

Notice of General Meeting and Explanatory Memorandum

Armour Energy Limited ABN 60 141 198 414

Date of Meeting: 11 June 2021

Time of Meeting: 11:00am (Brisbane time)

Place of Meeting: Level 7, Waterfront Place, 1 Eagle Street, Brisbane QLD 4000

Notice is hereby given that a General Meeting of Shareholders of Armour Energy Limited ABN 60 141 198 414 (the **Company** or **Armour**) will be held at the offices of HopgoodGanim on Level 7, Waterfront Place, 1 Eagle Street, Brisbane QLD 4000 on **11 June 2021**, at 11:00 am (Brisbane time).

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

AGENDA

Ordinary Business

Resolution 1. Ratification of securities previously issued

To consider and if thought fit, pass the following Ordinary Resolution with or without amendment:

“That in accordance with the provisions of Listing Rule 7.4 and for all other purposes, Shareholders ratify the previous issues of securities pursuant to Listing Rule 7.1 and 7.1A, of a total of:

- (i) 249,976,294 fully paid ordinary Shares at an issue price of \$0.035 per Share;*
- (ii) 62,494,099 quoted Options exercisable at \$0.05 and expiring on 29 February 2024; and*
- (iii) 4,524,797 fully paid ordinary Shares at various prices on 8 January 2021 and 1 April 2021,*

in each case to those recipients identified in, and in the proportions and at the times set out in the accompanying Explanatory Memorandum, and otherwise on the terms and conditions set out in the accompanying Explanatory Memorandum.”

See accompanying Explanatory Memorandum for further information about this Resolution.

VOTING EXCLUSION STATEMENT

In accordance with Listing Rule 14.11 the Company will disregard any votes cast in favour of Resolution 1 by:

- a person who participated in the issue or is a counterparty to the agreement being approved by Resolution 1; and
- any associate of those recipients.

However, this does not apply to a vote cast in favour of Resolution 1 by:

- a person as proxy or attorney for a person who is entitled to vote on Resolution 1, in accordance with directions given to the proxy or attorney to vote on Resolution 1 in that way; or
- the chair of the Meeting as proxy or attorney for a person who is entitled to vote on Resolution 1, in accordance with a direction given to the chair to vote on Resolution 1 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 the person excluded from voting, on the relevant Resolution; and
 - the holder votes on Resolution 1 in accordance with directions given by the beneficiary to the holder to vote in that way.

Resolution 2. Approval to issue up to 5,857,143 Conditional Placement Shares and 1,464,286 Conditional Placement Options

To consider and if thought fit, pass the following Ordinary Resolution with or without amendment:

“That for the purposes of Listing Rule 7.1 and for all other purposes, approval is given for the Company to issue:

- (i) up to 5,857,143 fully paid ordinary shares at an issue price of \$0.035 per Share; and*
- (ii) up to 1,464,286 Options exercisable at \$0.05 before and expiring on 29 February 2024,*

to those recipients set out in, and otherwise on the terms and conditions set out in the Explanatory Memorandum.”

See the Explanatory Memorandum accompanying this Notice for further information about this Resolution.

A Voting Exclusion Statement for Resolutions 2, 3, 4, 5 and 6 is set out below under Resolution 6.

Resolution 3. Approval to issue up to 6,000,000 Conditional Placement Shares, 1,500,000 Conditional Placement Options, and 16,763,000 Fee Options to Bizzell Capital Partners Pty Ltd

To consider and if thought fit, pass the following Ordinary Resolution with or without amendment:

“That for the purposes of Listing Rule 10.11 and for all other purposes, approval is given for the Company to issue:

- (i) up to 6,000,000 fully paid ordinary shares at an issue price of \$0.035 per Share;*
- (ii) up to 1,500,000 Options exercisable at \$0.05 before and expiring on 29 February 2024; and*
- (iii) up to 16,763,000 Options exercisable at \$0.05 before 29 February 2024,*

in each case to Bizzell Capital Partners Pty Ltd (a company controlled by Stephen Bizzell, a non-executive director of the Company) or one or more of its nominees, and otherwise on the terms and conditions set out in the accompanying Explanatory Memorandum.”

See the accompanying Explanatory Memorandum for further information about this Resolution.

A Voting Exclusion Statement for Resolutions 2, 3, 4, 5 and 6 is set out below under Resolution 6.

Resolution 4. Approval to issue up to 65,700,000 Conditional Placement Shares, 16,425,000 Conditional Placement Options, and 9,198,000 Fee Options to DGR Global Limited

To consider and if thought fit, pass the following Ordinary Resolution with or without amendment:

“That for the purposes of Listing Rule 10.11 and for all other purposes, approval is given for the Company to issue:

- (i) up to 65,700,000 fully paid ordinary shares at an issue price of \$0.035 per Share;*
- (ii) up to 16,425,000 Options exercisable at \$0.05 before and expiring on 29 February 2024; and*
- (iii) up to 9,198,000 Options exercisable at \$0.05 before and expiring on 29 February 2024,*

in each case to DGR Global Limited (or its nominees), and otherwise on the terms and conditions set out in the accompanying Explanatory Memorandum.”

See the accompanying Explanatory Memorandum for further information about this Resolution.

A Voting Exclusion Statement for Resolutions 2, 3, 4, 5 and 6 is set out below under Resolution 6.

Resolution 5. Approval to issue up to 2,850,000 Conditional Placement Shares, 712,500 Conditional Placement Options, and 399,000 Fee Options to Samuel Holdings Pty Ltd

To consider and if thought fit, pass the following Ordinary Resolution with or without amendment:

“That for the purposes of Listing Rule 10.11 and for all other purposes, approval is given for the Company to issue:

- (i) up to 2,850,000 fully paid ordinary shares at an issue price of \$0.035 per share; and*
- (ii) up to 712,500 Options exercisable at \$0.05 before 29 February 2024;*
- (iii) up to 399,000 Options exercisable at \$0.05 before 29 February 2024,*

to Samuel Holdings Pty Ltd (a company controlled by Nicholas Mather, executive chairman of the Company), otherwise on the terms and conditions set out in the accompanying Explanatory Memorandum.”

See the accompanying Explanatory Memorandum for further information about this Resolution.

A Voting Exclusion Statement for Resolutions 2, 3, 4, 5 and 6 is set out below under Resolution 6.

Resolution 6. Approval to issue up to 19,893,680 Fee Options to JB Advisory Partners Pty Ltd

To consider and if thought fit, pass the following Ordinary Resolution with or without amendment:

“That for the purposes of Listing Rule 7.1 and for all other purposes, approval is given for the Company to issue up to 19,893,680 Options exercisable at \$0.05 before 29 February 2024, to JB Advisory Partners Pty Ltd or one or more of its nominees, and otherwise on the terms and conditions set out in the accompanying Explanatory Memorandum.”

See the accompanying Explanatory Memorandum for further information about this Resolution.

VOTING EXCLUSION STATEMENT

In accordance with Listing Rule 14.11 the Company will disregard any votes cast in favour of Resolutions 2, 3, 4, 5 and 6, by:

- a person who is to receive or is expected to receive the securities in question, and any other person who will receive a material benefit as a result of the proposed issue of the securities (except a benefit solely by reason of being a holder of ordinary securities in the Company); and
- any associate of those recipients.

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

- a person as proxy or attorney for a person who is entitled to vote on the relevant Resolution, in accordance with directions given to the proxy or attorney to vote on the relevant Resolution in that way; or
- the chair of the Meeting as proxy or attorney for a person who is entitled to vote on the relevant Resolution, in accordance with a direction given to the chair to vote on the relevant 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 the person excluded from voting, on the relevant Resolution; and

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| <ul style="list-style-type: none">- the holder votes on the relevant Resolution in accordance with directions given by the beneficiary to the holder to vote in that way. |
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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
7 May 2021

Explanatory Memorandum

This Explanatory Memorandum is provided to shareholders of Armour Energy Limited ABN 60 141 198 414 (the **Company** or **Armour**) to explain the Resolutions to be put to Shareholders at the General Meeting to be held at the offices of HopgoodGanim on Level 7, Waterfront Place, 1 Eagle Street, Brisbane QLD 4000 on 11 June 2021 at 11:00 am (Brisbane time).

This Explanatory Memorandum is intended to provide Shareholders with sufficient information to assess the merits of the Resolutions to be put to the 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.

Terms used in this Explanatory Memorandum are defined in the “**Definitions**” section of this Explanatory Memorandum.

ORDINARY BUSINESS

Resolution 1. Ratification of securities previously issued

1. Background

Between 8 January 2021 and 1 April 2021 the Company issued the Ratification Securities to various Recipients. The Ratification Securities consist of:

- (1) the Ratification Shares further detailed below under the heading ‘*The Placement*’ (the **Placement Shares**);
- (2) the Ratification Options further detailed below under the heading ‘*The Placement*’; and
- (3) the Ratification Shares issued to a number of the Company’s employees further detailed below under the heading ‘*The Employee Shares*’ (the **Employee Shares**).

The Placement

As set out in the Announcement, the Capital Raising comprises two components:

- (1) up to \$8.8 million of New Shares with attaching options which utilises the Company’s placement capacity under Listing Rule 7.1 & 7.1A. These ‘New Shares’ and ‘attaching options’ are:
 - (a) 249,976,294 Placement Shares that were issued to various Recipients on 24 March 2021 at an Issue Price of \$0.035, without disclosure in reliance on one or more of the exceptions set out under section 708(8) and (11) of the Corporations Act. Along with the Ratification Options and the Employee Shares, the Placement Shares are the subject of this Resolution.
 - (b) 62,494,099 quoted Ratification Options that were issued on the basis of one (1) Ratification Option for every four (4) Placement Shares subscribed for. Each Ratification Option has an exercise price of \$0.05 and expires on 29 February 2024. The Ratification Options were issued on 24 March 2021 without disclosure in reliance on one or more of the exceptions set out under section 708(8) and (11) of the Corporations Act. These Ratification Options are one of the subjects of this Resolution.
- (2) approximately \$2.7 million of Conditional Placement Shares with attaching options that will be subject to shareholder approval (the **Conditional Placement Securities**). The Conditional Placement Securities have not been issued and are not the subject of this Resolution. They are the subject of Resolutions 2, 3, 4 and 5.

