



30 April 2021

Notice of Annual General Meeting

Attached is a copy of the Notice of Annual General Meeting, Explanatory Statement and Proxy Form which has today been released to shareholders.

In reliance on ASIC's temporary "no action" position in relation to the convening and holding of virtual meetings dated 29 March 2021, company will not be posting hard copies of the Notice of Annual General Meeting to Shareholders who have not elected to receive notices electronically. Instead, the Notice of Meeting which sets out the resolutions being put to the meeting along with the Explanatory Memorandum and proxy form can be found at the company website at www.pacificamerican.com.au

Should you require a hard copy you can contact the company secretary on 0407 233 153 who can arrange for a hard copy to be posted.

The 2020 Annual Report has recently been released and can be located on the Company's website at www.pacificamerican.com.au

The Company encourages its Shareholders to consider lodging a directed proxy in advance of the Annual General Meeting which is enclosed for your reference.

The Proxy votes may be lodged by any of the following methods:

- In Person to Boardroom Pty Limited at Level 12, 225 George Street Sydney NSW 2000 Australia
- By Mail to Boardroom Pty Limited GPO Box 3993, Sydney NSW 2001 Australia
- By fax to + 61 2 9290 9655



30 April 2021

Dear Member,

NOTICE OF ANNUAL GENERAL MEETING OF MEMBERS OF PACIFIC AMERICAN HOLDINGS LIMITED ABN 83 127 131 604 (COMPANY)

Notice is hereby given that the Annual General Meeting (**AGM**) of the Company's members is to be held at:

Venue: Hall Chadwick, Level 40, 2 Park Street Sydney NSW 2000

Time: 10.00am (Sydney time)

Date: Monday 31 May 2021

You are encouraged to attend the AGM, but if you cannot you are requested to complete and return the enclosed Proxy Form without delay as follows:

BY MAIL
Share Registry
Boardroom Pty Ltd
GPO Box 3993
Sydney NSW 2001

BY FAX
+ 61 2 9290 9655

IN PERSON
Share Registry
Boardroom Pty Ltd
Level 12
225 George Street
Sydney NSW 2000
Australia

By order of the Board

Wayne Kernaghan
Company Secretary

**This is an important document that should be read in its entirety.
If you are in any doubt about the action you should take, you should consult with your professional advisers without delay.
If you wish to discuss any aspects of this document with the Company, please contact:
Mr Wayne Kernaghan, Company Secretary of Pacific American Holdings Limited on +61 2 8964 4373.**

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NOTICE IS GIVEN that the Annual General Meeting of Pacific American Holdings Limited ABN 83 127 131 604 (**Company**) will be held at 10.00am (Sydney time) on Monday 31 May 2021 at Hall Chadwick, Level 40, 2 Park Street Sydney NSW 2000.

The Proxy Form accompanying this Notice is incorporated in and comprises part of this Notice.

Explanatory notes appearing under each item of business below have been prepared to provide you with material information reasonably required to enable you to make an informed decision on how to vote upon the business to be conducted at the AGM.

The Explanatory Memorandum explains in greater detail the background to the Resolutions. Defined terms not otherwise defined in this Notice or the Explanatory Memorandum are defined in the Glossary which appears on page 12 of this Notice.

The purpose of the AGM is to consider and if thought fit, pass the Resolutions.

Directors recommend that Members read this Notice in its entirety.

ITEMS OF GENERAL BUSINESS

1. Receive and consider 2020 Financial Statements

To receive the Financial Statements, Directors' Report and Auditor's Report for the Company and its controlled entities for the year ended 31 December 2020 (**2020 Annual Report**).

Notes:

- There is no requirement for Members to approve the 2020 Annual Report.
- The 2020 Annual Report is available at <https://pacificamerican.com.au/> for Members to access and download.
- Members will be given an opportunity to raise questions of the Directors and the Company's Auditor on the 2020 Annual Report at the AGM.
- If you would like to receive a hard copy of the 2020 Annual Report free of charge you can contact the Company by telephoning +61 2 8964 4373.
- Further information regarding the 2020 Annual Report, including the financial statements, appears in the attached Explanatory Memorandum.

2. RESOLUTION 1: Adoption of Remuneration Report

To consider, and if thought fit, to pass, with or without amendment, the following resolution as a **non-binding advisory-only resolution**:

"That the Company adopt the Remuneration Report for the year ended 31 December 2020."

Voting Exclusion Statement for Resolution 1

The Company will disregard any votes cast in favour of the resolution by or on behalf of:

- Key Management Personnel whose remuneration is disclosed in the Remuneration Report and any Closely Related Party of that Key Management Personnel; or
- an Associate of that person or those persons.

Certain voting exclusions are described under Resolution 1 in the Notice. However, the voting exclusions do not apply to a vote cast in favour of a resolution by:

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

Notes on Resolution 1:

- Resolution 1 is advisory only and does not bind the Company or the Directors.
- The Directors will consider the outcome of the vote and comments made by Members on the Remuneration Report at the AGM when reviewing the Company's remuneration policies.
- The Chairman intends to vote all undirected proxies in favour of Resolution 1.
- If 25% or more votes that are cast are voted against the adoption of the Remuneration Report at two consecutive AGMs, Members will be required to vote at the second of those AGMs on a resolution (a "spill resolution") that another meeting will be held within 90 days, at which all of Directors must go up for re-election.

Further information regarding the Remuneration Report appears in the attached Explanatory Memorandum.

3. RESOLUTION 2: Re-election of Director – Simon Bird

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

"That Mr Simon Bird being a director of the Company who retires by rotation pursuant to rule 13.4 of the Company's Constitution, and being eligible, is re-elected as a Director of the Company."

Notes:

- Mr Bird consents to be re-elected as a director of the Company.
- Non-candidate Directors unanimously support the re-election of Mr Bird.

- The Chairman intends to vote undirected proxies in favour of Resolution 2. Further information about Mr Bird appears in the attached Explanatory Memorandum.

4. RESOLUTION 3 – Ratification of prior issues of Shares

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

“That, for the purpose of Listing Rule 7.4 and for all other purposes, Shareholders ratify the issue on 23 September 2020 of 37,500,000 Shares, each for \$0.02, to certain professional and sophisticated investors as is more particularly described in the Explanatory Memorandum.”

Voting Exclusion Statement for Resolution 3

The Company will disregard any votes cast in favour of the resolution by or on behalf of:

- a person who participated in the issue or is a counterparty to the agreement being approved; or
- an Associate of that person or those persons.

Certain voting exclusions are described under Resolution 3 in the Notice. However, the voting exclusions do not apply to a vote cast in favour of a resolution by:

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

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

5. RESOLUTION 4 - Ratification of prior issues of Shares

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

“That, for the purpose of Listing Rule 7.4 and for all other purposes, Shareholders ratify the issue on 22 January 2021 of 4,000,000 Shares, each for \$0.02, to certain professional and sophisticated investors as is more particularly described in the Explanatory Memorandum.”

Voting Exclusion Statement for Resolution 4

The Company will disregard any votes cast in favour of the resolution by or on behalf of:

- a person who participated in the issue or is a counterparty to the agreement being approved; or
- an Associate of that person or those persons.

Certain voting exclusions are described under Resolution 3 in the Notice. However, the voting exclusions do not apply to a vote cast in favour of a resolution by:

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

The Chairman intends to vote undirected proxies in favour of Resolution 4.

6. RESOLUTION 5 – Approval to issue unlisted options to Salazar Gold Pty Ltd

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

“That for the purposes of ASX Listing Rule 7.1 and all other purposes, approval is given for the Company to issue up to 7,000,000 unlisted options (Tranche 1) in the company exercisable at \$0.02 each to on the terms and conditions set out in the Explanatory Memorandum and the issue of fully paid ordinary shares in the capital of the Company upon the full or partial exercise of such options, is hereby approved.”

Voting Exclusion Statement for Resolution 5

The Company will disregard any votes cast in favour of the resolution by or on behalf any person who will participate in the issue and any person who will obtain a material benefit as a result of the issue of the securities (except a benefit solely by reason of being a holder of ordinary securities in the Company) or an associate of that person or those persons.

Certain voting exclusions are described under Resolution 5 in the Notice. However, the voting exclusions do not apply to a vote cast in favour of a resolution by:

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

The Chairman intends to vote undirected proxies in favour of Resolution 5.

7.RESOLUTION 6: Approval to grant Employee Options to Geoffrey Hill

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

'That, pursuant to and in accordance with Listing Rule 10.14 and sections 195(4), 200B, 200E and 208 of the Corporations Act and for all other purposes, Members approve the issue of 3,000,000 Employee Options to Director Mr Geoffrey Hill (or his nominee) under the 'Pacific American Holdings Limited Employee and Officer Share Option Plan', and the terms and conditions set out in the Explanatory Memorandum.

The Chairman of the Meeting intends to vote undirected proxies in favour of approving Resolution 6.

