

# 2020 Notice of Annual General Meeting and Explanatory Memorandum

Annual General Meeting of Aus Tin Mining Limited will be held at 11:00am on 29 January 2021 at Level 7, Waterfront Place, 1 Eagle Street, Brisbane, Australia.

## **Aus Tin Mining Limited**

ACN 122 957 322

### **Registered office:**

Level 27, 111 Eagle Street  
Brisbane  
Queensland 4000

## **COVID Related Disclosure**

If shareholders wish to attend the meeting in person, they will need to email the Company Secretary ([kschlobohm@austinmining.com.au](mailto:kschlobohm@austinmining.com.au)) in order for the Company to ensure it will be able to maintain compliance with COVID-related restrictions applicable at the time of the meeting.

Each Resolution to be put to the meeting will be decided by poll vote, as a combination of proxy votes lodged, together with any votes cast in person at the meeting. Accordingly, shareholders are encouraged to lodge their votes online via the Company's Registry ([www.linkmarketservices.com.au](http://www.linkmarketservices.com.au)) or via the proxy form to be supplied.

Any questions that shareholders would like put to the meeting can also be emailed to the Company Secretary ([kschlobohm@austinmining.com.au](mailto:kschlobohm@austinmining.com.au)) by 27 January 2021. Responses to any questions will be given verbally at the Meeting, with a summary of material issues addressed in a subsequent ASX release.

## Notice of Annual General Meeting

Notice is given that the Annual General Meeting of shareholders of **Aus Tin Mining Limited ACN 122 957 322** (the **Company**) will be held at the offices of HopgoodGanim, Level 7, Waterfront Place, 1 Eagle Street, Brisbane, Qld, 4000, on **29 January 2021** at **11.00am** (Brisbane time).

Terms used in this Notice of Meeting are defined in the **Definitions** section of the accompanying Explanatory Memorandum.

## AGENDA

### ORDINARY BUSINESS

#### Annual Financial Report

To receive and consider the Company's Annual Report comprising the Directors' Report and Auditors' Report, Directors' Declaration, Statement of Comprehensive Income, Statement of Financial Position, Statement of Changes in Equity, Statement of Cash Flows and Notes to and forming part of the financial statements for the Company for the financial year ended 30 June 2020.

**See Explanatory Statement below for further information.**

#### Resolution 1. Remuneration Report

To consider and if thought fit, pass the following Advisory Resolution:

*"That the Remuneration Report for the year ended 30 June 2020 (as set out in the Directors' Report) is adopted."*

The vote on Resolution 1 is advisory only and does not bind the Directors of the Company. The Company's Annual Report 2020, which contains the Remuneration Report, is available on the Company's website <http://www.austinmining.com.au/>

**See Explanatory Memorandum for further details.**

#### VOTING RESTRICTION PURSUANT TO SECTION 250R(4) OF THE CORPORATIONS ACT

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

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

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

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

*Shareholders should be aware that any undirected proxies given to the Chairman will be cast by the Chairman and counted in favour of the Resolutions the subject of this Meeting including Resolution 1, other than Resolutions where the Chairman is a related party and the subject of the Resolution, or is an associate of a related party the subject of a Resolution, in which case the Chairman cannot cast undirected proxies in respect to that Resolution.*

## Resolution 2. Re-election of Richard Willson as a Director

To consider and if thought fit, pass the following resolution as an Ordinary Resolution of the Company:

*"That in accordance with Rule 36.3(b) of the Company's Constitution, Richard Willson, who retires in accordance with Rule 38.1(a) of the Company's Constitution, and being eligible and offering himself for re-election, be re-elected as a Director of the Company."*

**See Explanatory Memorandum for further information.**

## Resolution 3. Ratification of previous issue of Securities

To consider and if thought fit, pass the following resolution as an Ordinary Resolution of the Company:

*"That in accordance with the provisions of Listing Rule 7.4 and for all other purposes, Shareholders ratify the previous issues by the Company on various dates between 30 October 2019 and 23 October 2020 of a total of 125,000,000 fully paid ordinary Shares at an issue price of \$0.002, and 372,222,222 unlisted Convertible Notes issued with a face value of \$0.0009 each, pursuant to Listing Rule 7.1, to those recipients set out in and otherwise on the terms and conditions set out in the Explanatory Memorandum."*

**See Explanatory Memorandum for further information.**

### VOTING EXCLUSION STATEMENT

The Company will disregard any votes cast in favour of this Resolution by or on behalf of:

- any person who participated in or directly benefited from the issues; and
- an associate of that person (or those persons).

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

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

## Resolution 4. Approval of allotment and issue of equity securities pursuant to the Employee Share Option Plan

To consider and if thought fit, pass the following resolution as an Ordinary Resolution of the Company:

*"That for the purpose of Listing Rule 7.2 and for all other purposes, the Company be authorised to issue equity securities to eligible employees (or their respective nominees) pursuant to the employee incentive scheme entitled "Aus Tin Mining Limited Employee Share Option Plan (ESOP)", the details of which are set out in the accompanying Explanatory Memorandum."*

**See Explanatory Memorandum for further information.**

#### **Voting Exclusion Statement**

The Company will disregard any votes cast in favour of on this Resolution by or in behalf of:

- any person who is eligible to participate in the employee incentive scheme; and
- any associate of that person (or persons).

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

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

#### **PROXY APPOINTMENT RESTRICTION**

In accordance with section 250BD of the Corporations Act, the Company will disregard any votes cast on this Resolution by a member of the KMP or their Closely Related Parties who has been appointed as a proxy unless:

- the appointed proxy votes for a person who is permitted to vote and in accordance with a direction on the proxy form (directed proxy); or
- the appointed proxy is the Chairman and the appointment of the Chairman as proxy:
  - does not specify the way the proxy is to vote on this Resolution; and
  - expressly authorises the Chairman to exercise the proxy even if this Resolution is connected directly or indirectly with the remuneration of a member of the KMP.

### **Resolution 5. Approval of allotment and issue of Shares to Directors pursuant to the Directors' Fee Plan**

To consider and if thought fit, pass the following resolution as an Ordinary Resolution of the Company:

*"That for the purposes of Listing Rule 10.14 and all other purposes, the Company be authorised to issue fully paid ordinary Shares to all current Directors of the Company (or their respective nominees) pursuant to the Directors' Fee Plan, the details of which are set out in the accompanying Explanatory Memorandum."*

**See Explanatory Memorandum for further information.**

#### **VOTING EXCLUSION STATEMENT**

The Company will disregard any votes cast in favour of this Resolution by or on behalf of:

- a Director of the Company (except one who is ineligible to participate to receive securities issued pursuant to the Directors' Fee Plan); and
- an associate of that person (or persons).

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

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

- the beneficiary provides written confirmation to the holder that the beneficiary is not excluded from voting, and is not an associate of a person excluded from voting, on this Resolution; and
- the holder votes on this Resolution in accordance with directions given by the beneficiary to the holder to vote in that way.

#### PROXY APPOINTMENT RESTRICTION

In accordance with section 250BD of the Corporations Act, the Company will disregard any votes cast on Resolution 6 by a member of the KMP or their Closely Related Parties who has been appointed as a proxy unless:

- the appointed proxy votes for a person who is permitted to vote and in accordance with a direction on the proxy form (directed proxy); or
- the appointed proxy is the Chairman and the appointment of the Chairman as proxy:
  - does not specify the way the proxy is to vote on this Resolution; and
  - expressly authorises the Chairman to exercise the proxy even if this Resolution is connected directly or indirectly with the remuneration of a member of the KMP.

### Resolution 6. Approval to issue up to \$1,000,000 worth of Shares to DGR Global Limited

To consider and if thought fit, pass the following resolution as an Ordinary Resolution of the Company:

*“That for the purposes of Listing Rule 10.11 and for all other purposes, approval is given for the issue of up to \$1,000,000 worth of fully paid ordinary Shares to DGR Global Ltd at the issue price per Share calculated in accordance with the formula set out in, and otherwise on the terms set out in the Explanatory Memorandum”.*

**See Explanatory Memorandum for further information.**

#### VOTING EXCLUSION STATEMENT

The Company will disregard any votes cast in favour of this Resolution by or on behalf of:

- DGR Global Limited; and
- any associate of DGR Global Limited.

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

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

### Resolution 7. Approval to issue up to \$320,000 worth of Shares to Company Directors

To consider and if thought fit, pass the following resolution as an Ordinary Resolution of the Company:

*“That in accordance with the provisions of Chapter 2E of the Corporations Act and for the purposes of Listing Rule 10.11 and for all other purposes, Shareholders approve the issue of up to \$320,000 worth of fully paid ordinary shares to Company Directors Nicholas Mather, Brian Moller and Richard Willson (and/or their Respective nominee(s)) in the proportions set out in, at the issue price per Share calculated in accordance with the formula set out in, and otherwise on the terms set out in the Explanatory Memorandum.”*

**See Explanatory Memorandum for further information.**

#### VOTING EXCLUSION STATEMENT

In accordance with Listing Rule 14.11 the Company will disregard any votes cast in favour of this Resolution by or on behalf of:

- a) Messrs Mather, Moller and / or Willson; or
- b) any associate of Messrs Mather, Moller and / or Willson.

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

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

#### VOTING PROHIBITION STATEMENT

In accordance with Chapter 2E of the Corporations Act, a vote on this Resolution must not be cast by on behalf of:

- a) Messrs Mather, Moller and / or Willson; or
- b) any associate of Messrs Mather, Moller and / or Willson.

However, this does not prevent the casting of a vote on this Resolution if it is cast by a person as a proxy in writing that specifies how the proxy is to vote on the proposed Resolution and it is not cast on behalf a person referred to in subparagraphs a) or b) directly above.

### Resolution 8. Approval of the Ashford Coal Project Acquisition

To consider and if thought fit, pass the following resolution as an Ordinary Resolution of the Company:

*"That for the purposes of Listing Rule 7.1 and for all other purposes, Shareholders approve:*

- a) *the completion of the transactions the subject of the Binding Term Sheet entered into between the Company, Laneway Resources Ltd ACN 003 049 714 (**Laneway**) and Renison Coal Pty Ltd ACN 100 163 942 dated 31 July 2020 (and any formal transaction documents which replace it) (the **Ashford Term Sheet**), the details of which are set out in the accompanying Explanatory Memorandum; and*
- b) *without limitation to paragraph a) of this Resolution, the issue to Laneway (pursuant to the Ashford Term Sheet) of so many fully paid ordinary Shares as equals 20% of the enlarged issued Share capital of the Company.*

**See Explanatory Memorandum for further details.**

#### VOTING EXCLUSION STATEMENT

The Company will disregard any votes cast in favour of this Resolution by or on behalf of:

- Laneway; or
- any associate of Laneway (or those persons).

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

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

## Resolution 9. Approval of the MacKenzie Coal Project Acquisition

To consider and if thought fit, pass the following resolution as an Ordinary Resolution of the Company:

*"That for the purposes of Listing Rule 7.1 and for all other purposes, Shareholders approve:*

- a) *the completion of the transactions the subject of the Binding Term Sheet entered into between the Company, Resources and Energy Investments Pty Ltd ACN 644 548 836 (R&E) and MacKenzie Coal Project Pty Ltd ACN 644 550 603 dated 23 October 2020 (and any formal transaction documents which replace it) (the **MacKenzie Term Sheet**), the details of which are set out in the accompanying Explanatory Memorandum; and*
- b) *without limitation to paragraph a) of this Resolution, the issue to R&E (pursuant to the MacKenzie Term Sheet) of 1,000,000,000 fully paid ordinary Shares at an issue price per share of \$0.001 in the capital of the Company.*

See Explanatory Memorandum for further details.

