,194,340 which equates to the number of current Shares on issue at 29 October 2020. The number of Shares on issue may increase as a result of issues of Shares that do not require Shareholder approval (for example, a pro-rata issue) or future specific placements under ASX Listing Rule 7.1 that are approved at a future Shareholders meeting;
- the Company issues the maximum number of securities available under the additional 10% ASX Listing Rule 7.1A approval;
- the table shows only the effect of issues of securities under ASX Listing Rule 7.1A, not under the 15% placement capacity under ASX Listing Rule 7.1;
- no options (including any options issued under the 10% Placement Capacity) or warrants are exercised into Shares before the date of issue of 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 the placements under ASX Listing Rule 7.1A, based on that Shareholder's holding at the date of the Annual General Meeting;
- the issue of Shares under ASX Listing Rule 7.1A consists only of fully paid ordinary shares in the Company; and
- “Funds Raised” are before any capital raising costs which may be incurred.

#### **10% Placement Period**

Shareholder approval under ASX Listing Rule 7.1A is valid from the date of the Annual General Meeting at which approval is obtained until the earlier of:

- the date which is 12 months after the date of the Annual General Meeting at which the approval was obtained;
- the time and date of the Company's next Annual General Meeting; or
- the date of approval by Shareholders of a transaction under ASX Listing Rule 11.1.2 (a significant change to the nature or scale of activities) or ASX Listing Rule 11.2 (disposal of main undertaking).

#### **Purpose of additional 10% Placement Capacity**

While the Company does not have any immediate plans to issue Shares under the 10% Placement Capacity, the Company may seek to issue securities under the 10% Placement Capacity for cash consideration. The Company may use the funds for working capital, investing activities (including possible complementary business acquisitions if any are identified and approved by the Board), meet financing commitments or capital management activities deemed by the Board to be in the best interests of the Company.

The Company will comply with any disclosure obligations under ASX Listing Rules 7.1A.4 and 3.10.3 upon the issue of any securities under ASX Listing Rule 7.1A.

## Allocation policy

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

- the methods of raising funds that are then available to the Company;
- the effect of the issue of the equity securities on the control of the Company;
- the financial situation and solvency of the Company; and
- advice from professional and corporate advisers (if applicable).'

Allottees under any capital raising which may be conducted under the 10% Placement Capacity pursuant to ASX Listing Rule 7.1A have not been determined as at the date of this Notice of Meeting and may include existing and/or new Shareholders but cannot include any related parties or associates of a related party of the Company.

## Previous Issue of Securities under ASX Listing Rule 7.1A

The Company issued a placement of 11,719,538 shares on 23 March 2020 under ASX Listing Rule 7.1A, which based on the shares on issue at 12 months immediately preceding the date of this AGM, 119,431,105, excluding subsequent share issues that at the date of this Notice have not been ratified, and on that basis represents a 9.81% dilution.

The following information is provided with respect to this issue, in accordance with Listing Rule 7.3A6:

<b>Dates of issue</b>	23 March 2020
<b>Number of securities issued</b>	11,719,538 shares
<b>Terms of Securities</b>	Fully paid ordinary shares
<b>Names of persons who received securities or basis on which those persons were determined*</b> <small>*This description repeats the information disclosed at Resolution 5.</small>	Greater than ten (10) supportive sophisticated investors shareholders that were allocated shares on the basis of their expressed interest in participating in a capital raise by the Company. Refer to Resolution 5 for further information.  The subscribers were selected due to their: <ol style="list-style-type: none"><li>support of the Company; and</li><li>their willingness to provide a short-term cash injection into the business at the time.</li></ol>
<b>Issue Price of Securities, and discount (if any) to the closing price on the date of issue.</b>	\$0.02 per share, which represented a 5.8% discount to the closing price as at the date of issue – being the 23 March 2020.
<b>Total funds received during the period under LR 7.1A</b>	\$222,391, being \$234,391, less the 6% broker commission.
<b>Use of funds raised</b>	Funds were used to initiate the Kabanga North and North East Nickel exploration projects and meet corporate overheads and other working capital requirements.
<b>Voting exclusion statement</b>	Refer to the Notice of Meeting for details of the voting exclusion statement for this resolution.

## Compliance with ASX Listing Rules 7.1A.4 and 3.10.3

When the Company issues equity securities pursuant to the 10% Placement Capacity, it will give ASX:

- a list of the names of the persons to whom the Company issues the equity securities and the number of equity securities allotted to each (not for release to the market), in accordance with ASX Listing Rule 7.1A.4; and
- the information required by ASX Listing Rule 3.10.3 for release to the market.



At the date of the Notice of Meeting the Company has not invited and has not determined to invite any particular existing Shareholder or an identifiable class of existing Shareholder to participate in an offer under ASX Listing Rule 7.1A. Accordingly, no existing Shareholder will be excluded from voting on this Resolution.

### **Voting Exclusions**

A voting exclusion applies to Resolution 6 is prescribed in the Voting Exclusion Table.

### **Recommendations**

The Chair of the meeting intends to vote all undirected proxies in favour of this resolution. Each Director recommend for Shareholders vote in favour of this Resolution 6.

### ***Resolution 7: Approval of the placement to Sophisticated and / or Professional Investors***

Resolution 7 seeks the required Shareholder approval to this issue for the purposes of ASX Listing Rule 7.1 to provide the Company with the flexibility to place further Shares to certain Sophisticated Investors or Institutional Investors within three (3) months to raise further capital, without using existing issue capacity under Listing Rule 7.1 or (subject to the relevant resolution passing) Listing Rule 7.1A.

- Refer to the Explanatory Memorandum for Resolution 5 on a general description of Listing Rule 7.1.
  - Refer to Resolution 6 for a relevant description of Listing Rule 7.1A.
1. If Resolution 7 is passed, then Company will be able to place the lower of 30,000,000 shares or \$1,000,000 raised under certain conditions without utilising its above LR 7.1 and / or 7.1A issue capacity.
  2. If Resolution 7 is not passed, the Company will not proceed to raise funds or place shares in reliance of this resolution, and any such placement would require the Company to use its available LR 7.1 and / or 7.1A issue capacity for this purpose.

No Shares will be issued to a subscriber, if doing so, would result in the investor holding 20% of the issued capital of the Company.

### **Technical information required by ASX Listing Rule 7.3**

The following information is provided to Shareholders to allow them to assess this resolution, including for the purposes of ASX Listing Rule 7.3:

- a. The maximum number of Shares to be issued is 30,000,000 in aggregate but or else no more than the aggregate of \$AUD 1,000,000 raised (before costs), pursuant to this resolution.
- b. Issue price: Unknown, except no less than \$0.03 per Share as at the closing market price on the date prior to their issue.
- c. Terms of Issue: Shares to rank equally with all existing Shares on issue.
- d. Allottees: Shares to be placed only with Sophisticated Investors or Institutional Investors either:
  - As approach through professional brokers with strong track records or
  - who approach the Company expressing interest to invest;
    - with considerations include relevant experience with investing in exploration companies, in history investing in early-stage energy resource companies; and
    - prioritising investors compared to speculators;
  - no related parties or associates of the Company may participate in any issues under Resolution 7.
- e. Intended use of funds: for working capital and Tanzanian Nickel Sulphide Asset Exploration and development activities.
- f. No subscribers are identified yet and accordingly no existing Shareholder will be excluded from voting on this Resolution. If approved, under this any placements made that seek to rely on this resolution, must be completed no later than three (3) calendar months from the date of this AGM.

### **Voting Exclusions**

A voting exclusion applies to resolution 7 is prescribed in the Voting Exclusion Table.



## Recommendations

The Chair of the meeting intends to vote all undirected proxies in favour of this resolution. Each Director recommend for Shareholders vote in favour of this Resolution 7.

### **Resolution 8: Issue of up to \$500,000 worth of Shares to Service Providers in-lieu of Services**

Resolution 8 seeks the required Shareholder approval to this issue for the purposes of ASX Listing Rule 7.1 to provide the Company with the flexibility to place Shares to various relevant geological service providers or provided related services, without using existing issue capacity under Listing Rule 7.1.

Refer to the Explanatory Memorandum for Resolution 5 on a general description of Listing Rule 7.1.

- If Resolution 8 is passed, then Company will be able to place up to 10,000,000 shares at a price no less than \$0.03 per share (of closing market price prior to the date of issue) raised under certain conditions without utilising its above LR 7.1.
- If Resolution 8 is not passed, the Company will issue shares in reliance of this resolution to relevant geological service providers, and any placement will require the Company to use its available LR 7.1 issue capacity for this purpose.

The Company is or intends to negotiate with various Service Providers with the professional qualities to advance its Tanzanian nickel sulphide exploration projects. The ability of tenders from Service Providers as defined below, who would accept or prefer a mixture of cash and securities may enhance its ability to:

- Negotiate and attract broader expertise;
- reduce cash burn; and
- accelerate its exploration goals.

For the above and the Resolution 8 itself, "Service Providers" means individuals or entities that provide geological service providers, geology laboratories that process exploration samples, geology equipment and legal providers who negotiate terms with the former parties.

### **Technical information required by ASX Listing Rule 7.3**

- a. The following information is provided to Shareholders to allow them to assess this resolution, including for the purposes of ASX Listing Rule 7.3:
- b. The maximum number of Shares: no more than 10,000,000 shares.
- c. Issue price: equal to the closing price of the previous day shares were traded or otherwise no less than \$0.03 per share and no more than \$0.10 per share.
- d. Terms of Issue: shares to rank equally with all existing shares on issue.
- e. Allottees: Shares to be placed with Geological Services Related Professional Service Providers or their nominees, not yet identified (though see above).
- f. No related parties or associates: the Company confirms no related parties or associates of the Company will be issued securities under this resolution.
- g. Allocation policy: service providers selected must be capable of providing services that in the Boards opinion are:
  - a. qualified to tangibly advance the Company's Tanzanian nickel sulphide exploration projects,
  - b. be cost and price competitive; and
  - c. willing to accept remuneration as a mixture of equity or cash.
- h. Intended use of funds: no funds are being raised, but the use of these securities is to supplement the Company's cash reserves for advancing Tanzanian nickel sulphide assets exploration activities.
- i. If approved, under this any placements made that seek to rely on this resolution, must be completed no later than three (3) calendar months from the date of this AGM, though the Company may apply for a waiver to extend this period, to benefit shareholders.

- j. The Chairman of the Meeting intends to vote all undirected proxies in favour of this resolution.

### **Voting Exclusions**

A voting exclusion applies to resolution 8 is prescribed in the Voting Exclusion Table.

### **Recommendations**

Each Director recommend for Shareholders vote in favour of this Resolution 8.

### **Recommendation**

The Board of Directors recommend that Shareholders vote in favour of Resolution 8.

### **Resolutions to 9, 10 and 11: Shares in-lieu of remuneration for Directors**

#### **Background**

The current Board joined the Company to bring stability, direction and relevant experience following a number of shareholders expressing concern about the Company and its loss of potential, that did culminate in a s249D notice lodgement (although later withdrawn).

The New Board have agreed to seek Shareholder approval for the issue of Shares for relevant Directors that provide a mechanism for remuneration that reduces the cash-burn of the Company and provides and incentivises relevant Directors (and other key management personnel).

It is noted that at Resolution 14 Shareholder are requested to adopt of the Adavale Securities Plan ("Plan" or "ASP") so that relevant remuneration incentives are able to be issued for the purposes of ASX Listing Rule 7.1 while relying on the relevant exception 13 of the Listing Rule 7.2. The above Shares are being asked to be approved under the ASP, and therefore these Resolutions 9, 10 and 11 will further be subject to Resolution 14 also being passed.

#### **Listing Rule 10.14**

Resolutions 9, 10 and 11 seek Shareholder approval for the purposes of ASX Listing Rule 10.14 for the proposed grant of Shares to the Company's the relevant Directors of the Company in-lieu of remuneration. The grant of these Shares will occur under the Company's employee incentive plan, the "Adavale Securities Plan" or "ASP".

Listing Rule 10.14 provides that a listed company must not permit any of the following persons to acquire equity securities under an employee incentive scheme:

1. a director of the Company;
2. an associate of a director of the Company; or
3. a person whose relationship with a person referred to in Listing Rule 10.14.1 or 10.14.2 is such that, in ASX's opinion, the acquisition should be approved by its shareholders unless it obtains the approval of its shareholders.

The Issues in each of the above resolutions fall within Listing Rule 10.14.1 above and therefore requires the approval of Adavale shareholders under Listing Rule 10.14.

1. If Resolution 9, 10 and 11 are passed, then Company is permitted to issue shares to the Directors, in-lieu of remuneration price based on the last 5 VWAP for each month the relevant Director has served the Company as per the terms agreed in their contract, being a base rate of \$3,000 per month (subject to the addition of ad-hoc invoices up capped at no more than an additional \$3,000 per month, described further below).
2. If Resolution 9, 10 and 11, not be passed, then Company will not issue shares to the Directors in-lieu of services and will then be required to remunerate directors using cash reserves.

## Chapter 2E of the Corporations Act

Chapter 2E of the Corporations Act prohibits a public company from giving a “Financial Benefit” to a Related Party of the public company unless providing the benefit falls within a prescribed exception to the general prohibition.

The Directors who do not have a material personal interest in Resolutions 9, 10 and 11, consider that Shareholder approval pursuant to Chapter 2E of the Corporations Act is not required in relation to the Shares because the Shares would be issued on arm’s length terms (section 210 of the Corporations Act) because they constitute reasonable remuneration (section 211 of the Corporations Act).

In coming to this considered view, the Directors have had regard to the factors set out in RG 76 and section 211 of the Corporations Act including amongst other things, the relatively high share price hurdle, and the prevailing Director fees and incentives received by peers in other small-cap ASX companies, and that the Allottees of other relatively modest Board fees subject to their contributions and normal industry expectations.

## Section 200B of the Corporations Act

In accordance with section 200B of the Corporations Act, to give a benefit in connection with a person's retirement from an office, the Company must obtain shareholder approval in the manner set out in section 200E of the Corporations Act.