8.RESOLUTION 7: Approval to grant Employee Options to Simon Bird

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

'That, pursuant to and in accordance with Listing Rule 10.14 and sections 195(4), 200B, 200E and 208 of the Corporations Act and for all other purposes, Members approve the issue 3,000,000 Employee Options to Director Mr Simon Bird (or his nominee) under the 'Pacific American Holdings Limited Employee and Officer Share Option Plan', and the terms and conditions set out in the Explanatory Memorandum.

The Chairman of the Meeting intends to vote all available proxies in favour of approving Resolution 7.

9.RESOLUTION 8: Approval to grant Employee Options to Mark Sykes

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

'That, pursuant to and in accordance with Listing Rule 10.14 and sections 195(4), 2008, 200E and 208 of the Corporations Act and for all other purposes, Members approve the issue of 3,000,000 Employee Options to Director Mr Mark Sykes (or his nominee) under the 'Pacific American Holdings Limited Employee and Officer Share Option Plan', and the terms and conditions set out in the Explanatory Memorandum.

The Chairman of the Meeting intends to vote all available proxies in favour of approving Resolution 8.

Voting Exclusion Statement for Resolutions 6, 7 and 8

The Company will disregard any votes cast in favour of Resolutions 6, 7 and 8 by or on behalf of any Director of the Company who is eligible to participate in the ESOP, and any Associate of those persons.

However, the Company need not disregard a vote if:

- (a) it is cast by a person as proxy for a person who is entitled to vote, in accordance with the directions on the Proxy Form; or
- (b) it is cast by the person chairing the meeting as proxy for a person who is entitled to vote, in accordance with a direction on the Proxy Form to vote as the proxy decides.

Voting Prohibition Statements for Resolutions 6, 7 and 8

In accordance with sections 200E and 224 of the Corporations Act, a vote on Resolutions 6, 7 and 8 may not be cast (in any capacity) by or on behalf of a related party of the Company to whom the Resolution would permit a financial benefit to be given, the retiree or any of their associates (Resolutions 6, 7 and 8 Restricted Parties) . However, a Resolutions 6, 7 and 8 Restricted Party may cast a vote on the relevant Resolution as a proxy if they are appointed as a proxy by writing that specifies the way the proxy is to vote and the vote is not cast on behalf of any Resolutions 6, 7 and 8 Restricted Parties.

In addition, in accordance with section 2508D of the Corporations Act, a vote on Resolutions 6, 7 and 8 must not be cast (in any capacity) by or on behalf of either of the following persons:

- (a) a member of the Key Management Personnel; or
- (b) a Closely Related Party of such a member.

However, a person (the voter) described in paragraphs (c) and (d) above may cast a vote on Resolutions 6, 7 and 8 as a proxy if the vote is not cast on behalf of a person described above and either:

- (c) the voter is appointed as a proxy by writing that specifies the way the proxy is to vote on Resolutions 6, 7 and 8; or
- (d) the voter is the Chair and the appointment of the Chair as proxy:
 - (i) does not specify the way the proxy is to vote on Resolutions 6, 7 and 8; and
 - (ii) expressly authorises the Chair to exercise the proxy even though Resolutions 6, 7 and 8 is connected directly or indirectly with the remuneration of a member of the Key Management Personnel.

Voting Intentions of Chair

Shareholders should be aware that any undirected proxies given to the Chair will be cast by the Chair and counted in favour of the Resolutions the subject of this Meeting, including Resolutions 6, 7 and 8, subject to compliance with the Corporations Act.

ITEMS OF SPECIAL BUSINESS**7. RESOLUTION 9: Approval of additional 10% placement facility**

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

That, for the purpose of Listing Rule 7.1A and for all other purposes, Shareholders approve the issue of Equity Securities up to 10% of the issued capital of the Company (at the time of the issue) calculated in accordance with the formula prescribed in Listing Rule 7.1A.2 for the purpose and on the terms set out in the Explanatory Statement accompanying this Notice of Annual General Meeting.

Voting Exclusion Statement for Resolution 9

The Company will disregard any votes cast in favour of the Resolution by or on behalf of any person who is expected to participate in, or who will obtain a material benefit as a result of, the proposed issue (except a benefit solely by reason of being a holder of ordinary securities in the entity) or an associate of those persons. However, this does not apply to a vote cast in favour of the Resolution by:

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

Important note: The proposed allottees of any Equity Securities under the Additional 10% Placement facility are not yet known or identified. In these circumstances (and in accordance with the note set out in ASX Listing Rule 14.11.1 relating to ASX 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 any Equity Securities issued under the Additional 10% Placement Facility), 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.

The Chairman intends to vote undirected proxies in favour of Resolution 9.

VOTING RIGHTS AND PROXIES

Members are encouraged to attend the AGM, but if you are unable to attend the AGM we encourage you to complete and return the enclosed proxy form.

- A Member entitled to attend and vote at the AGM has a right to appoint a proxy.
- This appointment may specify the proportion or number of votes that the proxy may exercise.
- The proxy need not be a Member of the Company.
- A Member who is entitled to cast two or more votes may appoint two proxies and may specify the proportion or number of votes that each proxy is appointed to exercise. If the Member appoints two proxies and the appointment does not specify the proportion or number of the Member's votes that each proxy may exercise, each proxy may exercise half of the votes.

PROXY VOTING

To vote by proxy, please complete, sign and return the enclosed Proxy Form without delay as follows:

| BY MAIL | BY FAX | IN PERSON |
|-------------------|------------------|-------------------|
| Share Registry | + 61 2 9290 9655 | Share Registry |
| Boardroom Pty Ltd | | Boardroom Pty Ltd |
| GPO Box 3993 | | Level 12 |
| Sydney NSW 2001 | | 225 George Street |
| | | Sydney NSW 2000 |
| | | Australia |

Proxy Forms must be received not later than 48 hours before the time specified for the commencement of the AGM.

DATE FOR DETERMINING HOLDERS OF SHARES

The Directors have determined pursuant to Regulation 7.11.37 of the Corporations Regulations 2001 (Cth) that the persons eligible to vote at the Meeting are those who are registered Members at End of Day on Saturday 29 May 2021.

INTERPRETATION

For the purposes of interpreting the Explanatory Memorandum and the Notice:

- (a) the singular includes the plural and vice versa;
- (b) words importing any gender include the other genders;
- (c) reference to any statute, ordinance, regulation, rule or other law includes all regulations and other instruments and all consolidations, amendments, re-enactments or replacements for the time being in force;

- (d) all headings, bold typing and italics (if any) have been inserted for convenience of reference only and do not define limit or affect the meaning or interpretation of the Explanatory Memorandum and the Notice;
- (e) reference to persons includes bodies corporate and government authorities and in each and every case, includes a reference to the person's executors, administrators, successors, substitutes (including without limitation persons taking by novation and assignment); and
- (f) reference to **cents**, **\$**, **A\$**, **Australian Dollars** or **dollars** is a reference to the lawful tender for the time being and from time to time of the Commonwealth of Australia.

GLOSSARY

- **AEST** means Australian Eastern Standard time.
- **AGM or Annual General Meeting** means the annual general meeting to commence 10.00am (Sydney time) on Monday 31 May 2021 and notified to the Company's Members by this Notice.
- **Associate** has the meaning given to that term in Part 1.2 Division 2 of the Corporations Act.
- **ASX** means ASX Limited ABN 98 008 624 691.
- **ASX Listing Rules** means the official listing rules issued and enforced by the ASX, as amended from time to time, and **Listing Rules** has a corresponding meaning.
- **Board or Board of Directors** means the board of directors of the Company.
- **Closely Related Party** of a member of the Key Management Personnel means:
 - a spouse or child of the member;
 - a child of the member's spouse;
 - a dependent of the member or the member's spouse;
 - anyone else who is one of the member's family and may be expected to influence the member, or be influenced by the member, in the member's dealing with the entity;
- a company the member controls; or
- a person prescribed by the Corporations Regulations 2001 (Cth) as a "closely related party".
- **Company** means Pacific American Holdings Limited ABN 83 127 131 604.
- **Consolidated Entity** means the Company together with all the entities it is required by the accounting standards to include in consolidated financial statements.
- **Constitution** means the constitution of the Company, as amended from time to time.
- **Corporations Act** means the *Corporations Act 2001* (Cth).
- **Director** means a director of the Company.
- **Eligible Employee and Officer** means a person who is, at the time of an Offer a director or officer, a full or permanent part-time employee or senior consultant of a member of the Group who have held positions within the Group for at least 12 months, or such other person as the Board determines.