### VOTING EXCLUSION STATEMENT

The Company will disregard any votes cast in favour of this Resolution by or on behalf of:

- R&E; or
- any associate of R&E (or those persons).

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

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

## SPECIAL BUSINESS

### Resolution 10. Approval to issue an additional 10% of the issued capital of the Company over a 12 month period pursuant to Listing Rule 7.1A

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

*"That pursuant to and in accordance with Listing Rule 7.1A, and for all other purposes, Shareholders approve the issue of equity securities of 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, over a 12 month period from the date of the Meeting, at a price not less than that determined pursuant to Listing Rule 7.1A.3 and otherwise on the terms and conditions described in the Explanatory Memorandum (Placement Securities)."*

See Explanatory Memorandum for further details.

### Notes

The proposed allottees of any Placement Securities are not as yet known or identified. In these circumstances (and in accordance with the note set out in Listing Rule 14.11.1 relating to Listing Rules 7.1 and 7.1A), for a person's vote to be excluded, it must be known that that person will participate in the proposed issue. Where it is not known who will participate in the proposed issue (as is the case in respect of the Placement Securities), Shareholders must consider the proposal on the basis that they may or may not get a benefit and that it is possible that their holding will be diluted and there is no reason to exclude their votes.

### Voting Exclusion Statement

The Company will disregard any votes cast in favour of this Resolution by or on behalf of:

- a person who may participate in the issue of the Placement Securities and a person who might obtain a benefit if this Resolution is passed, except a benefit solely in their capacity as a holder of Shares if this Resolution is passed; and
- an associate of that person (or those persons).

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

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

## GENERAL BUSINESS

To consider any other business as may be lawfully put forward in accordance with the Constitution of the Company.

By Order of the Board



Karl Schlobohm  
Company Secretary  
15 December 2020



## **EXPLANATORY MEMORANDUM**

This Explanatory Memorandum is provided to Shareholders of Aus Tin Mining Ltd I 122 957 322 (**Company**) to explain the Resolutions to be put to Shareholders at the Annual General Meeting to be held at HopgoodGanim, Level 7, Waterfront Place, 1 Eagle Street on 29 January 2021 at 11.00am (Brisbane time).

This Explanatory Memorandum is intended to provide Shareholders with sufficient information to assess the merits of Resolutions 1 to 11 contained in the Notice of Meeting. The Directors recommend Shareholders read the accompanying Notice of Meeting and this Explanatory Memorandum in full before making any decision in relation to the resolutions.

## **ORDINARY BUSINESS**

### **Consider the Company's 2020 Annual Report**

The Corporations Act requires the Company's Annual Report comprising the Directors' Report, the Auditor's Report, Directors' Declaration, Statement of Comprehensive Income, Statement of Financial Position, Statement of Changes in Equity, Statement of Cash Flows and Notes to and forming part of the financial statements to be laid before the Annual General Meeting. There is no requirement either in the Corporations Act or in the Constitution of the Company for Shareholders to approve the Company's Annual Report. The Company's 2020 Annual Report is placed before the Shareholders for discussion. No voting is required for this item.

Shareholders can obtain a copy of the Company's 2020 Annual Report by sending a request to [info@austinmining.com.au](mailto:info@austinmining.com.au) or by downloading a copy from the Company's website: [www.austinmining.com.au](http://www.austinmining.com.au)

### **Resolution 1. The Remuneration Report**

In accordance with section 250R of the Corporations Act, the Board has submitted its Remuneration Report (included in the 2020 Annual Report) to Shareholders for consideration and adoption by way of a non-binding Advisory Resolution.

The Remuneration Report is set out in the Directors' Report section of the 2020 Annual Report. The Report, amongst other things:

- explains the Board's policy for determining the nature and amount of remuneration of Key Management Personnel of the Company;
- explains the relationship between the Board's remuneration policy and the Company's performance;
- sets out remuneration details for each Director and the most highly remunerated senior executives of the Company; and
- details and explains any performance conditions applicable to the remuneration of Key Management Personnel of the Company.

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

The Board unanimously recommends that Shareholders vote in favour of adopting the Remuneration Report.

A Voting Exclusion Statement is set out in the Notice of Meeting for this Resolution. Shareholders should be aware that any undirected proxies given to the Chairman will be cast by the Chairman and counted in favour of the Resolutions the subject of this Meeting, including this Resolution 1, subject to compliance with the Corporations Act.

### **Resolution 2. Re-election of Richard Willson as a Director**

Richard Willson was originally appointed to the Board of the Company on 18 January 2013 following the successful completion of the merger between the Company and Taronga Mines Limited.

Mr Wilson is an experienced Non-Executive Director, Company Secretary and CFO with more than 20 years' experience with both publicly listed and private companies. Richard has a Bachelor of Accounting from the University of South Australia, is a Fellow of CPA Australia, and a Fellow of the Australian Institute of Company Directors.

In addition to being a Non-Executive Director of the Company, Mr Willson is a Non-Executive Director of Titomic Limited (ASX:TTT), Thomson Resources Limited (ASX:TMZ), 1414 Degrees Limited (ASX:14D), the not-for-profit Unity Housing Company and Variety SA; and Company Secretary of a number of ASX-listed Companies.

Mr Wilson is the Chairman of the Audit Committee of the Company, Titomic Limited and Unity Housing Company, and is the Chairman of the Remuneration & Nomination Committee of Titomic Limited.

The Directors (with Mr Willson abstaining) recommend that you vote in favour of this Ordinary Resolution.

### **Resolution 3. Ratification of previous issue of Securities**

#### **Background**

On 30 October 2019 the Company issued 125,000,000 Shares (**Placement Shares**) at an issue price of \$0.002 to the investor identified in Table 1 below, on the date indicated in Table 1 below.

Between 7 August 2020 and 23 October 2020, the Company issued 372,222,222 unlisted Convertible Notes (**Convertible Notes**) with a face value of \$0.009 each to those investors identified in Table 2 below, on the dates indicated in Table 2 below.

The recipients of either or both of the Placement Shares and the Convertible Notes, are referred to together in this Explanatory Memorandum as the **Recipients**.

#### **Listing Rule 7.1 and 7.4**

In broad terms Listing Rule 7.1 (subject to certain exceptions), limits the number of equity securities that a listed company can issue in any 12 months without the approval of its shareholders, to a number equal to 15% of the fully paid ordinary securities that it had on issue at the start of that 12 month period.

The Consideration Shares were issued without Shareholder approval in reliance on Listing Rule 7.1.

Listing Rule 7.4 allows the shareholders of a listed company to approve the issue of equity securities after that issue has been made. If that approval is granted, the Placement Shares will be excluded from the calculation of the listed company's remaining capacity under Listing Rules 7.1.

The Company wishes to retain as much flexibility as possible to utilise its capacity under Listing Rule 7.1, in order to take advantage of commercial opportunities as they may arise. Accordingly, the Company now seeks Shareholder approval to ratify the issue of the Placement Shares in accordance with Listing Rule 7.4.

If Resolution 4 is not passed, 497,222,222 Placement Securities will be included when calculating the Company's current capacity under Listing Rules 7.1.

#### **Information required by Listing Rule 7.5**

Listing Rule 7.5 sets out the requirements for notices of meeting at which shareholder approval is sought for the purposes of Listing Rule 7.4. For the purposes of Listing Rule 7.5 the Company notes as follows:

- 1) The Placement Shares were issued to the Recipients (who are not related parties of the Company) listed in the column headed "**Name**", on the date set out in the column headed "**Date**", in Table 1 below.
- 2) The Company issued a combined total of 497,222,222 securities, comprising 125,000,000 fully paid ordinary Placement Shares in the capital of the Company and 372,222,222 unlisted Convertible Notes with a face value of \$0.0009 each.
- 3) The Placement Shares are not subject to escrow restrictions, and were issued on the same terms as and rank *pari passu* with the Shares that were already on issue. The rights and liabilities of Shareholders are set out in the Constitution of the Company. The Constitution can be obtained from the Company's website at the following link: <https://www.austinmining.com.au/s/Constitution.pdf>
- 4) The Convertible Notes are not subject to escrow restrictions, and were issued on the same terms as and rank *pari passu* with the convertible notes that were already on issue. A summary of the material terms and conditions of the Convertible Notes can be obtained from the Company's website at the following link: <https://www.austinmining.com.au/2020-convertible-notes>
- 5) The Consideration Shares were issued to the Recipients in the amounts set out in the column headed "**Shares Issued**" and on the various dates set out in the column headed "**Date**", in each case in the Table 1 below.
- 6) The funds raised by the Company as a result of issuing the securities the subject of this Resolution were primarily used for project exploration costs, securing project opportunities (including the Ashford and Mackenzie Coal Projects) corporate costs and for general working capital purposes.

- 7) A Voting Exclusion Statement is set out in the Notice of Meeting for this Resolution.

**Table 1: Shares issued**

Name	Issue Date	Shares Issued	Issue Price
Karl Hamann	30 October 2019	125,000,000	\$0.002

**Table 2: Convertible Notes issued**

Name	Issue Date	Convertible Notes Issued	Issue Price (Face Value)
BAM COOLABAH INVESTMENTS PTY LTD	7 August 2020	51,111,111	\$0.0009
BAM OPPORTUNITIES FUND PTY LTD	7 August 2020	60,000,000	\$0.0009
BIZZELL CAPITAL PARTNERS PTY LTD	7 August 2020	7,444,444	\$0.0009
CENTEC SECURITIES PTY LTD	7 August 2020	3,666,667	\$0.0009
BAM COOLABAH INVESTMENTS PTY LTD	16 September 2020	20,000,000	\$0.0009
BAM OPPORTUNITIES FUND PTY LTD	16 September 2020	40,000,000	\$0.0009
BIZZELL CAPITAL PARTNERS PTY LTD	16 September 2020	38,227,778	\$0.0009
CENTEC SECURITIES PTY LTD	16 September 2020	1,772,222	\$0.0009
PEBBLE BEACH PROJECTS PTY LTD <PEBBLE BEACH A/C>	16 September 2020	50,000,000	\$0.0009
BAM COOLABAH INVESTMENTS PTY LTD	23 October 2020	40,000,000	\$0.0009
BAM OPPORTUNITIES FUND PTY LTD	23 October 2020	20,000,000	\$0.0009
BIZZELL CAPITAL PARTNERS PTY LTD	23 October 2020	33,000,000	\$0.0009
CENTEC SECURITIES PTY LTD	23 October 2020	7,000,000	\$0.0009

**Directors' Recommendation**

The Directors recommend that you vote in favour of this Ordinary Resolution.

**Resolution 4. Approval of Issue of Equity Securities Pursuant to the Employee Share Option Plan**
**Background**

Pursuant to Resolution 4 the Company is seeking Shareholder approval for the potential future issue of equity securities under the Company's Employee Share Option Plan (**ESOP**) pursuant to Listing Rule 7.2 (exception 13 (b)). Remuneration of the Company's employees is determined by the Board based on the recommendations of its non-executive Directors, taking into consideration relevant market practices and the circumstances of the Company, on an annual basis. It is the view of the non-executive Directors that it is in the interests of Shareholders that employees eligible to take part in the ESOP receive part of their remuneration in the form of equity securities (typically being Options).