The Employee Shares

A combined total of 4,524,797 Employee Shares were issued in two (2) tranches on 8 January 2021 and 1 April 2021 to a number of the Company's employees in part payment of their remuneration as an employee, and without disclosure in reliance on one or other of sections 708(8) and 708(12) of the Corporations Act. The prices at which the Employee Shares were issued is outlined in the table below.

Company seeks ratification of the issue of the Ratification Securities

The Company wishes to retain as much flexibility as possible to utilise its combined capacity under Listing Rules 7.1 and 7.1A, 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 Ratification Securities in accordance with Listing Rule 7.4.

If Resolution 1 is not passed, 254,501,091 Ratification Shares and 62,494,099 Ratification Options will not be included when calculating the Company's capacity under Listing Rule 7.1 or Listing Rule 7.1A as the case may be.

2. Listing Rules 7.1, 7.1A 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-month period 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.

Under Listing Rule 7.1A an eligible entity can seek approval from its members by way of a Special Resolution passed at its annual general meeting, to increase this 15% limit by an extra 10%. This will mean that during the relevant 12-month period the listed entity can issue up to 25% of the fully paid ordinary securities that it had on issue at the start of the relevant 12-month period.

The Company is an eligible entity for these purposes, and obtained Shareholder approval for the additional 10% capacity under Listing Rule 7.1A, at its 2020 General Meeting.

The Ratification Securities were issued without Shareholder approval in reliance on either Listing Rule 7.1 or 7.1A.

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 relevant issue will be excluded from the calculation of the listed company's remaining capacity under Listing Rules 7.1 and 7.1A.

3. 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 various Ratification Securities were issued to the Recipients named in the column headed "**Recipient**" in **Table 1** below, none of which are related parties of the Company. The type and amount of Ratification Securities issued to the various Recipients are indicated in the columns in **Table 1** below headed "**Class**" and "**Number**" respectively. The Ratification Securities were issued on the dates indicated in Table 1 below in the column "**Date of Issue**".
- (2) The Company issued a total of 254,501,091 Ratification Shares which are fully paid ordinary Shares in the capital of the Company. The Ratification 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 all Shareholders are set out in the Constitution of the Company. The Constitution can be obtained from the Company's website at this link: <https://www.armourenergy.com.au/s/2.pdf>

- (3) The Company issued a combined total of 62,494,099 Ratification Options. Each Ratification Option allows the holder to subscribe for a fully paid ordinary Shares in the capital of the Company at an issue price of \$0.05, at any time up until and including 29 February 2024. The other terms on which the Ratification Options were issued are set out in **Schedule 1 – Option Terms**.
- (4) The Ratification Shares were issued at the Issue Price indicated in Table 1 below in the column “**Issue Price**”. In the case of those Ratification Shares issued to employees, they were issued *in lieu* of remuneration of an amount equaling the subscription amounts that would otherwise be payable by each of those employees.
- (5) Where cash proceeds are received for the issue of Ratification Shares, this cash was and will be used for the Use of Funds. To the extent that Ratification Shares were issued to employees without cash consideration, by issuing Ratification Shares *in lieu* of cash remuneration the Company was able to conserve its cash reserves for other purposes.
- (6) The Ratification Options were issued for *nil* consideration which means that no funds were raised by the allotment of the Ratification Options themselves. However, if the Ratification Options are all exercised before their expiry, the Company will raise \$3,124,704.95.
- (7) A Voting Exclusion Statement for this Resolution is set out in the Notice of Meeting.

Table 1 – Recipients of the Ratification Securities the subject of Resolution 1

Recipient	Class	Number	Issue Price	Date of Issue
MARGARET ABOODY	Fully paid ordinary shares	360,000	\$0.02	2021.01.08
TONI HAWKINS	Fully paid ordinary shares	88,011	\$0.057	2021.01.08
MR ANTHONY VIOLI	Fully paid ordinary shares	50,719	\$0.035	2021.03.24
MR ANTHONY HAMILTON	Fully paid ordinary shares	00,000	\$0.035	2021.03.24
MR MATTHEW DONNELLY	Fully paid ordinary shares	42,857	\$0.035	2021.03.24
BORSA ENTERPRISES PTY LTD	Fully paid ordinary shares	6,429	\$0.035	2021.03.24
MR BRADLEY PETER VAN	Fully paid ordinary shares	285,655	\$0.035	2021.03.24
ELM GROVE SUPER PTY LTD	Fully paid ordinary shares	285,655	\$0.035	2021.03.24
MR DAVID INCHER	Fully paid ordinary shares	285,655	\$0.035	2021.03.24
MR SHAISHAV PATEL	Fully paid ordinary shares	285,655	\$0.035	2021.03.24
MR PAUL LAY	Fully paid ordinary shares	285,655	\$0.035	2021.03.24
MR GUNAWAN RUSLI	Fully paid ordinary shares	285,655	\$0.035	2021.03.24
TEKKATTE FAMILY CO PTY LTD	Fully paid ordinary shares	285,655	\$0.035	2021.03.24
AUSTRALIAN TRADE ACCESS PTY LTD	Fully paid ordinary shares	285,714	\$0.035	2021.03.24
CHELSEA LANE CAPITAL PTY LTD	Fully paid ordinary shares	285,714	\$0.035	2021.03.24
110 CAPITAL PTY LTD	Fully paid ordinary shares	285,715	\$0.035	2021.03.24
MR MING LI	Fully paid ordinary shares	299,937	\$0.035	2021.03.24
GRAHAM BROWN PTY LTD	Fully paid ordinary shares	299,937	\$0.035	2021.03.24
LUDO CAPITAL PTY LTD	Fully paid ordinary shares	299,937	\$0.035	2021.03.24
MR KEITH WENBAN	Fully paid ordinary shares	342,785	\$0.035	2021.03.24
MR ROD BRANDENBURG	Fully paid ordinary shares	428,482	\$0.035	2021.03.24
MR MARTINUS AARTS	Fully paid ordinary shares	428,482	\$0.035	2021.03.24
MR ANTONY CROSSLAND	Fully paid ordinary shares	428,482	\$0.035	2021.03.24
PASTRO HOLDINGS PTY LTD	Fully paid ordinary shares	428,482	\$0.035	2021.03.24
CVD CAPITAL PTY LTD	Fully paid ordinary shares	428,571	\$0.035	2021.03.24
MR SEAN D V FOLEY	Fully paid ordinary shares	428,571	\$0.035	2021.03.24
DR VIKAS GUPTA	Fully paid ordinary shares	499,896	\$0.035	2021.03.24
JATHRO PTY LTD	Fully paid ordinary shares	499,896	\$0.035	2021.03.24
MATRA CAPITAL PTY LTD	Fully paid ordinary shares	500,000	\$0.035	2021.03.24
TRESMA PTY LIMITED	Fully paid ordinary shares	500,000	\$0.035	2021.03.24
JONNOLA PTY LTD	Fully paid ordinary shares	500,000	\$0.035	2021.03.24
CMC MARKETS STOCKBROKING NOMINEES PTY LIMITED	Fully paid ordinary shares	544,242	\$0.035	2021.03.24
PERSHING AUSTRALIA NOMINEES PTY LTD	Fully paid ordinary shares	571,309	\$0.035	2021.03.24
PAUL B RYAN PTY LTD	Fully paid ordinary shares	571,309	\$0.035	2021.03.24
MR SIMON EVANS & MRS KATHRYN EVANS	Fully paid ordinary shares	571,309	\$0.035	2021.03.24
MR JEFF THOMAS STUBBINS	Fully paid ordinary shares	571,309	\$0.035	2021.03.24
NATIONAL NOMINEES LIMITED	Fully paid ordinary shares	571,428	\$0.035	2021.03.24
DR CHRISTOPHER ROSS	Fully paid ordinary shares	598,376	\$0.035	2021.03.24
MRS MENG BELMONTE	Fully paid ordinary shares	599,875	\$0.035	2021.03.24