- **Employee Option** means an option granted pursuant to the ESOP rules to subscribe for one Share upon and subject to the terms of the ESOP rules and the terms of the Offer.
- **End of Day** means on any trading day, 7.00pm AEST or such other time as ASX Settlement may from time to time determine.
- **Equity Securities** has the same meaning as in the ASX Listing Rules.
- **ESOP** means the Pacific American Holdings Employee and Officer Share Option plan as approved by shareholders on 14 May 2019.
- **Explanatory Memorandum** means the explanatory memorandum accompanying the Notice which convened this AGM.
- **Key Management Personnel** has the same meaning as in the accounting standards and broadly includes those persons having authority and responsibility for planning, directing and controlling the activities of the Consolidated Entity, directly or indirectly, including any Director (whether executive or otherwise) of the Company.
- **Notice** means this notice of Annual General Meeting.
- **Remuneration Report** means the remuneration report which forms part of the financial statements of the Company and its controlled entities.
- **Member** means a shareholder of the Company.
- **Share** means a fully paid ordinary share in the issued capital of the Company.
- **Trading Day** means a day determined by the ASX to be a trading day, notified to market participants, and otherwise as defined by the ASX Listing Rules.
- **Vesting Conditions** means the performance, vesting or other conditions (if any) as determined by the Board (in its absolute discretion) and set out in the Employee Option certificate or Offer which are, subject to the Rules of the ESOP, required to be satisfied, reached or met before an Employee Option vests and can be exercised.

EXPLANATORY MEMORANDUM TO MEMBERS

This Explanatory Memorandum has been prepared to assist members of the Company to understand the business to be put to the Company's members, for their consideration at the forthcoming Annual General Meeting of the Company.

The Directors recommend that you read this Explanatory Memorandum in its entirety and attend the forthcoming Annual General Meeting.

1. Financial Statements

The Corporations Act requires the Company's financial statements for the year ended 31 December 2020, and reports of the Directors and Auditor, to be laid before the Annual General Meeting. The Company's financial statements for the year ended 31 December 2020 and reports of the Directors and Auditor are contained in the Company's 2020 Annual Report, a copy of which is available on the Company's website at <https://pacificamerican.com.au/>.

While no resolution is required in relation to this item, Members should consider these documents and raise any matters of interest with the Company's Directors when this item is being considered.

The Company's Auditor will be present at the AGM and Members will have an opportunity to ask the Auditor questions in relation to the conduct of the audit, the Auditor's report, the Company's accounting policies and the independence of the Auditor.

2. RESOLUTION 1: Adoption of Remuneration Report

The Remuneration Report of the Company for the year ended 31 December 2020 is set out in the Company's 2020 Annual Report available on the Company's website <https://pacificamerican.com.au/>.

The Remuneration Report sets out the Company's remuneration arrangements for Directors. The Chairman will allow a reasonable opportunity for Members to ask questions about, or make comments on, the Remuneration Report at the AGM. In addition, Members will be asked to vote on the Remuneration Report.

The Resolution is advisory only and does not bind the Company or its Directors. The Board will consider the outcome of the votes and comments made by Members on the Remuneration Report at the AGM when reviewing the Company's remuneration policies.

Under the Corporations Act, if 25% or more of votes cast are voted against the adoption of a remuneration report at two consecutive AGMs, Members will be required to vote at the second of those AGMs on a resolution (a "spill resolution") that another Members' meeting will be held within 90 days.

If the spill resolution is passed at the second AGM, all the Company's Directors must go up for re-election within 90 days - at the next Members' meeting.

(a) The Company encourages all Members to cast their votes on Resolution 1 (Remuneration Report). Members not attending the AGM may use the enclosed Proxy Form to lodge their vote by appointing a proxy.

(b) Any undirected proxies held by the Chairman, other Directors or other Key Management Personnel or any of their Closely Related Parties will not be voted on

Resolution 1 (Remuneration Report), unless the vote is cast by the Chairman pursuant to an express authorisation on the Proxy Form made by a Member who is entitled to vote on Resolution 1.

Key Management Personnel of the Consolidated Entity are the Directors of the Company, and those other persons having authority and responsibility for planning, directing and controlling the activities of the Company, directly or indirectly. The Remuneration Report identifies the Company's Key Management Personnel for the year ended 31 December 2020. Their Closely Related Parties are defined in the Corporations Act, and include certain of their family members, dependants and companies they control. If you choose to appoint a proxy, you are encouraged to direct your proxy how to vote on Resolution 1 (Remuneration Report) by marking either "For", "Against" or "Abstain" on the Voting Form for those items of business.

3. RESOLUTION 2: Re-election of Director – Simon Bird

It is a requirement under rule 13.4 of the Company's Constitution that an election of directors shall take place each year. A Director (other than the managing Director) shall not retain office for a period in excess of 3 years or beyond the third annual general meeting following his election (whichever is the longer period) without submitting himself for re-election. At the annual general meeting in each year, one-third of the Directors in office or if their number is not a multiple of 3, the number nearest to one-third, shall retire from office.

Accordingly, Mr Simon Bird retires from office, and being eligible, offers himself for re-election as a Director of the Company.

Simon Bird B.Compt (University of South Africa), B.Compt (Hons) (University of South Africa), CA, FCPA, FAICD is a Non-Executive Director and Chairman of the Audit Committee

Simon's 30-year professional career in Australia, Africa and Europe includes six years with PricewaterhouseCoopers and senior roles in the resources, financial services, property, infrastructure and agricultural sectors. His time in Australia includes terms as Chief Financial Officer with Stockland Limited, GrainCorp Limited and Wizard Mortgage Corporation.

He is currently Non-Executive Director and Chairman of the Audit Committee of ASX listed Mount Gibson Iron Limited [ASX: MGX] (appointed 23 February 2012).

Recommendation

Non-candidate Directors unanimously recommend that Members vote in favour of Resolution 2.

4. RESOLUTION 3: Ratification of prior issues of Shares

As announced on 23 September 2020, on 23 September 2020 the Company issued and allotted 37,500,000 Shares to sophisticated and professional investors at a cash price of \$0.02 per Share.

Resolution 3 seeks Member approval pursuant to ASX Listing Rule 7.4 for the issue of these Shares.

ASX Listing Rule 7.1 provides that a company must not, subject to specified exceptions, issue or agree to issue during any 12-month period any Equity Securities, or other securities with rights to conversion to equity (such as an option), if the number of those securities exceeds 15% of the number of securities in the same class on issue at the commencement of that 12-month period. ASX Listing Rule 7.4 allows for subsequent shareholder approval if the company did not breach ASX Listing Rule 7.1 at the time of issue and holders of ordinary shares subsequently approve it.

The Company did not breach ASX Listing Rule 7.1 at the time of issue of the Equity Securities to sophisticated and professional investors.

By Members approving this issue, the Company will retain the flexibility to issue Equity Securities in the future up to the 15% annual placement capacity set out in ASX Listing Rule 7.1 without the requirement to obtain prior Member approval.

(a) Required Disclosure

Pursuant to and in accordance with ASX Listing Rule 7.5, the following information is provided in relation to the approval of the matters specified above:

| | |
|-----------------------------|---|
| Number of securities issued | 37,500,000 Shares were issued and allotted. |
| Issue Price | Issue price for the Shares was \$0.02 per Share. |
| Terms of the securities | The Shares are fully paid ordinary shares in the capital of the Company issued on the same terms and conditions as the Company's existing Shares. |
| Allottees | The allottees are sophisticated and professional. |
| Use of funds | As per the Company's market announcement on 23 September 2020 for the Salazar Farm-In and working capital. |
| Voting exclusion statement | A voting exclusion statement is included in the Notice. |

(b) Recommendation

The Board unanimously recommends that Members vote in favour of Resolution 3.

5. RESOLUTION 4: Ratification of prior issues of Shares

As announced on 22 January 2021, on 22 January 2021 the Company issued and allotted 4,000,000 Shares to sophisticated and professional investors at a cash price of \$0.02 per Share.

Resolution 4 seeks Member approval pursuant to ASX Listing Rule 7.4 for the issue of these Shares.

ASX Listing Rule 7.1 provides that a company must not, subject to specified exceptions, issue or agree to issue during any 12-month period any Equity Securities, or other securities with rights to conversion to equity (such as an option), if the number of those securities exceeds 15% of the number of securities in the same class on issue at the commencement of that 12-month period. ASX Listing Rule 7.4 allows for subsequent shareholder approval if the company did not breach ASX Listing Rule 7.1 at the time of issue and holders of ordinary shares subsequently approve it.

The Company did not breach ASX Listing Rule 7.1 at the time of issue of the Equity Securities to sophisticated and professional investors.

By Members approving this issue, the Company will retain the flexibility to issue Equity Securities in the future up to the 15% annual placement capacity set out in ASX Listing Rule 7.1 without the requirement to obtain prior Member approval.

(c) Required Disclosure

Pursuant to and in accordance with ASX Listing Rule 7.5, the following information is provided in relation to the approval of the matters specified above:

| | |
|-----------------------------|---|
| Number of securities issued | 4,000,000 Shares were issued and allotted. |
| Issue Price | Issue price for the Shares was \$0.02 per Share. |
| Terms of the securities | The Shares are fully paid ordinary shares in the capital of the Company issued on the same terms and conditions as the Company's existing Shares. |
| Allottees | The allottees are sophisticated and professional. |
| Use of funds | As per the Company's market announcement on 22 January 2021, funds are to further advance the Salazar Farm-In and working capital |
| Voting exclusion statement | A voting exclusion statement is included in the Notice. |

(d) Recommendation

The Board unanimously recommends that Members vote in favour of Resolution 4.