Section 200B applies where the benefit is given to a person whose office or position is a managerial or executive office. This is not applicable to any these resolutions. It should be noted that the issue of the equivalent of \$3,000 per month (as calculated below) ex-directors (for Resolution 15 and 16) are not being offered a benefit in connection with their retirement, but instead is to compensate for previous services, invoiced but yet unpaid without utilising the Company’s cash reserves.

## Terms of the Issuance

For the purposes of ASX Listing Rule 10.14 the following information is provided to Shareholders.

The relevant allottees and related party status are each relevant director as described in each resolution (or may be issued to their lawful nominees).

## Maximum number of Shares to be issued

Subject to shareholder approval, the relevant Directors may receive their remuneration in shares (based on the formula below) or in cash.

Despite Directors are Non-Executives, given the stage of the Company it is recognised that their services are required to be more ‘hands on’ than is the case in a more developed company, and this reality informs the Company’s remuneration policy.

## “Share Compensation Formula “or “SCF”

The number of Shares that may be issued per month (until the next 2021 AGM) if Resolutions 9, 10 and 11, are passed are calculated as follows:

$\$Y^z = (\$3000 + \$X^z)$  multiplied (x) by  $B^z$ , being the “Share Compensation Formula “or “SCF”

1.  $\$Y$  = total remuneration payable for each month, but no greater \$6000 for each relevant month of service.
2.  $A$  = \$3000 being a base salary for each Non-Executive Director.
3. “ $X$ ” is the duly aggregated invoiced figures for “extraordinary services”
4.  $B$  = the 10 Day VWAP for each relevant month of service.
5.  $z$  = being the relevant month that was performed.
6. “Extraordinary Services” mean services that are beyond the scope of the person’s relevant service agreements; and that the Company is unable to be acquired more efficiently and / or more affordably on an arms-lengths-basis by third parties or entities.

## Examples pursuant to Listing Rule 10.14

Example	
<b>Resolution 9 is passed</b> <ol style="list-style-type: none"> <li>1. Mr Grant Pierce invoices his salary for September 2020,</li> <li>2. He performs nil “extraordinary services” in September,</li> <li>3. Elects to be paid in cash and not shares.</li> </ol>	<p>\$3,000 is paid to Mr Grant Pierce from the Company’s cash reserves for September 2020.</p> <p>The number of shares to be issued to Mr Grant Pierce for September 2020 is nil shares.</p>
<b>Resolution 10 is passed.</b> <ol style="list-style-type: none"> <li>1. Rod Chittenden is entitled and elects to be paid remuneration for the month of October in shares.</li> <li>2. \$2000 was duly invoiced for “extraordinary services” being duly invoiced fees for example, connected with geological services over the month.</li> </ol>	<p>\$3000 in base salary (October) + \$2000 in extraordinary services (October) = \$5,000 payable for October 2020.</p> <p>The 10 day VWAP for the closing month of October was) \$0.032 per share.</p> <p>Therefore, the number of shares to be issued to Rod Chittenden for the October month is <math>\\$5000/\\$0.032 = 156,260</math> shares.</p>

## Technical information required by ASX Listing Rule 10.14

Details of any securities issued under the scheme will be published in the annual report of Adavale relating to the period in which they are issue, along with a statement that approval for the issue was obtained under Listing Rule 10.14. Any other persons under Listing Rule 10.14 who become entitled to participate in the scheme after these resolutions is approved and who are not named in the notice of meeting will not participate under approval is obtained under that rule. Please refer to Resolution 14 for a summary of the terms of the ASP.

The following information is provided to Shareholders to allow them to assess this resolution, including for the purposes of ASX Listing Rule 10.15 for each of Resolutions 9, 10 and 11, as shown below:

- a. **Issue Price:** Refer to “B” as defined in the SCF.
- b. **Terms of Issue:** Shares to rank equally with all existing Shares on issue.
- c. **Allottees:** as described in each relevant resolution being:
  - a. **Resolution 9:** Mr Grant Pierce or his nominee; and
  - b. **Resolution 10:** Rod Chittenden or his nominee; and
  - c. **Resolution 11:** Steven Georgiadis or his nominee.
- d. **Relevant remuneration packages.** Presently each of the above Directors are entitled to the following remuneration package:
  - a. \$3,000 per month of base salary per month normal salary payable in either shares (subject to relevant shareholder approvals) or cash and at each director’s election.
  - b. 540,000 Incentive Rights (being the subject of the relevant Resolutions in this meeting), or a cash equivalent if those resolutions are not passed, but the relevant hurdle is still achieved (see refer to the explanatory memorandum for Resolutions 15, 16 and 17 for further detail).
  - c. A right to invoice up to \$3,000 per monthly (maximum) though subject to having provided relevant “Extraordinary Services” (defined above) in either shares (subject to relevant shareholder approvals) or cash and at each director’s election.
- e. **Purpose of this use of funding remuneration:** to preserve cash and incentivise Directors in a manner that encourages the alignment of the Board and shareholders.
- f. **No Loans:** shares are issued in-lieu of remuneration and so no loans may be made to acquire these shares.
- g. **Issue Date:** all Shares to be issued in reliance on this resolution must be occur no later than three (3) years after the date of the Annual General Meeting.
- h. **Each Share** issued will rank equal in all respects with other Shares on issue; and

- i. **(Nominee or assignment)** may be assigned or issued to a nominee of each relevant recipient.
- j. **(Other than the information)** above and otherwise set out in the Notice, the Company believes that there is no other information that would be reasonably required by Shareholders to vote on Resolutions 9, 10 and 11.

### **Voting Exclusions**

Voting on relevant resolutions are prescribed in the relevant voting exclusion table.

### **Recommendations**

Director recommend that Shareholders vote in favour of each of Resolutions 9, 10 and 11 except for the resolution/s that relates to each relevant Director is a beneficiary, for which each Director abstains from making any recommendation.

### **Resolutions to 12 and 13: Shares in-lieu of remuneration for former Directors**

Resolutions 12 and 13 seek approval for the purposes of ASX Listing Rule 7.1 to provide the Company with the flexibility to place further Shares to remunerate ex-directors being without using existing issue capacity under Listing Rule 7.1.

Refer to the Explanatory Memorandum for Resolution 5 on a general description of Listing Rule 7.1.

### **Background**

Former Non-Executive Chairman Mr Louis Clinton and Non-Executive Director Mr Gary Stewart were former directors not remunerated per their contracts during at least part of their tenure. The Company seeks approval to issue shares in lieu of accrued directors fees.

According to our records, Mr Louis Clinton is owed no more than \$26,400, and Mr Gary Stewart is owed no more than \$26,400.

On this basis the, the Board respects their role in the Company's initial role in entering the Tanzanian sulphide exploration strategy and wish to remunerate them using equity, subject to shareholder approval for each resolution.

Subject to these resolutions being passed, the Company intends to either pay the historical invoices in cash or shares, calculated based on the 30 Day VWAP, up to the date prior to their date of resignations.

1. If Resolution 12 and 13 are passed, then Company is permitted to issue shares to the Directors, in-lieu of their unpaid historical invoices without utilising its above LR 7.1 capacity; and
2. Should Resolution 12 and 13 not pass, then Company will either issue shares in-lieu of services utilising its LR 7.1 or otherwise intend to remunerate the parties (or their lawful nominees) using cash reserves.

### **Technical information required by ASX Listing Rule 7.3**

The following information is provided to Shareholders to allow them to assess resolutions 12 and 13, including for the purposes of ASX Listing Rule 7.3:

1. The maximum number of Shares to be issued for:
  - a. Louis Clinton is 825,000 shares (being \$26,400 / \$0.032); and
  - b. Gary Stewart is 825,000 shares (being \$26,400 / \$0.032).
2. Issue price: issued for \$0.032.
3. Terms of Issue: Shares to rank equally with all existing Shares on issue.
4. Allottees: to Mr Louis Clinton (Resolution 12), and Mr Gary Stewart (Resolution 13).
5. Purpose of issue: to enable the Company with greater flexibility to preserve working capital,
6. Issue Date: If approved, these shares are intended to be issued within three (3) months from approval.

## Voting Exclusions

Voting on relevant resolutions are prescribed in the relevant voting exclusion table.

## Recommendations

Director recommend that Shareholders vote in favour of each of Resolutions 12 and 13.

### **RESOLUTION 14 – APPROVAL OF THE ADAVALE SECURITIES PLAN**

Resolution 14 seeks the required Shareholder for the adoption of the Adavale Securities Plan (“Plan” or “ASP”) so that relevant remuneration incentives are able to be issued for the purposes of ASX Listing Rule 7.1 while relying on the relevant exception 13 of the Listing Rule 7.2, that provides that an employee share plan duly approved by shareholders is permitted to rely on the relevant exclusion to issue securities without utilising the Company’s Listing Rule 7.1 issue capacity.

Refer to the Explanatory Memorandum for Resolution 5 on a general description of Listing Rule 7.1.

1. If Resolution 14 is passed, then Company is permitted to issue various forms of securities for remuneration and incentive purposes. (for example, sacrificing wages in return for shares), restricted and other forms of securities provided in the Plan and rely on the relevant Listing Rule 7.2, exception 13 exclusion to issue securities without utilising the Company’s Listing Rule 7.1 issue capacity.
2. Should Resolution 14 not pass, then Company may not issue any of the above securities for remuneration of incentive purposes and so any such remuneration would then only those securities would be able to be permitted by utilising Listing Rule 7.1 issue capacity, and only to parties who are not a Listing Rule 10.14 relevant party.

The Board encourages equity holdings in the Company by its directors, employees and consultants to align their interests with those of the Company’s shareholders. Consistent with this philosophy, the Board proposes to introduce the Plan.

The Plan provides the opportunity for eligible directors, employees and consultants to be issued shares, Rights, or other securities as part of its remuneration structure for attracting skilled partners not otherwise compensated, noting the size of the Company and the relative speculative nature of nickel sulphide and other energy product exploration.

If approved the Company intends to establish internal payment structure for initially three (3) Key Management Personnel on a similar basis as the remuneration structure outlined in the Explanatory Memorandum to this Notice, as described in Resolutions 9, 10, 11, 15, 16 and 17 that will facilitate the settlement of remuneration Restricted Shares, Shares calculated as per the Security Compensation Formula (SCF), which is described in the explanatory Memorandum for Resolutions 9, 10 and 11. The ASP provides for the Board in its sole discretion to:

- a. allow non-executive directors to sacrifice Board fees into grants of Incentive Rights;
- b. provide a strategic, value-based reward for such persons that make a key contribution to the long-term success of the Company;
- c. incentivise such persons to remain in their employment long-term;
- d. attract persons with experience and ability to seek employment with the Company;
- e. facilitate the Company settling remuneration in part in the form of equity, including Service Rights, when appropriate; and
- f. foster loyalty between the Company and its employees.

Ultimately, the Plan creates a stronger link between the Incentive and reward of directors, employees and consultants and enables such persons to have a greater share in the future growth and profitability of the Company, with the objective of increasing shareholder value.

ASIC Class Order 14/1000 will generally apply to issues that result from the operation of the Plan, unless another form of relief can be relied upon. The Class Order contains a limit on new issues of 5% of the Company’s issued capital, over a rolling 3 year period.

As at the date of this Notice, no securities have been issued under this Plan, as the Board’s preference is for the shareholders to endorse the ASP, prior to issuing securities under it.

## SUMMARY OF TERMS

The following is a summary of the key terms of the Plan, with the full details contained in the attached Plan.

Aspect	Details
Instrument	<p>The ASP provides for several classes of securities and other Rights which may be entitlements or options up to the value of the relevant Shares (ordinary fully paid ADD shares) which may be satisfied either in cash and/or in Shares.</p> <p>Generally, it is expected that vested Rights will be satisfied in Shares. The price to exercise the Rights is nil, however with respect to Rights or Options, then vesting is generally Incentive tested. The value that will be realised is then a function of Incentive against indicators (<b>Vesting Conditions</b>) and the Share price at the time of vesting.</p> <p>The ASP allows for four kinds of Securities which may be appropriate forms of remuneration under various circumstances, being;</p> <ul style="list-style-type: none"> <li>• Shares that may be issued as an alternative to cash remuneration, generally calculated based on a pricing mechanism adopted by the Board or Remuneration Committee, such as the Security Compensation Formula ("SCF"), described in the explanatory Memorandum for Resolutions 9, 10 and 11 of this Notice.</li> <li>• Restrictive Rights vest when their conditions are satisfied;</li> <li>• Service Rights that vest after the completion of a period of service; and</li> <li>• Incentive Rights which relate to amounts of deferred payments already earned and which are not subject to vesting conditions.</li> </ul>
Eligibility	Selected employees and directors as nominated by the Board are eligible to participate.
Term	Certain Rights may have a term of up to 15 years and if not exercised within the term the Rights will lapse. (Note: the Term of Rights is separate to the Measurement Period for Vesting of Rights which is described below).
Terms & Conditions	The Board has the discretion to set the terms and conditions on which it will offer Rights under the ASP, including the Vesting Conditions and modification of the terms and conditions as appropriate to ensuring the plan operates as intended. All Incentive and Service Rights offered will be subject to Vesting Conditions and in the case of Shares or Incentive Rights, then the conditions are intended to be challenging and linked to growth in shareholder value. The terms and conditions of the ASP include those aspects legally required as well as a method for calculating the appropriate number to vest in the circumstances of a change of control, a major return of capital to shareholders and the treatment of Rights on termination of employment.
Number of Rights	The number of Rights to be offered will be at the discretion of the Board. It is intended that the number of Rights to be granted will be determined annually with regard to the Participant's Base Package, relevant market practices and the relevant policies of the Company regarding their remuneration.
Vesting	<ol style="list-style-type: none"> <li>1. Incentive Rights will be the form of Right that will be used for LTI and they will immediately vest.</li> <li>2. Service Rights and Incentive Rights may also be used from time to time to retain key talent, to defer remuneration should the need arise, or to settle previously accrued remuneration entitlements.</li> <li>3. Upon the satisfaction of the Vesting Conditions, and exercise of vested Rights by the Participant, Rights will be converted into Shares. As part of an Invitation the Board may specify whether vested Rights are automatically exercised upon vesting or must be exercised manually by the Participant.</li> <li>4. Under some limited circumstances the Board may exercise its discretion to award the value of vested Rights in the form of cash, such as following a termination of employment. No exercise price is required to convert the Rights into Shares. In the case of Restricted Rights, exercise will be automatic 90 days following grant.</li> </ol>
Measurement Period	<ol style="list-style-type: none"> <li>1. The Measurement Period may be determined by the Board as part of each Invitation, but for long term incentive purposes it is intended to be three years (starting from the beginning of the financial year in which a grant is made) with no vesting prior to Incentive being tested at the end of the three years between the start of the financial year in which the grant is made, and the end of the third financial year.</li> <li>2. Different Measurement Periods may be applied when warranted. The life of the Rights may differ from the Measurement Period and be shorter when shareholder approval for grants cannot be obtained until after the beginning of the Measurement Period.</li> </ol>
Vesting Conditions	Vesting Conditions are to be determined by the Board as part of each offer, however, for the purposes of long-term incentive, the conditions selected are intended to create alignment with the experiences and expectations of shareholders over the Measurement Period. Initially Vesting Conditions will be related to TSR and possibly strategic milestones.

