



26 October 2021

Dear Shareholder

Annual General Meeting – Notice of Meeting and Proxy Form

Notice is hereby given that the 2021 Annual General Meeting (the **Meeting**) of Armour Energy Limited (**Armour**, the **Company**) will be held at 11:00 am (Brisbane time) on 25 November 2021 at Level 7, Waterfront Place, 1 Eagle Street, Brisbane QLD 4000.

In accordance with modifications to the Corporations Act under the *Treasury Laws Amendment (2021 Measures No. 1) Act 2021*, the Company will not be sending hard copies of the Notice of Meeting and Explanatory Memorandum to Shareholders. Instead, the documents are being made available to shareholders electronically. To view and download the Notice of Meeting please visit the Company's website at: <https://www.armourenergy.com.au/general-meetings>

The Notice of Meeting will also be available on ASX's website, under the Company's ticker code AJQ. All resolutions for the Meeting will be decided via a poll. The poll will be conducted based on votes submitted by proxy, together with any votes cast at the Meeting.

Due to the potential for an ongoing COVID-19 environment, the Company strongly encourages shareholders to vote via proxy for the purposes of the Meeting, rather than attending in person. A personalized Proxy Form will be attached to this letter when dispatched by the Registry. Shareholders who have elected to receive notices from the Company in electronic format will receive an email directly from the Registry.

Armour also encourages shareholders to lodge their proxy votes **online**. To do that, shareholders can login to www.linkmarketservices.com.au using the holding details (SRN or HIN) that will be available on the personalised Proxy Form dispatched by the Registry. Once logged in, select Voting and follow the prompts to lodge your vote.

Shareholders that experience any problems accessing the proxy voting screen(s) can contact the Registry (Link Market Services Limited) by phone on 1300 554 474 or by email at registrars@linkmarketservices.com.au

Proxy instructions must be received no later than 48 hours before the commencement of the Meeting.

By Order of the Board of Directors

Karl Schlobohm
Company Secretary
Armour Energy Limited

Level 27, 111 Eagle Street, Brisbane QLD 4001
GPO Box 5261, Brisbane QLD 4001
P: +61 7 3303 0620
F: +61 7 3303 0681

ASX Code: AJQ
ACN: 141 198 414
E: info@armourenergy.com.au
W: www.armourenergy.com.au

Notice of Annual General Meeting and Explanatory Memorandum

Armour Energy Limited

Date of Meeting: 25 November 2021

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

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

COVID Related Disclosure

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

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

Any questions that shareholders would like put to the meeting can also be emailed to the Company Secretary (kschlobohm@armourenergy.com.au) by 23 November 2021. Responses to any questions will be given verbally at the Meeting.

Notice is hereby given that the 2021 Annual General Meeting of shareholders of Armour Energy Limited (the **Company** or **Armour**) will be held at the offices of HopgoodGanim on Level 7, Waterfront Place, 1 Eagle Street, Brisbane QLD 4000 on 25 November 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

Annual Financial Reports

To receive and consider the Company’s Annual Report comprising the Directors’ Report and Auditors’ Report, Directors’ Declaration, Consolidated Statement of Financial Position, Consolidated Statement of Changes in Equity, Consolidated Statement of Cash Flows, and notes to and forming part of the financial statements for the Company and its controlled entities for the financial year ended 30 June 2021.

See Explanatory Statement below for further information.

Resolution 1. Remuneration Report

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

“That the Remuneration Report for the year ended 30 June 2021 (as set out in the Directors’ Report) is adopted.”

The vote on **Resolution 1** is advisory only and does not bind the Directors of the Company. The Company’s Annual Report 2021, which contains the Remuneration Report, is available on the Company’s website at <https://www.armourenergy.com.au/annual-halfyear-reports>

See Explanatory Memorandum for further information.

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

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

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

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

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

VOTING INTENTION OF CHAIRMAN

Shareholders should be aware that any undirected proxies given to the Chairman will be cast by the Chairman and counted in favour of the Resolutions the subject of this Meeting, including **Resolution 1**, subject to compliance with the Corporations Act.

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

Resolution 2. Re-Election of Nicholas Mather as a Director

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

“That in accordance with Rule 38 of the Company’s Constitution, Nicholas Mather, who retires by rotation in accordance with Rule 38.1(a) of the Company’s Constitution, and being eligible and offering himself for re-election, be re-elected as a Director of the Company.”

See Explanatory Memorandum for further information.