RESOLUTION 5: Approval for the issue of unlisted options to Salazar Gold Pty Ltd

Background

As announced on 12 January 2021 the terms of the Salazar Farm-In had been agreed. The Farm-In milestones include:

Farm-in A: Expenditure of \$750,000 before 30 November 2021 to earn **35%** with a minimum expenditure of \$250,000;

Farm-in B: Expenditure of \$500,000 (for an aggregate of A\$1,250,000) before 30 November 2022 to increase the equity to **50%**; and

Farm-in C Expenditure of \$750,000 (for an aggregate of A\$2,000,000) before 30 November 2023 to increase the interest in the tenements to **60%**.

Upon completion of Farm-in B, Salazar may elect that the Farm-in C expenditure is reduced by \$250,000 to A\$500,000 in consideration for the issue of 10,000,000 fully paid PAK shares to Salazar.

Upon execution of Farm-In Agreement and subject to shareholder approval, PAK shall issue 7 million unlisted options to Salazar exercisable at A\$0.02 ("Tranche 1 Options"). Each Tranche 1 option shall expire on the earlier of:

- a) 30 June 2022;
- b) 30 September 2021, where PAK does not comply with Farm-In Option A; and
- c) 1 month following the issue of an Exit Date Notice by PAK.

Upon PAK electing to commence Farm-In B, PAK shall issue 7 million unlisted options to Salazar exercisable at \$0.02 ("Tranche 2 Options") on or before 2 years from the date of issue. The issue of the unlisted Tranche 2 Options may require shareholder approval, which the Company will seek if required at the appropriate General Meeting.

During the Farm-In period, the Company will sole fund exploration activity with all works being jointly agreed between the Company and Salazar.

Listing Rule 7.1

The Directors are restricted by Listing Rule 7.1 from issuing new securities in the Company, which would dilute existing shareholdings, to a maximum of 15% of the expanded issued capital in any 12-month period. There are exceptions which allow the directors to issue new securities above that limit which include pro rata rights issues and issues with shareholder approval.

If Resolution 5 is passed, the Company will be able to utilise Listing Rule 7.1 for future issues of up to 15% of the expanded issued capital in the next 12-month period without having to convene a shareholders meeting to seek shareholders' approval of any such issues. The directors believe it is desirable to have the flexibility afforded to the Company to issue securities up to the maximum 15% allowable under Listing Rule 7.1 and accordingly recommend that shareholders vote in favour of the resolution.

The effect of Resolution 5 will be to allow the Company to issue the unlisted options (Tranche 1) to Salazar Gold Pty Ltd within one month after the date of the Meeting or such later date as permitted by any waiver or modification of the Listing Rules) without utilising Listing Rule 7.1.

Technical information required by Listing Rule 7.3

Pursuant to and in accordance with Listing Rule 7.3 the following information is provided in relation to the issue of the shares:

Rule 7.3.1: Name of person:
Salazar Gold Pty Ltd.

Rule 7.3.2: Number and class of securities to be issued:
7,000,000 unlisted options (Tranche 1) The maximum number of shares to be issued is 7,000,000 shares following the exercise of the unlisted options.

Refer to Appendix 1 for the terms of the unlisted options.

Rule 7.3.3: Number of securities to be issued if partly paid:
7,000,000 unlisted options (Tranche 1) The maximum number of shares to be issued is 7,000,000 shares following the exercise of the unlisted options.

Refer to Appendix 1 for the terms of the unlisted options.

Rule 7.3.4: Date by which the securities are to be issued:
If Shareholders approve Resolution 5, the issue of the unlisted options, will occur on a date which is no later than three months after the date of this AGM.

Rule 7.3.5: Price securities will be issued:
The unlisted options will be issued at a deemed price of \$Nil per unlisted option. The Company will not receive any cash on the issue of the unlisted option but will receive \$0.02 each on the conversion of the unlisted option to fully paid ordinary shares.

Rule 7.3.6: Purpose of the issue:
As announced on 12 January 2021 this is part consideration for the Salazar Farm-in.

Rule 7.3.7: Summary of material terms:
The Company is to earn an interest in the Salazar Farm-In properties by meeting various expenditure commitments as noted in the background section above and the issue of unlisted options.

Rule 7.3.8: Issue to fund a takeover:
Not applicable

Rule 7.3.9: Voting exclusion:
A Voting Exclusion Statement is included in the Notice.

The Directors recommend that the shareholders vote to approve Resolution 5.

6. RESOLUTIONS 6, 7 and 8: Approval to Grant Employee Options to Directors

(a) General

The Company is proposing, subject to obtaining Members' approval of Resolutions 6, 7 and 8, to grant a total of 9,000,000 Employee Options to Mr Geoffrey Hill, Mr Simon Bird and Mr Mark Sykes under the Company's ESOP as part of their remuneration as Directors of the Company.

Each Employee Option provides the right to subscribe for one Share for an exercise price of \$0.03 for a term of 5 years from date of issue.

Further details are in paragraph 7 (g)(ii) of the Explanatory Memorandum.

Notwithstanding separate Members' approval for granting Employee Options under the ESOP to each Director is required under Listing Rule 10.14 and sections 195(4), 200B, 200E and 208 of the Corporations Act, it is the Directors' intention to also grant Employee Options to non-Director Eligible Employees and Officers, also under the ESOP.

(b) Capital Structure and Voting Power

Resolutions 6 to 8 inclusive all seek Members' approval for the granting of Employee Options by the Company.

The Company currently has on issue 318,584,900 Shares.

In addition, if Resolutions 6 to 8 inclusive are passed, the Company will grant 9,000,000 Employee Options.

The Employee Options to be granted pursuant to Resolutions 6 to 8 inclusive being passed (assuming these Employee Options are exercised, and no Equity Securities are issued represent:

(a) 2.82% of the total number of Shares on issue; and

(b) 2.75% of the total number of Shares on issue assuming the exercise of all Employee Options.

The capital structure of the Company following the issue of Employee Options pursuant to Resolutions 6 to 8 inclusive, assuming all Resolutions 6 to 8 inclusive are passed at the Meeting, is set out in Table 1 below:

Table 1

| | |
|--|--------------------|
| Number of Shares on issue as at the date of the Notice | 318,584,900 |
| Number of Employee Options to be issued pursuant to Resolutions 6 to 8 inclusive | 9,000,000 |
| Total number of Shares on issue assuming Resolutions 6 to 8 inclusive are passed, the Employee Options are issued, and all Employee Options are exercised | 327,584,900 |

(c) Impact of Resolutions on substantial holders

Resolutions 6 to 8 inclusive all seek Member approval for the issue of securities in the Company.

If passed, Resolutions 6 to 8 inclusive will have an impact on the voting power of the following substantial Shareholders in the Company who have 5% or more of the votingpower in the Company.

The impact on voting power (on a fully diluted basis) of substantial holders of Shares, and the proposed recipients of Employee Options pursuant to Resolutions 6 to 8 inclusive, before and after the Meeting is summarised in Table 2 below:

Table 2

| Substantial holders | Before | | After | | |
|----------------------------------|---------------|-------------------|-------------------------|---------------|-------------------|
| | No. of Shares | % of voting power | No. of Employee Options | No. of Shares | % of voting power |
| Gregorach Group (Warwick Grigor) | 36,849,892 | 11.71% | - | 36,849,892 | 11.25% |
| HFT Nominees Pty Ltd | 30,874,587 | 9.81% | 3,000,000 | 33,874,587 | 10.34% |

* Table 2 has been prepared on the following hypothetical assumptions. The Company does not represent that they will necessarily occur:

- (a) Table 2 assumes that all of Resolutions 6 to 8 inclusive are passed by Members at the Meeting and that all Employee Options the subject of Resolutions 6 to 8 inclusive have been issued as contemplated by Resolutions 6 to 8 inclusive.
- (b) Table 2 assumes that all Employee Options have been exercised into Shares.

(d) Section 195(4) of the Corporations Act

Section 195(1) of the Corporations Act prohibits a director of a public company who has a material personal interest in a matter that is being considered at a directors' meeting from being present while the matter is being considered at the meeting or voting on the matter. If there is not a quorum of directors who are eligible to vote on a matter because of the operation of section 195(1) of the Corporations Act, one or more directors may call a general meeting and the general meeting may deal with the matter.

Each Director does not have a material personal interest in the issue of the Employee Options other than to himself. However, given that it is proposed that all Directors will be issued Employee Options pursuant to Resolutions 6, 7 and 8, they may be considered to have a material

personal interest in the outcome of Resolutions 6, 7 and 8, in which case the Directors would be unable to form a quorum. Accordingly, the Directors consider it prudent to exercise their right under section 195(4) of the Corporations Act to put the matters to Members to resolve.