Accordingly, the Board of the Company wish to utilise the ESOP, as a means of attracting, motivating, retaining and rewarding its key employees, by providing them with the opportunity to participate in future growth of the Company.

The ESOP was originally adopted by the Company prior to its admission to ASX, and issues pursuant to it were last approved by Shareholders at the Company's 2017 AGM.

**ASIC Class Order [CO 14/1000]**

Broadly speaking an offer of securities to investors, including to employees, must be made under a disclosure document issued pursuant to Chapter 6D of the Corporations Act, unless an exception applies (**Offer Disclosure**).

In accordance with its powers under the Corporations Act ASIC has made an exception to requirement for Offer Disclosure (amongst other things) in respect of offers made under an employee incentive scheme that complies with the requirements of ASIC Class Order [CO 14/1000] (the **Class Order**). The ESOP has been prepared in compliance with the Class Order, and

accordingly any offers of equity securities made under it are limited to the 5% capital limit set out in the Class Order (the **5% Capital Limit**).

#### **Listing Rule 7.1**

As noted in the section of this Expenditure Memorandum dealing with Resolution 4, broadly speaking Listing Rule 7.1 limits the number of equity securities that a listed company may issue or agree to issue in any 12-month period to no more than 15% of the company's ordinary securities on issue without shareholder approval. As a result, any issue of securities by the Company to eligible employees under the ESOP would reduce the Company's 15% capacity to issue Shares under Listing Rule 7.1.

However, exception 13(b) of Listing Rule 7.2 provides that Listing Rule 7.1 does not apply to issues of securities pursuant to an employee incentive scheme which are approved in the three years prior to their issue date.

If Resolution 4 is not passed, any equity securities issued pursuant to the ESOP will reduce the Company's 15% capacity under Listing Rule 7.1, potentially limiting the Company's capital raising ability. In addition, the Company may not be able to issue any or some of those equity securities without some form of disclosure document prepared in accordance with the Corporations Act.

#### **Further Information for Shareholders**

In accordance with Exception 13(b) of Listing Rule 7.2 the Company advises as follows:

- 1) A summary of the terms of the ESOP are set out in Schedule 1.
- 2) Since issues of equity securities made pursuant to the ESOP were previously approved by Shareholders at the Company's AGM in 2017, the following equity securities have been issued pursuant to the ESOP:

**Table 3 – previous issues under the ESOP**

<b>Number of Securities and Class</b>	<b>Date of issue</b>	<b>Date of expiry</b>
40,000,000 unlisted Directors' Options exercisable at \$0.02	29 November 2017	14 June 2020
7,500,000 unlisted ESOP Options exercisable at \$0.05	1 March 2018	30 June 2020
500,000 unlisted ESOP Options exercisable at \$0.05	15 June 2020	30 June 2020
500,000 unlisted ESOP Options exercisable at \$0.05	25 June 2020	30 June 2020

- 3) The maximum number of equity securities proposed to be issued under the ESOP is a number no greater than that allowed for under the Class Order from time to time. Insofar as is relevant for present purposes, the Class Order provides that the Capital Limit is approximately 5% of the Company's total issued ordinary Share capital at the relevant time, reduced by the number of Shares which have being issued in, or which may be issued upon the exercise of any Options issued in the previous three years under the ESOP, or under any other share option plan adopted by the Company (which issues were covered by the Class Order or another instrument made by ASIC on terms similar to the Class Order)). For the purposes of Listing Rule 7.2 exception 13(b), the maximum number of equity securities proposed to be issued under the ESOP is 197,945,088.

#### **Participation of Directors**

Whilst under the provisions of the ESOP non-executive Directors are eligible to participate in the plan, no equity securities (including Options) will be issued to Directors (or their nominees) unless further specific approval for the issue of those equity securities is obtained pursuant to the Listing Rule 10.11.

#### **Directors Recommendation**

Due to a *potential* interest in the outcome of this Resolution, the Directors make no recommendation as to how you should vote on this Ordinary Resolution.

A Voting Exclusion Statement is set out in the Notice of Meeting for this Resolution.

## **Resolution 5. Approval for the issue of securities pursuant to the Directors' Fee Plan**

### **Background**

The Directors' Fee Plan (the **Plan**) was presented and approved at the 2017 Annual General Meeting to enable the Directors to receive Shares *in lieu* of cash remuneration for a period of up to three (3) years after the date of that approval. The Plan is an "employee incentive scheme" for the purposes of the Listing Rules.

All Directors wish to continue with the Plan. Pursuant to the terms of the Plan a Director may elect to salary sacrifice all or a percentage of the remuneration to which that Director may be otherwise entitled (the **Director Fees**), in exchange for the issue of Shares of an equal value (as determined by reference to the relevant issue price) (the **Plan Shares**). The Plan offers greater flexibility to the Company's remuneration framework and ensures that the Company can continue to attract, retain and reward Directors and to ensure that the interests of the Directors and Shareholders are aligned.

### **Corporations Act Requirements – 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 that company without shareholder approval, unless the benefit falls within one of various exceptions to the general prohibition (see section 208 of the Corporations Act).

A "related party" is defined widely for the purposes of the Corporations Act and includes: a director of that company; any spouse, parent or children of that director; and any company or other entity controlled by that director.

A "financial benefit" for the purposes of the Corporations Act also has a very wide meaning. It includes the public company paying money or issuing securities to the related party. Any consideration which is given for the financial benefit is to be disregarded, even if it is full or adequate. The issue of the Plan Shares and the right of the Directors to salary sacrifice in order to pay for the Plan Shares, are "financial benefits" for the purposes of Chapter 2E of the Corporations Act.

Two (2) of the exceptions to the prohibition on the giving of such a financial benefit without shareholder approval, are where the financial benefit:

- 1) is reasonable remuneration for performance as an officer or employee of the company, and it is reasonable to give that remuneration given the circumstances of the company and the related party's circumstances (see section 211(1) of the Corporations Act); and
- 2) is on terms that: a) would be reasonable in the circumstances if the company and the related party were dealing at arm's length; or b) are less favourable to the related party than would be reasonable in the circumstances if the company and the related party were dealing at arm's length (see section 210 of the Corporations Act).

As the Directors may elect to forego a percentage of the Director Fees in exchange for the issue of the Plan Shares, and the Director Fees are within the aggregate pool of Directors Fees approved by Shareholders, it has been determined that the financial benefit given by offering Directors the opportunity to salary sacrifice to acquire Plan Shares under the Plan, at no greater cost of the Company, constitutes reasonable remuneration to the Directors given:

- 1) the circumstances of the Company; and
- 2) the Directors' roles and responsibilities within the Company.

Given the above, the Company will rely on the exception contained in section 211(1) of the Corporations Act, and is not seeking Shareholder approval pursuant to section 208 of the Corporations Act in addition to the approval being sought under the Listing Rules.

Furthermore, the Company also relies on the exception contained in section 210 of the Corporations Act as it is been determined that the financial benefit given by offering the Directors the opportunity to salary sacrifice to acquire the Plan Shares, at no greater cost of the Company, is on terms that would be reasonable in the circumstances if the Company and each Director were dealing at arm's length.

### **Listing Rule 10.14**

Listing Rule 10.14 prohibits a listed company from issuing or agreeing to issue equity securities (including shares or options) to a director or associate of the company under an employee incentive scheme (such as the Plan) without Shareholder Approval. Because each of the Directors is a related party of the Company for the purposes of Listing Rule 10.11, the proposed issue of Plan Shares to Directors under the Plan must be approved under the Listing Rule 10.14.

### Listing Rule 10.15

Listing Rule 10.15 sets out the requirements for any notice of meeting to approve the issue of securities under Listing Rule 10.14. In accordance with Listing Rule 10.15 the Company advises as follows:

- 1) The proposed recipients of the Plan Shares are the current Directors being Mr Nicholas Mather, Mr Brian Moller, and Mr Richard Willson (**Participating Directors**). Directors who may be appointed or elected after Resolution 5 is passed, will be entitled to elect to participate in the Plan but will not be permitted to do so until after any Shareholder approval required under Listing Rule 10.14 (or otherwise under Chapter 10 of the Listing Rules) is obtained, or ASX grants a waiver from this requirement. There is no guarantee that a waiver will be applied for, or if applied for, granted.
- 2) The Participating Directors are "directors" of the Company for the purpose of Listing Rule 10.14.1. Any company or other entity which they nominate to receive the Plan Shares (and which they must control), will be their respective "associates" for the purpose of Listing Rule 10.14.2.
- 3) The maximum number of securities which may be issued under this Resolution is 450,000,000 Plan Shares over the three years immediately following the date of this Meeting (assuming that this Resolution is passed), with a maximum of 150 million Plan Shares (**Maximum Shares**) per year. If the Maximum Shares were issued today, they would represent approximately 3% of the issued Share capital of the Company, assuming that no other Shares were issued. The number of Maximum Shares has been determined by dividing \$150,000 (being 50% of an estimated Director Fee pool of \$300,000) by the lowest possible issue price of approximately \$0.001 per Director Share.

### Directors' Interests and Other Remuneration

- 4) Details of the Directors remuneration for each of the Participating Directors (inclusive of superannuation) for the last two financial years (total cost to the Company) is set out in Table 4 below:

**Table 4 – Director Remuneration**

Director	Remuneration 30 June 2020	Remuneration 30 June 2019
Nicholas Mather	\$91,667	\$100,000
Brian Moller	\$45,833	\$50,000
Richard Willson	\$36,667	\$40,000

At the time of writing this Notice, there is approximately \$300,000 in unpaid fees owing to the Directors. However, the conversion of these outstanding fees is proposed to be dealt with as part of Resolution 8. If each of the Directors participated in the Director Fee Plan through the issue to them each of Plan Shares *in lieu* of 50% of their respective Director Fees payable for a 12-month period, then the following will be the effect on the holding of each of the Directors in the Company:

**Table 5 – Director Holdings (Current and Potential)**

Director	Current Share Holding <sup>1</sup>	% of Total Share Capital <sup>2</sup>	Director Shares Issued <sup>3</sup>	Share Holding Upon Issue of Maximum Shares <sup>3</sup>	% of Total Share Capital
Nicholas Mather	182,896,514	3.71%	50,000,000	232,896,514	4.6%
Brian Moller	41,236,874	0.84%	25,000,000	66,236,874	1.32%
Richard Willson	11,655,940	0.24%	20,000,000	31,655,940	0.63%

#### Assumptions and Explanations

1. This assumes that none of the current Options on issue in the Company are exercised and no further securities are issued.
2. This assumes that there are currently 4,928,901,761 Shares on issue.
3. This assumes the Shares will be issued at a price of \$0.001 per Share, based on the closing market price of the Shares on 14 December 2020.