AUGMENTURE PTY LTD	Fully paid ordinary shares	628,440	\$0.035	2021.03.24
MR KUMAR NAINAR	Fully paid ordinary shares	714,136	\$0.035	2021.03.24
KINGS PARK SUPERANNUATION FUND PTY LTD	Fully paid ordinary shares	750,000	\$0.035	2021.03.24
MR DAVID SCHWEDE & MRS JANINE SCHWEDE	Fully paid ordinary shares	750,000	\$0.035	2021.03.24
MR JAMES HANKIN	Fully paid ordinary shares	849,822	\$0.035	2021.03.24
WOLF TRADING PTY LTD	Fully paid ordinary shares	857,143	\$0.035	2021.03.24
BLUESTEEL TRADING PTY LTD	Fully paid ordinary shares	857,143	\$0.035	2021.03.24
MR MARTIN KLUSACEK	Fully paid ordinary shares	999,791	\$0.035	2021.03.24
LEET INVESTMENTS PTY LIMITED	Fully paid ordinary shares	1,000,000	\$0.035	2021.03.24
JONNOLA PTY LTD	Fully paid ordinary shares	1,000,000	\$0.035	2021.03.24
ORCA CAPITAL GMBH	Fully paid ordinary shares	1,000,000	\$0.035	2021.03.24
MIRPIN PTY LTD	Fully paid ordinary shares	1,000,000	\$0.035	2021.03.24
LUDO CAPITAL PTY LTD	Fully paid ordinary shares	1,000,000	\$0.035	2021.03.24
CRITERION PROPERTIES LTD	Fully paid ordinary shares	1,000,000	\$0.035	2021.03.24
LEET INVESTMENTS PTY LIMITED	Fully paid ordinary shares	1,000,000	\$0.035	2021.03.24
MRS NERIDA SCOTT	Fully paid ordinary shares	1,142,618	\$0.035	2021.03.24
BRISK HOLDINGS PTY LTD	Fully paid ordinary shares	1,142,618	\$0.035	2021.03.24
JATIG INVESTMENTS PTY LTD	Fully paid ordinary shares	1,142,618	\$0.035	2021.03.24
RIYA INVESTMENTS PTY LTD	Fully paid ordinary shares	1,142,618	\$0.035	2021.03.24
W & P COE PTY LTD	Fully paid ordinary shares	1,142,618	\$0.035	2021.03.24
MORSEC NOMINEES PTY LTD	Fully paid ordinary shares	1,274,281	\$0.035	2021.03.24
MR STACEY CARTER	Fully paid ordinary shares	1,428,273	\$0.035	2021.03.24
MR JIAMING QI	Fully paid ordinary shares	1,428,273	\$0.035	2021.03.24
R2 CAPITAL PTY LTD	Fully paid ordinary shares	1,428,571	\$0.035	2021.03.24
ERIC GOLF PTY LTD	Fully paid ordinary shares	1,428,571	\$0.035	2021.03.24
BOND STREET CUSTODIANS LIMITED	Fully paid ordinary shares	1,500,000	\$0.035	2021.03.24
HSBC CUSTODY NOMINEES (AUSTRALIA) LIMITED	Fully paid ordinary shares	1,571,100	\$0.035	2021.03.24
SARISAN CONSULTANTS PTY LTD	Fully paid ordinary shares	1,713,927	\$0.035	2021.03.24
FOLIUM CAPITAL PTY LTD	Fully paid ordinary shares	1,856,755	\$0.035	2021.03.24
LOFTUS GROUP LIMITED	Fully paid ordinary shares	2,000,000	\$0.035	2021.03.24
JAYART FUNDS MANAGEMENT PTY LTD	Fully paid ordinary shares	2,428,362	\$0.035	2021.03.24
FINCLEAR NOMINEES PTY LTD	Fully paid ordinary shares	2,856,546	\$0.035	2021.03.24
HGH MCCATHIE PTY LIMITED	Fully paid ordinary shares	2,857,143	\$0.035	2021.03.24
MR BRENT FISHER	Fully paid ordinary shares	3,142,440	\$0.035	2021.03.24
NETWEALTH INVESTMENTS LIMITED	Fully paid ordinary shares	4,285,416	\$0.035	2021.03.24
STATION CAPITAL PTY LTD	Fully paid ordinary shares	4,285,714	\$0.035	2021.03.24
CITICORP NOMINEES PTY LIMITED	Fully paid ordinary shares	5,714,286	\$0.035	2021.03.24
HSBC CUSTODY NOMINEES (AUSTRALIA) LIMITED	Fully paid ordinary shares	13,428,571	\$0.035	2021.03.24
J P MORGAN NOMINEES AUSTRALIA PTY LIMITED	Fully paid ordinary shares	31,897,722	\$0.035	2021.03.24
ROOKHARP CAPITAL PTY LIMITED	Fully paid ordinary shares	21,428,571	\$0.035	2021.03.24
RYAN ROOKE HOLDINGS PTY LTD	Fully paid ordinary shares	714,286	\$0.035	2021.03.24
WARWICK ARNDELL	Fully paid ordinary shares	571,429	\$0.035	2021.03.24
MR PHILLIP PURDIE & MRS CAROL PURDIE	Fully paid ordinary shares	5,714,286	\$0.035	2021.03.24
KAMUI BLACK PTY LTD	Fully paid ordinary shares	2,857,143	\$0.035	2021.03.24
JLGI SMSF PTY LTD	Fully paid ordinary shares	2,857,143	\$0.035	2021.03.24
MR BENJAMIN DUNN & MRS RENEE DUNN	Fully paid ordinary shares	857,143	\$0.035	2021.03.24
MRS RENEE DUNN	Fully paid ordinary shares	571,429	\$0.035	2021.03.24
MS IRENE FRISBY	Fully paid ordinary shares	1,000,000	\$0.035	2021.03.24
KINGS PARK SUPERANNUATION FUND PTY LTD	Fully paid ordinary shares	1,500,000	\$0.035	2021.03.24
TALAVERA CAPITAL PTY LIMITED	Fully paid ordinary shares	500,000	\$0.035	2021.03.24
HARTNELL NOMINEES PTY LTD	Fully paid ordinary shares	4,285,714	\$0.035	2021.03.24
MR HAMISH DEE	Fully paid ordinary shares	1,428,571	\$0.035	2021.03.24
SEAN REMEDIOS	Fully paid ordinary shares	571,429	\$0.035	2021.03.24
ROW BOAT PTY LTD	Fully paid ordinary shares	2,857,143	\$0.035	2021.03.24
R & A SUPER CO PTY LTD	Fully paid ordinary shares	1,428,571	\$0.035	2021.03.24
MR MICHAEL EDGAR	Fully paid ordinary shares	1,000,000	\$0.035	2021.03.24
MIKADO CORPORATION PTY LTD	Fully paid ordinary shares	1,500,000	\$0.035	2021.03.24
SEREC PTY LTD	Fully paid ordinary shares	1,785,714	\$0.035	2021.03.24
RODNEY KELLY PROPERTY PTY LTD	Fully paid ordinary shares	714,286	\$0.035	2021.03.24
NAMBIA PTY LTD	Fully paid ordinary shares	1,428,571	\$0.035	2021.03.24
MR PAUL AINSWORTH	Fully paid ordinary shares	2,000,000	\$0.035	2021.03.24
TONLEA PTY LTD	Fully paid ordinary shares	2,857,143	\$0.035	2021.03.24
CHOICE INVESTMENTS DUBBO PTY LTD	Fully paid ordinary shares	28,571,429	\$0.035	2021.03.24
MR BRENDAN READ	Fully paid ordinary shares	1,428,571	\$0.035	2021.03.24
NORFOLK ENCHANTS PTY LTD	Fully paid ordinary shares	2,000,000	\$0.035	2021.03.24

BEIRNE TRADING PTY LTD	Fully paid ordinary shares	1,500,000	\$0.035	2021.03.24
LHKR PTY LTD	Fully paid ordinary shares	350,000	\$0.035	2021.03.24
PINEAPPLE PROJECTS PTY LTD	Fully paid ordinary shares	1,000,000	\$0.035	2021.03.24
VENTOUX PTY LTD	Fully paid ordinary shares	1,000,000	\$0.035	2021.03.24
PORT AYRFORD PTY LTD	Fully paid ordinary shares	500,000	\$0.035	2021.03.24
TALBRAGAR RIVER HOLDINGS PTY LTD	Fully paid ordinary shares	1,100,000	\$0.035	2021.03.24
BAM COOLABAH INVESTMENTS PTY LTD	Fully paid ordinary shares	1,000,000	\$0.035	2021.03.24
RICKIRK PTY LTD	Fully paid ordinary shares	1,000,000	\$0.035	2021.03.24
MR MARK ANDREW TKOCZ	Fully paid ordinary shares	1,428,571	\$0.035	2021.03.24
SQUARE FOREST PTY LTD	Fully paid ordinary shares	857,142	\$0.035	2021.03.24
ABN AMRO CLEARING SYDNEY NOMINEES PTY LTD	Fully paid ordinary shares	1,428,571	\$0.035	2021.03.24
MR KEVIN LEARY & MRS HELEN LEARY	Fully paid ordinary shares	1,000,000	\$0.035	2021.03.24
MR DAMIEN SZWARC	Fully paid ordinary shares	428,574	\$0.035	2021.03.24
MR CHRISTOPHER RICHARDS & MRS LINNET RICHARDS	Fully paid ordinary shares	857,142	\$0.035	2021.03.24
MR MARK DAMOIN KAWECKI	Fully paid ordinary shares	1,000,000	\$0.035	2021.03.24
MR KEVIN LEARY & MRS HELEN LEARY	Fully paid ordinary shares	500,000	\$0.035	2021.03.24
AUSTRALIAN TRAVEL DIRECTORY (AUST) PTY LTD	Fully paid ordinary shares	500,000	\$0.035	2021.03.24
VINCENT PIZZINGA & ANGELA PIZZINGA	Fully paid ordinary shares	1,500,000	\$0.035	2021.03.24
BELINDA CHIPPINDALE	Fully paid ordinary shares	1,428,571	\$0.035	2021.03.24
ANTIBELLA PTY LTD	Fully paid ordinary shares	1,500,000	\$0.035	2021.03.24
PAUL COZZI	Fully paid ordinary shares	5,714,286	\$0.035	2021.03.24
JLO ENTERPRISES PTY LTD	Fully paid ordinary shares	4,000,000	\$0.035	2021.03.24
M&S HURST PTY LTD	Fully paid ordinary shares	714,286	\$0.035	2021.03.24
ANEX INDUSTRIAL CORPORATION PTY LTD	Fully paid ordinary shares	571,429	\$0.035	2021.03.24
JETAN PTY LTD	Fully paid ordinary shares	5,714,286	\$0.035	2021.03.24
MAGED SEDRAK	Fully paid ordinary shares	1,000,000	\$0.035	2021.03.24
MR ANTHONY VIOLI	AJQOA options	12,680	nil	2021.03.24
MR ANTHONY HAMILTON	AJQOA options	25,000	nil	2021.03.24
MR MATTHEW DONNELLY	AJQOA options	35,715	nil	2021.03.24
BORSA ENTERPRISES PTY LTD	AJQOA options	61,608	nil	2021.03.24
MR BRADLEY VAN	AJQOA options	71,414	nil	2021.03.24
ELM GROVE SUPER PTY LTD	AJQOA options	71,414	nil	2021.03.24
MR DAVID INCHER	AJQOA options	71,414	nil	2021.03.24
MR SHAISHAV PATEL	AJQOA options	71,414	nil	2021.03.24
MR PAUL LAY	AJQOA options	71,414	nil	2021.03.24
MR GUNAWAN RUSLI	AJQOA options	71,414	nil	2021.03.24
TEKKATTE FAMILY CO PTY LTD	AJQOA options	71,414	nil	2021.03.24
AUSTRALIAN TRADE ACCESS PTY LTD	AJQOA options	71,429	nil	2021.03.24
CHELSEA LANE CAPITAL PTY LTD	AJQOA options	71,429	nil	2021.03.24
110 CAPITAL PTY LTD	AJQOA options	71,429	nil	2021.03.24
MR MING LI	AJQOA options	74,985	nil	2021.03.24
GRAHAM BROWN PTY LTD	AJQOA options	74,985	nil	2021.03.24
LUDO CAPITAL PTY LTD	AJQOA options	74,985	nil	2021.03.24
MR KEITH WENBAN	AJQOA options	85,697	nil	2021.03.24
MR ROD BRANDENBURG	AJQOA options	107,121	nil	2021.03.24
MR MARTINUS AARTS	AJQOA options	107,121	nil	2021.03.24
MR ANTONY CROSSLAND	AJQOA options	107,121	nil	2021.03.24
PASTRO HOLDINGS PTY LTD	AJQOA options	107,121	nil	2021.03.24
CVD CAPITAL PTY LTD	AJQOA options	107,143	nil	2021.03.24
MR SEAN D V FOLEY	AJQOA options	107,143	nil	2021.03.24
DR VIKAS GUPTA	AJQOA options	124,974	nil	2021.03.24
JATHRO PTY LTD	AJQOA options	124,974	nil	2021.03.24
MATRA CAPITAL PTY LTD	AJQOA options	125,000	nil	2021.03.24
TRESMA PTY LIMITED	AJQOA options	125,000	nil	2021.03.24
JONNOLA PTY LTD	AJQOA options	125,000	nil	2021.03.24
CMC MARKETS STOCKBROKING NOMINEES PTY LIMITED	AJQOA options	136,061	nil	2021.03.24
PERSHING AUSTRALIA NOMINEES PTY LTD	AJQOA options	142,828	nil	2021.03.24
PAUL B RYAN PTY LTD	AJQOA options	142,828	nil	2021.03.24
MR SIMON EVANS & MRS KATHRYN EVANS	AJQOA options	142,828	nil	2021.03.24
MR JEFF STUBBINS	AJQOA options	142,828	nil	2021.03.24
NATIONAL NOMINEES LIMITED	AJQOA options	142,857	nil	2021.03.24
DR CHRISTOPHER ROSS	AJQOA options	149,594	nil	2021.03.24
MRS MENG BELMONTE	AJQOA options	149,969	nil	2021.03.24
AUGMENTURE PTY LTD	AJQOA options	157,110	nil	2021.03.24
MR KUMAR NAINAR	AJQOA options	178,534	nil	2021.03.24