<b>Hurdles</b>	A hurdle is a condition that may apply to a grant if specified in the Invitation, and if not met, will turn off the opportunity for Rights to vest.
<b>Measurement Period Extender</b>	The ASP Rules allow for the Measurement Period to be extended by 12 months, if the Participant is still employed, and nil vesting occurred at the first test. The start of the measurement period would not be affected by this, and modification of the Measurement Period can only apply to vesting scales that are expressed on an annualised basis, which ensures the adjustment does not make vesting easier. The Measurement Period would typically be extended from 3 years to 4 years. The purpose of this feature is to address short-term anomalies that arise at the relevant calculation points, and to motivate management to strive for improvement if the LTI fails to vest at the end of 3 years. This is not the same as re-testing.
<b>Exercise and Exercise Price</b>	In the case of manual exercise, Participants may submit an exercise notice at any time between the Vesting Date and the elapsing of the Term of the Rights, otherwise they will lapse at the end of their Term.  The exercise price is nil.
<b>Cessation of Employment</b>	<ol style="list-style-type: none"> <li>1. On termination of employment a portion of Incentive Rights granted in the financial year in which the termination occurs will be forfeited. The proportion is that which the remainder of the financial year following the termination represents of the full financial year. This provision recognises that grants of Incentive Rights are part of the remuneration for the year of grant and that if part of the year is not served then some of the Incentive Rights will not have been earned.</li> <li>2. The treatment of Service Rights will be specified in Invitations and will relate to the purpose of such a grant.</li> <li>3. If Incentive or Service Rights vest subsequent to a termination of employment and their value is less than the Share Price at the date of the termination, then such Rights will be settled in cash on exercise.</li> <li>4. Incentive Rights are fully vested at grant and are not impacted by termination of employment.</li> <li>5. If a Participant is no longer employed by or otherwise engaged with any Group Company and holds unvested Rights those Rights will be automatically exercised on the earlier of the end of the Term of the Rights and one month following the date when the Participant has ceased to hold unvested Rights.</li> </ol>
<b>Change of Control of the Company</b>	<ol style="list-style-type: none"> <li>1. In the event of a Change of Control a portion of Incentive Rights granted in the financial year in which the Change of Control occurs will be forfeited. The proportion is that which the remainder of the financial year following the Change of Control represents of the full financial year.</li> <li>2. Unvested Incentive Rights would vest in the same proportion as the Share price has increased since the beginning of the Measurement Period. Remaining Incentive Rights would either lapse or some or all may vest at the Board's discretion.</li> <li>3. In relation to Restricted Shares that have resulted from the vesting of Rights, dealing restrictions, if any, specified in the Invitation would also be lifted, though the Company's securities trading policy and the Corporations Act would continue to apply. Incentive Rights are unaffected by a Change of Control event.</li> <li>4. All unvested Service Rights will vest.</li> </ol>
<b>Major Return of Capital</b>	The ASP contains provisions that provide for vesting in the proportion of capital returned to shareholders, or in the proportion that the Share price increased over the Measurement Period, with Board discretion regarding the remainder.
<b>Disposal Restriction Release at Taxing Point</b>	In the event that a taxing point arises in relation to Restricted Shares and the disposal restrictions applicable to such Shares have not ceased to apply then disposal restrictions, other than those arising under the Corporation Act, will cease to apply to 50% of such Restricted Shares.
<b>Fraud, Gross Misconduct etc.</b>	In the event that the Board forms the opinion that a Participant has committed an act of fraud, defalcation or gross misconduct in relation to the Company, the Participant will forfeit all unvested Rights.
<b>Competition and Other Actions that May Harm the Company</b>	<ol style="list-style-type: none"> <li>1. If a Participant engages in any activities or communications that, in the opinion of the Board, may cause harm to the operations or reputation of the Company or the Board all unvested Rights held by the Participant will lapse and be forfeited, unless otherwise determined by the Board.</li> <li>2. If a Participant either directly or indirectly competes with the Company including becoming an employee of a competitor, supplier or customer, without the prior written consent of the Company, all unvested Rights held by the Participant will lapse and be forfeited, unless otherwise determined by the Board.</li> </ol>
<b>Voting and Dividend Rights</b>	Rights do not carry voting or dividend entitlements. Shares issued when Rights vest carry all entitlements of Shares, including voting and dividend rights.
<b>No Transfer of Rights</b>	Rights may not be sold, transferred, mortgaged, charged or otherwise dealt with or encumbered, except by force of law.



<b>Specified Disposal Restrictions</b>	Invitations may include disposal restrictions that apply for a specified period to Restricted Shares. The Board will decide whether to include such conditions and the period for which they will apply.
<b>Quotation</b>	Rights will not be quoted on the ASX. The Company will apply for official quotation of any Shares issued under the ASP, in accordance with the ASX Listing Rules.
<b>Variation of Term and Conditions</b>	To the extent permitted by the Listing Rules, the Board retains the discretion to vary the terms and conditions of the ASP. This includes varying the number of Rights to which a Participant is entitled upon a reorganisation of the capital of the Company.
<b>Issue or Acquisition of Shares</b>	Shares allocated to a Participant when Rights vest under the ASP may be issued by the Company or acquired on or off market by the Company or its nominee. The nominee may be a trust, the purpose of which is to facilitate the operation of the plan.
<b>Cost and Administration</b>	The Company will pay all costs of issuing and acquiring Shares for the purposes of satisfying exercised Rights, as well as any brokerage on acquisitions of Shares for this purpose and all costs of administering the ASP.
<b>Other Terms of the ASP</b>	The ASP also contains customary and usual terms having regard to Australian law for dealing with winding up, administration, variation, suspension and termination of the ASP.
<b>Hedging</b>	The Company prohibits the hedging of Rights or Shares subject to dealing restrictions by Participants.
<b>Full Plan and Rules</b>	Annexed to this Notice of Meeting is the full plan and rules.
<b>Lapse and Forfeiture of Rights</b>	Rights will lapse if the prescribed Vesting Conditions are not satisfied within the prescribed Measurement Period, subject to retesting, or if the Rights are not exercised within their term.

### Additional Information

The following information is provided, with respect to this Plan.

- Current eligible participants to the ASP (if passed) aside from the Directors are the Key Management Personnel, which at the date of this Notice are named as follows:
  - Allan Ritchie (CEO)
  - Geoff Brayshaw (CFO)
  - Julian Rockett (In-house Counsel and Company Secretary)
- Previous Securities issued under this Plan since last approved by members.  
Nil. This is a new Plan, being introduced to shareholders in 2020.
- The securities provided under the Plan are outlined are described below and annexed to this Notice of Meeting.
- Maximum securities:** the cumulative maximum of securities able to be issued under this Plan without requiring further shareholder approval is 50,000,000.
  - (Shares)** the maximum number of Shares to be issued under Plan is 20,000,000 however the following limitations will apply for 2020:
    - no Shares may be issued to the KMPs that exceed limitations including Base Salaries of \$3,000 each per month plus up to \$3,000 in "Extraordinary Services" per month (as earlier defined in the Explanatory Memorandum for Resolutions to 9, 10 and 11, which also described the maximum Shares (if approved) that may be issued in-lieu of remuneration for each relevant Directors, and includes otherwise directly relevant and applicable examples, as the base salary for each of the below KMPs are \$3,000 per month.
  - (Incentive Rights)** The maximum number Incentive Rights that may be issued under the Plan is 12,000,000. In 2020, is predicted to be limited to 4,480,000, which includes:
    - 560,000 Incentive Rights shall be issued to Geoff Brayshaw (CFO)
    - 560,000 Incentive Rights shall be issued to Julian Rockett (In-house Counsel and Company Secretary), and
    - 1,680,000 Incentive Rights shall be issued to Allan Ritchie (CEO).
    - Plus (subject to Incentive Rights being passed pursuant to Resolutions 15, 16 and 17 under Listing Rule 10.14, (560,000 per director).
  - (Service Rights)** the maximum number of Service Rights to be issued Plan is 14,000,000, though none are planned for 2020.
  - (Restricted Rights)** the maximum number of Service Rights to be issued Plan is 14,000,000, though none are planned for 2020.

## **Voting Exclusions**

Voting on relevant resolutions are prescribed in the relevant voting exclusion table.

## **Recommendation & Chairman's intention for undirected proxies**

The Directors recommend that Shareholders vote in favour of Resolution 14. The Chairman of the Meeting intends to vote all undirected proxies in favour of this resolution.

## **RESOLUTIONS 15 TO 17 – INCENTIVE RIGHTS TO THE DIRECTORS**

Resolutions 15, 16 and 17 seek approval for the purposes of ASX Listing Rule 10.14 to provide the Company with the flexibility to grant Incentive Rights to incentivise Directors for their services. The Company's approach aligns with security incentive plan as governed by the Adavale Security Plan Rules ("ASP") being put to shareholders in Resolution 14.

Details of any securities issued under the scheme will be published in the annual report of Adavale relating to the period in which they are issue, along with a statement that approval for the issue was obtained under Listing Rule 10.14. Any other persons under Listing Rule 10.14 who become entitled to participate in the scheme after these resolutions is approved and who are not named in the notice of meeting will not participate under approval is obtained under that rule.

The primary reason this security was selected was its simplicity of easily communicating a shareholder benefitting valuation metric (being the share price hurdle (\$0.10 per share at a 5 Day VWAP), to be achieved within 12 months, with a 1:1 incentive right to share conversion.

## **Listing Rule 10.14**

Resolutions 15, 16 and 17 seek Shareholder approval for the purposes of ASX Listing Rule 10.14 for the proposed grant of Incentive Rights to the Company's the relevant Directors. The grant of Incentive Rights will occur under the Company's employee incentive plan, the "Adavale Securities Plan" or "ASP".

Listing Rule 10.14 provides that a listed company must not permit any of the following persons to acquire equity securities under an employee incentive scheme:

1. a director of the Company;
2. an associate of a director of the Company; or
3. a person whose relationship with a person referred to in Listing Rule 10.14.1 or 10.14.2 is such that, in ASX's opinion, the acquisition should be approved by its shareholders  
unless it obtains the approval of its shareholders.

The Issues in each of the below resolutions fall within Listing Rule 10.14.1 above and therefore requires the approval of Adavale shareholders under Listing Rule 10.14.

- If Resolution 15, 16 and 17 are passed, then Company is permitted to issue the 540,000 Incentive Rights for each relevant Director on the terms of which are prescribed below.
- Should Resolution 15, 16 and 17, not be passed, then Company will not issue the Incentive Rights for each relevant Director intend to remunerate directors a compensatory amount from cash reserves based on the \$0.10 per share rate provided the relevant Share Price Hurdle is achieved.

If Resolution 15 is passed, then 540,000 Incentive Rights will) be granted to Grant Pearce, who is director of the Company.

If Resolution 16 is passed, then 540,000 Incentive Rights will be granted Rod Chittenden, who is director of the Company.

If Resolution 17 is passed, then 540,000 Incentive Rights will be granted Steven Georgiadis who is director of the Company.

The statements and explanations provided in the same section of that Explanatory Statement in this Notice, with respect to Resolutions 9, 10 and 11 provides relevant information on Chapter 2E, s208 of the Corporations Act applies equally to Resolutions 15, 16 and 17.

The Directors (excluding the conflicted Director in each case) have formed the view that the issue of Incentive Rights to each relevant Director falls within the “reasonable remuneration” exception as set out in section 211 of the Corporations Act and relies on this exception for the purpose of these Resolutions.

For the purposes of ASX Listing Rule 10.15, the following details regarding the proposed grants of the Incentive Rights for each of the above Directors:

1. Refer to the Explanatory Statement of the Notice regarding Resolutions 9, 10 and 11 for the details of the remuneration packages, that include these Incentive Rights.
2. Incentive Rights are being proposed as an incentive to vest immediately on grant.
3. Incentive Rights are otherwise governed by the Adavale Securities Plan Rules (**ASP**) (see Annexure A), though subject to the terms (including hurdles) as prescribed in this Notice and summarised in Resolution 14, that must also be passed in order for Resolutions 15, 16 and 17 (if passed) to be granted.
4. Directors are not excluded from participating in the Adavale Securities Plan Rules however shareholder approval is required under Listing Rule 10.11.
5. All Incentive Rights to Directors will be granted within effective within one (1) month of approval at this AGM.
6. No previous Incentive Rights have been issued under the ASP.
7. All Incentive Rights are granted for nil consideration.
8. No loans will be made in connection with the grant of the Incentive Rights.
9. Details of the Proposed Incentive Rights and any other securities issued under the ASP will be published in the annual report of the Company relating to the period in which they were issued, along with a statement that approval for the issue was obtained under ASX Listing Rule 10.14.
10. Any additional persons who that becomes subject to Listing Rule 10.14 and who becomes entitled to participate in an issue of securities under the Adavale Plan Rules after the resolution is approved and who were not named in the notice of meeting will not participate until approval is obtained under that rule.
11. The Key Terms of the Incentive Rights are as follows:
  - a. The potential value of the Incentive Rights is those securities multiplied by the Share Price. As at 13 November 2020 based on a closing share price of \$0.039 per share, an estimated market value of each of these Resolutions are \$21,060 per grant. No independent valuation of the relevant grants were obtained.
  - b. The vesting of the relevant Incentive Rights is determined upon the share price achieving a \$0.10 VWAP for five (5) consecutive trading days within twelve (12) months of their issue (“the Incentive Hurdle”).
  - c. An Incentive Right is a limited right and non-transferable.
  - d. Once the Incentive Hurdle is achieved, then the Incentive Right provides the right for the holder to convert their Incentive Rights into the corresponding number of ordinary shares, with all the usual rights attached.
  - e. The Company is required to convert the Incentive Rights into Shares within 28 days of that Incentive Hurdle occurring, or if not then as soon as practical and immediately apply for their quotation.
  - f. The Incentive Rights lapse if the relevant Incentive Hurdle is not achieved over a twelve-month period from the date of the approval of the above Resolutions.
  - g. Each Incentive Right is subject to the terms and conditions set out below and gives the holder of the Incentive Rights (Incentive Right holder) the right to subscribe for one (1) fully paid ordinary share in the Company per each one (1) Incentive Right issued (if the share price hurdle is achieved within 12 months).
  - h. The Incentive Rights may not be assigned, transferred, encumbered with a security interest in or over them, or otherwise disposed, without the consent of the Board.