- 5) The only issue of Plan Shares that has taken place since the Director Fee Plan was last approved at the 2017 AGM was on 18 December 2017, where the Directors received a total of 17,000,000 Plan Shares priced at 1 cent each for the conversion of \$170,000 in fees at that time. No Plan Shares were issued in 2018, 2019 or 2020.
- 6) The Plan Shares will not be subject to escrow restrictions, and will be issued on the same terms as and rank *pari passu* with the Shares that are already on issue. The rights and liabilities of Shareholders are set out in the Constitution of the Company. The Constitution can be obtained from the Company's website at the following link: <https://www.austinmining.com.au/s/Constitution.pdf>
- 7) The Plan Shares are intended to be issued as and when elections are made by Participating Directors under the Plan, and in any event no later than three years after the date of the Meeting. It is the current intention of the Company and Directors that the Plan Shares would be issued to the Participating Directors in a maximum of 4 tranches in each 12-month period following the date of the Meeting.
- 8) The issue price of each Plan Share shall be as follows:
  - a) subject to paragraph b) immediately below, the closing market price on the trading day immediately prior to an Election Notice being given by the relevant Participating Director in accordance with the Directors Fee Plan (and any fractional entitlement to Plan Shares shall be rounded up to the nearest whole number); and
  - b) where the Plan Shares are being issued at the same time as or as part of a capital raising involving other existing Shareholders or third parties, the Plan Shares shall be issued at the same price as the Shares issued to those other Shareholders or third parties.
- 9) No loans are being given in respect of the issue of any Plan Shares.
- 10) The terms of the Plan under which Directors may be issued Directors' Shares *in lieu* of fees are set out in Schedule 2.
- 11) Details of any Plan Shares issued under the Directors Fee Plan will be published in the Annual Report in respect of the year during which the Plan Shares are issued, along with a statement noting that approval for the issue was obtained under Listing Rule 10.14.

Save as set out in this Explanatory Memorandum, the Directors are not aware of any other information that will be reasonably required by Shareholders to make a decision in relation to benefits contemplated by this Resolution.

No cash will be raised from the issue of the Directors Shares, as they are issued *in lieu* of remuneration otherwise owing to Directors. However, if Shareholders do not approve this Plan then the remuneration that a Director would otherwise be entitled to, must be paid in cash as opposed to being satisfied for the issue of Plan Shares, and will therefore deplete the cash reserves of the Company.

#### **Directors' Recommendation**

Messrs Nicholas Mather, Brian Moller, and Richard Willson each have a material personal interest in the Resolution and therefore do not make any recommendation.

A Voting Exclusion Statement in relation to this Resolution is set out in the Notice of Meeting.



## **Resolution 6. Approval for the issue of up to \$1,000,000 worth of Shares to DGR Global Limited**

### **Background**

DGR Global (**DGR**) provides administrative and managerial services to the Company pursuant to an administrative agreement that has been in place since prior to the Company's admission to the official list. Under that agreement, DGR provides, amongst other things, office accommodation, meeting rooms, IT and telephone infrastructure and accountancy and financial reporting services. The fee under the agreement is \$16,000 (plus GST) per month. From time to time, DGR Global also makes certain outlays on behalf of the Company, including for travel and accommodation, marketing expenses, investor conferences, IT equipment and the like. In addition, DGR has provided the Company with a Letter of Financial Support to assist with the Company's management of third-party creditors and statutory costs from time to time.

As at the date of the Notice of Meeting, the Company owes DGR Global approximately \$830,000 in accrued administrative fees and loan funds as a result of the above arrangements (the **DGR Loan**).

As discussed in further detail below under the heading "**Background**" in the section of this Explanatory Memorandum dealing with Resolution 8, it is a condition to the completion of the Ashford Stage 1 Acquisition<sup>1</sup> that the Company convert approximately \$1.66 million worth of debts into equity (the **Debt Conversion Condition**) as part of the Company's 2020 entitlement offer. Conversion of the DGR Loan, among other debts, into equity is necessary to satisfy that condition.

If Resolution 6 is not passed:

- 1) the DGR Loan will need to be paid in cash (which will further deplete the cash reserves of the Company);
- 2) the Debt Conversion Condition will not be satisfied and accordingly the Ashford Stage 1 Acquisition is unlikely to occur; and
- 3) the Company will not be able to proceed to exercise the Ashford Stage 2 Option should it wish to do so.

Accordingly, and in order to preserve the Company's treasury for the maximisation of project related expenditures, the Company and DGR have agreed that DGR will accept the issue of Shares to DGR in full and final satisfaction of the amount of the DGR Loan outstanding as at the date of the Meeting (the **DGR Conversion Shares**).

### **Listing Rules 7.1 and 10.11**

In broad terms, Listing Rule 10.11 provides that without shareholder approval, a listed entity must not issue or agree to issue equity securities to a person in any of the classes of persons listed in Listing Rule 10.11. One of those classes of persons is made up of persons who are holders of 10% or more of the voting shares in the listed entity, and have nominated a director to the board of the listed entity.

The Company notes that DGR currently holds approximately 14.70% of the issued voting Shares of the Company, and has two (2) nominee Directors on the Board, being Messrs Mather and Moller.

Accordingly, Shareholder approval in accordance with Listing Rule 10.11 is needed and is being sought for the issue of the DGR Conversion Shares.

If approval is given under Listing Rule 10.11, approval will not be required under Listing Rule 7.1. By obtaining approval under Listing Rule 10.11, the DGR Conversion Shares will be excluded when calculating the Company's remaining capacity under Listing Rule 7.1.

However, if this Resolution not passed then the DGR Conversion Shares cannot be issued, and the amount outstanding to DGR will eventually need to be repaid in cash. Further, the Company will not be able to proceed with either stage of the Ashford Acquisition (in respect of which see the discussion under the heading "**Background**" in the section of this Explanatory Memorandum dealing with Resolution 9).

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<sup>1</sup> See the Company's announcement to the market on 31 July 2020.

The Company notes that as DGR does not control the Company, DGR is not a related party of the Company. Accordingly, Shareholder approval for the purposes of Chapter 2E of the Corporations Act will not be required for the issue of the DGR Conversion Shares.

#### Information required by Listing Rule 10.13

Listing Rule 10.13 sets out the requirements for notices of meeting at which shareholder approval is sought for the purposes of Listing Rule 10.11. For the purposes of Listing Rule 10.13 the Company advises as follows:

- 1) The DGR Conversion Shares are being issued to DGR. The DGR Conversion Shares will not be subject to escrow restrictions, and will be issued on the same terms as and rank *pari passu* with the Shares that are already on issue. The rights and liabilities of all Shareholders are set out in the Constitution of the Company. The Constitution can be obtained from the Company's website at the following link: <https://www.austinmining.com.au/s/Consitution.pdf>
- 2) The Company believes that DGR falls within Listing Rule 10.11.3 because DGR currently holds approximately 14.70% of the issued voting shares of the Company, and has two (2) nominee Directors on the Board, being Messrs Mather and Moller.
- 3) If approval is given, the Company intends to issue and allot the DGR Conversion Shares within one (1) month of the date of the Meeting.
- 4) The exact number of DGR Conversion Shares being issued will be determined in accordance with the following formula:

$$A = B/C$$

where:

**A** is the number of DGR Conversion Shares to be issued;

**B** is the amount of the DGR Loan outstanding as at the day of issue of the DGR Conversion Shares; and

**C** is the VWAP for the Company's shares in the 90-day period leading up to their issue.

By way of example, on the basis of the amount owed to DGR as at the date of this Notice of Meeting (being approximately \$830,000) if this Resolution is passed, DGR would be issued the following number of Shares in full satisfaction of the amount outstanding, based on a range of VWAPs:

**Table 6 – VWAPS and Maximum Number of DGR Conversion Shares**

VWAP	Number of DGR Conversion Shares
0.001	830,000,000
0.002	415,000,000
0.003	276,666,667

As at the date of the preparation of this Notice of Meeting, the 90 Day VWAP for trading in the Company's Shares was 0.001 cents. Accordingly, this would currently equate to an issue of 830,000,000 DGR Conversion Shares (on the conversion of \$830,000) and a maximum of 1,000,000,000 DGR Conversion Shares (on the conversion of the maximum debt amount of \$1,000,000).

### Takeover Provisions

Subject to certain exceptions section 606 of the Corporations Act prohibits a person from acquiring a relevant interest in the issued voting shares of a listed company where, as a result, that person's voting power in the company increases:

- 1) from 20% or below to more than 20%; or
- 2) from a starting point that is above 20% and below 90%.

Where the issue of the DGR Conversion Shares would result in DGR breaching section 606 of the Corporations Act, the Directors will limit the number of DGR Conversion Shares to be issued to a number which will not result in DGR breaching section 606 of the Corporations Act.

### Director Recommendation

Mr Willson recommends that Shareholders vote in favour of this Resolution. As Messrs Mather and Moller are Directors of DGR they have abstained from making a recommendation.

A Voting Exclusion Statement in relation to this Resolution is set out in the Notice of Meeting.

### Resolution 7. Approval for the Issue of up to \$320,000 Worth of Shares to Directors

Pursuant to Resolution 7 the Company seeks the approval of Shareholders for the issue of fully paid ordinary Shares in the Company to Directors (or their nominees) (the **Debt Conversion Shares**), in satisfaction of long-term outstanding fees owed to each of them (**Director Debts**), as outlined in detail below.

In order to preserve the Company's treasury for the maximisation of project related expenditures, the Company and the Directors have agreed that the Directors will accept the issue of the Debt Conversion Shares in full and final satisfaction of the amount of the Director Debts as at the time of their issue (up to a maximum combined amount of \$320,000 as detailed in Table 7 below).

The remuneration due to Directors for the 2019 and 2020 financial years is as outlined in Table 4 on Page 14 above.

If the issue of the Debt Conversion Shares is approved by Shareholders, the Debt Conversion Shares will have an issue price based on the 90 day VWAP leading up to the issue of the Shares.

As discussed in further detail below under the heading "**Background**" in the section of this Explanatory Memorandum dealing with Resolution 8, the Debt Conversion Condition is a condition to the completion of the Ashford Stage 1 Acquisition. Conversion of the Director Debts into equity are necessary to satisfy the Debt Conversion Condition.

If Resolution 7 is not passed then:

- 1) the Director Debts will need to be paid in cash (which will further deplete the cash reserves of the Company);
- 2) the Debt Conversion Condition will not be satisfied and accordingly the Ashford Stage 1 Acquisition is unlikely to occur; and
- 3) the Company will not be able to proceed to exercise the Ashford Stage 2 Option should it wish to do so.

### Listing Rule 10.11

Listing Rule 10.11 requires shareholder approval for a company to issue equity securities to a related party.

A "related party" for the purposes of the Listing Rules is defined widely and in relation to a public company includes a director of that company and an entity controlled by a director of that company.

Approval for the issue of the Debt Conversion Shares to each of the Directors (or their nominee) is sought in accordance with the provisions of Listing Rule 10.11. If approval is given under Listing Rule 10.11 for the Debt Conversion Shares, approval will not be required in respect of the Debt Conversion Shares under Listing Rule 7.1. The Particular Director and the debt to be converted are as outlined in the Table 7 below.

**Table 7 – Maximum Director Debts**

Recipient Director	Director Debt (Up to a maximum of)
Nicholas Mather	\$80,000
Brian Moller	\$160,000
Richard Willson	\$80,000

The Company believes that all information required pursuant to Listing Rule 10.13 is contained in the Notice of Meeting and this Explanatory Memorandum and in particular immediately below.