KINGS PARK SUPERANNUATION FUND PTY LTD	AJQOA options	187,500	nil	2021.03.24
MR DAVID SCHWEDE & MRS JANINE SCHWEDE	AJQOA options	187,500	nil	2021.03.24
MR JAMES HANKIN	AJQOA options	212,456	nil	2021.03.24
WOLF TRADING PTY LTD	AJQOA options	214,286	nil	2021.03.24
BLUESTEEL TRADING PTY LTD	AJQOA options	214,286	nil	2021.03.24
MR MARTIN KLUSACEK	AJQOA options	249,948	nil	2021.03.24
LEET INVESTMENTS PTY LIMITED	AJQOA options	250,000	nil	2021.03.24
JONNOLA PTY LTD	AJQOA options	250,000	nil	2021.03.24
ORCA CAPITAL GMBH	AJQOA options	250,000	nil	2021.03.24
MIRPIN PTY LTD	AJQOA options	250,000	nil	2021.03.24
LUDO CAPITAL PTY LTD	AJQOA options	250,000	nil	2021.03.24
CRITERION PROPERTIES LTD	AJQOA options	250,000	nil	2021.03.24
LEET INVESTMENTS PTY LIMITED	AJQOA options	250,000	nil	2021.03.24
MRS NERIDA SCOTT	AJQOA options	285,655	nil	2021.03.24
BRISK HOLDINGS PTY LTD	AJQOA options	285,655	nil	2021.03.24
JATIG INVESTMENTS PTY LTD	AJQOA options	285,655	nil	2021.03.24
RIYA INVESTMENTS PTY LTD	AJQOA options	285,655	nil	2021.03.24
W & P COE PTY LTD	AJQOA options	285,655	nil	2021.03.24
MORSEC NOMINEES PTY LTD	AJQOA options	318,571	nil	2021.03.24
MR STACEY CARTER	AJQOA options	357,069	nil	2021.03.24
MR JIAMING QI	AJQOA options	357,069	nil	2021.03.24
R2 CAPITAL PTY LTD	AJQOA options	357,143	nil	2021.03.24
ERIC GOLF PTY LTD	AJQOA options	357,143	nil	2021.03.24
BOND STREET CUSTODIANS LIMITED	AJQOA options	375,000	nil	2021.03.24
HSBC CUSTODY NOMINEES (AUSTRALIA) LIMITED	AJQOA options	392,775	nil	2021.03.24
SARISAN CONSULTANTS PTY LTD	AJQOA options	428,482	nil	2021.03.24
FOLIUM CAPITAL PTY LTD	AJQOA options	464,189	nil	2021.03.24
LOFTUS GROUP LIMITED	AJQOA options	500,000	nil	2021.03.24
JAYART FUNDS MANAGEMENT PTY LTD	AJQOA options	607,091	nil	2021.03.24
FINCLEAR NOMINEES PTY LTD	AJQOA options	714,137	nil	2021.03.24
HGH MCCATHIE PTY LIMITED	AJQOA options	714,286	nil	2021.03.24
MR BRENT FISHER	AJQOA options	785,610	nil	2021.03.24
NETWEALTH INVESTMENTS LIMITED	AJQOA options	1,071,354	nil	2021.03.24
STATION CAPITAL PTY LTD	AJQOA options	1,071,429	nil	2021.03.24
CITICORP NOMINEES PTY LIMITED	AJQOA options	1,428,572	nil	2021.03.24
HSBC CUSTODY NOMINEES (AUSTRALIA) LIMITED	AJQOA options	3,357,143	nil	2021.03.24
J P MORGAN NOMINEES AUSTRALIA PTY LIMITED	AJQOA options	7,974,431	nil	2021.03.24
ROOKHARP CAPITAL PTY LIMITED	AJQOA options	5,357,143	nil	2021.03.24
RYAN ROOKE HOLDINGS PTY LTD	AJQOA options	178,571	nil	2021.03.24
WARWICK ARNDELL	AJQOA options	142,857	nil	2021.03.24
MR PHILLIP PURDIE & MRS CAROL PURDIE	AJQOA options	1,428,571	nil	2021.03.24
KAMUI BLACK PTY LTD	AJQOA options	714,286	nil	2021.03.24
JLGI SMSF PTY LTD	AJQOA options	714,286	nil	2021.03.24
MR BENJAMIN DUNN & MRS RENEE DUNN	AJQOA options	214,286	nil	2021.03.24
MRS RENEE DUNN	AJQOA options	142,857	nil	2021.03.24
MS IRENE FRISBY	AJQOA options	250,000	nil	2021.03.24
KINGS PARK SUPERANNUATION FUND PTY LTD	AJQOA options	375,000	nil	2021.03.24
TALavera CAPITAL PTY LIMITED	AJQOA options	125,000	nil	2021.03.24
HARTNELL NOMINEES PTY LTD	AJQOA options	1,071,429	nil	2021.03.24
MR HAMISH DEE	AJQOA options	357,143	nil	2021.03.24
SEAN REMEDIOS	AJQOA options	142,857	nil	2021.03.24
ROW BOAT PTY LTD	AJQOA options	714,286	nil	2021.03.24
R & A SUPER CO PTY LTD	AJQOA options	357,143	nil	2021.03.24
MR MICHAEL EDGAR	AJQOA options	250,000	nil	2021.03.24
MIKADO CORPORATION PTY LTD	AJQOA options	375,000	nil	2021.03.24
SEREC PTY LTD	AJQOA options	446,429	nil	2021.03.24
RODNEY KELLY PROPERTY PTY LTD	AJQOA options	178,571	nil	2021.03.24
NAMBIA PTY LTD	AJQOA options	357,143	nil	2021.03.24
MR PAUL AINSWORTH	AJQOA options	500,000	nil	2021.03.24
TONLEA PTY LTD	AJQOA options	714,286	nil	2021.03.24
CHOICE INVESTMENTS DUBBO PTY LTD	AJQOA options	7,142,857	nil	2021.03.24
MR BRENDAN READ	AJQOA options	357,143	nil	2021.03.24
NORFOLK ENCHANTS PTY LTD	AJQOA options	500,000	nil	2021.03.24
BEIRNE TRADING PTY LTD	AJQOA options	375,000	nil	2021.03.24
LHKR PTY LTD	AJQOA options	87,500	nil	2021.03.24