- i. The Incentive Right holder must not enter into transactions or arrangements, including by way of derivatives or similar financial products, which limit the economic risk of holding unvested Incentive Rights.
- j. All Shares allotted upon the exercise of Incentive Rights will upon allotment rank pari passu in all respects with other Shares.
- k. In the event that the (non-conflicted) members of the Board form the opinion that any beneficiary of Incentive Rights approved under these resolutions, has committed an act of fraud or gross misconduct in relation to the Company, then that person will forfeit all unvested Incentive Rights.
- l. The Company will not apply for quotation of the Incentive Rights on the ASX. However, the Company will apply for quotation for all Shares allotted pursuant to the exercise of the Incentive Rights on the ASX within 10 Business Days after the allotment of those Shares.
- m. If at any time the issued capital of the Company is reconstructed, all rights of the Incentive Right holder are to be changed in a manner consistent with the Corporations Act and the ASX Listing Rules at the time of reconstruction.

### **Voting Exclusions**

A voting exclusion applies to each relevant resolution is prescribed in the Voting Exclusion Table.

### **Recommendations**

Each Director recommend for Shareholders vote in favour of this Resolution 15, 16 and 17 except for the resolution/s that relates to each relevant Director is a beneficiary, for which each Director abstains from making any recommendation. The Chairman of the Meeting intends to vote all undirected proxies in favour of these resolutions.

### **Resolution 18: Issue of Shares to Olympic Exploration Limited (Olympic Exploration) in-lieu of remuneration**

#### **Background**

Olympic Exploration provides a team of geologist and related services and are based in Tanzania and have already provided valuable services to the Company over the past number of months and have not been remunerated yet. Their expertise is intended by the Board and Management Team as an integral part of the Company's strategy for its Tanzania projects over the coming 12 months. Olympic Exploration presently operates an office in Tanzania that also acts as a local base of operations for the Company. They have been integral in terms of identifying and assisting the Company to apply for the recently announced licence applications and provide ongoing services. The total service value of the existing contract is A\$300,000, with 50% of that payable in shares based on an agreed priced formula. The intention is that \$150,000 in shares will be issued within 3 months of the date of issue at a minimal price of \$0.03 with holding locks applied and then removed upon milestones.

Olympic Exploration is not considered by the Board to be a related party, and therefore approval for the purposes of Listing Rule 7.1 is sought for Olympic Exploration's remuneration for geological services.

Resolution 18 seek approval for the purposes of ASX Listing Rule 7.1 to provide the Company with the flexibility to Shares to remunerate Olympic Exploration without using existing issue capacity under Listing Rule 7.1 (subject to the relevant resolution passing).

Refer to the Explanatory Memorandum for Resolution 5 on a general description of Listing Rule 7.1.

- If Resolution 18 is passed, then Company is permitted to able grant to the respective shares described below to Olympic Exploration, without utilising its Listing Rule 7.1 capacity.
- If Resolution 18 is not passed, then Company intends to pay Olympic Exploration Limited issue the same shares using its Listing Rule issue capacity pay out a cash benefit priced according to the agreed issue share price terms from its cash reserves.

1. **Issue date:** The Company shall issue these Shares described under this Resolution as described in the table below and in any event within three months after the conclusion of this Meeting.
2. **Maximum shares:** the maximum shares to be issued are 3,916,666.
3. **The Allottee** is Olympic Exploration or nominee.
4. Each Share:
  - a. **(vesting):** vests immediately upon issue.
  - b. **(issue price):** is no less than \$0.03 per share and no funds will be raised from the issue of the Shares.
  - c. **(consideration)** reflects the issue price.
  - d. **(share ranking)** all Shares issued rank Pari Passu in all respects with other Shares.
  - e. **(nominee or assignment)** maybe assigned or the Shares arising from the exercised options may be issued to a nominee of the relevant Share holder.
  - f. **(holding locks)** will be applied to shares, that remain subject to delivering contractual terms satisfactory to the Board.

### **Voting Exclusions**

A voting exclusion applies to each relevant resolution is prescribed in the Voting Exclusion Table.

### **Recommendations**

Each Director recommends for Shareholders vote in favour of this Resolution 18 except for the resolution/s that relates to each relevant Director is a beneficiary, for which each Director abstains from making any recommendation. The Chairman of the Meeting intends to vote all undirected proxies in favour of this resolution.

### **Resolution 19: Approval for the Issue of Shares under LKC Technology Standby Subscription Agreement**

Resolution 19 seeks the required Shareholder approval to approve the Standby Subscription Agreement with LKC Technology Pty Ltd with a facility limit of \$250,000 (**LKC SSA**) for the purposes of ASX Listing Rule 7.1. If passed, then the Company will be able to issue sufficient shares to draw down the entire facility according to its terms without impacting the existing issue capacity under Listing Rule 7.1 or (subject to the relevant resolution passing) Listing Rule 7.1A.

1. Refer to the Explanatory Memorandum for Resolution 5 on a general description of Listing Rule 7.1.
  2. Refer to Resolution 6 for a relevant description of Listing Rule 7.1A.
- If Resolution 19 is passed, then Company will be able to place 10,000,000 shares at a price no less than \$0.03 per share raised under certain conditions without utilising Adavale's LR 7.1 and / or 7.1A issue capacity.
  - If Resolution 19 is not passed, the Company will not proceed to raise funds or place shares in reliance of this resolution, and withdrawals and share placements will then require Adavale's share issue capacity under LR 7.1 and/or LR 7.1A.

### **Background**

On 22 May 2020, the Company entered into a Standby Subscription Agreement with LKC Technology Pty Ltd (**LKC SSA**), described in that ASX release, and the summary of the key term of the LKC SSA are contained with the Technical Information required by Listing Rule 7.3:

### **Technical Information required by Listing Rule 7.3 and other key terms**

Listing Rule 7.3 requires that the following information be provided to Shareholders for the purposes of obtaining Shareholder approval pursuant to Listing Rule 7.1:

1. Maximum shares that may be issued is unknown because it depends on:
  - a. funding requirements of the Company (up to \$250,000) on or before the expiry date of the facility; and
  - b. the share issue price per the above formula (refer to example table below).

2. **Consideration:** the LKC SSA is “Cash for scrip” facility, where withdrawals remain at the Company’s discretion.
3. **Final Date of any Drawdown:** on or before the Expiration Date of the LKC SSA of 22 May 2025.
4. **Timing:** drawdown of funds is required to be followed by the issue within 10 days (unless extended) of the funds being received, based on the formula prescribed below.
5. **Calculation of Shares:** the number of Shares to be issued by the Company will be calculated based on the following formula: Withdrawal Amount (\$AUD) / (divided) [(Withdrawal Amount multiplied (X) 80% of the 5-day VWAP preceding the withdrawal being the Issue Price (\$AUD)].
6. **Funds drawn to-date:** As at the date of this Notice, \$nil funds have been withdrawn under the LKC SSA, and no Shares issued and the full \$250,000 remains available “at call” by the Company against the LKC SSA.
7. Use of LKC SSA would be likely to be utilised in smaller parcels for example, \$50,000 or \$100,000, rather than in a single drawdown of the maximum (\$250,000).
8. The Company does not at present have any plan to draw down on this facility.
9. Shares issued under the facility are on the same terms as and will rank equally with all fully paid ordinary shares.
10. **Non-Related Party:** The Shares are to be issued to LKC, an entity that is not a related party (or their nominee); and
11. **Use of Funds:** Any funds received from a drawdown of the LKC SSA facility will be used for general working capital or help pay expenses arising from its exploration projects.
12. **Issue Date:** on or before the LKC SSA’s Expiry Date.
13. **Waiver application** The Company has requested a waiver of Listing Rule 14.7, to issue shares. Shares in reliance of this Resolution for the purpose of Listing Rule 7.1 must occur within three (3) months (if no waiver is obtained) from the date of approval. If no waiver is obtained, then the Company is seeking to extend utilise the entire term to withdraw against this facility LKC SSA on or before the expiration date, for the purposes of Listing Rule 7.1.

#### **For example**

VWAP of the Company’s Shares calculated based on the 5 trading days immediately preceding the date of issue.	80% of the 5 Day VWAP price (issue price determination).	Total Shares to be Issued (assuming the entire facility is utilised).	Current number of shares on issue	Maximum dilution*
\$0.05	\$0.04	7,500,000	214,194,305*	3.38%
\$0.15	\$0.12	2,500,000	*Figure excludes any shares or other securities issued as the result of any resolutions passed at this AGM and is correct as at 6 November 2020.	

The Chairman of the Meeting intends to vote all undirected proxies in favour of this resolution.

#### **Voting Exclusions**

A voting exclusion applies to each relevant resolution is prescribed in the Voting Exclusion Table.

#### **Recommendations**

Each Director recommends for Shareholders vote in favour of this Resolution 19. The Chairman of the Meeting intends to vote all undirected proxies in favour of this resolution.

## GLOSSARY

**AEST** means Australian Eastern Standard Time as observed in Sydney, Australia.

**\$** means Australian Dollars

**Annual General Meeting** or **Meeting** means the meeting convened by the Notice

**ASP** means the Adavale Securities Plan as annexed to this Notice.

**ASX** means ASX Limited ACN 008 624 691

**ASX Listing Rules** means the Listing Rules of the ASX, as amended or replaced from time to time except to the extent of any express written waiver by ASX.

**ASX Principles** mean the ASX Corporate Governance Principles and Recommendations (3<sup>rd</sup> edition)

**Board** means the current Board of directors of the Company.

**Closely Related Party** has the meaning as defined in section 9 of the Corporations Act.

**Company** means Adavale Resources Limited (ACN 008 719 015)

**Constitution** means the Company's Constitution.

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

**Directors** means the current Directors of the Company.

**Eligible Entity** means an entity that at the date of the relevant General Meeting:

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

**Equity Securities** includes a Share, a right to a Share or Option, an Option, a convertible security and any security that ASX decides to classify as an Equity Security.

**Explanatory Notes** means the Explanatory Notes accompanying the Notice.

**Items** means the resolutions set out in the Notice, or any one of them, as the context requires.

**Key Management Personnel or KMP** has the meaning as defined in section 9 of the Corporations Act.

**Notice** or **Notice of Meeting** or **Notice of Annual General Meeting** means this notice of annual general meeting and the explanatory notes accompanying the Notice and the Proxy Form.

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

**Remuneration Report** means the remuneration report set out in the Directors' Report section of the Company's Annual Financial report for the year ended 30 June 2020.

**Resolutions** means the resolutions set out in the Notice, or any one of them, as the context requires.

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

**Shareholder** means a holder of a Share.

**Annexure A**

# **Adavale Securities Plan Rules**

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**ADAVALE RESOURCES LIMITED**

ABN 96 008 719 015



# Adavale Securities Plan Rules

## CONTENTS

### CONTENTS 33

#### Plan Rules 36

1.	Operation .....	36
1.1	Operation of the Plan .....	36
1.2	Purpose .....	36
1.3	Commencement .....	36
2.	Definitions and interpretation .....	36
2.1	Definitions .....	36
2.2	Interpretation .....	39
3.	Deferred Taxation .....	40
4.	Invitation to participate in the Plan .....	40
4.1	Invitation .....	40
4.2	Provision of information with Invitation .....	40
4.3	Salary Sacrifice arrangements .....	40
4.4	Invitation to an Eligible Participant .....	41
4.5	Application Form .....	41
5.	Application to participate in the Plan .....	41
5.1	Application Form .....	41
5.2	Participation in Plan .....	41
5.3	Non-acceptance of Application Form .....	41
6.	Grant of Awards .....	41
6.1	Grant .....	41
6.2	No payment for grant .....	42
7.	Restriction on dealing .....	42
8.	Vesting of Rights and Options .....	42
8.1	No exercise without Vesting .....	42
8.2	Satisfaction of Incentive Hurdles, Service Conditions and Exercise Conditions .....	42
8.3	Qualifying Event .....	42
8.4	Change of control .....	42
9.	Exercise of Rights and Options .....	43
9.1	Vesting Notice and Notice of Exercise .....	43
9.2	Conditions of Exercise .....	43
9.4	Cashless Exercise of Options .....	43
9.4	Exercise in whole or in part .....	43
9.5	Issue or transfer of Shares .....	43
10.	Incentive Share Awards .....	43
10.1	Satisfaction of Incentive Hurdles and Service Conditions .....	43
10.2	Vesting Notice .....	44

10.3	Qualifying Event.....	44
10.4	Change of control.....	44
10.5	Re-designation of Incentive Share Awards as Shares .....	44
11.	Share Awards.....	44
12.	Share trading policy .....	44
13.	Ranking of Participant's Shares.....	44
14.	Holding Lock .....	44
14.1	Holding Lock.....	44
14.2	No dealing with Restricted Shares .....	45
15.	Lapsing and forfeiture events .....	45
15.1	Lapsing and forfeiture events .....	45
15.2	Last Vesting Date.....	45
15.3	Breach, Fraud and Dishonesty .....	45
15.4	Cessation for reasons other than a Qualifying Event .....	46
15.5	Qualifying Event.....	46
15.6	Last Exercise Date .....	46
16.	Share issues .....	46
16.1	New or Existing Shares .....	46
16.2	Rights and bonus issues.....	46
16.3	Adjustment under certain events .....	47
16.4	Entitlements to an issue.....	47
16.5	Reorganisation .....	47
17.	Rights attaching to Participant's Shares .....	47
17.1	Dividends .....	47
17.2	Voting rights .....	47
17.3	Rights, Options and Incentive Shares .....	47
18.	Independent advice.....	47
19.	Administration of the Plan .....	47
19.1	Powers of the Board .....	47
19.2	Suspension or termination of Plan.....	48
19.3	Documents .....	48
19.4	Company to provide information .....	48
19.5	Liability for TFN withholding tax (ESS) .....	48
20.	Contracts of employment and other employment rights .....	48
20.1	Rules not part of employment contract etc. ....	48
20.2	Participant Awards .....	48
21.	Connection with other plans .....	49
22.	Plan costs.....	49
22.1	Administration costs.....	49
22.2	Taxes and disposal costs.....	49
22.3	Responsibility for Participant's tax .....	49
23.	Trust .....	49

24.	Overriding restriction.....	49
25.	Amendment.....	49
25.1	General .....	49
25.2	Limitation on amendments.....	49
25.3	Eligible Participants outside Australia.....	50
26.	Waiver .....	50
27.	Severance .....	50
28.	Notices .....	50
29.	Governing Law .....	50

## Plan Rules

### 1. Operation

#### 1.1 Operation of the Plan

These Rules set out the terms and conditions of the operation of the Plan. The Company and the Participants are bound by these Rules.