**Information required by Listing Rule 10.13 for this Resolution**

For the purposes of Listing Rule 10.13, the Company advises as follows:

- 1) The Debt Conversion Shares are being issued to each of the Directors of the Company (or their nominee).
- 2) The exact number of Debt Conversion Shares being issued to each particular Director will be determined in accordance with the following formula:  

$$A = B/C$$

where:

**A** is the number of Debt Conversion Shares to be issued

**B** = Director Debt

**C** = the VWAP for the 90 day period immediately prior to the date on which the Debt Conversion Shares are issued.
- 3) If approval is given, the Company intends to issue and allot the Debt Conversion Shares within one (1) month the date of the Meeting.
- 4) As noted above, the parties are Directors of the Company.
- 5) The Debt Conversion Shares will be issued at the issue price equal to “C” in the formula set out in paragraph 2) above, and otherwise on the same terms as and rank *pari passu* with the existing Shares on issue in the capital of the Company. The rights and liabilities of all Shareholders are set out in the Constitution of the Company. The Constitution can be obtained from the Company’s website at the following link <https://www.austinmining.com.au/s/Consitution.pdf>
- 6) A Voting Exclusion Statement in relation to this Resolution is set out in the Notice of Meeting.
- 7) The Director Debt has arisen and continues to accrue as a result of unpaid remuneration expenses for each of the Directors over the past 3 years. To the extent that the Debt Conversion Shares will be issued *in lieu* of these amounts, no funds will be raised (however the Company will reduce its payment obligation in respect of the accrued Director remuneration and expenses accordingly).

**Regulatory Requirements**

**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 that company unless the benefit falls within one of various exceptions to the general prohibition. One of the exceptions includes where the company first obtains the approval of its shareholders in general meeting in circumstances where the requirements of Chapter 2E in relation to the convening of that meeting have been met.

A “related party” is defined widely for the purposes of the Corporations Act and includes: a director of that company; any spouse, parent or children of that director; and any company or other entity controlled by that director.

A “financial benefit” for the purposes of the Corporations Act also has a very wide meaning. It includes the public company paying money or issuing securities to the related party. Any consideration which is given for the financial benefit is to be disregarded, even if it is full or adequate. The issue of the Plan Shares and the right of the Directors to salary sacrifice in order to pay for the Plan Shares, are “financial benefits” for the purposes of Chapter 2E of the Corporations Act.

If the proposed Resolution 7 is passed, it will confer a financial benefit on each of the Directors (Messrs Mather, Moller and Willson). Accordingly, the Company seeks Shareholder approval in accordance with the requirements of Chapter 2E of the Corporations Act for Resolution 7. For this reason and for all other purposes, the following information is provided to Shareholders:

**The related party to whom Resolution 7 would permit the financial benefit to be given**

Mr Nicholas Mather – Director

Mr Brian Moller – Director

Mr Richard Willson - Director

**The nature of the financial benefit**

The nature of the proposed financial benefit to be given is the issue and allotment of fully paid ordinary Shares (in full satisfaction of the Director Debt owed to each Director (or his nominee) as outlined in Table 7 above.

**Existing interests of the Directors in the Company**

Each of the Directors has a material personal interest in the outcome of Resolution 7, as it is proposed that the Debt Conversion Shares be allotted to him (or his nominee).

Each of the Directors (and entities associated with him) currently holds Shares in the Company as outlined in Table 8 below. In addition, the Directors currently holds unlisted Shareholder options exercisable at 2.5 cents each expiring 30 June 2022, as follows:

Nicholas Mather	136,363 unlisted shareholder options
Brian Moller	136,362 unlisted shareholder options
Richard Willson	45,454 unlisted shareholder options

While it is not possible to be definitive about this matter until the issue price is determined as at the date of the issue of the Debt Conversion Shares, for illustrative purposes only, Table 8 below outlines the effect on the Shareholding positions of the Directors and all other Shareholders in the Company if the Debt Conversion Shares were issued at a price of \$0.001 per Share and at the value of the maximum amount authorised to be paid per Table 7 above. Because the 90-day VWAP calculated as at 14 December 2020 (being the day of the preparation of this information) was \$0.001 cents per share, this is the hypothetical issue price that has been used (in the formula set out above) for the purpose of determining the number of Conversion Shares stated in Table 8 below.

**Table 8 – Effect of Dilution (Resolution 7)**

Director (including associated entities)	Current Share Holding <sup>1</sup>	Current % of Total Share Capital <sup>2</sup>	Conversion Shares Issued (Maximum)	Share Capital Post Allotment	% of Total Share Capital Post Allotment
Nicholas Mather	182,896,514	3.71%	80,000,000	262,896,514	4.99%
Brian Moller	41,236,874	0.84%	160,000,000	201,236,874	3.83%
Richard Willson	11,655,940	0.24%	80,000,000	91,655,940	1.74%
All Other Holders	4,693,112,433	95.21%	-	4,693,112,433	89.44%
<b>Total</b>	<b>4,928,901,761</b>	<b>100.00%</b>	<b>320,000</b>	<b>5,248,901,761</b>	<b>100.00%</b>

Notes:

1. This ignores the effect of any exercise of existing options and with no further securities are allotted.
2. This assumes that there are currently 4,928,901,761 Shares on issue.

On the basis of the Director Debts owed to each of the Directors as outlined in Table 8 above, Table 9 below outlines the maximum number of Debt Conversion Shares that could be issued dependent on the prevailing 90 day VWAP at the time.

**Table 9 – Maximum Number of Debt Conversion Shares per Director**

<b>VWAP</b>	<b>Maximum number of Debt Conversion Shares - Mather</b>	<b>Maximum number of Debt Conversion Shares - Moller</b>	<b>Maximum number of Debt Conversion Shares - Willson</b>
\$0.001	80,000,000	160,000,000	80,000,000
\$0.0015	60,000,000	120,000,000	60,000,000
\$0.002	40,000,000	80,000,000	40,000,000

#### **Valuation**

It is not possible to be definitive about this matter until the issue price has been determined as at the date of the issue of the Debt Conversion Shares. However, for illustrative purposes only, if the Debt Conversion Shares were issued at \$0.001 per Debt Conversion Share (based on the prevailing 90 Day VWAP), and \$320,000 worth of debt converted (this being the maximum value of shares authorised to be issued pursuant to this Resolution), the Company would issue 320 million Debt Conversion Shares to the Directors. By way of example, if the market of the Shares was \$0.002 cents each at the time of the issue of the Debt Conversion Shares, a further value of approximately \$320,000 would accrue to the Directors on their issue.

#### **Any other information that is reasonably required by Shareholders to make a decision and that is known to the Company or any of its Directors**

There is no other information known to the Company or any of the Directors save and except as follows:

#### **Impact of market movements on the discount to closing market price represented by the issue price**

There is a possibility that the 90 Day VWAP for trading in the Company's Shares between the date of this Notice of Meeting and the date of issue of the Debt Conversion Shares may change. If so, then the imputed value to each of the Directors of the relevant Conversion Shares may be different to that indicated in paragraph (e) above.

#### **Opportunity costs**

An issue of Shares made with the approval of Shareholders pursuant to Listing Rule 10.11, is an exception to the limitation on the right to issue (or agree to issue) equity securities in any 12 month period, imposed on the Company pursuant to Listing Rule 7.1 and Listing Rule 7.1A.

Pursuant to Resolution 7, the Company is seeking Shareholder approval for the issue in accordance with Listing Rule 10.11. Accordingly, the Company's ability to allot Shares to third-party investors will not be limited by Listing Rule 7.1 and Listing Rule 7.1A if the Resolution is approved by Shareholders. Accordingly, the Company does not consider that there will be any "opportunity cost" for the allotments proposed by Resolution 7.

#### **Trading history of the Shares for the last 90 days**

As at 14 December 2020, the closing price of Shares on ASX was \$0.001 each. Set out below is the trading history of the Shares over the past 90 days.

**Table 10 – Trading History of ANW for 90 Days**

	<b>Closing Market Price for the 90 Day period prior to Notice of Meeting</b>
<b>High</b>	\$0.002
<b>Low</b>	\$0.001
<b>VWAP (calculated to three decimal places)</b>	\$0.001

### Taxation consequences

There are no adverse taxation consequences to the Company. The Directors (or their nominees) may be subject to taxation as if they had received the cash equivalent of the market value of the Shares at the time of their allotment.

### Dilutionary effect

As noted above the dilutionary effect of the proposed allotments covered by this Resolution is as outlined in Table 8 above.

Save as set out in this Explanatory Memorandum, the Directors are not aware of any other information that will be reasonably required by Shareholders to make a decision in relation to benefits contemplated by this Resolution.

### Voting restrictions

There are restrictions on voting on this Resolution by the Company's Directors and any associates of each of them. For additional details please refer to the Voting Exclusion Statement in relation to Resolution 7 within the Notice of Meeting.

Shareholders should be aware that any undirected proxies given to the Chairman will be cast by the Chairman and counted in favour of the Resolutions the subject of this Meeting, including this Resolution, subject to compliance with the Corporations Act.

### Directors' recommendation

The Directors make no recommendation in relation to this Resolution 7, as each of them has an interest in the outcome of the resolution.

## Resolution 8. Approval of the Ashford Coal Project Acquisition

### Background

#### Ashford Stage 1 Acquisition

- 1) On 31 July 2020 the Company entered into a binding term sheet (the **Binding Ashford Term Sheet**) with Laneway Resources Ltd ACN 003 049 714 (ASX: LNY) (**Laneway**) and Renison Coal Pty Ltd ACN 100 163 942 (**Renison**). Pursuant to the terms of the Binding Ashford Term Sheet the Company has agreed to purchase 40 percent of the issued share capital of Renison (the **Ashford Stage 1 Acquisition**), through the issue of new shares in Renison to the Company (the **Renison New Shares**)<sup>2</sup>. Renison is a wholly-owned subsidiary of Laneway and the owner of the Ashford Coking Coal Project (the **Ashford Project**). The Ashford Project primarily consists of two tenements<sup>3</sup> (the **Tenements**).
- 2) In consideration for the issue of the Renison New Shares the Company will issue so many new shares to Laneway so that on completion of that issue, Laneway will hold 20 percent of the enlarged share capital of the Company (the **Stage 1 Consideration Shares**).
- 3) One of the conditions precedent to the completion of the Ashford Stage 1 Acquisition (the **Stage 1 Completion**), is "ANW and Laneway receiving all necessary shareholder and third party approvals and consents to the [Ashford Stage 1 Acquisition], in accordance with all applicable legal and regulatory requirements including the ASX Listing Rules".

#### Further Conditions Precedent to Ashford Stage 1 Acquisition

- 4) In addition to the Shareholder CP the Stage 1 Completion is subject to the satisfaction or waiver of a number of other conditions (being referred to, along with the Shareholder CP, as the **Stage 1 Conditions**):
  - a. both parties conducting and being fully satisfied with the results of its legal, financial and technical due diligence (each of the Company and Laneway acknowledging that this condition has been satisfied as at the date of the Notice);

<sup>2</sup> Pursuant to the terms of the Binding Ashford Term Sheet the parties agree that the Company is to purchase 40% of *either* the Ashford Project or Renison. Subsequent to executing the Binding Ashford Term Sheet the parties agreed that the Company will acquire the 40% interest in Renison through the issue of Renison New Shares to the Company. Given that as at the date of the Meeting there is only one share on issue in Renison, this would also necessitate the issue of further shares by Renison to Laneway.

<sup>3</sup> EL 6234 and EL 6428 issued pursuant to the *NSW Mining Act 1992* (NSW).



- b. the entry into a binding sale and purchase agreement and a shareholders agreement (both of which are the subject of current negotiations and drafting by the Company, Laneway and Renison);
  - c. the conduct of a rights issue and shortfall placement raising a minimum of \$1.2 million in cash to fund exploration, development and corporate costs (the **Minimum Cash Raise**); and
  - d. the conversion of \$1.66 million of the Company's debt into equity subject to constraints imposed under Listing Rule 7.1, and where necessary shareholder approval (which is in part the subject of Resolutions 7 and 8) (the **Balance Sheet Conversion**).
- 5) Initially Stage 1 Conditions were to have been satisfied by 31 October 2020, failing which either the Company or Laneway could terminate the Binding Ashford Term Sheet. However, the parties have since agreed that Stage 1 Conditions need to be satisfied by 31 January 2021 (the **Stage 1 Conditions Date**).