PINEAPPLE PROJECTS PTY LTD	AJQOA options	250,000	nil	2021.03.24
VENTOUX PTY LTD	AJQOA options	250,000	nil	2021.03.24
PORT AYRFORD PTY LTD	AJQOA options	125,000	nil	2021.03.24
TALBRAGAR RIVER HOLDINGS PTY LTD	AJQOA options	275,000	nil	2021.03.24
BAM COOLABAH INVESTMENTS PTY LTD	AJQOA options	250,000	nil	2021.03.24
RICKIRK PTY LTD	AJQOA options	250,000	nil	2021.03.24
MR MARK TKOCZ	AJQOA options	357,143	nil	2021.03.24
SQUARE FOREST PTY LTD	AJQOA options	214,286	nil	2021.03.24
ABN AMRO CLEARING SYDNEY NOMINEES PTY LTD	AJQOA options	357,143	nil	2021.03.24
MR KEVIN LEARY & MRS HELEN LEARY	AJQOA options	250,000	nil	2021.03.24
MR DAMIEN SZWARC	AJQOA options	107,143	nil	2021.03.24
MR CHRISTOPHER RICHARDS & MRS LINNET RICHARDS	AJQOA options	214,285	nil	2021.03.24
MR MARK KAWECKI	AJQOA options	250,000	nil	2021.03.24
MR KEVIN LEARY & MRS HELEN LEARY	AJQOA options	125,000	nil	2021.03.24
AUSTRALIAN TRAVEL DIRECTORY (AUST) PTY LTD	AJQOA options	125,000	nil	2021.03.24
VINCENT PIZZINGA & ANGELA PIZZINGA	AJQOA options	375,000	nil	2021.03.24
BELINDA CHIPPIINDALE	AJQOA options	357,143	nil	2021.03.24
ANTIBELLA PTY LTD	AJQOA options	375,000	nil	2021.03.24
PAUL COZZI	AJQOA options	1,428,572	nil	2021.03.24
JLO ENTERPRISES PTY LTD	AJQOA options	1,000,000	nil	2021.03.24
M&S HURST PTY LTD	AJQOA options	178,571	nil	2021.03.24
ANEX INDUSTRIAL CORPORATION PTY LTD	AJQOA options	142,857	nil	2021.03.24
JETAN PTY LTD	AJQOA options	1,428,572	nil	2021.03.24
MAGED SEDRAK	AJQOA options	250,000	nil	2021.03.24
MARGARET ABOODY	Fully paid ordinary shares	360,000	\$0.02	2021.04.01
TONI HAWKINS	Fully paid ordinary shares	428,020	\$0.0332	2021.04.01
PETER BUBENDORFER	Fully paid ordinary shares	288,740	\$0.0332	2021.04.01
MIKE BUCKNILL	Fully paid ordinary shares	451,156	\$0.0332	2021.04.01
STUART FLETCHER	Fully paid ordinary shares	266,009	\$0.0332	2021.04.01
JON JOHNSON	Fully paid ordinary shares	269,491	\$0.0332	2021.04.01
LUCAS MCLEAN-HODGSON	Fully paid ordinary shares	549,485	\$0.0332	2021.04.01
WAYNE RICHARDS	Fully paid ordinary shares	324,832	\$0.0332	2021.04.01
MICHAEL STURDY	Fully paid ordinary shares	326,220	\$0.0332	2021.04.01
JOHN MACKINTOSH	Fully paid ordinary shares	473,714	\$0.0332	2021.04.01
MRS SHARYN SALOMON & MR JONATHAN SALOMON	Fully paid ordinary shares	176,703	\$0.0332	2021.04.01
CRONUS CONSULTING PTY LTD	Fully paid ordinary shares	162,416	\$0.0332	2021.04.01

4. Directors' recommendation

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

Resolution 2. Approval to issue up to 5,857,143 Conditional Placement Shares and 1,464,286 Conditional Placement Options

1. Background

As noted in the Announcement, the Capital Raising includes the issue of Conditional Placement Securities subject to Shareholder approval. This Resolution concerns the issue of some of those Conditional Placement Securities. The balance of the Conditional Placement Securities are to be issued to various other parties and are the subject of Resolutions 3, 4, and 5 respectively.

Accordingly, the Company seeks approval pursuant to this Resolution 2 to issue to:

(1) BAM Opportunities Fund Pty Ltd:

- (a) 3,000,000 Conditional Placement Shares at an issue price per Share of \$0.035;
- (b) 750,000 Conditional Placement Options to subscribe for Shares, exercisable at \$0.05 per Option on or before 29 February 2024; and

(2) Finn Air Holdings Pty Ltd:

- (a) 2,857,143 Conditional Placement Shares at an issue price per Share of \$0.035; and
- (b) 714,286 Conditional Placement Options to subscribe for Shares, exercisable at \$0.05 per Option on or before 29 February 2024.

If Resolution 2 is passed the Conditional Placement Securities will be issued without disclosure in reliance on one or both of the exceptions set out under section 708(8) (sophisticated investors) and (11) (professional investors) of the Corporations Act.

2. Listing Rules 7.1

As summarised above, Listing Rule 7.1 limits the number of equity securities that a listed company can issue without the approval of its shareholders¹.

Accordingly, the Company now seeks Shareholder approval in accordance with Listing Rule 7.1. In addition, it is a term of the Capital Raising that the issue of the Conditional Placement Shares is subject to Shareholder approval.

If Resolution 2 is not passed, the Conditional Placement Shares and the Conditional Placement Options Securities will not be issued.

3. Information required by 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 purpose of Listing Rule 7.3, the Company advises as follows:

(1) The Conditional Placements Securities will be issued as follows:

- (a) 3 000,000 Conditional Placement Shares to BAM Opportunities Fund Pty Ltd;
- (b) 2,857,143 Conditional Placement Shares to Finn Air Holdings Pty Ltd;
- (c) 750,000 Conditional Placement Options to subscribe for Shares, to BAM Opportunities Fund Pty Ltd; and
- (d) 714,286 Conditional Placement Options to subscribe for Shares, to Finn Air Holdings Pty Ltd.

(2) The maximum number of Conditional Placement Shares that the Company can issue pursuant to Resolution 2 is 5,857,143 Conditional Placement Shares. The Conditional Placement Shares will be issued at an Issue Price of \$0.035. The Conditional Placement Shares issued will be fully paid ordinary Shares in the capital of the Company, not be subject to escrow restrictions, and 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.armourenergy.com.au/s/2.pdf>

(3) The maximum number of Conditional Placement Options that the Company can issue pursuant to Resolution 2 is 1,464,286 Conditional Placement Options. The issue price of the Placement Options will be nil as they will be issued as free attaching options to the Placement Shares on the basis of one (1) Placement Option for every four (4) Placement Shares issued. The exercise price of each Conditional Placement Option is \$0.05, and they can be exercised at any time up until and including 29 February 2024. The other terms on which the Placement Options will be issued are set out in Schedule 1 – Option Terms.

(4) The Conditional Placement Securities will be issued no later than 3 months after the date of the Meeting (or such later date to the extent permitted by any ASX Waiver or modification of the ASX Listing Rules).

¹ For a further discussion of Listing Rule 1 see the text under the heading 'Listing Rules 7.1, 7.2 and 7.4' in the section of this Explanatory Memorandum dealing with Resolution 1.

- (5) The funds raised from the issue of the Conditional Placement Shares will be applied towards the Use of Funds. No funds will be raised from the issue of the Placement Options as the Placement Options will be issued for nil cash.
- (6) A Voting Exclusion Statement for this Resolution is set out under Resolution 6 in the Notice of Meeting.

4. Directors' recommendation

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

Resolution 3. Approval to issue up to 6,000,000 Conditional Placement Shares, 1,500,000 Conditional Placement Options, and 16,763,000 Fee Options to Bizzell Capital Partners Pty Ltd

1. Background

Conditional Placement Securities

- (1) As noted in the Announcement, the Capital Raising includes the issue of the Conditional Placement Securities. This Resolution concerns, in part, the issue of some of those Conditional Placement Securities to Bizzell Capital Partners Pty Ltd (**BCP**). The balance of the Conditional Placement Securities are to be issued to various other parties and are the subject of Resolutions 2, 4, and 5 respectively.
- (2) BCP has agreed, subject to any necessary Shareholder approvals, to subscribe for (the **BCP Conditional Placement Securities**):
 - (a) 6000,000 BCP Conditional Placement Shares at an issue price per Share of \$0.035; and
 - (b) 1,500,000 BCP Conditional Placement Options to subscribe for Shares, exercisable at \$0.05 per Option on or before 29 February 2024.

Fee options

As set out in the Announcement, the Company appointed Bizzell Capital Partners Pty Ltd (**BCP**) and JB Advisory Partners Pty Ltd (**JB Advisory**) as joint lead managers of the Capital Raising. The terms of the appointment of BCP are set out in the BCP Engagement Letter which in summary provides that:

- (1) BCP will (amongst other things) act as joint lead manager with JB Advisory in relation to the Capital Raising. BCP's role will include (but not be limited to): arranging and leading the Capital Raising; advising the Company on the appropriate strategy and timing for the Capital Raising; determining key investor issues and coordinating appropriate responses; assistance with preparation of offer documentation; identifying key selling messages and marketing the Capital Raising to investors; assistance in the preparation of relevant ASX releases; in conjunction with the Company's legal advisers assisting in any dealings with the ASX and ASIC; liaising with the Company's advisers; coordinating the bids into the sub-underwriting and determining final sub-underwriting allocations; and providing such other assistance to the Company with the Capital Raising as agreed from time to time.
- (2) BCP may appoint a co-managers or brokers in relation to the Capital Raising.
- (3) The following fees are payable to BCP in relation to the Capital Raising:
 - (a) a management fee of 1% of the value of all funds raised under the Capital Raising by BCP (the **Management Fee**);
 - (b) a selling fee of 5% of the value of all funds raised under the Capital Raising by BCP (the **Placement Fee**); and
 - (c) subject to obtaining Shareholder approval, the issue to BCP or its sub underwriter nominee(s) of four (4) Fee Options for every dollar raised under the Capital Raising (the **BCP Fee Options**).
- (4) For any amounts subscribed for in the Capital Raising by DGR, BCP will pay through or direct the Company to pay to DGR, the Placement Fee and the BCP Fee Options (the **DGR Fee Options**), that would otherwise be payable to BCP on any amount subscribed for by DGR.

- (5) For any amounts subscribed for in the Capital Raising by Samuel, BCP will pay through or direct the Company to pay to Samuel, the full Placement Fee and the BCP Fee Options (the **Samuel Fee Options**), that would otherwise be payable to BCP on any amount subscribed for by Samuel.
- (6) For all amounts payable by the BCP to each of DGR or Samuel under the arrangements described in paragraphs (4) and (5) immediately above, BCP may direct those parties to invoice the Company directly for these amounts, and the Company to settle these amounts with those parties directly (the **Pay Away Arrangements**).

All of the BCP Fee Options (other than the DGR Fee Options and the Samuel Fee Options that will be issued directly to DGR and Samuel by the Company), are the subject of this Resolution. The issue of the DGR Fee Options is the subject of Resolution 4, and the issue of the Samuel Fee Options is the subject of Resolution 5. It should be noted that BCP may also choose to have some of the BCP Options issued directly to unrelated parties nominated by it (apart from DGR and Samuel).