(e) Listing Rules 10.14 and 10.15

Listing Rule 10.14 requires Member approval by ordinary resolution for any issue of securities by a listed company to a related party under an employee incentive scheme. Accordingly, listing Rule 10.14 requires Members to approve the issue of the Employee Options under the Company's ESOP to each of the Directors.

Approval for the grant of the Employee Options is sought for the purposes of Listing Rule 10.14 and for all other purposes.

The following information in relation to the Employee Options it is proposed be issued to the Directors the subject of Resolutions 6, 7 and 8 is provided to Members for the purposes of listing Rule 10.15:

(i) Maximum securities that may be granted

The maximum number of securities that may be acquired by all persons for whom approval is required is as follows:

Table 3

| Director | Employee Options Number |
|-----------------|------------------------------------|
| | |
| Geoffrey Hill | 3,000,000 |
| Simon Bird | 3,000,000 |
| Mark Sykes | 3,000,000 |
| Total | 9,000,000 |

(ii) Price

Each Employee Option will be issued for nil cash consideration as they will form part of the remuneration of each Director for services provided as a director of the Company.

No funds will be raised from the issue of the Employee Options which are the subject of Resolutions 6, 7 and 8.

(iii) Previous issues

1,500,000 unlisted options have been issued under the ESOP on 4 June 2019 following the last approval of ESOP on 14 May 2019.

- (iv) Names of persons referred to in Listing Rule 10.14 entitled to participate in the Equity Incentive Plan

The persons referred to in Listing Rule 10.14 entitled to participate in the ESOP are each of the Directors of the Company, being Mr Hill, Mr Bird and Mr Sykes.

- (v) *Voting exclusion statement*

A voting exclusion statement has been included in the Notice in relation to Resolutions 6, 7 and 8.

- (vi) Terms of any loan in relation to the acquisition

There are no loans applicable to the Employee Options to be issued pursuant to Resolutions 6, 7 and 8.

- (vii) Date by which the Company will issue the securities

The Company will issue the Employee Options which are the subject of Resolutions 6, 7 and 8 within 1 month of the date of the Meeting.

(f) Chapter 2E of the Corporations Act

In accordance with Chapter 2E of the Corporations Act, in order to give a financial benefit to a related party, the Company must:

- (a) obtain Member approval in the manner set out in sections 217 to 227 of the Corporations Act; and
- (b) give the benefit within 15 months following such approval, unless the giving of the financial benefit falls within an exception set out in sections 210 to 216 of the Corporations Act.

The grant of the Employee Options constitutes giving a financial benefit, as defined in the Corporations Act, to Messrs Geoff Hill, Simon Bird and Mark Sykes who are related parties of the Company by virtue of being Directors.

(g) Information requirements for Chapter 2E of the Corporations Act

Pursuant to and in accordance with section 219 of the Corporations Act, the following information is provided in relation to the proposed issue of the Employee Options:

- (i) Identity of the related parties to whom the resolutions which form part of Resolutions 6, 7 and 8 permit financial benefits to be given

The Employee Options will be issued Messrs Geoff Hill, Simon Bird and Mark Sykes, each a director of the Company.

- (ii) Nature of the financial benefit

Resolutions 6, 7 and 8 seek approval from Members to allow the Company to issue the Employee Options as follows:

- A. Each Employee Option provides the right, not the obligation, to subscribe for one Share for an exercise price of \$0.03.
- B. One third of the Employee Options vest on each annual anniversary over three years commencing from the date the Employee Options are granted, as follows:

Table 4

| Director | Number of Employee Options | | | |
|---------------|----------------------------|------------------|------------------|------------------|
| | End Year 1 | End Year 2 | End Year 3 | Total |
| Geoffrey Hill | 1,000,000 | 1,000,000 | 1,000,000 | 3,000,000 |
| Simon Bird | 1,000,000 | 1,000,000 | 1,000,000 | 3,000,000 |
| Mark Sykes | 1,000,000 | 1,000,000 | 1,000,000 | 3,000,000 |
| Total | 3,000,000 | 3,000,000 | 3,000,000 | 9,000,000 |

- C. The Employee Options expire on the anniversary date which is five years after the date the Employee Options are granted.
- D. Subject to having vested, the Employee Options are exercisable on any date until the expiry date.
- E. Exercise Price of Employee Options
Each Employee Option will have an exercise price of \$0.03 each.
The exercise price was determined by considering the closing Share price on 19 April 2021 and the highest and lowest closing Share price for the 12 months before 19 April 2021, which prices are set out in the table below:

Table 5

| Highest Share Price | | Lowest Share Price | | Latest Share Price | |
|---------------------|--------------------------------|--------------------|-------------------------------|--------------------|-------------------------------|
| \$ price/date | Premium / (Discount) to \$0.03 | \$ price/date | Premium/ (Discount) to \$0.03 | \$ price/date | Premium/ (Discount) to \$0.03 |
| | % | | % | | % |
| \$0.035 | (14.28%) | \$0.009 | 333.33% | \$0.020 | 50.00% |
| 23 October 2020 | | 27 July 2020 | | 19 April 2021 | |

The valuation exercise price of \$0.03 per Employee Option is a price within the Share price range for the 12 months ended on 19 April 2021. The exercise price represents an 14.28% discount to the highest closing Share price over the 12 months before 19 April 2021 and a 50.00% premium to the closing Share price on 19 April

2021. An Employee Option exercise price of \$0.03 represents a significant premium (333.33%) to the lowest closing Share price over the 12 months before 19 April 2021.

(iii) Reasons for giving the financial benefit

The primary purpose for the issue of the Employee Options to the Directors is to provide a market linked incentive package for each Director and to encourage a greater involvement in the achievement of the Company's objectives. The issue of the Employee Options is a cost effective and efficient means for the Company to provide a reward and an incentive, as opposed to alternative forms of incentive, such as the payment of additional cash compensation.

The number of Employee Options to be offered has been determined based upon a consideration of:

- (a) the cash remuneration of each Director;
- (b) the Company's desire to attract and retain suitably qualified directors; and
- (c) the Company's desire to establish incentives to attract and ensure continuity of service of Directors who have appropriate knowledge and expertise, while maintaining the Company's cash reserves.

(iv) Opportunity costs and benefits foregone

The Directors do not consider that there would be any opportunity costs and benefits foregone by the proposed issue of the Employee Options to the Directors.

The Company will not incur any costs or fees in relation to the issue of the Employee Options, however if all of the Employee Options are exercised the Company would incur listing fee costs.

Existing relevant interests

At the date of this Notice, the Directors hold the following relevant interests in Equity Securities of the Company:

Table 6

| Director | Shares |
|---------------|------------|
| Geoffrey Hill | 30,874,587 |
| Simon Bird | 575,628 |
| Mark Sykes | 70,000 |

Assuming that Resolutions 6, 7 and 8 are approved by Members, all of the Employee Options are issued, vested and exercised to obtain Shares, and no other Equity Securities are issued or exercised, the respective interests of the Directors in the Company's enlarged capital would be as follows:

- (a) Mr Hill's interest would represent approximately 10.34%;
- (b) Mr Bird's interest would represent approximately 0.01%; and
- (c) Mr Sykes' interest would represent approximately 0.009%.

(v) *Dilution effect*

If Resolutions 6, 7 and 8 are passed the Company will issue 9,000,000 Employee Options which, if exercised, will convert to 9,000,000 Shares.

As at the date of this Notice, the Company has on issue 318,584,900 Shares.

If Resolutions 6, 7 and 8 are passed, the holdings of existing Members will be diluted by 2.75% on a fully diluted basis by the issue of the Employee Options.

(vi) *Remuneration of Directors*

The total annual remuneration arrangements for each of the Directors as at the date of this Notice are set out below:

Table 7

| Director | Salary and fees (inclusive of superannuation) | Total |
|-----------------|--|----------------|
| | \$ | \$ |
| Geoffrey Hill | 50,100 | 50,100 |
| Simon Bird | 32,700 | 32,700 |
| Mark Sykes | 141,500 | 141,500 |
| Total | 224,300 | 224,300 |

(vii) *Valuation*

The Company has valued the Employee Options proposed to be issued to the Directors using a Black and Scholes Model.

If Resolutions 6, 7 and 8 are passed, Employee Options issued would be initially recognised in the Share Based Payment Reserve in the Company's Consolidated Statement of Financial Position based on an estimated fair value using the Black and Scholes Model, with a corresponding share-based payment expense recognised in the Company's Consolidated Statement of Comprehensive Income.

In accordance with Accounting Standards, the Vesting Conditions were not taken into account when estimating the fair value of the Employee Options at the Valuation Date.

Instead, the Vesting Conditions are taken into account by adjusting the number of Employee Options included in the measurement of the transaction amount so that, ultimately, the amount recognised for services received as consideration for the Employee Options granted will be based on the number of Employee Options for which the performance milestone is satisfied.