#### *Stage 1 Expenditure Recovery*

- 6) Initially the parties agreed that on the Stage 1 Completion, Laneway would be reimbursed for up to \$100,000 worth of expenditure incurred by it in respect of the Tenements between the date of execution of the Binding Ashford Term Sheet (the **Execution Date**) and the date of the Stage 1 Completion. However, in light of the agreement of the parties to change the Stage 1 Conditions Date from 31 October 2020 to 31 January 2021, the parties have agreed that Laneway would be reimbursed for up to \$200,000 worth of such expenditure.

#### *Laneway Top-up Rights*

- 7) Subject to the Stage 1 Completion occurring:
- a. when the Company raises \$1 million of capital in addition to the Minimum Cash Raise and the Balance Sheet Conversion (whether through cash subscriptions or the conversion of an outstanding debts into Shares) (the **Non Lind Cap Raising**), the Company shall issue to Laneway 250,000,000 additional Shares. Laneway will not be required to provide any further cash consideration or subscription monies for the issue of these additional Shares; and
  - b. when \$1 million worth of the Lind Facility is converted into equity in ANW or repaid (in addition and separately to the Non Lind Cap Raising and any amount of the Lind Facility which has already been converted into Shares or repaid as at 31 July 2020), the Company shall issue to Laneway 285,000,000 additional Shares. Laneway will not be required to provide any further cash consideration or subscription monies for the issue of these Shares.

#### *Laneway Nominee Directors*

- 8) As and from the Stage 1 Completion, Laneway will be entitled to nominate two Directors to the Board of the Company, and the Company is obliged to procure the resignation of one of the three current Directors.

#### *Change of Company name*

- 9) The Company is to seek a Special Resolution to change its name to a new name reflecting its expanded portfolio of projects. As at the date of the Notice the Board has not received nor made any proposals for such a name change. The Company anticipates that any proposal for a name change will be put to Shareholders following the Ashford Stage 1 Completion, should it occur.

#### *Background – Ashford Stage 2 Option*

- 10) Laneway is to grant the Company an option (the **Stage 2 Option**) to purchase the remaining 60 percent interest in the Ashford Project (the **Ashford Stage 2 Acquisition**) for:
- a. a total of A\$7 million constituted by:
    - i. \$2 million in cash; and
    - ii. \$5 million worth of Shares (the **Stage 2 Consideration Shares**), or \$5 million in cash, at the election of the Company; and
  - b. an ongoing royalty payable to Laneway of \$0.50 per tonne of coal sold from the Ashford Project.



- 11) The Stage 2 Option must be exercised before the third anniversary of the Stage 1 Completion (the **Stage 2 Option Period**).
- 12) There are number of conditions to the completion of the Ashford Stage 2 Acquisition (the **Stage 2 Conditions**) being:
  - a. the exercise by ANW of the Stage 2 Option within the Stage 2 Option Period;
  - b. the “expiry” or “termination” as the case may be of the Lind Facility;
  - c. the Company having at its cost maintained the Tenements in good standing until the earlier of the expiry of the Stage 2 Option Period, and the completion of the Ashford Stage 2 Acquisition (the **Stage 2 Completion**); and
  - d. the Company and Laneway receiving all necessary shareholder and third party approvals and consents to the Ashford Stage 2 Acquisition, in accordance with all applicable legal and regulatory requirements including the Listing Rules.
- 13) While the Company seeks Shareholder approval for the terms of the Binding Ashford Term Sheet (and *both* of the transactions contemplated by it), should the Company exercise the Stage 2 Option and the other Stage 2 Conditions be satisfied, the Company will seek Shareholder approval for the issue of any Stage 2 Consideration Shares.

#### Listing Rule 7.1

As noted above, in broad terms Listing Rule 7.1 (subject to certain exceptions) limits the number of equity securities that a listed company can issue in any 12 months without the approval of its shareholders, to a number equal to 15% of the fully paid ordinary securities that it had on issue at the start of that 12 month period.

The proposed issue of the Stage 1 Consideration Shares will exceed the limits imposed by Listing Rule 7.1, and will not fit within any of the exceptions set out in Listing Rule 7.2.

Accordingly, the Company seeks Shareholder approval for the issue of the Stage 1 Consideration Shares.

If passed, the effect of Resolution 8 will be to allow the Company to issue the Stage 1 Consideration Shares during the period of three (3) months after the date of the Meeting or such longer period if allowed by ASX. Further the issue will be excluded from the calculation of the number of equity securities that the Company can issue without Shareholder approval under Listing Rule 7.1.

If Resolution 8 is not passed, the Company will not be able to proceed to issue the Stage 1 Consideration Shares and the Ashford Stage 1 Acquisition will not proceed. Further the Company will not be able to exercise the Stage 2 Option.

#### Listing Rule 7.3

Listing Rule 7.3 sets out the requirements for notices of meeting at which shareholder approval is sought for the purposes of Listing Rule 7.1. For the purposes of Listing Rule 7.3 the Company advises as follows:

- 1) The Stage 1 Consideration Shares will be issued to Laneway or its nominee.
- 2) The maximum number of Stage 1 Consideration Shares that the Company can issue is 2,290,000,000 Shares. Any Stage 1 Consideration Shares issued will issued on the same terms as and rank *pari passu* with Shares that are already on issue at the relevant time. The rights and liabilities of all Shareholders are set out in the Constitution of the Company. The Constitution can be obtained from the Company’s website at the following link: <https://www.austinmining.com.au/s/Consitution.pdf>
- 3) The Stage 1 Consideration Shares will be issued, if at all, no later than 3 months after the date of the Meeting and their allotment may occur progressively.
- 4) The Stage 1 Consideration Shares will be issued in consideration for the issue of so many Renison New Shares, that following the completion of that issue, the Company will hold 40% of the issued share capital of Renison.
- 5) The terms of the agreement pursuant to which the Stage 1 Consideration Shares are being issued is summarised above under the heading “**Background**”.
- 6) A Voting Exclusion Statement for this Resolution is set out under Resolution 8 in the Notice of Meeting.

### Takeover Provisions

Subject to certain exceptions section 606 of the Corporations Act prohibits a person from acquiring a relevant interest in the issued voting shares of a listed company where, as a result, that person's voting power in the company increases:

- 1) from 20% or below to more than 20%; or
- 2) from a starting point that is above 20% and below 90%.

Where the issue of Shares to Laneway pursuant to Resolution 8 would result in Laneway breaching section 606 of the Corporations Act, the Directors will limit the number of Shares to be issued pursuant to Resolution 8 to a number which will not result in Laneway breaching section 606 of the Corporations Act.

### Directors' Recommendation

The Directors recommend that Shareholders vote in favour of this Resolution.

## Resolution 9. Approval of the MacKenzie Coal Project Acquisition

### Background

- 1) On 23 October 2020 the Company entered into a binding term sheet (the **Binding MacKenzie Term Sheet**) with an unlisted private company, Resources and Energy Investments Pty Ltd ACN 644548836 (**R&E**) to acquire 100% of the issued share capital of MacKenzie Coal Project Pty Ltd ACN 155 597 587 (the **MacKenzie Acquisition**). MacKenzie Coal Project Pty Ltd (**MacKenzie Co**) is a wholly-owned subsidiary of R&E, and the owner of the MacKenzie Coal Project. The "MacKenzie Coal Project" is constituted by the following tenements located in the Bowen Basin in Queensland<sup>4</sup>.
- 2) The consideration for the MacKenzie Acquisition will be:
  - a. the issue of \$1 million worth of shares in the Company, at an issue price of \$0.001 per Share (the **MacKenzie Consideration Shares**);
  - b. the payment of up to \$100,000. Of this amount, \$50,000 (the **Deposit**) was paid on execution of the Binding MacKenzie Term Sheet, and \$50,000 of which is to be paid on the completion of the MacKenzie Acquisition (the **MacKenzie Completion**). The Deposit is refundable if the conditions set out in paragraph 3) below are not satisfied by 31 January 2021;
  - c. the reimbursement at the MacKenzie Completion of any funding provided by R&E in relation to the Tenements, from the date of the Binding MacKenzie Term Sheet until the MacKenzie Completion, up to a maximum of \$100,000;
  - d. the entry into a royalty agreement with R&E (the **Royalty Agreement**) the payment of a royalty to R&E of the lesser of:
    - a. of \$1.00 for every tonne; and
    - b. 1% of gross proceeds (less transportation costs) of coal sold from the Tenements.
- 3) The MacKenzie Completion will be subject to the following conditions being satisfied or waived by 31 January 2021:
  - a. both parties conducting and being fully satisfied with the results of its legal, financial and technical due diligence (each of the Company and R&E acknowledging that this condition has been satisfied as at the date of the Notice);
  - b. the entry into a binding sale and purchase agreement (which is the subject of current negotiations and drafting by the Company, R&E and MacKenzie Co);
  - c. the entry by into the Royalty Agreement (which is the subject of current negotiations and drafting by the Company and R&E);
  - d. both the Company and R&E receiving all necessary shareholder and third-party approvals and consents to the MacKenzie Acquisition, in accordance with all applicable legal and regulatory requirements including the ASX Listing Rules; and

<sup>4</sup> EPM 1445 and MDL 503 and Environmental Authority number EPSX03661615 (the **Tenements**).

- e. without limitation to paragraph (d) above, the issue of the Consideration Shares not resulting in any person (whether that person is a party to the Binding MacKenzie Term Sheet or not), being required to make a takeover bid for the Company, or otherwise being in breach of section 606 of the Corporations Act.

#### **Listing Rule 7.1**

As noted above, in broad terms Listing Rule 7.1 (subject to certain exceptions), limits the number of equity securities that a listed company can issue in any 12 months without the approval of its shareholders, to a number equal to 15% of the fully paid ordinary securities that it had on issue at the start of that 12 month period.

The proposed issue of the MacKenzie Consideration Shares will not fit within any of the exceptions set out in Listing Rule 7.2.

Accordingly, the Company seeks Shareholder approval for the issue of the MacKenzie Consideration Shares.

If passed, the effect of Resolution 9 will be to allow the Company to issue the MacKenzie Consideration Shares during the period of three (3) months after the date of the Meeting or such longer period if allowed by ASX. Further the issue will be excluded from the calculation of the number of equity securities that the Company can issue without Shareholder approval under Listing Rule 7.1.

If Resolution 9 is not passed, the Company will not be able to proceed to issue the MacKenzie Consideration Shares and the MacKenzie Acquisition will not proceed.

#### **Listing Rule 7.3**

Listing Rule 7.3 sets out the requirements for notices of meeting at which shareholder approval is sought for the purposes of Listing Rule 7.1. For the purposes of Listing Rule 7.3 the Company advises as follows:

- 1) The MacKenzie Consideration Shares will be issued to R&E or its nominee.
- 2) The maximum number of MacKenzie Consideration Shares that the Company can issue is 1,000,000,000 Shares. Any MacKenzie Consideration Shares will be issued on the same terms as and rank *pari passu* with Shares that are already on issue at the relevant time. The rights and liabilities of all Shareholders are set out in the Constitution of the Company. The Constitution can be obtained from the Company's website at the following link: <https://www.austinmining.com.au/s/Consitution.pdf>
- 3) The MacKenzie Consideration Shares will be issued, if at all, no later than 3 months after the date of the Meeting and their allotment may occur progressively.
- 4) The MacKenzie Consideration Shares will be issued in consideration for the transfer of 100% of the issued Share capital of MacKenzie Co.
- 5) The terms of the agreement pursuant to which the MacKenzie Consideration Shares are being issued is summarised above under the heading "**Background**".
- 6) A Voting Exclusion Statement for this Resolution is set out under Resolution 9 in the Notice of Meeting.