#### 1.2 Purpose

- (a) A purpose of the Plan is to provide competitive, Incentive-based remuneration supporting the retention, incentive and reward functions of that remuneration.
- (b) The plan has also been developed to provide a component of Non-Executive Directors' remuneration in the form of deferred securities.

#### 1.3 Commencement

The Plan commences on a date to be determined by the Board at its absolute discretion.

### 2. Definitions and interpretation

#### 2.1 Definitions

In these Rules, unless the context otherwise requires:

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

- (a) the Corporations Act;
- (b) the Corporations Regulations;
- (c) the Listing Rules;
- (d) any other applicable securities laws;
- (e) the Tax Acts;
- (f) the constitution of the Company;
- (g) the common law, principles of equity, and laws made by parliament (and laws made by parliament include State, Territory and Federal laws and regulations and other instruments under them, and consolidations, amendments, re-enactments or replacements of any of them); and
- (h) any practice note, policy statement, class order, declaration, guideline, policy or procedure authorising or entitling ASIC or ASX to regulate, implement or enforce, either directly or indirectly:
  - (i) a provision of the laws, regulations, rules or constitution referred to in paragraphs (a) to (f) above;
  - (ii) any agreement or deed made under the laws, regulations, rules or constitution referred to in paragraphs (a) to (f) above; or
  - (iii) a person's conduct or proposed conduct under the laws, regulations, rules or constitution referred to in paragraphs (a) to (f) above, or any agreement or deed referred to in paragraph (h)(ii) above.

**Application** means an application for Awards pursuant to the terms of an Invitation.

**Application Date** has the meaning given to that term in Rule 4.2(l).

**Application Form** means the form that the Board determines is to be used to participate in the Plan in response to an Invitation.

**ASIC** means the Australian Securities and Investment Commission.

**ASX** means ASX Limited (ACN 008 624 691) trading as the Australian Securities Exchange.

**Award** means:

- (a) an Option;
- (b) a Right;

- (c) a Incentive Share Award; or
  - (d) a Share Award,
- as applicable.

**Bad Leaver** means a Participant whose employment or service with a Group Company is terminated as a result of the Participant's:

- (a) serious misconduct;
- (b) material, serious or persistent breach of their employment or service contract; or
- (c) act of fraud, theft, dishonesty or gross misconduct in relation to the affairs of a Group Company (whether or not charged with an offence),

and for the purposes of this definition, where the Participant is a Nominee, a Participant will include the Eligible Participant who nominated the Nominee.

**Board** means the board of directors of the Company or its duly appointed representative(s).

**Business Day** means a day other than a Saturday, Sunday or public holiday in New South Wales.

**Class Order** means the applicable class order, or any former, subsequent and/or replacement class order, issued by ASIC relating to employee incentive schemes.

**Company** means Adavale Resources Limited (ABN 96 008 719 015).

**Corporations Act** means the *Corporations Act 2001* (Cth), as amended from time to time.

**Corporation Regulations** means the *Corporations Regulations 2001* (Cth), as amended from time to time.

**Eligible Participant** means a Participant who:

- (a) is:
  - (i) a permanent full time or part time Employee;
  - (ii) a casual Employee or contractor who works a pro-rata equivalent of 40% or more of a comparable full-time position;
  - (iii) Executive Director; or
  - (iv) a Non-Executive Director; and
- (b) is an Australian resident for tax purposes; and
- (c) has provided to the Company a valid tax file number

**Employee** means an employee of any Group Company.

**Employer** means any Group Company, and in relation to any Employee means the company by which that Employee is for the time being employed.

**Executive Director** means a senior member of staff who serves on the parent company Board.

**Exempt Share Award** means means a Share granted under the Plan in accordance with Rule 11.1.

**Exercise Condition** means any criteria, requirements or conditions determined by the Board and set out in the Invitation in accordance with Rule 4.2(h), which must be met (notwithstanding the satisfaction of any Incentive Hurdles and/or Service Conditions) in order for any Rights or Options that have Vested to be exercisable.

**Exercise Price** means:

- (a) in relation to a Right, a nil amount, unless otherwise determined by the Board and as specified in the Invitation; or
- (b) in relation to an Option, the amount payable on the exercise of that Option (if any), as specified in the Invitation.

**First Exercise Date** has the meaning given in Rule 4.2(i).

**Grant Date** has the meaning given in Rule 4.2(e).

**Group** means the Company and its Related Bodies Corporate from time to time.

**Group Company** means a company which is a member of the Group.

**Holding Lock** means a mechanism to prevent a Participant from dealing with or transferring Participant's Shares or creating any Security Interest over Participant's Shares held by the Participant.

**Holding Statement** has the meaning given in Rule 6.1(c).

**Invitation** means an invitation issued by the Company to an Eligible Participant under Rule 4 to apply to acquire Awards under the Plan.

**Last Exercise Date** has the meaning given in Rule 4.2(j).

**Last Vesting Date** has the meaning given in Rule 4.2(k).

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

**Market Value** means, in relation to Participant's Shares or Shares, the average "market price" (as that term is defined in the Listing Rules) per Participant's Share or Share (as applicable) weighted by reference to volume during a trading period.

**Matrimonial Proceedings** means any proceedings instituted under the *Family Law Act 1975 (Cth)* which will or may lead to orders or binding agreements in relation to any Awards, including any incidental proceedings, and includes any substantially similar type of proceedings instituted under any similar or equivalent law in any other jurisdiction.

**Nominee** in relation to a Eligible Participant, means:

- (a) a company whose members comprise no persons other than the Eligible Participant; or
- (b) a corporate trustee of a self-managed superannuation fund (within the meaning of the *Superannuation Industry (Supervision) Act 1993 (Cth)*) where the Eligible Participant is a director of the trustee; or
- (c) any other Trust structure as approved by the Board.

**Non-Executive Director** means a director of the Company who is not employed in a full time executive capacity by the Company or a Group Company.

**Notice of Exercise** has the meaning given in Rule 9.1(a).

**Option** means a right to acquire a Share upon satisfaction of any applicable Incentive Hurdles, Service Conditions and Exercise Conditions (including the payment of the Exercise Price, if any) in accordance with the terms set out in this Plan and the Invitation.

**Participant** means an eligible person who, in response to an Invitation, has completed and returned a duly completed and executed Application Form on or before the Application Date (and whose Application has been accepted by the Board).

**Participant's Share** means any Share held by a Participant:

- (a) in respect of which the Participant exercised an Option or Right that has vested;
- (b) as a result of the Vesting of a Incentive Share Award; or
- (c) which is a Share Award granted in accordance with the terms set out in this Plan.

**Incentive Hurdle** means any Incentive-based criteria, requirements or conditions determined by the Board and set out in the Invitation in accordance with Rule 4.2(h), which must be met prior to the Vesting of certain Awards.

**Incentive Share Award** means a Share granted under the Plan, which is subject to Incentive Hurdles and/or Service Conditions and/or Exercise Conditions in accordance with the terms set out in this Plan and the Invitation.

**Plan** means the Adavale Plan Rules established and operated in accordance with these Rules.

**Qualifying Event** means:

- (a) death;
- (b) serious injury or illness which prohibits continued employment;
- (c) Retirement;
- (d) Retrenchment; or
- (e) such other circumstances which results in a Participant leaving the employment of the relevant Group Company and which the Board determines (in its absolute discretion) is a Qualifying Event.

**Related Body Corporate** has the meaning in section 9 of the Corporations Act.

**Restricted Share** means any Participant's Share that is subject to a Holding Lock pursuant to Rule 14.1.

**Retirement** means where a Participant intends to permanently cease gainful employment in circumstances where the Participant provides in good faith a statutory declaration to that effect, and the Board in its absolute discretion accepts that statutory declaration.

**Retrenchment** means where a Participant's position is made redundant, there is no acceptable alternative position available within the Group, and the Participant's employment is terminated by the relevant Group Company by reason of redundancy.

**Right** means a right to acquire a Share upon satisfaction of any applicable Incentive Hurdles, Service Conditions and Exercise Conditions (other than the payment of an Exercise Price) in accordance with the terms set out in this Plan and the Invitation.

**Rules** means these Rules (including the terms and conditions set out in an Invitation), as amended from time to time.

**Salary Sacrifice** means where an Employee agrees to contractually forgo part of their future pre-tax remuneration in return for Salary Sacrifice Share Awards.

**Salary Sacrifice Share Award** means a Share Award granted in accordance with Rule 4.3.

**Securities** in the company will include Shares, Incentive Shares, Rights or Options, subject to the nature of the award granted under this Plan.

**Security Interest** means a mortgage, charge, pledge, lien, encumbrance or other third-party interest of any nature.

**Service Condition** means any time-based criteria, requirements or conditions determined by the Board and set out in the Invitation in accordance with Rule 4.2(h), which must be met prior to the Vesting of certain Awards.

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

**Share Award** means an Exempt Share Award or a Salary Sacrifice Share Award.

**Tax Acts** means the *Income Tax Assessment Act 1936* (Cth) and/or the *Income Tax Assessment Act 1997* (Cth) as applicable and each as amended from time to time.

**Vest** means an Award in respect of which the applicable Incentive Hurdles and/or Service Conditions have been satisfied by the Participant holding the Award, and **Vesting** and **Vested** have corresponding meanings.

**Vesting Notice** means a notice issued to a Participant by the Company informing them that their Rights, Options and/or Incentive Share Awards (as applicable) have Vested.

## 2.2 Interpretation

In these Rules unless the context otherwise requires:

- (a) a reference to gender includes all genders;
- (b) the singular includes the plural and conversely;
- (c) a reference to a person includes the legal personal representatives, successors and assigns of that person, and also corporations and other entities recognised by law;
- (d) a reference to any law or to the Listing Rules includes that law or the Listing Rules as amended, re-enacted or replaced and any law that supersedes that law;
- (e) headings are for convenience only and do not affect the interpretation of these Rules;
- (f) reference to a Rule or paragraph is a reference to a Rule or paragraph of these Rules, or the corresponding Rule or Rules of this Plan as amended from time to time;
- (g) where any word or phrase is given a definite meaning in these Rules, any part of speech or other grammatical form of that word or phrase has a corresponding meaning;
- (h) where the time for doing any act, matter or thing under these Rules falls on a day which is not a Business Day, it shall be done on the next succeeding Business Day; and
- (i) a reference to an act includes an omission, and a reference to doing any act includes executing a document.

### 3. Deferred Taxation

Subdivision 83A-C (Deferred inclusion of gain in assessable income) of the *Income Tax Assessment Act 1997* (Cth), as amended by the *Tax and Superannuation Laws Amendment (Employee Share Schemes) Act 2015* (Cth), applies to Awards granted under this Plan, except in the case of taxed-upfront Share Awards granted in accordance with Rule 11.1.

### 4. Invitation to participate in the Plan

#### 4.1 Invitation

Subject to these Rules:

- (a) the Board may issue an Invitation for an Eligible Participant or their Nominee to participate in the Plan;
- (b) the Board has absolute discretion to determine the contents of any Invitation, and the terms and conditions of any Vesting of Awards under the Plan (including Incentive Hurdles and Service Conditions) and/or any Exercise Conditions, but such terms and conditions must be in accordance with any applicable requirements of the Listing Rules and the Corporations Act; and
- (c) the Board may amend the Invitation at any time prior to the Application Date.

#### 4.2 Provision of information with Invitation

The Invitation must be in writing and include the following terms of issue of the Awards, as applicable:

- (a) the name and address of the Eligible Participant to whom the Invitation is made;
- (b) the terms and conditions of any Salary Sacrifice arrangement;
- (c) the date of the Invitation;
- (d) the number of Awards to which the Invitation relates;
- (e) the proposed date on which the Awards will be granted to the Eligible Participant or a Nominee (as applicable) (**Grant Date**);
- (f) the minimum number (if any) of Awards that the Eligible Participant or a Nominee (as applicable) may apply for and, if an Eligible Participant or a Nominee (as applicable) may apply for less than the number of Awards to which they are offered, the multiples (if any) in which Awards must be applied for;
- (g) the Exercise Price of the Awards (if any) or the method of calculating the Exercise Price of the Awards;
- (h) the Incentive Hurdles, Service Conditions and/or Exercise Conditions (if any) that are required to be satisfied;
- (i) the earliest date from which Awards may be exercised (the **First Exercise Date**);
- (j) the latest date prior to which Awards may be exercised (the **Last Exercise Date**);
- (k) the last date on which Awards are able to Vest or remain Vested (the **Last Vesting Date**);
- (l) the latest date on which a duly completed Application Form must be received by the Company (**Application Date**);
- (m) any other terms and conditions relating to the issue of Awards which in the opinion of the Board are fair and reasonable but not inconsistent with these Rules; and
- (n) any other information or documents that Applicable Laws require the Company to give to the Eligible Participant or a Nominee (as applicable).