The valuation of the Employee Options has been prepared using the following assumptions:

Table 8

| Variable | Input |
|--------------------------|---------------|
| Valuation Date | 19 April 2021 |
| Share Price | \$0.02 |
| Dividend Yield | 0% |
| Exercise Price per Share | \$0.03 |
| Risk free interest rate | 0.15% pa |
| Volatility | 85.90% |
| Time (years to expiry) | 5 years |

For the purposes of calculating the value of each Employee Option, the Company has:

- (a) assumed a Share price of \$0.02, being the closing price of Shares traded on the official list of ASX on Friday 16 April 2021;
- (b) assumed a dividend yield of 0% based on the Company's dividend history;
- (c) used a risk-free interest rates of 0.15% (five years), (estimated based on the yield on Australian government bonds with 5-year maturities as at the date of valuation of the Employee Options); and
- (d) used a volatility of the Share price of 85.90% (five years) as determined by analysing the historical share volatility of the Company's and comparable Australian junior resource company shares.

Based on the above, the Company has calculated indicative values of Employee Options to be as follows:

Table 9

| | |
|---|-----------|
| | |
| Number | 9,000,000 |
| Indicative value per Employee Option | \$0.01175 |
| Total Indicative value | \$105,750 |

Directors' fees remuneration per annum and the total financial benefit expected to be received by Directors in this current financial year ended 31 December 2021, as a result of the issue of the Employee Options the subject of Resolutions 6, 7 and 8 are as follows:

| Director | Salary and fees (inclusive of superannuation) | Value of Employee Options the subject of Resolutions 6, 7 and 8 | Total financial benefit |
|-----------------|--|--|--|
| | \$ | \$ | \$ |
| Geoffrey Hill | 50,100 | 35,250 | 85,350 |
| Simon Bird | 32,700 | 35,250 | 67,950 |
| Mark Sykes | 141,500 ¹ | 35,250 | 176,750 |
| Total | 224,300 | 105,750 | 330,050 |

In determining the Employee Option arrangements, the board considered the nature of the position, the function and purpose of the Employee Option component of the Company's remuneration strategy and other components of the Director's remuneration, together with the ESOP.

Members approved the ESOP at the General Meeting held on 14 May 2019.

The ESOP is approved by Members, for the purposes of Listing Rule 7.2, Exception 9(b), which provides that Listing Rules 7.1 and 7.1A do not apply to an issue of securities under an employee incentive scheme that has been approved by the holders of ordinary securities within three years after the date of approval.

¹ Mr Sykes' remuneration for the year ended 31 December 2020 was \$141,500, (2019: \$181,142). A company related to Mr Sykes charges the Company each month based on hours work for the month, plus good and services tax.

The purpose of the ESOP is to:

- (a) assist in the reward, retention and motivation of Eligible Employee and Officers;
- (b) link the reward of Eligible Employee and Officers to performance and the creation of Member value;
- (c) align the interests of Eligible Employee and Officers more closely with the interests of Members by providing an opportunity for Eligible Employee and Officers to receive an equity interest in the Company;
- (d) provide Eligible Employee and Officers with the opportunity to share in any future growth in value of the Company; and
- (e) provide greater incentive for Eligible Employee and Officers to focus on the Company's longer-term goals. There are significant opportunities and challenges in both the near and long-term, and the proposed issue of the Employee Options is designed to align the efforts of the Directors in seeking to achieve growth of the Share price and in the creation of Member value.

The Board believes that incentivising the Directors with Employee Options is a prudent means of conserving the Company's available cash reserves.

Additionally, the Company would raise funds as a result of all the Employee Options being exercised (\$270,000).

(viii) Other information

The arm's length and reasonable remuneration exceptions to the prohibition on providing a financial benefit to a related party are considered available to the Company for Resolutions 6, 7 and 8 because the amounts of each of the financial benefit to be provided are considered within market rates.

Other than as disclosed in this Explanatory Memorandum, the Directors do not consider that from an economic and commercial point of view, there are any costs or detriments including opportunity costs or taxation consequences for the Company or benefits foregone by the Company in issuing the Employee Options pursuant to Resolutions 6, 7 and 8.

Neither the Directors nor the Company are aware of other information that would be reasonably required by Members in relation to the financial benefits contemplated by Resolutions 6, 7 and 8.

(ix) Interests of directors

Mr Geoffrey Hill has an interest in Resolution 6 because, if it is passed, he will be issued 3,000,000 Employee Options. The other directors do not have an interest in Resolution 6.

Mr Simon Bird has an interest in Resolution 7 because, if it is passed, he will be issued 3,000,000 Employee Options. The other directors do not have an interest in Resolution 7.

Mr Mark Sykes has an interest in Resolution 8 because, if it is passed, he will be issued 3,000,000 Employee Options. The other directors do not have an interest in Resolution 8.

(x) Directors' recommendations

The Directors decline to make a recommendation to Members in relation to the resolutions due to their material personal interests in the outcome of Resolutions 6, 7, and 8.

ASIC Regulatory Guide 76: Related Party Transactions notes at paragraph 76.103 that it is good practice for directors to avoid making a recommendation for resolutions about each other's remuneration as there may be a conflict of interest.

Mr Hill, Mr Bird and Mr Sykes have a material personal interest in the outcome of Resolutions 6, 7, and 8, given it is proposed that they be issued with Employee Options under the ESOP.

(h) Sections 200B and 200E of the Corporations Act

The Corporations Act restricts the benefits which can be given to certain persons (those who hold a managerial or executive office, as defined in the Corporations Act) on leaving their employment with the Company or a related body corporate (the Group). Under section 200B of the Corporations Act, a company may only give a person a benefit in connection with their ceasing to hold a managerial or executive office (as defined in the Corporations Act) in the group if it is approved by shareholders or an exemption applies.

The provisions of the Corporations Act relating to termination benefits apply to each of the Directors. Additionally, persons subject to the restrictions remain subject to them for at least three years after they cease to be a managerial or executive officer.

Under the termination benefits laws, the term 'benefit' has a wide operation and is likely to include:

- (a) the continuation by the holder of any interest in the Employee Options issued under the ESOP;
- (b) the waiver of any Employee Option lapsing condition on any option which a Director has become entitled to but not vested at the date of termination or vested rights which the Director would have become entitled to during the three months following termination had the termination not occurred;
- (c) the, adjustment to or variation to the terms of exercise of the Employee Options including any variation, reduction or waiving the Vesting Conditions attaching to the Employee Options; and

- (d) the waiver of any restriction on the assignment, transfer, sale, grant of an encumbrance over or dealing with any Employee Options by a Director,

in circumstances where a Director ceases to be a director of the Company (each a Benefit).

Member approval is therefore being sought under sections 200B and 200E of the Corporations Act for the granting of the Employee Options to the Directors so that the value of the Benefit will be disregarded when calculating the relevant Director's cap for the purposes of calculating the permissible termination benefits payable under the Corporations Act.

Section 200E of the Corporations Act requires certain information to be provided to Members in approving a termination benefit as follows:

(i) Details of the termination benefits

The ESOP contains a rule whereby the Board may at any time waive or make adjustments to or vary the terms of exercise of an Employee Option, including reducing or waiving the Vesting Conditions attaching to Employee Options in whole or in part at any time and in any particular case. Any proposed variation or adjustment will be subject to any requirements of the Corporations Act and/or the Listing Rules (including shareholder approval).

Accordingly, for example, notwithstanding that a Director may have ceased to be an employee because his employment was terminated for cause and ordinarily this would constitute an option lapsing event, the Board may waive or amend this provision such that the Director continues to have the benefit of the Employee Option for a period after he or she has ceased to be a Director.

(ii) Value of the termination benefits

The value of the potential termination benefits cannot be quantified at this point, as the manner in which the value is calculated depends on various matters, events and circumstances that will, or are likely to, affect the calculation of the value.

Specifically, the value of a particular benefit will depend on factors such as the Share price at the time, and the number and value of Employee Options held by that Director at the time.

(iii) Voting exclusion statement

A voting exclusion statement has been included in the Notice in relation to Resolutions 6, 7 and 8.

ITEMS OF SPECIAL BUSINESS

7. RESOLUTION 9: Approval of additional 10% placement facility

Background

Listing Rule 7.1A provides that in addition to the 15% placement capacity permitted without prior shareholder approval under Listing Rule 7.1, an entity that is eligible and obtains shareholder approval under Listing Rule 7.1A may issue or agree to issue during the period the approval is valid, a number of quoted Equity Securities which represents 10% of the number of fully paid ordinary securities on issue at the commencement of that 12 month period as adjusted in accordance with the formula in Listing Rule 7.1.

An eligible entity for the purposes of Listing Rule 7.1A is an entity that is not included in the S&P/ASX 300 Index and has a market capitalisation of \$300 million or less (excluding restricted securities and securities quoted on a deferred settlement basis), The Company is an eligible entity.