#### **Directors' Recommendation**

The Directors recommend that Shareholders vote in favour of this Resolution.

## SPECIAL BUSINESS

### **Resolution 10. Approval to issue an additional 10% of the issued capital of the Company over a 12 month period pursuant to Listing Rule 7.1A**

#### **Introduction**

Pursuant to Resolution 10, the Company is seeking Shareholder approval to issue an additional 10% of its issued capital over a 12-month period pursuant to Listing Rule 7.1A. If passed, this Resolution will allow the Company to allot and issue up to the number of new equity securities calculated in accordance with Listing Rule 7.1A.2 (the **Placement Securities**) each at an issue price of at least 75% of the VWAP for the Company's equity securities in that class (calculated over the last 15 days on which trades in the equity securities in that class are recorded immediately before the date on which the price at which the Placement Securities are to be issued is agreed, or if the Placement Securities are not issued within five trading days of that date, the date on which the Placement Securities are issued) (the **Issue Price**).

Pursuant to Listing Rule 7.1A, small and mid-cap listed entities that meet the eligibility threshold and have obtained the approval of their ordinary shareholders by special resolution at the annual general meeting, are permitted to issue an additional 10% of issued capital over a 12-month period from the date of the annual general meeting (the **Additional 10% Placement**).

The Additional 10% Placement under Listing Rule 7.1A is in addition to the ability of the Company to issue 15% of its issued capital without shareholder approval over a 12-month period pursuant to Listing Rule 7.1. The Company may issue the Placement Securities to raise funds for the Company (further details of which are set out below).

Funds raised from the issue of the Placement Securities, if undertaken, would be applied towards the acquisition of new assets or investments (including expenses associated with such acquisitions), continued exploration and feasibility study expenditure on the Company's current assets and general working capital.

The Directors unanimously recommend that Shareholders vote in favour of this Special Resolution.

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

##### *Eligibility*

An entity is eligible to undertake an Additional 10% Placement if at the time of its annual general meeting it has a market capitalisation of \$300 million or less and it is not included in the S&P/ASX300 Index (**Eligible Entity**).

For illustrative purposes only, on 14 December 2020, the Company's market capitalisation was approximately \$4.9 million based on the closing market price on that date. The calculation of market capitalisation will be based on the closing market price of the Shares, on the last trading day on which trades in the Shares were recorded before the date of the Annual General Meeting, multiplied by the number of Shares on issue (excluding restricted securities and securities quoted on a deferred settlement basis).

The Company is also not included in the S&P/ASX300 Index as at the time of this Annual General Meeting; however, it should be noted that the S&P/ASX300 Index is rebalanced twice a year in March and September. The Company is therefore an Eligible Entity and able to undertake an Additional 10% Placement under Listing Rule 7.1A. In the event that the Company for any reason ceases to be an Eligible Entity after the Company has already obtained Shareholder approval pursuant to this Resolution, the approval obtained will not lapse and the Company will still be entitled to issue the Placement Securities during the 12 month period following this Annual General Meeting.

##### *Special Resolution*

Listing Rule 7.1A requires this Resolution to be passed as a Special Resolution, which means that it must be passed by at least 75% of the votes cast by members entitled to vote on the Resolution. Pursuant to Listing Rule 7.1A, no Placement Securities will be issued until and unless this Special Resolution is passed at the Meeting.

##### *Shareholder Approval*

The ability to issue the Placement Securities is conditional upon the Company obtaining Shareholder approval by way of a Special Resolution at the Meeting.

##### *The Listing Rules 7.1 and 7.1A*

At the date of this Notice of Meeting, the Company has on issue 4,928,901,761 Shares. If this Resolution is passed the Company will have the capacity to issue the following equity securities immediately following the Meeting:

- (1) 1,466,418,597 Equity Securities under Listing Rule 7.1; and

- (2) Subject to Shareholder approval being obtained under this Resolution, a further 977,612,398 Placement Securities under Listing Rule 7.1A.

The actual number of Placement Securities that the Company will have the capacity to issue under Listing Rule 7.1A will be calculated at the date of issue of the Placement Securities in accordance with the formula prescribed in Listing Rule 7.1A.2 (as described following).

**Formula for calculating 10% Placement Facility**

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

**(A x D) – E**

- A** is the number of shares on issue 12 months before the date of issue or agreement:  
**plus** the number of fully paid shares issued in the 12 months under an exception in Listing Rule 7.2;  
**plus** the number of partly paid shares that became fully paid in the 12 months;  
**plus** the number of fully paid shares issued in the 12 months with approval of holders of shares under Listing Rule 7.1 and 7.4. This does not include an issue of fully paid shares under the entity's 15% placement capacity without shareholder approval;  
**less** the number of fully paid shares cancelled in the 12 months.

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

- D** is 10%  
**E** is the number of equity securities issued or agreed to be issued under Listing Rule 7.1A.2 in the 12 months before the date of the issue or agreement to issue that are not issued with the approval of shareholders under Listing Rule 7.1 or 7.4.

**Specific Information Required by Listing Rule 7.3A**

Listing Rule 7.3A sets out the requirements for notices of meeting at which shareholder approval is sought for the additional capacity to issue equity securities under Listing Rule 7.1 A. For the purposes of Listing Rule 7.1 A the Company advises as follows:

*1. Minimum price of securities issued under Listing Rule 7.1A - Listing Rule 7.3A.1*

Pursuant to and in accordance with Listing Rule 7.1A.3, the Placement Securities issued pursuant to approval under Listing Rule 7.1A must have an Issue Price of not less than 75% of the VWAP for the equity securities over the 15 trading days immediately before:

- (1) the date on which the price at which the Placement Securities are to be issued is agreed; or
- (2) if the Placement Securities are not issued within five trading days of the date in paragraph (1) above, the date on which the Placement Securities are issued.

The Company will disclose to the ASX the Issue Price on the date of issue of the Placement Securities.

*2. Risk of economic and voting dilution - Listing Rule 7.3A.2*

As provided by Listing Rule 7.3A.2, if this Resolution is passed and the Company issues the Placement Securities, there is a risk of economic and voting dilution to the existing Shareholders. The Company currently has on issue 4,928,901,761 Shares. The Company could issue 2,444,030,996 securities immediately following the Meeting (being 1,466,418,597 securities pursuant to Listing Rule 7.1 and 977,612,398 Placement Securities pursuant to Listing Rule 7.1A). However, it is important to note that the exact number of securities which may be issued will be calculated in accordance with the formula contained in Listing Rule 7.1A.2, details of which are set out above. Any issue of Placement Securities will have a dilutive effect on existing Shareholders.

There is a specific risk that:

- (1) the closing market price for the Company's Equity Securities may be significantly lower on the date of the issue of any Placement Securities than it is on the date of the meeting; and

- (2) the Placement Securities may be issued at a price that is at a discount to the closing market price for the Company's equity securities on the issue date,

which may have an effect on the amount of funds raised by the issue or the value of the Placement Securities.

As required by Listing Rule 7.3A.2, Table 11 below shows the potential economic and voting dilution effect, in circumstances where the issued share capital has doubled and the closing market price of the shares has halved. Table 11 also shows the additional scenarios in which the issued share capital has increased (by both 50% and 100%) and the closing market price of the shares has:

- (1) decreased by 50%; and  
 (2) increased by 100%.

**Table 11 – economic and voting dilutionary effect**

Issued Share Capital	50% decrease in Closing Market Price		Current Closing Market Price		100% increase in Closing Market Price	
	\$0.0005		\$0.001		\$0.002	
	10% Voting Dilution	Capital Raised	10% Voting Dilution	Capital Raised	10% Voting Dilution	Capital Raised
<b>Present Issued Share Capital = 4,982,901,761 Shares</b>	492,890,176	\$246,445	492,890,176	\$492,890	492,890,176	\$985,780
<b>50% Increase in Share Capital = 7,393,352,642 Shares</b>	739,335,264	\$369,778	739,335,264	\$739,335	739,335,264	\$1,478,671
<b>100% Increase in Share Capital = 9,857,803,522 Shares</b>	985,780,352	\$492,890	985,780,352	\$985,780	985,780,352	\$1,971,561

Assumptions and Explanations

- \$0.001 was the closing market price of the Shares on ASX on 14 December 2020.
- The above table only shows the dilutionary effect based on the issue of the Placement Securities (assuming only Shares are issued), and not any Shares issued under Listing Rule 7.1.
- The 10% voting dilution reflects the aggregate percentage dilution against the issued Share capital at the time of the issue.
- The Company issues the maximum number of Placement Securities.
- The issued Share capital has been calculated in accordance with the formula in Listing Rule 7.1A(2) as at 14 December 2020.
- The Issue Price of the Placement Securities used in the Table 11 is the same as the closing market price and does not take into account the discount to the closing market price (if any).

**3. Final Date for Issue - Listing Rule 7.3A.3**

As required by Listing Rule 7.3A.3, the Company will only issue and allot the Placement Securities during the 12 months after the date of this Meeting which the Company anticipates will end on 29 January 2022. The approval under this Resolution for the issue of the Placement Securities will cease to be valid in the event that Shareholders approve a transaction under Listing Rule 11.1.2 (a significant change to the nature or scale of activities of the Company) or Listing Rule 11.2 (the disposal of the main undertaking of the Company) before the anniversary of the Annual General Meeting.

**4. Purpose - Listing Rule 7.3A.4**

As noted above, the purpose for which the Placement Securities may be issued include to raise funds for the Company (further details of which are set out below).

Funds raised from the issue of the Placement Securities, if undertaken, would be applied towards the acquisition of new assets or investments (including expenses associated with such acquisitions), continued exploration and feasibility study expenditure and development of the Company's current assets and general working capital.

#### 5. *Company's Allocation Policy - Listing Rule 7.3A.5*

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

- (1) the methods of raising funds that are available to the Company including, but not limited to, rights issue or other issue in which existing shareholders can participate;
- (2) the effect of the issue of the Placement Securities on the control of the Company;
- (3) the financial situation and solvency of the Company; and
- (4) advice from corporate, financial and broking advisers (if applicable).

The allottees of the Placement Securities have not been determined as at the date of this Notice but may include existing substantial Shareholders and new Shareholders who are not related parties or associates of a related party of the Company. Furthermore, if the Company is successful in acquiring new assets or investments for which the Placement Securities are issued as consideration, it is likely that the allottees of some of the Placement Securities will be the vendors of the new assets or investments.