#### 4.3 Salary Sacrifice arrangements

- (a) The Board may decide that an Invitation under this Plan will involve a Salary Sacrifice, and if so, the terms and conditions of the arrangement for which Share Awards are offered in lieu of remuneration.
- (b) Where an Invitation is made which will involve a Salary Sacrifice, the Invitation is conditional on the Eligible Participant and the Company entering into an agreement setting out the terms and conditions of the Salary Sacrifice arrangement.



- (c) The Board may determine the amount of the Remuneration which may be sacrificed by each Participant in any Australian income tax year, but that amount may not exceed \$5,000.

#### **4.4 Invitation to an Eligible Participant**

- (a) Subject to Rule 4.4(b), an Invitation to an eligible participant under the Plan is personal to the Eligible Participant to whom it is made and may not be transferred or renounced in favour of any other person unless otherwise determined by the Board.
- (b) Following receipt by an Eligible Participant of an Invitation, an Eligible Participant may, by completing the renunciation form enclosed with the Invitation, nominate a Nominee in whose favour the Eligible Participant wishes to renounce its Invitation.
- (c) The Board may, in its absolute discretion require the Eligible Employee to provide further information in relation to its Nominee and resolve not to allow a renunciation of an Invitation of a Nominee.

#### **4.5 Application Form**

The Invitation must be accompanied by an Application Form.

### **5. Application to participate in the Plan**

#### **5.1 Application Form**

An Eligible Participant or the Nominee (as applicable) may only make an Application to participate in the Plan in response to an Invitation by:

- (a) completing the Application Form in respect of the number of Awards specified in the Invitation or for a lesser number subject to any restrictions or conditions set out in the Invitation;
- (b) signing the completed Application Form;
- (c) lodging the completed and signed Application Form with the Company on or before the Application Date; and
- (d) in the case of a Nominee, the Nominee signing and delivering to the Company on or before the Application Date, a renunciation form.

#### **5.2 Participation in Plan**

Subject to Rule 5.3, on returning the duly completed Application Form in accordance with Rule 5.1, provided that the Eligible Participant's employment with the Company or any Group Company has not ceased, the Eligible Participant or Nominee (as applicable):

- (a) will participate in the Plan and acquire Awards in accordance with the Invitation;
- (b) agrees to be bound by the terms of the Invitation, the Application Form, these Rules, and the constitution of the Company; and
- (c) consents to the collection, holding, processing and exchange of their personal data by the Group for any purpose related to the proper administration of the Plan or their participation in the Plan.

#### **5.3 Non-acceptance of Application Form**

- (a) Notwithstanding any other provision of this Plan, neither an Eligible Participant nor a Nominee has any entitlement to be granted any Awards unless and until such Awards are granted under Rule 6.
- (b) If the Board determines in its absolute discretion not to accept an Application Form, the Company will provide notification to that Eligible Participant or their Nominee that it does not intend to accept that Eligible Participant's or their Nominee's Application Form.

### **6. Grant of Awards**

#### **6.1 Grant**

Subject to Rule 5, following the acceptance of a Participant's Application Form, on or as soon as practicable after the Application Date, the Board may:

- (a) grant Awards to the Participant in accordance with the Participant's Application Form;
- (b) complete and maintain any Rights, Options or Share register (as applicable) in accordance with the Corporations Act; and

- (c) issue a statement to the Participant setting out the Participant's holdings of Awards (**Holding Statement**).

## **6.2 No payment for grant**

Subject to Rule 11, unless determined by the Board in its absolute discretion, no payment is required for the grant of Awards.

## **7. Restriction on dealing**

- (a) Rights, Options and Incentive Share Awards granted under this Plan are non-transferable. Except in respect of the transmission of Awards to a Participant's legal representative upon death, no Rights, Options or Incentive Share Awards or any right in respect of any Rights, Options or Incentive Share Awards may be transferred or assigned to another person, encumbered with a Security Interest in or over them, or sold or otherwise disposed of by the Participant.
- (b) If a Participant purports to transfer, assign, have a Security Interest granted in or over, sell, or otherwise dispose of, a Right, Option or Incentive Share Award, whether voluntarily or involuntarily, the relevant Award will be immediately forfeited by the Participant, unless the Board determines otherwise.
- (c) For the avoidance of doubt, Share Awards granted under this Plan are transferrable unless such Share Awards are subject to a Holding Lock or Salary Sacrifice commitments, as agreed in the Application Form, that have not been met.
- (d) The Participant and Nominee must immediately notify the Company and the Board in writing if Matrimonial Proceedings are instituted which do or may affect Awards held by it (and in this case must then keep the Company and the Board informed in a timely manner as to any material developments in those proceedings in relation to those Awards, including if the court is asked to or proposes to make an order or give any judgment in relation to those Awards). If the Awards are likely to become affected by Matrimonial Proceedings then the Board may make any determination to require the transfer of the Awards to another person acceptable to the Board or alternatively to cancel the Awards.

## **8. Vesting of Rights and Options**

### **8.1 No exercise without Vesting**

Any Right or Option that has not Vested in accordance with Rules 8.2, 8.3 or 8.4 may not be exercised, unless (subject to Applicable Laws) the Board exercises its absolute discretion, in circumstances where the Board considers it to be in the best interests of the Company and the Group, to:

- (a) vary or waive the relevant Incentive Hurdles, Service Conditions and/or Exercise Conditions, and declare the Rights and/or Options to have Vested;
- (b) bring forward the date upon which Rights and/or Options may be exercised; or
- (c) extend the period over which rights and/or Options may be exercised.

### **8.2 Satisfaction of Incentive Hurdles, Service Conditions and Exercise Conditions**

Subject to this Rule 8, Rights and/or Options may only be exercised if:

- (a) the Rights and/or Options Vest in accordance with the applicable Incentive Hurdles and/or Service Conditions; and
- (b) the Exercise Conditions (if any) have been met.

### **8.3 Qualifying Event**

Where a Participant ceases to be employed by a Group Company as a result of a Qualifying Event, the Board may, in its absolute discretion, determine in relation to the Rights and/or Options, which at the time of the Qualifying Event, are held by the Participant and have not yet Vested in accordance with Rules 8.2 or 8.4, that some or all of those Rights and/or Options will become Vested at the time of the cessation of employment of that Participant or another date determined by the Board.

### **8.4 Change of control**

Where:

- (a) a takeover bid is made for the Company and the Board recommends acceptance of that bid by the Company's shareholders;

- (b) a Court orders that a meeting of shareholders of the Company be held to consider a scheme of arrangement between the Company and its shareholders; or
- (c) the Board determines that some other transaction has occurred, or is likely to occur, which involves a change of control of the Company,

the Board may in its absolute discretion determine that any Right or Option that has not Vested in accordance with Rules 8.2 or 8.3 will Vest on, and may be exercised on and from, the date determined by the Board subject to lapsing under Rule 15.

## **9. Exercise of Rights and Options**

### **9.1 Vesting Notice and Notice of Exercise**

- (a) Following the issue of a Vesting Notice to a Participant, the exercise of Rights and Options may only be affected by lodging a duly completed notice of exercise (in the form specified in the Holding Statement or in such other form and manner as the Board may prescribe or accept) (**Notice of Exercise**) with the Company Secretary.
- (b) After a Vesting Notice has been issued, the Company will issue a revised Holding Statement in respect of the Participant's remaining Awards.
- (c) After a Vesting Notice has been issued, the Company may issue a Holding Statement in respect of the Participant's vested Awards.

### **9.2 Conditions of Exercise**

A Right or an Option may only be exercised if at the time of exercise:

- (a) the Right or Option has become Vested in accordance with Rule 8;
- (b) the Right or Option has not lapsed or been forfeited under Rule 15 (or another provision of this Plan); and
- (c) the Exercise Price (if any) has been paid to the Company in such manner approved by the Board.

### **9.4 Cashless Exercise of Options**

The Board may determine in its absolute discretion that a Participant will not be required to pay the Exercise Price of Options (if applicable) but that on exercise of the Options, the number of Shares that will be issued or transferred will be equal in value to the difference between the Exercise Price otherwise payable in relation to the Options and the then Market Value of the Shares as at the time of the exercise (with the number of Shares rounded down).

### **9.4 Exercise in whole or in part**

A Participant's Rights and/or Options that have Vested may be exercised in whole or in part in accordance with the terms of the relevant Invitation. If a Participant has not exercised all of their Rights and/or Options, a revised Holding Statement will be issued in respect of the remaining Rights and/or Options.

### **9.5 Issue or transfer of Shares**

Following the exercise of a Right or Option, the Company must, within such time as the Board determines:

- (a) issue to the Participant; or
- (b) procure the transfer to the Participant of,

the Participant's Share in respect of which the Right or Option has been exercised.

## **10. Incentive Share Awards**

### **10.1 Satisfaction of Incentive Hurdles and Service Conditions**

Subject to this Rule 10, Incentive Share Awards may only Vest in accordance with the applicable Incentive Hurdles and Service Conditions (if any), unless (subject to Applicable Laws) the Board exercises its absolute discretion, in circumstances where it considers it to be in the best interests of the Company, to:

- (a) vary or waive the relevant Incentive Hurdles or Service Conditions, and declare the Incentive Share Awards to have Vested; or

(b) bring forward the date upon which the Incentive Share Awards may Vest.

## **10.2 Vesting Notice**

A Incentive Share Award will Vest when a Vesting Notice in respect of that Incentive Share Award is given to the Participant by the Company.

## **10.3 Qualifying Event**

Where a Participant ceases to be employed by a Group Company as a result of a Qualifying Event, the Board may, in its absolute discretion, determine in relation to the Incentive Share Awards, which at the time of the Qualifying Event, are held by the Participant and have not yet Vested in accordance with Rules 10.1 or 10.4, that some or all of those Incentive Share Awards will Vest at the time of the cessation of employment of that Participant or another date determined by the Board.

## **10.4 Change of control**

Where:

- (a) a takeover bid is made for the Company and the Board recommends acceptance of that bid by the Company's shareholders;
- (b) a Court orders that a meeting of shareholders of the Company be held to consider a scheme of arrangement between the Company and its shareholders; or
- (c) the Board determines that some other transaction has occurred, or is likely to occur, which involves a change of control of the Company,

the Board may in its absolute discretion determine that any Incentive Share Award that has not Vested in accordance with Rule 10.1 or 10.3 will Vest on the date determined by the Board (subject to the forfeiture events under Rule 15).

## **10.5 Re-designation of Incentive Share Awards as Shares**

If instructed to do so in writing by the Board, and provided that the Incentive Share Award has Vested, each Participant will take all necessary actions and enter into all necessary documentation to give effect to the redesignation of a Incentive Share Award as a Share.

# **11. Share Awards**

## **11.1 Exempt Share Awards**

- (a) The Company may grant Exempt Share Awards for no consideration or at a purchase price which is a discount to the then Market Value of Shares, with the intention that up to \$1,000 (or such other amount which is exempted from tax under the Tax Acts from time to time) of the total value or discount received by each Participant and which is taxed upfront will be exempt from tax (subject to the individual facts and circumstances of each Participant, and awards being subject to the minimum holding period set out in Division 83A of the *Income Tax Assessment Act 1997* (Cth)).
- (b) The Company must offer Exempt Share Awards on a non-discriminatory basis in accordance with Division 83A of the *Income Tax Assessment Act 1997* (Cth) as amended from time to time.

## **11.2 Salary Sacrifice Share Awards**

- (a) Salary Sacrifice Share Awards may be granted in accordance with Rule 4.3.

# **12. Share trading policy**

Notwithstanding any other provision of this Plan, no Share may be acquired by or on behalf of a Participant at any time when a Participant would be precluded from dealing in Shares pursuant to any Applicable Laws or the Company's internal policies for dealings in its Shares, or otherwise as determined by the Board.

# **13. Ranking of Participant's Shares**

Each Participant's Share issued will rank equally in all respects with all existing Shares from the date of issue. The Company will apply to the ASX for the quotation of any Participant's Shares granted or issued under this Plan.

# **14. Holding Lock**

## **14.1 Holding Lock**

Any Security granted to a Participant may be subject to a Holding Lock up to a maximum of 15 years from the Grant Date at the Board's absolute discretion. The Board may remove the Holding

Lock applying to Participant's Securities at their discretion in circumstances including, but not limited to, the following:

- (a) in special circumstances such as where the Participant:
  - (i) suffers serious injury or illness;
  - (ii) suffers financial hardship;
  - (iii) is affected by a natural disaster; or
  - (iv) such other material adverse circumstances;
- (b) where the then Market Value of a Participant's Securities exceed the Market Value of the Shares at the Grant Date of the Rights, Options, Incentive Share Awards or Share Awards (as applicable); or
- (c) upon the cessation of the Participant's employment.

#### **14.2 No dealing with Restricted Shares**

A Participant must not transfer, have a Security Interest granted over, sell or otherwise dispose of, any Restricted Shares.

### **15. Lapsing and forfeiture events**

#### **15.1 Lapsing and forfeiture events**

- (a) Unless the Board determines otherwise in its absolute discretion, Participants are at all times subject to the lapsing and forfeiture events (as applicable) set out in Rules 15.2 to 15.5.
- (b) Upon the lapsing or forfeiture of any Rights or Options under Rules 15.2, 15.3, 15.4, 15.5 or 15.6, all of the Participant's rights in respect of any such Rights or Options will cease.
- (c) Upon the forfeiture of any Incentive Share Awards under Rules 15.2, 15.3, 15.4 or 15.5, those Incentive Shares Awards will be immediately cancelled and all of the Participant's rights in respect of any such Incentive Shares Awards will cease.