Resolution 3. Re-Election of Eytan Uliel as a Director

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

“That in accordance with Rule 38 of the Company’s Constitution, Roland Sleeman, who retires by rotation in accordance with Rule 38.1(a) of the Company’s Constitution, and being eligible and offering himself for re-election, be re-elected as a Director of the Company.”

See Explanatory Memorandum for further information.

Resolution 4. Re-Election of Stephen Bizzell as a Director

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

“That in accordance with Rule 38 of the Company’s Constitution, Roland Sleeman, who retires by rotation in accordance with Rule 38.1(c) of the Company’s Constitution, and being eligible and offering himself for re-election, be re-elected as a Director of the Company.”

See Explanatory Memorandum for further information.

Resolution 5. Ratification of securities previously issued

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

“That in accordance with the provisions of Listing Rule 7.4 and for all other purposes, Shareholders ratify the previous issues of securities made (pursuant to Listing Rule 7.1 and 7.1A), on various dates set out in the accompanying Explanatory Memorandum, of a total of:

- (a) 256,223,612 fully paid ordinary Shares at various issue prices set out in the accompanying Explanatory Memorandum; and
- (b) 73,397,439 quoted Options exercisable at \$0.05 and expiring on 29 February 2024 to those recipients identified in, and otherwise on the terms and conditions set out in the Explanatory Memorandum.”

See Explanatory Memorandum for further information.

VOTING EXCLUSION STATEMENT

The Company will disregard any votes cast in favour of this **Resolution 5** by or on behalf of:

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

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

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

Resolution 6. Approval to issue, or Ratification of the issue, of 33,653,845 Placement Shares and up to 11,217,948 Placement Options

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

“That:

- (a) subject to (b), for the purposes of Listing Rule 7.1 and for all other purposes, approval is given for the Company to issue 33,653,845 fully paid ordinary shares at an issue price of \$0.026 per Share and 11,217,948 Options exercisable at \$0.05 and expiring on 29 February 2024 (the **Placement Issue**); or*
- (b) in the event that the Placement Issue has taken place prior to the Meeting, for the purposes of Listing Rule 7.4 and for all other purposes, shareholders ratify the issue of 33,653,845 fully paid ordinary shares at an issue price of \$0.026 per Share and 11,217,948 Options exercisable at \$0.05 and expiring on 29 February 2024,*

on the terms and conditions set out in, the Explanatory Memorandum accompanying this Notice of Meeting.”

See Explanatory Memorandum for further information.

VOTING EXCLUSION STATEMENT

The Company will disregard any votes cast in favour of this **Resolution 6** by or on behalf of:

- 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 this Resolution by:

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

Resolution 7. Approval to issue up to 13,235,108 Fee Options to Bizzell Capital Partners Pty Ltd

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

“That for the purposes of Listing Rule 10.11 and for all other purposes, approval is given for the Company to issue up to 13,235,108 Options 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, those Options being exercisable at \$0.05 on or before 29 February 2024, and otherwise on the terms and conditions set out in the Explanatory Memorandum accompanying this Notice of Meeting.”

See Explanatory Memorandum for further information.

VOTING EXCLUSION STATEMENT

The Company will disregard any votes cast in favour of this **Resolution 7** by or on behalf of:

- Bizzell Capital Partners Pty Ltd; and
- any associates of Bizzell Capital Partners Pty Ltd.

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

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

Resolution 8. Approval to issue up to 61,538,462 Shares, up to 20,512,821 Options and up to 6,400,000 Fee Options to DGR Global Limited

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

“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 61,538,462 fully paid ordinary Shares at an issue price of \$0.026 per Share;*
- (ii) up to 20,512,821 quoted Options exercisable at \$0.05 on or before 29 February 2024; and*
- (iii) up to 6,400,000 quoted fee Options exercisable at \$0.05 on or before 29 February 2024,*

to DGR Global Ltd (or its nominee), and otherwise on the terms and conditions set out in the Explanatory Memorandum accompanying this Notice of Meeting.”

See Explanatory Memorandum for further information.

VOTING EXCLUSION STATEMENT

The Company will disregard any votes cast in favour of this **Resolution 8** by or on behalf of:

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

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

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

Resolution 9. Approval to issue up to 13,164,892 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 13,164,892 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

The Company will disregard any votes cast in favour of this **Resolution 9** by or on behalf of:

- JB Advisory Partners Pty Ltd; and
- any associate of JB Advisory Partners Pty Ltd.