2. Listing Rule 7.1 and 10.11

Subject to certain exceptions, none of which are applicable in the present circumstances, Listing Rule 10.11 requires Shareholder approval for a company to issue equity securities to a related party. Equity securities are defined in the Listing Rules to include convertible securities and options. For the purposes of the Listing Rules a “related party” includes a director of the public company and any entity controlled by that director. BCP is an entity controlled by Stephen Bizzell, a non-executive Director of the Company. Therefore, BCP is a related party of the Company.

Accordingly, Shareholder approval in accordance with the provisions of Listing Rule 10.11 is needed and is being sought in Resolution 3 for the issue of both the BCP Conditional Placement securities and the BCP Fee Options to BCP. In addition, it is a term of the Capital Raising that the issue of the Conditional Placement Shares is subject to Shareholder approval.

If the approval sought for the issue under Listing Rule 10.11 is granted, then approval will not be required under Listing Rule 7.1 for the relevant issue². By obtaining approval under Listing Rule 10.11, the relevant BCP Fee Options will be excluded when calculating the Company’s remaining capacity under Listing Rule 7.1.

If Resolution 3 is not passed, neither the BCP Conditional Placement Securities nor the BCP Fee Options can be issued.

3. 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 intended recipient of the BCP Conditional Placement Securities and the BCP Fee Options is BCP. Further BCP may direct the Company to issue the BCP Fee Options to third parties. The Company is advised that these third parties, if any, will be parties which participated in the Capital Raising. None of the potential third party recipients of the BCP Fee Options the subject of this Resolution 3, are ‘related parties’ of the Company for the purposes of the Corporations Act or the ASX Listing Rules. To the extent that any BCP Fee Options are to be issued to DGR or Samuel, these are the subject of Resolution 4 and Resolution 5 respectively.
- (2) The Company believes that BCP falls within Listing Rule 10.11.1 because it is an entity controlled by a Director (Stephen Bizzell) and is therefore a related party of the Company.
- (3) The maximum number of securities to be issued to BCP will be:
 - (a) 6,000,000 DGR Conditional Placement Shares. The BCP Conditional Placement Shares will be issued at an Issue Price of \$0.035. The BCP Conditional Placement Shares will be fully paid ordinary Shares

² For a further discussion of Listing Rule 7.1, see the text under the heading ‘Listing Rules 7.1, 7.2 and 7.4’ in the section of this Explanatory Memorandum dealing with Resolution 1.

in the capital of the Company. They will not be subject to escrow restrictions, and 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 this link: <https://www.armourenergy.com.au/s/2.pdf>;

- (b) 1,500,000 BCP Conditional Placement Options on the basis of one (1) BCP Conditional Placement Option for every BCP Conditional Placement Share subscribed for by BCP. The issue price of the BCP Conditional Placement Options will be nil. The exercise price of each BCP Conditional Placement Option is \$0.05, and they can be exercised at any time up until and including 29 February 2024. The other terms on which the BCP Conditional Placement Options will be issued are set out in **Schedule 1 – Option Terms**; and
 - (c) 16,763,000 BCP Fee Options. The issue price of the BCP Fee Options will be nil. The exercise price of each DGR Fee Option is \$0.05, and they can be exercised at any time up until and including 29 February 2024. The other terms on which the BCP Conditional Placement Options will be issued are set out in **Schedule 1 – Option Terms**.
- (4) If this Resolution is passed, the BCP Conditional Placement Securities and the BCP Fee Options will be issued within one (1) month of the date of the Meeting.
 - (5) The funds raised from the issue of the BCP Conditional Placement Shares will be applied towards the Use of Funds. As the Issue Price of the BCP Conditional Placement Options and the BCP Fee Options will be nil, no funds will be raised cash from their issue.
 - (6) A Voting Exclusion statement for this Resolution has been included in the Notice of Meeting.

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

4. Chapter 2E

The non-conflicted Directors of the Company (Messrs Uliel and Sleeman) have satisfied themselves that:

- (1) the terms of issue of the BCP Conditional Placement Securities; and
- (2) the fees payable under the BCP Engagement Letter (which includes the BCP Fee Options, and under the Pay Away Arrangements, the DGR Fee Options and the Samuel Fee Options),

are on arm's length terms. Accordingly, the Company can rely on section 210 of the Corporations Act, which is an exception to section 208 of the Corporations Act which normally requires that a public company obtain shareholder approval for the giving of a financial benefit to a related party. Therefore, the consent of ASIC has not been sought in relation to Resolutions 3 or 5.

5. Directors' recommendation

Messrs Sleeman and Uliel recommend that Shareholders vote in favour of this Resolution. Mr Bizzell (as the controller of BCP) and Mr Mather (as a director of DGR and the controller of Samuel) have abstained from making a recommendation.

Resolution 4. Approval to issue up to 65,700,000 Conditional Placement Shares, 16,425,000 Conditional Placement Options, and 9,198,000 Fee Options to DGR Global Limited

1. Background

- (1) As noted in the Announcement, the Capital Raising is comprised of two components, the second of which is the issue of the Conditional Placement Securities. This Resolution concerns, in part, the issue of some of those Conditional Placement Securities to DGR. The balance of the Conditional Placement Securities are to be issued to various other parties and are the subject of Resolutions 2, 3, and 5 respectively.
- (2) Pursuant to the DGR Firm Commitment Letter, DGR has agreed, subject to any necessary Shareholder approvals, to subscribe for (the **DGR Conditional Placement Securities**):
 - (a) 65,700,000 DGR Conditional Placement Shares at an issue price per Share of \$0.035; and
 - (b) 16,425,000 DGR Conditional Placement Options to subscribe for Shares, exercisable at \$0.05 per Option on or before 29 February 2024.
- (3) In addition to the DGR Conditional Placement Securities, this Resolution concerns the issue of the DGR Fee Options to DGR. In accordance with the terms of the Pay Away Arrangements BCP has directed the Company to issue the DGR Fee Options to DGR.

2. Listing Rule 7.1 and 10.11

As noted above in the context of Resolution 3, 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 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.

As DGR holds greater than 10% of the issued share capital of the Company and has nominated one Director to the Board (Mr Nicholas Mather), the issue of any of the DGR Conditional Placement Securities or the DGR Fee Options will require Shareholder approval in accordance with Listing Rule 10.11.

Accordingly, Shareholder approval is required for the purposes of both Listing Rule 10.11 and the terms of the BCP Engagement Letter, for the issue to DGR of the DGR Conditional Placement Securities and the DGR Fee Options.

If approval is given under Listing Rule 10.11, approval will not be required under Listing Rule 7.1 for the relevant issues³. By obtaining approval under Listing Rule 10.11, the DGR Conditional Placement Securities and the DGR Fee Options will be excluded when calculating the Company's remaining capacity under Listing Rule 7.1. However, if Resolution 4 is not passed then neither the DGR Conditional Placement Securities nor the DGR Fee Options can be issued to DGR.

In passing the Company notes that as DGR does not control the Company, DGR is not a related party of the Company for the purposes of the Corporations Act. Accordingly, Shareholder approval for the purposes of Chapter 2E of the Corporations Act will not be required for the issue to DGR of either the Conditional Placement Securities or the DGR Fee Options.

³ See footnote 1 above.

3. 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 Conditional Placement Securities and the DGR Fee Options will be issued to DGR.
- (2) The Company believes that DGR falls within Listing Rule 10.11.3 because DGR currently holds greater than 10% of the issued voting shares of the Company, and has one (1) nominee Director on the Board, being Mr Mather (who is the executive chairman of the Company).
- (3) The securities to be issued to DGR will be:
 - (a) up to 65,700,000 DGR Conditional Placement Shares. The DGR Conditional Placement Shares will be issued at an Issue Price of \$0.035. The DGR Conditional Placement Shares will be fully paid ordinary Shares in the capital of the Company. They will not be subject to escrow restrictions, and 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 this link: The Constitution can be obtained from the Company's website at this link: <https://www.armourenergy.com.au/s/2.pdf>;
 - (b) up to 16,425,000 DGR Conditional Placement Options on the basis of one (1) DGR Conditional Placement Option for every DGR Conditional Placement Share subscribed for by DGR. The issue price of the DGR Conditional Placement Options will be nil. The exercise price of each DGR Conditional Placement Option is \$0.05, and they can be exercised at any time up until and including 29 February 2024. The other terms on which the DGR Conditional Placement Options will be issued are set out in **Schedule 1 – Option Terms**; and
 - (c) up to 9,198,000 DGR Fee Options. The issue price of the DGR Fee Options will be nil. The exercise price of each DGR Fee Option is \$0.05, and they can be exercised at any time up until and including 29 February 2024. The other terms on which the DGR Placement Options will be issued are set out in **Schedule 1 – Option Terms**
- (4) Pursuant to the terms of the BCP Commitment Letter the DGR Conditional Placement Securities will be issued within five (5) days of the Meeting (if this Resolution is passed). However, this timeframe is indicative only and subject to change. In any event, if this Resolution is passed the DGR Conditional Placement Securities will be issued to DGR no later than one (1) month after the date of this Meeting.
- (5) The DGR Fee Options will be issued to DGR no later than one (1) month after the date of this Meeting.
- (6) The funds raised from the issue of the DGR Conditional Placement Shares to DGR will be applied towards the Use of Funds. As the Issue price of the DGR Conditional Placement Options and the DGR Fee Options will be nil, no funds will be raised from their issue.
- (7) A Voting Exclusion statement for this Resolution has been set out in the Notice of Meeting.

4. Directors' recommendation

Messrs Sleeman and Uliel recommend that Shareholders vote in favour of this Resolution. Mr Bizzell (as the controller of BCP) and Mr Mather (as a director of DGR) have abstained from making a recommendation.