#### **15.2 Last Vesting Date**

- (a) Any Rights and/or Options held by a Participant which have not Vested in accordance with Rule 8 (and which have not otherwise been forfeited under Rule 15) by the Last Vesting Date, will lapse at 12.01 am on the day immediately following the Last Vesting Date.
- (b) Any Incentive Share Awards which have not Vested in accordance with Rule 10 (and which have not otherwise been forfeited under Rule 15) by the Last Vesting Date, will be forfeited by the Participant holding those Incentive Share Awards at 12.01 am on the day immediately following the Last Vesting Date.

#### **15.3 Breach, Fraud and Dishonesty**

Where the Board determines in its absolute discretion that a Participant has acted fraudulently or dishonestly or is in material breach of his or her obligations to any Group Company or is a Bad Leaver:

- (a) any Rights and Options; and
- (b) any Incentive Share Awards,

held by the Participant will be immediately forfeited by the Participant on the date determined by the Board, whether or not those Awards have Vested.

The Board may take action on recommendation of the Remuneration and Nomination Committee to adjust (malus) or recover (clawback) unvested 'at risk' remuneration where there is reasonable evidence that a participant has materially contributed to, or been materially responsible for, the need for the restatement of financial results for reasons including:

- (a) Personally acting fraudulently or dishonestly or in a manner that adversely affects the Company's reputation or which is characterised as gross misconduct;
- (b) Directing an employee, contractor or advisor to act fraudulently, dishonestly or to undertake other misconduct;
- (c) Breaching their material obligations to Adavale through error, omission or negligence;
- (d) Receiving a STI or LTI Award because of fraud, dishonesty or a breach of obligation committed by another person; and/ or

- (e) Receiving a STI or LTI award because of an error in the calculation of a Incentive measure.
- (f) Examples of a breach of material obligation that could trigger application of malus or claw backs could include:
  - a. a material misstatement in the accounts of the Group entity for the years relevant to an unvested or unpaid award; or
  - b. conduct exposing Adavale to potential reputational damage or legal action or that is otherwise in a breach of the Code of Business Conduct.

#### **15.4 Cessation for reasons other than a Qualifying Event**

Where a Participant ceases to be employed by any Group Company other than as a result of a Qualifying Event:

- (a) any Rights and Options; and
- (b) any Incentive Share Awards,

held by the Participant will be immediately forfeited by the Participant on the date that the Participant ceases to be employed by the relevant Group Company, whether or not those Awards have Vested.

#### **15.5 Qualifying Event**

Where a Participant ceases to be employed by any Group Company as a result of a Qualifying Event:

- (a) any Rights and/or Options held by the Participant which have Vested in accordance with Rule 8:
  - (i) may be exercised by the Participant (or the Participant's legal personal representative, as applicable) during the 12 month period following the date on which the Participant ceases to be so employed (or, if shorter, in the period until 5.00pm on the Last Exercise Date); and
  - (ii) will be forfeited at 12.01 am on the day immediately following the last day of that 12 month period (or, if earlier, will lapse at 5.01 pm on the Last Exercise Date);
- (b) any Incentive Share Awards which have Vested in accordance with Rule 10:
  - (i) will continue to be held for the benefit of the Participant and may be sold or otherwise disposed of by the Participant during the 12 month period following the date on which the Participant ceases to be so employed; and
  - (ii) will be forfeited by the Participant at 12.01 am on the day immediately following the last day of that 12 month period if not sold or otherwise disposed of by that time; and
- (c) any Rights and/or Options which have not Vested in accordance with Rule 8, and any Incentive Share Awards which have not yet Vested in accordance with Rule 10 will be immediately forfeited by the Participant.

#### **15.6 Last Exercise Date**

All Rights and/or Options which have Vested in accordance with Rule 8 and which have not been exercised will lapse on the Last Exercise Date unless those Rights and/or Options have been forfeited in accordance with Rules 15.3, 15.4 or 15.5 or unless the period over which Rights and Options can be exercised has been extended beyond the Last Exercise Date in accordance with Rule 8.1(c).

### **16. Share issues**

#### **16.1 New or Existing Shares**

The Company may, in its discretion, either issue new Shares or cause existing Shares to be acquired on market for transfer to the Participant, or a combination of both alternatives, to satisfy the Company's obligations under these Rules. If the Company determines to cause the transfer of Shares to a Participant, the Shares may be acquired in such manner as the Company considers appropriate.

#### **16.2 Rights and bonus issues**

A Participant has the right to participate in rights issues and bonus issues by the Company:

- (a) in relation to Participant's Shares that are registered in the Participant's name; or

- (b) in the case of Share Awards that are registered in the name of a trustee, once those Share Awards are allocated.

### **16.3 Adjustment under certain events**

The Board will:

- (a) reduce the Exercise Price of Options (if any) in the event of a new issue; and/or
- (b) change the number of underlying Securities to which Awards relate in the event of a bonus issue,

in accordance with the Listing Rules.

### **16.4 Entitlements to an issue**

If Participant's Shares are issued prior to determination of entitlements to a new issue, the Participant's Shares so issued will be entitled to participate in the new issue.

### **16.5 Reorganisation**

In the event of a reorganisation of the Company's share capital, the Board will review and modify the terms of the Awards if required by, and in accordance with, the Listing Rules.

## **17. Rights attaching to Participant's Shares**

### **17.1 Dividends**

A Participant will have a vested and indefeasible entitlement to any dividends declared and distributed by the Company on Securities held under the Plan by the Participant which, at the books closing date for determining entitlement to those dividends, are standing to the account of the Participant.

### **17.2 Voting rights**

A Participant may exercise any voting rights attaching to Participant's Shares registered in the Participant's name or, in the case of Share Awards registered in the name of a trustee, once those Share Awards are allocated to the Participant.

### **17.3 Rights, Options and Incentive Shares**

Any unvested Right, Option or Incentive Share held by a Participant will not give any right to the Participant:

- (a) to receive any dividends declared by the Company; or
- (b) to receive notice of, or to vote or attend at, a meeting of the shareholders of the Company, or

until the Participant's Shares are issued or transferred (as the case requires) to, and registered in the name of, the Participant before the record date for determining entitlements to the dividend or the date of the meeting of the Company's shareholders (as the case may be).

Where Securities other than shares have met Incentive and service conditions, though are subject to a Holding Lock, those Securities at the time of exercise and at the Board's discretion will be capable of being adjusted to reflect dividends paid on company shares following the date on which those securities have met the Incentive and service conditions set out in the Participant's invitation under the Plan.

## **18. Independent advice**

Eligible Participants and any Nominees should obtain their own independent advice on the financial, taxation and other consequences which may apply to them as a result of or relating to their participation in the Plan, including the Vesting and exercise of Awards and the disposal of any or all Participant's Shares acquired pursuant to the Plan.

## **19. Administration of the Plan**

### **19.1 Powers of the Board**

The Plan will be managed in accordance with these Rules, by the Board, which will have power to:

- (a) determine appropriate procedures and make regulations for the administration of the Plan consistent with these Rules;
- (b) resolve and bind the Company and the Participants absolutely regarding any question of fact, interpretation, effect or application arising in connection with the Plan;

- (c) determine matters falling for determination under these Rules in its absolute discretion having regard to the interests of, and for the benefit of, the Company;
- (d) exercise the discretions conferred on it by these Rules or which may otherwise be required in relation to the Plan;
- (e) delegate to any one or more persons (for such period and on such conditions as it may determine) the exercise of any of its powers or discretions arising under the Plan; and
- (f) appoint or engage specialist service providers for the operation and administration of the Plan.

## **19.2 Suspension or termination of Plan**

- (a) Subject to Rule 19.2(b), the Plan may be suspended or terminated at any time by resolution of the Board.
- (b) In the event of a suspension or termination of the Plan, these Rules will continue to operate with respect to any Participant's Shares issued, transferred or granted under the Plan prior to that suspension or termination, and any Participant's Shares to be issued, transferred or granted under the Plan as a result of any Invitation which has been issued and accepted prior to that suspension or termination.

## **19.3 Documents**

The Company may from time to time require a person invited to participate in the Plan or a Participant to complete and return such other documents as may be required by law to be completed by that person or Participant, or such other documents which the Company considers should, for legal, taxation or administrative reasons, be completed by that person or Participant.

## **19.4 Company to provide information**

The Company must provide to:

- (a) Participants, who are subject to Australian tax laws, information about Participant's Shares acquired pursuant to the Plan during the year by no later than 14 July after the end of the relevant financial year. The information provided will be in accordance with the requirements outlined in Division 392 of the *Taxation Administration Act 1953* (Cth); and
- (b) the Tax Commissioner information about Participant's Shares acquired pursuant to the Plan during the year in the approved form by no later than 14 August after the end of the relevant financial year. The information provided will be in accordance with the requirements outlined in Division 392 of the *Taxation Administration Act 1953* (Cth).

## **19.5 Liability for TFN withholding tax (ESS)**

The Company will not be liable for tax imposed under the *Income Tax (TFN Withholding Tax (ESS)) Act 2009* (Cth), as participation in the Plan is conditional on the Participant providing a valid tax file number. Acceptances to the Plan will not be processed unless the Participant provides a valid tax file number.

# **20. Contracts of employment and other employment rights**

## **20.1 Rules not part of employment contract etc.**

- (a) This Plan does not form part of any contract of employment or services between any Eligible Participant or Participant and either the Company or any Group Company.
- (b) For the avoidance of doubt, no compensation under any employment or services contract will arise as a result of the Company's suspension or termination of the Plan pursuant to Rule 19.2.

## **20.2 Participant Awards**

Nothing in these Rules:

- (a) confers on any Eligible Participant or Participant (or Nominee) the right to continue as a director, officer or employee of any Group Company;
- (b) confers on any Eligible Participant (or Nominee) the right to become or remain an Eligible Participant or Participant, or to continue to participate under the Plan;
- (c) affects any rights which a Group Company may have to terminate the employment or office of an Eligible Participant or Participant (or Nominee);



- (d) confers any right to compensation or damage for an Eligible Participant or Participant (or Nominee) as a consequence of the termination of their employment or office by any Group Company for any reason including ceasing to have rights under the Plan as a result of such termination, or may be used to increase damages in any action brought against any Group Company in respect of any such termination; or
- (e) confers any responsibility or liability on any Group Company or its directors, officers, employees, representatives or agents in respect of any tax liabilities of the Eligible Participants or Participants (or Nominee).

## **21. Connection with other plans**

Participation in the Plan does not affect, and is not affected by, participation in any other incentive or other plan operated by the Company or any Group Company unless the terms of that other plan provide otherwise.

## **22. Plan costs**

### **22.1 Administration costs**

The Company will pay all expenses, costs and charges in relation to the establishment and operation of the Plan, including all costs incurred or associated with the issue or transfer of Participant's Shares pursuant to the Vesting or exercise of certain Awards under the Plan.

### **22.2 Taxes and disposal costs**

Notwithstanding Rule 22.1:

- (a) the Company has the power to withhold from amounts otherwise owing to the Participant, or to require the Participant to remit to it, an amount sufficient to satisfy all Federal, State, Territory, local and foreign withholding tax requirements, and any other governmental imposts, in respect of any or all Participant's Shares under the Plan; and
- (b) any brokerage, commission, stamp duty or other transaction costs in connection with the disposal of Participant's Shares acquired under the Plan will be paid for by the Participant.

### **22.3 Responsibility for Participant's tax**

The Company will not be responsible for any tax which may become payable by a Participant in connection with the issue or transfer of any Shares under this Plan.

## **23. Trust**

The Board may, in its absolute discretion, use an employee share trust for the purposes of holding any Participant's Shares/Securities under the Plan or delivering any Participant's Shares/Securities to Participants.

## **24. Overriding restriction**

Notwithstanding any Rule, Awards may not be issued, transferred or dealt with under the Plan if to do so would contravene the Corporations Act, the Listing Rules or any other Applicable Laws or where the compliance with any Applicable Law would in the opinion of the Board be unduly onerous or impractical.

## **25. Amendment**

### **25.1 General**

Subject to Rule 26.2 and the Listing Rules, these Rules may be amended at the direction of the Board so as to amend, add to, delete or otherwise vary the Rules at any time in any manner the Board thinks fit in its absolute discretion.

### **25.2 Limitation on amendments**

No amendment to the provisions of these Rules may be made which materially reduces the rights of Participants in respect of Awards to which they have completed and returned an Application Form prior to the date of the amendment, other than an amendment introduced primarily:

- (a) for the purpose of complying with or conforming to present or future State, Territory or Federal legislation or the Listing Rules;
- (b) to correct any manifest error or mistake; or
- (c) for the purpose of enabling Participants to receive a more favourable taxation treatment in respect of their participation in the Plan.

### **25.3 Eligible Participants outside Australia**

Subject to Rule 23, the Board may make any additions, variations or modifications to these Rules, in relation to the implementation of the Plan and the specific application of these Rules to Eligible Participants (or Nominee) residing outside Australia.

### **26. Waiver**

No failure or delay by a party in exercising any power, right or remedy under these Rules will operate as a waiver of such power, right or remedy. No single exercise, or partial exercise, of any power, right or remedy under this Plan will preclude any other or future exercise of that (or any other) power, right or remedy.

### **27. Severance**

If any provision of these Rules is rendered void, unenforceable or otherwise ineffective, such avoidance, unenforceability or ineffectiveness will not affect the enforceability of the remaining provisions.

### **28. Notices**

- (a) Any notice or direction given under these Rules is validly given if it is handed to the Eligible Participant or Participant (or Nominee) concerned or sent by ordinary prepaid post to the person's last known address or given in a manner which the Board from time to time determines.
- (b) In the case of an Application Form, that application will not be taken to have been received by or on behalf of the Company until it is actually received by the Company at the address nominated from time to time by the Board.

### **29. Governing Law**

These Rules and any Awards granted under these Rules are governed by the laws of New South Wales Australia. The Company and each Participant submit to the non-exclusive jurisdiction of New South Wales courts and courts of appeal from them in connection with matters concerning these Rules and Awards granted under these Rules.

# Online voting guide

## Getting started

To submit your vote online you will need to visit <https://web.lumiagm.com> on your smartphone, tablet or computer. You will need the latest versions of Chrome, Safari, Internet Explorer 11, Edge or Firefox. Please ensure your browser is compatible.