Any Equity Securities issued under the 10% placement facility must be in the same class as an existing quoted class of Equity Securities of the Company. The Company has one class of quoted securities on issue, being ordinary shares.

Resolution 9 seeks Shareholder approval by way of a special resolution to have the ability to issue Equity Securities under the Additional 10% Placement Facility available under Listing Rule 7.1A. The maximum number of quoted Equity Securities that may be issued under the additional 10% placement facility will be determined in accordance with the formula prescribed in Listing Rule 7.1A.2.

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

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

Resolution 9 is a special resolution and therefore requires approval of 75% of the votes cast by Shareholders present and eligible to vote at the Annual General Meeting (in person, by proxy, by attorney or, in the case of a corporate Shareholder, by a corporate representative).

Regulatory Requirements

In compliance with the information requirements of Listing Rule 7.3A, Shareholders are advised of the following information:

- a. Minimum Issue Price

The issue price of Equity Securities issued under Listing Rule 7.1A must be a cash consideration per Equity Security of not less than 75% of the volume weighted average price of Equity Securities in the same class calculated over the 15 trading days on which trades in that class were recorded immediately before:

- i. The date on which the price at which the Equity Securities are to be issued is agreed by the Company and the recipient of the Equity Securities; or
- ii. If the Equity Securities are not issued within 10 trading days of the date in paragraph (i) above, the date on which the Equity Securities are issued.

b. Dilution

As at the date of this Notice of Annual General Meeting, the Company has 318,584,900 Shares on issue. If Shareholders approve Resolution 9, the Company will have the capacity to issue approximately 31,858,490 Equity Securities under the Additional 10% Placement Facility in accordance with Listing Rule 7.1A.

If Resolution 9 is approved by Shareholders and the Company issued Equity Securities under the Additional 10% Placement Facility, existing Shareholders' voting power in the Company will be diluted as shown in the table below to the extent Shareholders do not receive any Shares under such issues. There is a risk that:

- i. the market price for the Company's Equity Securities may be significantly lower on the date of the issue of the Equity Securities than the date of the Annual General Meeting; and
- ii. the Equity Securities may be issued at a price that is at a discount to the market price for the Company's Equity Securities on the issue date, which may have an effect on the amount of funds raised by the issue of the Equity Securities

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

The table below also shows:

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

| Variable "A" in Listing Rule 7.1A.2 | | Dilution | | |
|---|---------------|--|--------------------------|--|
| | | \$0.01 50% decrease in Issue Price | \$0.02 Issue Price | \$0.03 50% increase in Issue Price |
| Current Variable A 318,584,900 Shares | Shares issued | 31,858,490 New Shares | 31,858,490 New Shares | 31,858,490 New Shares |
| | Funds raised | \$318,585 | \$637,170 | \$955,755 |
| 50% increase in current Variable A 477,877,350 Shares | Shares issued | 47,787,735 New Shares | 47,787,735 New Shares | 47,787,735 New Shares |
| | Funds raised | \$477,877 | \$955,755 | \$1,433,632 |
| 100% increase in current Variable A 637,169,800 Shares | Shares issued | 63,716,980 New Shares | 63,716,980 New Shares | 63,716,980 New Shares |
| | Funds raised | \$637,170 | \$1,274,340 | \$1,911,510 |

The table has been prepared on the following assumptions:

1. The Company issues the maximum number of Equity Securities available under the Additional 10% Placement Facility.
2. No Options are exercised into Shares before the date of the issue of the Equity Securities.
3. The 10% voting dilution reflects the aggregate percentage dilution against the issued share capital at the time of issue. This is why the voting dilution is shown in each example as 10%.
4. The table does not show an example of dilution that may be caused to a particular Shareholder by reason of placements under the Additional 10% Placement Facility, based on that Shareholder's holding at the date of the Meeting.
5. The table shows only the effect of issued of Equity Securities under Listing Rule 7.1A, not under the 15% placement capacity under Listing Rule 7.1.
6. The issue of Equity Securities under the 10% placement Facility consists only of Shares. If the issue of Equity Securities includes Listed Options, it is assumed that those Listed Options are exercised into Shares for the purpose of calculating the voting dilution effect on existing Shareholders.
7. The issue price is \$0.02, being the closing price of the Shares on ASX on 19 April 2021.

c. Issue Period

If Shareholders approve Resolution 9, the Company will have a mandate to issue Equity Securities under the Additional 10% Placement Facility under Listing Rule 7.1A from the date of the Annual General Meeting until the earlier of the following to occur:

- i. The date that is 12 months after the date of the Annual General Meeting;
 - ii. The time and date of the Company's next Annual General Meeting; and
 - iii. The date of the approval by Shareholders of a transaction under Listing Rule 11.1.2 (a significant change to the nature of scale of activities) or 11.2 (disposal of main undertaking).
- (the Additional 10% Placement Period).

The Company will only issue and allot Equity Securities under the Additional 10% Placement Facility during the Additional 10% Placement Period.

d. Purpose of Issues

The Company can only issue the Equity Securities for cash consideration. In such circumstances, the Company intends to use the funds raised towards an acquisition of new assets or investments (including expenses associated with such acquisition), continued exploration and feasibility study expenditure on the Company's current assets and/or general working capital.

The Company will provide further information at the time of issue of any Equity Securities under the Additional 10% Placement Facility in compliance with its disclosure obligations under Listing Rules 7.1A.4 and 3.10.5A.

e. Allocation Policy

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

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

f. Previous issues

The Company has previously obtained Shareholder approval under Listing Rule 7.1A and has not issued any Equity Securities pursuant to Listing Rule 7.1A in the 12 months preceding the date of the Annual General Meeting.

g. Voting exclusion statement

A voting exclusion statement for Resolution 9 is included in the Notice of Annual General Meeting preceding this Explanatory Statement.

At the date of the Notice of Annual General Meeting, the Company has not approached any particular existing security holder or an identifiable class of existing security holders to participate in the issue of the Equity Securities. Accordingly, the proposed allottees of any Equity Securities under the Additional 10% Placement Facility are not as yet known or identified.

In these circumstances (and in accordance with the note set out in ASX Listing Rule 14.11.1 relating to ASX 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 any Equity securities issued under the Additional 10% Placement Facility), 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.

No existing Shareholder's votes will therefore be excluded under the voting exclusion in the Notice of Annual General Meeting.

Board Recommendation

The Board believes that the Additional 10% Placement Facility is beneficial for the Company as it will give the Company the flexibility to issue further securities representing up to 10% of the company's share capital during the next 12 months. Accordingly, the Board unanimously recommend that Shareholders approve Resolution 9.

Schedule 1 – Terms and Conditions of the unlisted options to be issued under Resolution 5

The options will be issued on the following terms:

- (a) the options issued may be exercised immediately;
- (b) The 7,000,000 (tranche 1) unlisted options shall expire on the earlier of:
 - 30 June 2022;
 - 30 September 2021, where the company does not comply with Farm-In Option A; and
 - 1 month following the issue of an Exit Date Notice by the Company.
- (c) The options shall be exercisable wholly or in part, by notice in writing to the Company, at any time up until the expiry date;
- (d) the holder of options cannot participate in new issues of capital which may be offered to shareholders during the currency of the options without exercising the option;
- (e) Shares issued on the exercise of options will rank pari passu with the then existing issued ordinary shares of the Company;
- (f) In a reorganisation of capital of the Company, the exercise price of the options or the number of shares over which the options can be exercised will be reorganised in accordance with the relevant provisions of the ASX Listing Rules in force at the time of the reorganisation;
- (g) Subject to paragraph (f), neither the exercise price of the options nor the number of shares over which the options can be exercised will be changed to take account of pro rata issues (other than bonus issues);
- (h) In respect of a bonus issue of shares the option holders are only entitled to participate if the options are exercised before the record date for the bonus issue. In the event of a bonus issue, the number of shares over which an option is exercisable will be increased by the number of securities which the holder of the option would have received if the option had been exercised before the record date for the bonus issue;
- (i) The options cannot be transferred; and
- (j) The options will not be quoted on the ASX.

Schedule 2 –Terms and Conditions of the unlisted options to be issued under Resolutions 6,7 and 8

The options will be issued on the following terms:

- (a) the options issued may be exercised immediately subject to vesting conditions;
- (b) The options shall expire on a date 5 years after issue: earlier of:
- (c) The options shall be exercisable wholly or in part, by notice in writing to the Company, at any time up until the expiry date;
- (d) the holder of options cannot participate in new issues of capital which may be offered to shareholders during the currency of the options without exercising the option;
- (e) Shares issued on the exercise of options will rank pari passu with the then existing issued ordinary shares of the Company:
- (f) In a reorganisation of capital of the Company, the exercise price of the options or the number of shares over which the options can be exercised will be reorganised in accordance with the relevant provisions of the ASX Listing Rules in force at the time of the reorganisation;
- (g) Subject to paragraph (f), neither the exercise price of the options nor the number of shares over which the options can be exercised will be changed to take account of pro rata issues (other than bonus issues);
- (h) In respect of a bonus issue of shares the option holders are only entitled to participate if the options are exercised before the record date for the bonus issue. In the event of a bonus issue, the number of shares over which an option is exercisable will be increased by the number of securities which the holder of the option would have received if the option had been exercised before the record date for the bonus issue;
- (i) The options cannot be transferred; and
- (j) The options will not be quoted on the ASX.