Resolution 5. Approval to issue up to 2,850,000 Conditional Placement Shares, 712,500 Conditional Placement Options, and up to 399,000 Fee Options to Samuel Holdings Pty Ltd

1. Background

- (1) As noted in the Announcement, the Capital Raising includes the issue of Conditional Placement Securities subject to Shareholder Approval. This Resolution concerns, in part, the issue of some of the Conditional Placement Securities to Samuel. The balance of the Conditional Placement Securities are to be issued to various other parties and are the subject of Resolutions 2, 3, and 5 respectively.
- (2) Pursuant to the Samuel Firm Commitment Letter, Samuel has agreed, subject to any necessary Shareholder approvals, to subscribe for (the **Samuel Conditional Placement Securities**):
 - (a) 2,850,000 Conditional Placement Shares at an issue price per Share of \$0.035 (the **Samuel Conditional Placement Shares**); and
 - (b) 712,500 Conditional Placement Options to subscribe for Shares, exercisable at \$0.05 per Option on or before 29 February 2024 (the **Samuel Conditional Placement Options**).
- (3) In addition to the Samuel Conditional Placement Securities, this Resolution concerns the issue of the Samuel Fee Options to Samuel. In accordance with the terms of the Pay Away Arrangements BCP has directed the Company to issue the Samuel Fee Options to Samuel.

2. Listing Rules 7.1 and 10.11

As noted above in the context of Resolution 3 and insofar as is relevant for present purposes, Listing Rule 10.11 requires Shareholder approval for a company to issue equity securities to a related party. Samuel is an entity controlled by Nicholas Mather, an executive Director of the Company. Therefore, Samuel is a related party of the Company.

Accordingly, for the purposes of both Listing Rule 10.11 and the terms of the BCP Engagement Letter, Shareholder approval is required (and is being sought in this Resolution) for the issue to Samuel of the Samuel Conditional Placement Securities and the Samuel Fee Options.

If approval is given under Listing Rule 10.11, approval will not be required under Listing Rule 7.1 for the relevant issues.⁴ By obtaining approval under Listing Rule 10.11, the Samuel Conditional Placement and the Samuel Fee Options will be excluded when calculating the Company's remaining capacity under Listing Rule 7.1. If however Resolution 5 is not passed then neither the Samuel Conditional Placement securities nor the Samuel Fee Options cannot be issued to Samuel.

3. 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 Samuel Conditional Placement Securities and the Samuel Fee Options will be Samuel.
- (2) The Company believes that Samuel falls within Listing Rule 10.11.1 because it is an entity controlled by a Director (Nick Mather) and is therefore a related party of the Company.
- (3) The securities to be issued to Samuel will be:
 - (a) up to 2,850,000 Samuel Conditional Placement Shares. The Samuel Conditional Placement Shares will be issued at an issue price of \$0.035 per Samuel Conditional Placement Share. The Samuel Conditional Placement Shares will be fully paid ordinary Shares in the capital of the Company. They will not be subject to escrow restrictions, and 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

⁴ See footnote 1 above.

Shareholders are set out in the Constitution of the Company. The Constitution can be obtained from the Company's website at this link: The Constitution can be obtained from the Company's website at this link: <https://www.armouenergy.com.au/s/2.pdf>;

- (b) up to 712,500 Samuel Conditional Placement Options. The issue price of the Samuel Conditional Placement Options will be nil on the basis of one (1) Samuel Conditional Placement Option for every Samuel Conditional Placement Share subscribed for by Samuel. The exercise price of each Conditional Placement Option is \$0.05, and they can be exercised at any time up until and including 29 February 2024. The other terms on which the Samuel Conditional Placement Options will be issued are set out in **Schedule 1 – Option Terms**; and
 - (c) up to 399,000 Samuel Fee Options. The issue price of the Samuel Fee Options will be nil. The exercise price of each Samuel Fee Option is \$0.05, and they can be exercised at any time up until and including 29 February 2024. The other terms on which the Placement Options will be issued are set out in **Schedule 1 – Option Terms**.
- (4) Pursuant to the terms of the Samuel Commitment Letter the Samuel Conditional Placement Securities will be issued within five (5) days of the Meeting (if this Resolution is passed). However, this timeframe is indicative only and subject to change. In any event, if this Resolution is passed the Samuel Conditional Placement Securities will be issued to Samuel no later than one (1) month after the date of this Meeting.
 - (5) The Samuel Fee Options will be issued to Samuel no later than one (1) month after the date of this Meeting.
 - (6) The funds raised from the issue of the Samuel Conditional Placement Shares to Samuel will be applied towards the Use of Funds. As the Issue price of the Samuel Conditional Placement Options and the Samuel Fee Options will be nil, no funds will be raised from their issue.
 - (7) A Voting Exclusion statement for this Resolution has been set out in the Notice of Meeting.

4. Chapter 2E

The non-conflicted Directors of Armour Energy (Messrs Uliel and Sleeman) have satisfied themselves that:

- (1) the Samuel Conditional Placement Shares have been issued on an arm's length terms; and
- (2) the Samuel Fee Options payable under the Pay Away Arrangements are on arm's length terms.

Accordingly, in each case the Company can rely on section 210 of the Corporations Act, an exception to section 208 of the Corporations Act which normally requires that a public company obtain shareholder approval for the giving of a financial benefit to a related party. Therefore, the consent of ASIC has not been sought in relation to Resolutions 3 or 5.

5. Directors' recommendation

Messrs Sleeman and Uliel recommend that Shareholders vote in favour of this Resolution. Mr Bizzell (as the controller of BCP) and Mr Mather (as the controller of Samuel) have abstained from making a recommendation.

Resolution 6. Approval to issue up to 19,893,680 Fee Options to JB Advisory Partners Pty Ltd

1. Background

As set out in the Announcement, the Company appointed BCP and JB Advisory as joint lead managers of the Capital Raising. JB Advisory is a party unrelated to the Company. The terms of the appointment of JB Advisory are set out in the JB Advisory Engagement Letter which in summary provides that:

- (1) JB Advisory will (amongst other things) act as lead manager with BCP in relation to the Capital Raising. JB Advisory's role will include (but not be limited to): further familiarisation with the business of the Company, corporate access, site visits etc.; assisting in preparing the marketing materials; providing introductions to institutional and high net worth clients of JB Advisory; providing corporate advisory

services with respect to proposed corporate transactions including structuring, timing, pricing and execution; considering and advising on market sentiment and impact of the Capital Raising; completing due diligence and management questionnaires for Capital Raising; acting as joint lead manager of the book of bids, finalising allocations with company management and coordinating the settlement process; providing corporate advice at Board meetings where required; provision of market insights and trading; providing such other assistance to the Company as agreed from time to time; advising and assisting on the possible further capital raising requirements in relation to fulfilling the distribution going forward.

- (2) The engagement will continue until 10 March 2022.
- (3) The following fees are payable to JB Advisory in relation to the Capital Raising:
 - (a) a management fee of 1% of the value of all funds raised under the Capital Raising by JB Advisory (the **Management Fee**);
 - (b) a capital raising fee of 5% plus GST for all funds raised under the Capital Raising by JB Advisory (the **Placement Fee**); and
 - (c) the issue to JB Advisory or its sub underwriter nominee(s) of four (4) Fee Options for every dollar raised under the Capital Raising by JB Advisory (the **JBAP Fee Options**).

All of the JBAP Fee Options are the subject of this Resolution.

2. Listing Rules 7.1

As summarised above⁵, Listing Rule 7.1 limits the number of equity securities that a listed company can issue without the approval of its shareholders.

Accordingly, the Company seeks Shareholder approval in accordance with Listing Rule 7.1 to issue the JBAP Fee Options.

If Resolution 6 is passed the JBAP Fee Options will be excluded when calculating the Company's remaining capacity under Listing Rule 7.1.

If Resolution 6 is not passed and the Company has:

- (1) the capacity under Listing Rule 7.1 to issue any or all of the JBAP Fee Options, those JBAP Fee Options that are issued will be included when calculating the Company's capacity under Listing Rule 7.1. This will limit the Company's capacity under Listing Rule 7.1 to take advantage of other opportunities as they arise; and
- (2) no capacity under Listing Rule 7.1 to issue any or all of the JBAP Fee Options, it will not be able to issue those JBAP Fee Options, and may therefore have to seek Shareholder approval at a later general meeting (whether that meeting is convened for that particular purpose or for another purpose).

3. Information required by 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 purpose of Listing Rule 7.3, the following information is provided about the issue of up to 19,893,680 JBAP Fee Options:

- (1) The JBAP Fee Options will be issued to JB Advisory and any other sub underwriter nominees to which JB Advisory directs the Company to issue the JBAP Fee Options. The Company is advised that these third parties, if any, will be parties which participated in the Capital Raising. None of the potential third party recipients of the JBAP Fee Options are 'related parties' of the Company for the purposes of the Corporations Act or the ASX Listing Rules.
- (2) The maximum number of the JBAP Fee Options that the Company will issue is 19,893,680.

⁵ See footnote 1 above.

- (3) The JBAP Fee Options will be issued pursuant to the JB Advisory Engagement Letter, and on the terms set out in **Schedule 1 - Option Terms**.
- (4) The JBAP Fee Options will be issued no later than three (3) months after the date of the Meeting (or such later date to the extent permitted by any ASX Waiver or modification of the ASX Listing Rules).
- (5) The issue price of the JBAP Fee Options will be nil, and no funds will be raised from the issue of the JBAP Fee Options, as they will be issued as consideration for services provided by JB Advisory pursuant to the terms of the JB Advisory Engagement Letter.
- (6) A Voting Exclusion Statement for this Resolution is set out in the Notice of Meeting.

4. Directors' recommendation

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

Schedule 1 – Option Terms

The terms of the Options are set out below.