### To log in, you must have the following information:

#### Meeting ID

Meeting ID as provided in the Notice of Meeting.

#### Australian residents

- > **Username**  
(SRN or HIN) and
- > **Password**  
(postcode of your registered address).

#### Overseas Residents

- > **Username**  
(SRN or HIN) and
- > **Password** (three-character country code)  
e.g. New Zealand - NZL;  
United Kingdom - GBR;  
United States of America - USA; Canada - CAN.

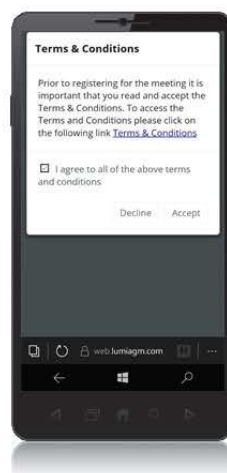
A full list of country codes is provided at the end of this guide.

#### Appointed Proxies

To receive your unique username and password, please contact Computershare Investor Services on +61 3 9415 4024 Monday to Friday during business hours.

## Voting at the meeting

- 1** To participate in voting during the meeting you will be required to enter the unique 9-digit Meeting ID as provided in the Notice of Meeting.
- 2** To proceed into the meeting, you will need to read and accept the Terms & Conditions.
- 3** To register as a securityholder, enter your SRN or HIN and Postcode or Country Code.




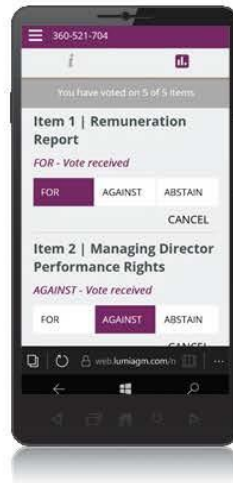
- 4** To register as a proxyholder you will need your username and password as provided by Computershare Investor Services. In the 'SRN or HIN' field enter your username and in the 'Postcode or Country Code' field enter your password.





- 5** Once logged in, you will see the home page, which displays the meeting title and name of the registered securityholder or nominated proxy.



- 6** When the Chair declares the poll open:
- > A voting icon  will appear on screen and the meeting resolutions will be displayed
  - > To vote, tap one of the voting options. Your response will be highlighted
  - > To change your vote, simply press a different option to override
- The number of items you have voted on or are yet to vote on, is displayed at the top of the screen. Votes may be changed up to the time the Chair closes the poll.



## Icon descriptions

-  Voting icon, used to vote. Only visible when the Chair opens the poll.
-  Home page icon, displays meeting information.

## COUNTRY CODES

Select your country code from the list below and enter it into the 'Postcode or Country Code' field.

ABW	ARUBA	DEU	GERMANY	KHM	CAMBODIA	PRK	KOREA DEM PEOPLES REPUBLIC OF	TJK	TAJIKISTAN
AFG	AFGHANISTAN	DJI	DJIBOUTI	KIR	KIRIBATI	TKL	TOKELAU	TKM	TURKMENISTAN
AGO	ANGOLA	DMA	DOMINICA	KNA	ST KITTS AND NEVIS	PRT	PORTUGAL	TLS	EAST TIMOR
AIA	ANGUILLA	DNK	DENMARK	KOR	KOREA REPUBLIC OF	PSE	PALESTINIAN TERRITORY OCCUPIED	TMP	EAST TIMOR
ALA	ALAND ISLANDS	DOM	DOMINICAN REPUBLIC	KWT	KUWAIT	PYF	FRENCH POLYNESIA	TON	TONGA
ALB	ALBANIA	DZA	ALGERIA	LAO	LAO PDR	QAT	QATARPL NEPAL	TTO	TRINIDAD & TOBAGO
AND	ANDORRA	ECU	ECUADOR	LBN	LEBANON	NRU	NAURU	TKM	TURKMENISTAN
ANT	NETHERLANDS ANTILLES	EGY	EGYPT	LBR	LIBERIA	NZL	NEW ZEALAND	TLS	EAST TIMOR
ARE	UNITED ARAB EMIRATES	ERI	ERITREA	LBY	LIBYAN ARAB JAMAHIRIYA	OMN	OMAN	TMP	EAST TIMOR
ARG	ARGENTINA	ESH	WESTERN SAHARA	LCA	ST LUCIA	PAK	PAKISTAN	TON	TONGA
ARM	ARMENIA	ESP	SPAIN	LIE	LIECHTENSTEIN	PAN	PANAMA	TTO	TRINIDAD & TOBAGO
ASM	AMERICAN SAMOA	EST	ESTONIA	LKA	SRI LANKA	PCN	PITCAIRN ISLANDS	TZA	TANZANIA UNITED REPUBLIC OF
ATA	ANTARCTICA	ETH	ETHIOPIA	LSO	LESOTHO	PER	PERU	UGA	UGANDA
ATF	FRENCH SOUTHERN TERRITORIES	FIN	FINLAND	LTU	LITHUANIA	PHL	PHILIPPINES	UKR	UKRAINE
ATG	ANTIGUA AND BARBUDA	FJI	FIJI	LUX	LUXEMBOURG	PLW	PALAU	UMI	UNITED STATES MINOR OUTLYING
AUS	AUSTRALIA	FLK	FALKLAND ISLANDS (MALVINAS)	LVA	LATVIA	PNG	PAPUA NEW GUINEA	URY	URUGUAY
AUT	AUSTRIA	FRA	FRANCE	MAC	MACAO	POL	POLAND	USA	UNITED STATES OF AMERICA
AZE	AZERBAIJAN	FRO	FAROE ISLANDS	MAF	ST MARTIN	PRI	PUERTO RICO	UZB	UZBEKISTAN
BDI	BURUNDI	FSM	MICRONESIA	MAR	MOROCCO	PSE	PALESTINIAN TERRITORY OCCUPIED	VAT	HOLY SEE (VATICAN CITY STATE)
BEL	BELGIUM	GAB	GABON	MCO	MONACO	PYF	FRENCH POLYNESIA	VCT	ST VINCENT & THE GRENADINES
BEN	BENIN	GBR	UNITED KINGDOM	MDA	MOLDOVA REPUBLIC OF	QAT	QATAR	VEN	VENEZUELA
BFA	BURKINA FASO	GEO	GEORGIA	MDG	MADAGASCAR	REU	REUNION	VGB	BRITISH VIRGIN ISLANDS
BGD	BANGLADESH	GGY	GUERNSEY	MDV	MALDIVES	RUS	RUSSIAN FEDERATION	VIR	US VIRGIN ISLANDS
BGR	BULGARIA	GHA	GHANA	MEX	MEXICO	RWA	RWANDA	VNM	VIETNAM
BHR	BAHRAIN	GIB	GIBRALTAR	MHL	MARSHALL ISLANDS	SAU	SAUDI ARABIA KINGDOM OF	VUT	VANUATU
BHS	BAHAMAS	GIN	GUINEA	MKD	MACEDONIA FORMER YUGOSLAV REP	SCG	SERBIA AND MONTENEGRO	WLF	WALLIS AND FUTUNA
BIH	BOSNIA & HERZEGOVINA	GLP	GUADELOUPE	MLI	MALI	SDN	SUDAN	WSM	SAMOA
BLM	ST BARTHELEMY	GMB	GAMBIA	MLT	MALTA	SEN	SENEGAL	YEM	YEMEN
BLR	BELARUS	GNB	GUINEA-BISSAU	MMR	MYANMAR	SGP	SINGAPORE	YMD	YEMEN DEMOCRATIC
BLZ	BELIZE	GNQ	EQUATORIAL GUINEA	MNE	MONTENEGRO	SGS	STH GEORGIA & STH SANDWICH ISL	YUG	YUGOSLAVIA SOCIALIST FED REP
BMU	BERMUDA	GRC	GREECE	MNG	MONGOLIA	SHN	ST HELENA	ZAF	SOUTH AFRICA
BOL	BOLIVIA	GRD	GRENADA	MNP	NORTHERN MARIANA ISLANDS	SJM	SVALBARD & JAN MAYEN	ZAR	ZAIRE
BRA	BRAZIL	GRL	GREENLAND	MOZ	MOZAMBIQUE	SLB	SOLOMON ISLANDS	ZMB	ZAMBIA
BRB	BARBADOS	GTM	GUATEMALA	MRT	MAURITANIA	SLE	SIERRA LEONE	ZWE	ZIMBABWE
BRN	BRUNEI DARUSSALAM	GUF	FRENCH GUIANA	MSR	MONTserrat	SLV	EL SALVADOR		
BTN	BHUTAN	GUM	GUAM	MTQ	MARTINIQUE	SMR	SAN MARINO		
BUR	BURMA	GUY	GUYANA	MUS	MAURITIUS	SOM	SOMALIA		
BVT	BOUVET ISLAND	HKG	HONG KONG	MWI	MALAWI	SPM	ST PIERRE AND MIQUELON		
BWA	BOTSWANA	HMD	HEARD AND McDONALD ISLANDS	MYS	MALAYSIA	SRB	SERBIA		
BLR	BELARUS	HND	HONDURAS	MYT	MAYOTTE	STP	SAO TOME AND PRINCE		
CAF	CENTRAL AFRICAN REPUBLIC	HRV	CROATIA	NAM	NAMIBIA	SUR	SURINAME		
CAN	CANADA	HTI	HAITI	NCL	NEW CALEDONIA	SVK	SLOVAKIA		
CCK	COCOS (KEELING) ISLANDS	HUN	HUNGARY	NER	NIGER	SVN	SLOVENIA		
CHE	SWITZERLAND	IDN	INDONESIA	NFK	NORFOLK ISLAND	SWZ	SWAZILAND		
CHL	CHILE	IMN	ISLE OF MAN	NGA	NIGERIA	SYC	SEYCHELLES		
CHN	CHINA	IND	INDIA	NIC	NICARAGUA	SYR	SYRIAN ARAB REPUBLIC		
CIV	COTE D'IVOIRE	IOT	BRITISH INDIAN OCEAN TERRITORY	NIU	NIUE	TCA	TURKS AND CAICOS ISLANDS		
CMR	CAMEROON	IRL	IRELAND	NLD	NETHERLANDS	TCD	CHAD		
COD	CONGO DEMOCRATIC REPUBLIC OF	IRN	IRAN ISLAMIC REPUBLIC OF	NOR	NORWAY	TGO	TOGO		
COG	CONGO PEOPLES REPUBLIC OF	IRQ	IRAQ	PL	NEPAL	THA	THAILAND		
COK	COOK ISLANDS COL COLOMBIA	ISL	ICELAND	NRU	NAURU				
COM	COMOROS	ISM	BRITISH ISLES	NZL	NEW ZEALAND				
CPV	CAPE VERDE	ISR	ISRAEL	OMN	OMAN				
CRI	COSTA RICA	ITA	ITALY	PAK	PAKISTAN				
CUB	CUBA	JAM	JAMAICA	PAN	PANAMA				
CXR	CHRISTMAS ISLAND	JER	JERSEY	PCN	PITCAIRN ISLANDS				
CYM	CAYMAN ISLANDS	JOR	JORDAN	PER	PERU				
CYP	CYPRUS	JPN	JAPAN	PHL	PHILIPPINES				
CZE	CZECH REPUBLIC	KAZ	KAZAKHSTAN	PLW	PALAU				
		KEN	KENYA	PNG	PAPUA NEW GUINEA				
		KGZ	KYRGYZSTAN	POL	POLAND				
				PRI	PUERTO RICO				

# Adavale Resources Limited

ABN 96 008 719 015

## Need assistance?



**Phone:**

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



**Online:**

[www.investorcentre.com/contact](http://www.investorcentre.com/contact)

ADD

MR SAM SAMPLE  
FLAT 123  
123 SAMPLE STREET  
THE SAMPLE HILL  
SAMPLE ESTATE  
SAMPLEVILLE VIC 3030



## YOUR VOTE IS IMPORTANT

For your proxy appointment to be effective it must be received by **2:00 pm (AEDT)** **Saturday, 19 December 2020.**

# 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.

## Lodge your Proxy Form:

**XX**

### Online:

Lodge your vote online at [www.investorvote.com.au](http://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



**Control Number: 999999**

**SRN/HIN: I9999999999**

**PIN: 99999**

For Intermediary Online subscribers (custodians) go to [www.intermediaryonline.com](http://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.



MR SAM SAMPLE  
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THE SAMPLE HILL  
SAMPLE ESTATE  
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**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.



I 9999999999

I ND

## 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 Adavale Resources Limited 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 Adavale Resources Limited to be held as a virtual meeting on Monday, 21 December 2020 at 2:00 pm (AEDT) 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 Item 1 (except where I/we have indicated a different voting intention in step 2) even though Item 1 is 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 Item 1 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.

	For	Against	Abstain		For	Against	Abstain
1 Adoption of Remuneration Report	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	11 Issue of Shares to Steven Georgiadis in-lieu of remuneration	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
2 Election of Grant Pierce as a Director	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	12 Issue of Shares to Gary Stewart in-lieu of remuneration	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
3 Election of Rod Chittenden as a Director	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	13 Issue of Shares to Louis Clinton in-lieu of remuneration	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
4 Election of Steven Georgiadis as a Director	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	14 Adavale Securities Plan Approval	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
5 Approval for the ratification of the March 2020 placement	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	15 Issue of Incentive Rights to Grant Pierce	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
6 Additional 10% Placement Capacity	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	16 Issue of Incentive Rights to Rod Chittenden	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
7 Approval to issue a placement of Shares to Sophisticated and / or Professional Investors	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	17 Issue of Incentive Rights to Steven Georgiadis	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
8 Issue of up to \$500,000 worth of Shares to Service Providers in-lieu of Services	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	18 Issue of Shares to Olympic Exploration Limited in-lieu of remuneration	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
9 Issue of Shares to Grant Pierce in-lieu of remuneration	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	19 Approval for the LKC Technology Standby Subscription Agreement	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
10 Issue of Shares to Rod Chittenden in-lieu of remuneration	<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

Sole Director & Sole Company Secretary

Securityholder 2

Director

Securityholder 3

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

269174\_01\_V6

ADD

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Computershare