#### 6. *Equity Issues Over Last 12 Months – Listing Rule 7.3A.6*

As the Company has previously sought approval for the additional placement capacity under Listing Rule 7.1A, and specifically pursuant to the requirements of Listing Rule 7.3A.6(b), the Company notes that no issues were made pursuant to Listing Rule 7.1A in the last 12 months. For the purpose of Listing Rule 7.3A.6(a), the Company advises as follows:

**Table 12 – Equity issues over last 12 months**

Number of equity securities on issue at commencement of 12-month period	2,607,551,840 FPO 244,954,485 Unlisted Options 3 Unlisted Convertible Securities
Equity securities issued in prior 12-month period*	2,321,349,921 FPO 372,222,222 Unlisted Convertible Securities
Percentage equity issues represent of total number of equity securities on issue at commencement of 12-month period	94.43%

\*A portion of the equity securities issued in the past 12 months were issued pursuant to an exception to Listing Rule 7.1 (or 7.1A) and therefore were not issued under (and did not reduce) the Company's 15% Capacity (or additional 10% Capacity). The Company notes that no shares were issued pursuant to Listing Rule 7.1A in the last 12 months.

#### *Voting Exclusion Statement*

A Voting Exclusion Statement is included for this Resolution in the Notice of Meeting accompanying the Explanatory Memorandum.

#### **Directors' Recommendation**

The Directors recommend that you vote in favour of this Special Resolution.



## DEFINITIONS

Term is used in this Explanatory Memorandum shall have the meanings ascribed to them and the Listing Rules or the Corporations Act as appropriate, unless otherwise defined below, or in the body of the Explanatory Memorandum. The following terms shall have the meanings ascribed to the below:

**Additional 10% Placement** means the additional 10% of issued capital over a 12-month period from the date of the Annual General Meeting under Listing Rule 7.1A.

**Advisory Resolution** has the same meaning as when used in Section 250R of the Corporations Act.

**Annual General Meeting** or **Meeting** means this meeting.

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

**ASX** means ASX Limited ABN 98 008 624 691.

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

**Closely Related Party** (as defined in the Corporations Act) of a member of the Key Management Personnel for an entity means:

- a spouse or child of the member; or
- a child of the member's spouse; or
- a dependant of the member or the member's spouse; or
- anyone else who is one of the member's family and may be expected to influence the member, or be influenced by the member, in the member's dealings with the entity; or
- a company the member controls; or
- a person prescribed by regulations issued pursuant to the Corporations Act.

**Company** means Aus Tin Mining Limited ACN 122 957 322.

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

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

**Directors Fee Plan** has the meaning given to that term in the Explanatory Memorandum in respect of Resolution 5.

**Guidance Note 12** means ASX's *Guidance Note 12 Significant Changes to Activities*.

**Issue Price** means the price per security at which the Placement Securities may be issued.

**Key Management Personnel** or **KMP** has the definition given in the accounting standards as those persons having authority and responsibility for planning, directing and controlling the activities of the entity, directly and indirectly, including any Director (whether executive or otherwise) of that entity.

**Lind** means The Australian Special Opportunity Fund, LP as managed and represented by the Lind Partners Australia, LLC.

**Lind Facility** means Convertible Security Funding Agreement entered into between ANW and The Australian Special Opportunity Fund, LP dated on or about 19 April 2018 and varied by deed on or about 17 December 2018.

**Listing Rules** means the listing rules of ASX as amended, varied or replaced from time to time.

**Maximum Shares** means the maximum amount of Plan Shares which may be issued under the Directors' Fee Plan in any 12 month period from the date of the AGM, being 150,000,000.

**Meeting** or **Annual General Meeting** means the annual general meeting of the Company to be held on 29 January 2021.

**Notice of Meeting** or **Notice** means the Notice of Meeting and this Explanatory Memorandum.

**Ordinary Resolution** means a Resolution passed by more than 50% of the votes cast at a general meeting of Shareholders.

**Options** means an option to subscribe for Shares granted by the Company.

**Participating Director** has the meaning given to that term in the Explanatory Memorandum in respect of Resolution 5.

**Placement Securities** means the new equity securities for the purposes of Listing Rule 7.1A.

**Plan Shares** has the meaning given to that term in the Explanatory Memorandum in respect of Resolution 5.

**Resolution** means resolution proposed at the Meeting.



**Shareholder** means a holder of ordinary Shares in the Company.

**Special Resolution** means a Resolution passed by more than 75% of the votes cast at a general meeting of Shareholders.

**Shares** means ordinary fully paid shares in the issued capital of the Company.

**Voting Restriction** has the meaning given to that term in the Explanatory Memorandum in respect of Resolution 1.

**VWAP** means volume weighted average price.

## Schedule 1 – Terms of Aus Tin Mining Limited Employee Share Option Plan (ESOP)

1. Equity securities may be issued pursuant to the Plan, will be made without disclosure, in reliance on ASIC Class Order [CO14/1000] (the **Class Order**). Equity security has the meaning given to it in the Listing Rules.
2. The Company will give ASIC a notice of reliance in accordance with paragraph 16 of the Class Order, or such other instrument as may replace it.
3. All offers made pursuant to the Plan will be accompanied by, an offer document that complies with the Class Order.
4. The Company will not issue any equity securities pursuant this Plan where trading in its Shares on ASX have been suspended for longer than five (5) days in the previous 12 months.
5. The Plan is to extend to Eligible Employees of Aus Tin Mining Limited (the **Company**) or an associated body corporate of the Company as the Board may in its discretion determine PROVIDED THAT the Board may only determine that a person is an Eligible Employee if they fit within the description of “eligible participants” as that term is used in the Class Order.
6. The Board is entitled to determine:
  - (a) subject to paragraph 7, the total number of equity securities to be offered in any one (1) year to Eligible Employees;
  - (b) the Eligible Employees to whom offers will be made; and
  - (c) the terms and conditions of any equity securities (including any options granted (**Options**)), subject to the Plan.
7. The total number of equity securities to be issued by the Company to Eligible Employees under the Plan shall not at any time exceed five percent (5%) of the Company’s total issued ordinary Share capital in that class at that time when aggregated with:
  - (a) the number of equity securities that may be issued under or as a result of equity securities issued under the Plan; and
  - (b) the number of equity securities issued during the previous three (3) years pursuant to or as a result of equity securities issued pursuant to:
    - (1) the Plan; or
    - (2) any employee share option plan of the Company or like scheme where the offers were covered by the Class Order or ASIC Class Order [CO 03/184], or individual instrument made by ASIC in terms similar to either of those Class Orders as the case may be.
8. Any Options issued under the Plan are to be issued for no consideration.
9. The exercise price of an Option issued under the Plan is to be determined by the Board at its sole discretion.
10. The right of Eligible Employees to exercise any Option held by them will commence on the later of (the **Commencement Date**):
  - (a) the date on which those Options are issued (**Issue Date**); and
  - (b) the date on which all conditions to their exercise had been satisfied (the **Vesting Date**), which may be in respect of individual Options or tranches of Options, as may be determined by the Board from time to time.
11. The period during which any Options may be exercised commences on the Option Commencement Date and ends on the earlier of:
  - (a) three (3) years from the date on which the Options are issued;
  - (b) the Business Day after the expiration of ninety days, or any other period which the Board may determine, after the Eligible Employee ceases to be employed or ceases to be a Director (if the Eligible Employee is not also employed) by the Company or an associated body corporate of the Company; or
  - (c) the Eligible Employee ceasing to be employed by the Company or an associated body corporate of the Company due to fraud or dishonesty.
12. Participants who have been issued Options under the plan do not participate in dividends or in bonus issues unless the Options are exercised.
13. In the event that a rights issue is undertaken by the Company during the term of any Options issued under the Plan at a discount to the independently ascertained value of the Shares, then the Company shall adjust the exercise price for the Options in accordance with the formula provided for in Chapter 6 of the Listing Rules.

14. While the Option holders do not have any participating rights in new issues of securities in the Company during the term of any Options held, the Option holders shall be afforded a period of at least five (5) Business Days before the record date for the relevant issue, to exercise the Options and it shall be a condition of the Options that any entitlements to bonus issues of securities are only available to Option holders in the event of a prior exercise of the Options.
15. The Board has the right to vary the entitlements of all Eligible Employees to take account of the effective capital reconstructions, bonus issues or rights issues.
16. The Board may vary the Plan.
17. At any time from the date of an Offer until the Acceptance Date of that Offer, the Board undertakes that it shall provide information as to:
  - (a) the closing market price of the Shares; and
  - (b) the Exercise Price of the Shares were this calculated as at the date of the Offer,to any Participant by mail (or such other form of notification as agreed by the Company and the Participant) within five (5) Business Days of a written request to the Company from that Participant to do so.

## SCHEDULE 2 – Summary of Terms of Directors Fee Plan

1. All Executive and Non-Executive Directors of the Company shall be entitled during the term of the Directors' Fee Plan (**Plan**) to elect by notice in writing to the Company (**Election Notice**) to be paid some or all of the remuneration due and owing to them by the Company from time to time as fees for services (**Outstanding Remuneration**) by way of an issue of Shares (**Plan Shares**).
2. An Election Notice may be given by an Executive and/or Non-Executive Director (**Participating Director**) within 10 Business Days after each Quarter during the Plan and shall specify:
  - (a) the amount of any Outstanding Remuneration that a Participating Director wishes to be paid by way of Plan Shares under the Plan; and
  - (b) whether the Participating Director wishes to have the Plan Shares issued in his or her own name or in the name of a nominee (**Recipient**).
3. In addition, an Election Notice may be given by a Participating Director within 10 Business Days after the Plan is approved by Shareholders (Approval Date) which shall specify:
  - (a) the amount of any Outstanding Remuneration as at the Approval Date that a Participating Director wishes to be paid by way of Plan Shares under the Plan; and
  - (b) whether the Participating Director wishes to have the Plan Shares issued in his or her own name or in the name of a Recipient.
4. An Election Notice may be given to the Company in any manner permitted under the Constitution for service by the Company of notices.
5. Upon receipt of an Election Notice, Plan Shares may be issued to each Participating Director who elects to be issued Plan Shares *in lieu* of any Outstanding Remuneration as specified in the Election Notice.
6. The obligation of the Company to issue any Plan Shares is subject to obtainment of any approvals which may be required under:
  - (a) the Listing Rules; and
  - (b) the *Corporations Act 2001* (Cth).
7. The issue price of each Plan Share shall be:
  - (a) subject to paragraph b) immediately below, the closing market price on the trading day immediately prior to an Election Notice being given by the relevant Participating Director (and any fractional entitlement to be issued Plan Shares shall be rounded up to the nearest whole number); and
  - (b) where the Plan Shares are being issued at the same time as or as part of a capital raising involving other existing Shareholders or third parties, the Plan Shares shall be issued at the same price as the Shares issued to those other Shareholders or third parties.
8. The Company shall:
  - (a) issue the Plan Shares to a Recipient within three (3) Business Days of receipt of an Election Notice;
  - (b) forthwith deliver a statement of holding to the Recipient in respect of the Plan Shares; and
  - (c) cause the Plan Shares to be listed on ASX as soon as reasonably practicable at the Company's cost and expense.
9. Unless otherwise approved by Shareholders of the Company, the maximum number of securities which may be issued under the Plan is 450,000,000 Plan Shares in each three year after a shareholders' resolution approving issues under it, with a maximum of 150 million Plan Shares (**Maximum Shares**) per year.
10. Terms used herein shall have the meanings ascribed to them in the Listing Rules, unless otherwise defined below. For the purposes of interpretation of this Plan:
  - (a) **Constitution** means the Constitution of the Company;
  - (b) **Quarter** means a period of three months commencing on 1 January, 1 April, 1 July or 1 October;
  - (c) **Listing Rules** means the Listing Rules of ASX Limited; and
  - (d) **Shares** means ordinary fully paid shares in the Company.