- (1) The Options shall be issued for no cash consideration.
- (2) The exercise price of each Option is \$0.05 (**Exercise Price**).
- (3) The Options will expire on 29 February 2024 (**Expiry Date**) unless earlier exercised.
- (4) The Options will be listed on the ASX.
- (5) The Options may be exercised at any time wholly or in part by delivering a duly completed form of notice of exercise (**Exercise Notice**) together with payment for the Exercise Price per Option to the Company at any time on or after the date of issue of the Options and on or before the Expiry Date. Payment may be made as directed by the Company from time to time, which may include by cheque, electronic funds transfer or other methods.
- (6) The number of Options that may be exercised at one time must be not less than 25,000, unless the holder of the Option (**Option Holder**) holds less than 25,000 Options in which case all Options must be exercised at one time.
- (7) Within 20 Business Days after the valid exercise of the Options and payment of the Exercise Price, the Company will:
 - (a) allot and issue the number of fully paid ordinary Shares ranking *pari passu* with the then issued Shares as required under these terms and conditions in respect of the number of Options specified in the Exercise Notice and for which cleared funds have been received by the Company; and
 - (b) if admitted to the official list of ASX at the time, apply for Official Quotation on ASX of Shares issued pursuant to the exercise of the Options.
- (8) Option Holders do not have any right to participate in new issues of securities in the Company made to Shareholders generally. The Company will, where and only to the extent required pursuant to the Listing Rules, provide Option Holders with notice prior to the books record date (to determine entitlements to any new issue of securities made to Shareholders generally) to exercise the Options, in accordance with the requirements of the Listing Rules.
- (9) Option Holders do not participate in any dividends unless the Options are exercised, and the resultant Shares of the Company are issued prior to the record date to determine entitlements to the dividend.
- (10) In the event of any reorganisation (including consolidation, subdivision, reduction or return) of the issued capital of the Company:
 - (a) the number of Options, the Exercise Price of the Options, or both will be reorganised (as appropriate) in a manner consistent with the Listing Rules as applicable at the time of reorganisation, but with the intention that such reorganisation will not result in any benefits being conferred on the Option Holders are not conferred on Shareholders; and
 - (b) subject to the provisions with respect to rounding of entitlements as sanctioned by a meeting of shareholders approving a reorganisation of capital, in all other respects the terms for the exercise of the Options will remain unchanged.
- (11) If there is a pro rata issue (except a bonus issue), the Exercise Price of Option may be reduced according to the following formula:

$$O^n = O - \frac{E P - (S + D)}{N + 1}$$

N + 1

where,

Oⁿ is the new exercise price of the Option;

O is the old exercise price of the Option;

E is the number of underlying securities into which one Option is exercisable;

P is the volume weighted average market price per security of the underlying securities during the 5 trading days ending on the day before the ex-right date or the ex-entitlements date;

S is the subscription price for a security under the pro rata issue;

D is dividend due but not yet paid on the existing underlying securities (except those to be issued under the pro rata issue);

N is the number of securities with rights or entitlements that must be held to receive a right to one new security.

- (12) If there is a bonus issue to the Shareholders of the Company, the number of Shares over which the Option is exercisable may be increased by the number of Shares which the Option Holder would have received if the Option had been exercised before the record date for the bonus issue.
- (13) The terms of the Options shall only be changed if Shareholders (whose votes are not to be disregarded) of in the Company approve of such a change. However, unless all necessary waivers of the Listing Rules are obtained, the terms of the Options shall not be changed to reduce the Exercise Price, increase the number of Options or change any period for exercise of the Options.
- (14) The Company intends to apply for listing of the Options on the ASX.

Definitions

Terms used in this Explanatory Memorandum shall have the meanings ascribed to them in 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:

Amortising Notes means the corporate bond notes issued by the Company on 29 March 2019 as part of a \$55 million corporate bond facility with a maturity date of five years from the date of issue, amortising by 52% from 29 March 2020 until the date of maturity, secured over the assets of the Company and its subsidiaries (other than its holding in Armour Energy International Pty Ltd), and with a coupon rate of 8.75% per annum.

Announcement means the announcement made by the Company on the ASX's Market Announcement Platform on 18 March 2021 entitled *Successful Completion of 11.5 million Equity Raising*.

ASIC means the Australian Securities and Investments Commission.

ASX means ASX Limited ABN 98 008 624 691.

BCP means Bizzell Capital Partners Pty Ltd, an entity controlled by Stephen Bizzell, a non-executive director of the Company.

BCP Engagement Letter means the agreement between BCP and the Company as evidenced by a letter dated 15 March 2021, pursuant to which BCP would act as joint lead manager (with JB Advisory) in connection with the Capital Raising, the terms of which are summarised under '1. Background' of the section of the Explanatory Memorandum dealing with Resolution 3.

BCP Fee Options means those options to be issued to BCP pursuant to the BCP Engagement Letter, better described in the section of the Explanatory Memorandum dealing with Resolution 3.

Board means the board of Directors of the Company.

Capital Raising means the private placement to institutional and sophisticated investors the subject of the Announcement.

Conditional Placement Options means the Options which subject to Shareholder approval, are to be issued on the basis of one (1) Conditional Placement Option for every Conditional Placement Share subscribed for under the Capital Raising.

Conditional Placement Securities means the Conditional Placement Securities as defined under the heading 'The Placement' in that part of the Expenditure Memorandum dealing with Resolution 1, and includes the Conditional Placement Shares and the Conditional Placement Options.

Conditional Placement Shares means the Shares which subject to Shareholder approval, are to be issued pursuant to the Capital Raising at an Issue Price of \$0.035.

Company means Armour Energy Limited ABN 60 141 198 414.

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

DGR means DGR Global Limited ACN 052 354 837.

DGR Conditional Placement Shares means the Conditional Placement Shares to be issued to DGR, the subject of Resolution 4.

DGR Conditional Placement Options means the Conditional Placement Options to be issued to DGR, the subject of Resolution 4.

DGR Fee Options means those options issued to DGR by the Company pursuant to the Pay Away Arrangements.

DGR Firm Commitment Letter means the "Confirmation of Firm Commitment to Subscribe for Placement Shares" executed by DGR and provided to BCP and dated 18 March 2021.

Director means a director of the Company.

Explanatory Memorandum means the explanatory memorandum accompanying the Notice of Meeting.

Issue Price the price per security at which the security to which it refers has been or will be issued.

JB Advisory means JB Advisory Partners Pty Ltd.

JB Advisory Engagement Letter means the agreement between JB Advisory and the Company as evidenced by a letter dated 10 March 2021, pursuant to which JB Advisory would act as joint lead manager (with BCP) in connection with the Capital Raising, the terms of which are summarised under ‘**1. Background**’ of the section of the Explanatory Memorandum dealing with Resolution 6.

JBAP Fee Options means those options to be issued to JB Advisory Partners pursuant to the JB Advisory Engagement Letter, better described in the section of the Explanatory Memorandum dealing with Resolution 6.

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

Meeting or **General Meeting** means the general meeting of the Company to be held on 11 June 2021.

Notice of Meeting or **Notice** means the Notice of Meeting convening the Meeting and the accompanying Explanatory Memorandum.

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

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

Pay Away Arrangements means those arrangements entered into between the Company in BCP pursuant to the terms of the BCP Engagement Letter more particularly described under the heading ‘**1. The Background**’ of the section of the Explanatory Memorandum dealing with Resolution 3.

Ratification Securities means the Ratification Shares and the Ratification Options more specifically described under ‘**1. Background**’ of the section of the Explanatory Memorandum dealing with Resolution 1.

Ratification Shares means the Shares the subject of Resolution 1 more specifically described under ‘**1. Background**’ of the section of the Explanatory Memorandum dealing with Resolution 1

Ratification Options means the Options the subject of Resolution 1 more specifically described under ‘**1. Background**’ of the section of the Explanatory Memorandum dealing with Resolution 1.

Recipients means the recipients of the Ratification Securities.

Resolution means a resolution to be proposed at the Meeting.

Samuel means Samuel Holdings Pty Ltd.

Samuel Conditional Placement Shares means the Conditional Placement Shares to be issued to Samuel, the subject of Resolution 5.

Samuel Conditional Placement Options means the Conditional Placement Options to be issued to Samuel, the subject of Resolution 5.

Samuel Fee Options means those options issued to Samuel by the Company pursuant to the Pay Away Arrangements.

Samuel Firm Commitment Letter means the “Confirmation of Firm Commitment to Subscribe for Placement Shares” executed by Samuel and provided to BCP and dated 18 March 2021.

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

Shareholder means a holder of Shares in the Company.

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

Use of Funds means each of the following:

- (1) transaction costs associated with progressing the proposed Northern Basin Business demerger and IPO of McArthur Oil & Gas;
- (2) ongoing exploration expenditures including exploration costs associated with the Northern Basin Business required to progress activities associated with the recent PRL applications;
- (3) well interventions work at Kincora Gas field;
- (4) payment of interest and scheduled amortisation reductions in respect of the Amortising Notes for the balance of the financial year; and
- (5) general working capital including the payment of creditors and the costs of the Capital Raising.

ENQUIRIES

Any enquiries in relation to the Resolutions or the Explanatory Memorandum should be directed to Karl Schlobohm (Company Secretary): email kschlobohm@armourenergy.com.au; postal address, Level 27/111 Eagle Street, Brisbane QLD 4000; or telephone (07) 3303 0620.

Notes

Entitlement to Vote

For the purposes of determining those shareholders entitled to attend and vote at the General Meeting of the Company, shall be those persons recorded in the register of shareholders as at 6:00 pm (Brisbane Time) 9 June 2021. Accordingly, transactions registered after that time will be disregarded in determining entitlements to attend and vote at the Meeting.

How to Vote

You may vote by attending the General Meeting in person, by proxy or authorised representative.

Voting in Person

To vote in person, attend the General Meeting on the date and at the place set out above.

Voting by Proxy

A shareholder entitled to attend and vote at the meeting is entitled to appoint a proxy to vote on their behalf. Where a shareholder is entitled to cast two or more votes, they may appoint two proxies and may specify the proportion or number of votes each proxy is appointed to exercise. Where the appointment does not specify the proportion or number of votes each proxy may exercise, each proxy may exercise half of the votes. A proxy need not be a shareholder of the Company. Shareholders who are a body corporate are able to appoint representatives to attend and vote at the meeting under section 250D of the *Corporations Act 2001* (Cth).

If a representative of the Company is to attend the meeting the appropriate "Certificate of Appointment of Corporate Representative" should be produced prior to admission. A form of the certificate may be obtained from the Company's share registry.

Signing instructions

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

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

Joint Holding: Where the holding is in more than one name, either security holder may sign.

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

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

Please indicate the office held by signing in the appropriate place.

To vote by proxy, the proxy form provided with this notice (and the original or a certified copy of any power of attorney under which it is signed) must be received by the Company not less than forty eight (48) hours before the scheduled time for the meeting. Any proxy form received after that time will not be valid for the scheduled meeting.