APPOINTMENT OF CORPORATE REPRESENTATIVE

Pursuant to Section 250D of the *Corporations Act*

(Insert name of Member/Body Corporate & ABN/ACN/ARBN)

Hereby Authorises

(Insert name of appointee)

- (*) 1. To act as the Company's representative at all General Meetings of Pacific American Holdings Limited ABN 83 127 131 604.
- (*) 2. To act as the Company's Representative at the Annual General Meeting to be held commencing 10.00am (Sydney time) on Monday 31 May 2021 and any adjournment thereof.

Dated this _____ day of _____

Executed by the corporation in accordance with its Constitution/Section 127 of the *Corporations Act 2001* (Cth) in the presence of:

(*) Director

(*) Sole Director & Sole Secretary

(*) Director/Secretary

Affix Common Seal here (optional)

(*) Delete if not applicable

This authority may be sent to the registered office or share registry office of the Company in advance of the meeting as set which this appointment accompanies

or handed in at the Annual General Meeting when registering as a company representative. In either case, the authority will be retained by the Company.

All Correspondence to:

✉ **By Mail** Boardroom Pty Limited
GPO Box 3993
Sydney NSW 2001 Australia

📠 **By Fax:** +61 2 9290 9655

💻 **Online:** www.boardroomlimited.com.au

☎ **By Phone:** (within Australia) 1300 737 760
(outside Australia) +61 2 9290 9600

YOUR VOTE IS IMPORTANT

For your vote to be effective it must be recorded **before 10.00am (AEST) on Saturday 29 May 2021**

TO VOTE BY COMPLETING THE PROXY FORM

STEP 1 APPOINTMENT OF PROXY

Indicate who you want to appoint as your Proxy.

If you wish to appoint the Chair of the Meeting as your proxy, mark the box. If you wish to appoint someone other than the Chair of the Meeting as your proxy please write the full name of that individual or body corporate. If you leave this section blank, or your named proxy does not attend the meeting, the Chair of the Meeting will be your proxy. A proxy need not be a securityholder of the company. Do not write the name of the issuer company or the registered securityholder in the space.

Appointment of a Second Proxy

You are entitled to appoint up to two proxies to attend the meeting and vote. If you wish to appoint a second proxy, an additional Proxy Form may be obtained by contacting the company's securities registry or you may copy this form.

To appoint a second proxy you must:

- (a) complete two Proxy Forms. On each Proxy Form state the percentage of your voting rights or the number of securities applicable to that form. If the appointments do not specify the percentage or number of votes that each proxy may exercise, each proxy may exercise half your votes. Fractions of votes will be disregarded.
- (b) return both forms together in the same envelope.

STEP 2 VOTING DIRECTIONS TO YOUR PROXY

To direct your proxy how to vote, mark one of the boxes opposite each item of business. All your securities will be voted in accordance with such a direction unless you indicate only a portion of securities are to be voted on any item by inserting the percentage or number that you wish to vote in the appropriate box or boxes. If you do not mark any of the boxes on a given item, your proxy may vote as he or she chooses. If you mark more than one box on an item for all your securities your vote on that item will be invalid.

Proxy which is a Body Corporate

Where a body corporate is appointed as your proxy, the representative of that body corporate attending the meeting must have provided an "Appointment of Corporate Representative" prior to admission. An Appointment of Corporate Representative form can be obtained from the company's securities registry.

STEP 3 SIGN THE FORM

The form **must** be signed as follows:

Individual: This form is to be signed by the securityholder.

Joint Holding: where the holding is in more than one name, all the securityholders should sign.

Power of Attorney: to sign under a Power of Attorney, you must have already lodged it with the registry. Alternatively, attach a certified photocopy of the Power of Attorney to this form when you return it.

Companies: this form must be signed by a Director jointly with either another Director or a Company Secretary. Where the company has a Sole Director who is also the Sole Company Secretary, this form should be signed by that person. **Please indicate the office held by signing in the appropriate place.**

STEP 4 LODGEMENT

Proxy forms (and any Power of Attorney under which it is signed) must be received no later than 48 hours before the commencement of the meeting, **10.00am (AEST) on Saturday 29 May 2021**. Any Proxy Form received after that time will not be valid for the scheduled meeting.

Proxy forms may be lodged in the following method:

| | |
|--------------------|--|
| 📠 By Fax | + 61 2 9290 9655 |
| ✉ By Mail | Boardroom Pty Limited GPO Box 3993, Sydney NSW 2001 Australia |
| 👤 In Person | Boardroom Pty Limited Level 12, 225 George Street, Sydney NSW 2000 Australia |

Attending the Meeting

If you wish to attend the meeting please bring this form with you to assist registration.

☐**Your Address**

This is your address as it appears on the company's share register. If this is incorrect, please mark the box with an "X" and make the correction in the space to the left. Securityholders sponsored by a broker should advise their broker of any changes.

Please note you cannot change ownership of your securities using this form.

PROXY FORM**STEP 1 APPOINT A PROXY**

I/We being a member/s of **Pacific American Holdings** (Company) and entitled to attend and vote hereby appoint:

☐

the **Chair of the Meeting (mark box)**

OR if you are **NOT** appointing the Chair of the Meeting as your proxy, please write the name of the person or body corporate (excluding the registered securityholder) you are appointing as your proxy below

or failing the individual or body corporate named, or if no individual or body corporate is named, the Chair of the Meeting as my/our proxy at the Annual General Meeting of the Company to be held at the **Hall Chadwick, Level 40, 2 Park Street Sydney NSW 2000 on Monday, 31 May 2021 at 10.00am (AEST)** and at any adjournment of that meeting, to act on my/our behalf and to vote in accordance with the following directions or if no directions have been given, as the proxy sees fit.

Chair of the Meeting authorised to exercise undirected proxies on remuneration related matters: If I/we have appointed the Chair of the Meeting as my/our proxy or the Chair of the Meeting becomes my/our proxy by default and I/we have not directed my/our proxy how to vote in respect of Resolutions 1, 6, 7 & 8 we expressly authorise the Chair of the Meeting to exercise my/our proxy in respect of these Resolutions even though Resolutions 1, 6, 7 & 8 are connected with the remuneration of a member of the key management personnel for the Company.

The Chair of the Meeting will vote all undirected proxies in favour of all Items of business (including Resolutions 1, 6, 7 & 8). If you wish to appoint the Chair of the Meeting as your proxy with a direction to vote against, or to abstain from voting on an item, you must provide a direction by marking the 'Against' or 'Abstain' box opposite that resolution.

STEP 2 VOTING DIRECTIONS

* If you mark the Abstain box for a particular item, you are directing your proxy not to vote on your behalf on a show of hands or on a poll and your vote will not be counted in calculating the required majority if a poll is called.

| | | For | Against | Abstain* |
|--------------|---|--------------------------|--------------------------|--------------------------|
| Resolution 1 | Adoption of the Remuneration Report | <input type="checkbox"/> | <input type="checkbox"/> | <input type="checkbox"/> |
| Resolution 2 | Re-election of Director – Simon Bird | <input type="checkbox"/> | <input type="checkbox"/> | <input type="checkbox"/> |
| Resolution 3 | Ratification of prior issue of shares – 23 September 2020 | <input type="checkbox"/> | <input type="checkbox"/> | <input type="checkbox"/> |
| Resolution 4 | Ratification of prior issue of shares – 22 January 2021 | <input type="checkbox"/> | <input type="checkbox"/> | <input type="checkbox"/> |
| Resolution 5 | Issue of unlisted options | <input type="checkbox"/> | <input type="checkbox"/> | <input type="checkbox"/> |
| Resolution 6 | Approval to grant Employee Options to Geoffrey Hill | <input type="checkbox"/> | <input type="checkbox"/> | <input type="checkbox"/> |
| Resolution 7 | Approval to grant Employee Options to Simon Bird | <input type="checkbox"/> | <input type="checkbox"/> | <input type="checkbox"/> |
| Resolution 8 | Approval to grant Employee Options to Mark Sykes | <input type="checkbox"/> | <input type="checkbox"/> | <input type="checkbox"/> |
| Resolution 9 | Additional 10% placement facility | <input type="checkbox"/> | <input type="checkbox"/> | <input type="checkbox"/> |

STEP 3 SIGNATURE OF SECURITYHOLDERS

This form must be signed to enable your directions to be implemented.

Individual Shareholder 1

Sole Director and Sole Company Secretary

Shareholder 2

Director

Shareholder 3

Director / Company Secretary