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

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

SPECIAL BUSINESS

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

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

*“That pursuant to and in accordance with Listing Rule 7.1A and for all other purposes, Shareholders approve the issue of equity securities of up to 10% of the issued capital of the Company (at the time of the issue) calculated in accordance with the formula prescribed in Listing Rule 7.1A.2, over a 12 month period from the date of the Meeting, at a price not less than that determined pursuant to Listing Rule 7.1A.3 and otherwise on the terms and conditions described in the Explanatory Memorandum (the **Placement Securities**).”*

VOTING EXCLUSION STATEMENT

The Company will disregard any votes cast in favour of this Special Resolution by a person and any associates of that person who:

- may participate in the issue of the Placement Securities; and
- might obtain a material benefit, except a benefit solely in their capacity as a holder of Shares if the resolution is passed.

However, the Company need not disregard a vote if:

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

IMPORTANT NOTE

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

See Explanatory Memorandum for further information.

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
26 October 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 Annual General Meeting to be held at the offices of HopgoodGanim on Level 7, Waterfront Place, 1 Eagle Street, Brisbane QLD 4000 on 25 November 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 as contained in the Notice of Meeting material. 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

Consider the Company’s 2021 Annual Report

The Corporations Act requires the Company’s Annual Report comprising the Directors’ Report, the Auditor’s Report, Directors’ Declaration, Statement of Comprehensive Income, Statement of Financial Position, Statement of Changes in Equity, Statement of Cash Flows and Notes to and forming part of the financial statements to be laid before the Annual General Meeting. There is no requirement either in the Corporations Act or in the Constitution of the Company for Shareholders to approve the Company’s Annual Report. The Company’s 2021 Annual Report is placed before the Shareholders for discussion.

The Company’s Annual Report for the financial year ended 30 June 2021 was released on 30 September 2021 and is available on the Company’s website: <https://www.armourenergy.com.au/annual-halfyear-reports>

No voting is required for this item.

Resolution 1. Remuneration Report

The Board has submitted its Remuneration Report (included in the 2021 Annual Report) to Shareholders for consideration and adoption by way of a non-binding Advisory Resolution in accordance with Section 250R of the Corporations Act. The Remuneration Report is set out in the Directors’ Report section of the 2021 Annual Report. The Report, amongst other things:

- explains the Board’s policy for determining the nature and amount of remuneration of Key Management Personnel of the Company;
- explains the relationship between the Board’s remuneration policy and the Company’s performance;
- sets out remuneration details for each member of the Company’s Key Management Personnel including details of performance related remuneration and options granted as part of remuneration; and
- details and explanations of any performance conditions applicable to the remuneration of Key Management Personnel of the Company.

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

The Board unanimously recommends that Shareholders vote in favour of adopting the Remuneration Report. A vote on this Resolution is advisory only and does not bind the Directors or the Company. There are restrictions on members of the Key Management Personnel and their Closely Related Parties and their proxies voting on **Resolution 1**, details of which are set out in the Voting Restriction Statement included in **Resolution 1** of the Notice of Meeting.

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 **Resolution 1**, subject to compliance with the Corporations Act.

Resolution 2. Re-Election of Nicholas Mather as a Director

Mr Mather was originally appointed to the Board of the Company on 18 December 2009. In accordance with the Company's Constitution, Mr Mather will retire at the Annual General Meeting, and will stand for re-election.

Mr Mather's special area of experience and expertise is the generation of and entry into undervalued or unrecognised resource exploration opportunities. He has been involved in the junior resource sector at all levels for more than 25 years. In that time he has been instrumental in the delivery of major resource projects that have delivered significant gains to shareholders. As an investor, securing projects and financiers, leading exploration campaigns and managing emerging resource companies, Mr Mather brings a wealth of valuable experience.

Mr Mather is currently the Managing Director and co-founder of DGR Global Limited (ASX), a Non-Executive Director of SolGold Plc (LSE/TSX), Aus Tin Mining Ltd (ASX), Lakes Oil NL (ASX) and NewPeak Metals Ltd (ASX). As an Executive Director (and co-founder) of Arrow Energy NL until 2004, Mr Mather was responsible for the generation of its Surat Basin Coal Bed Methane project. Arrow Energy was the subject of an on-market take over in 2011 at a value of approximately \$3.5 billion.

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

Resolution 3. Re-Election of Eytan Uliel as a Director

Mr Uliel was appointed to the Board of the Directors on 20 November 2017. In accordance with the Company's Constitution, Mr Uliel will retire at this Annual General Meeting, and will stand for re-election.

Mr Uliel is an experienced oil and gas industry professional. Since 2015 he has served as the Commercial Director of Bahamas Petroleum plc (BPC), a UK-listed company with extensive conventional oil exploration acreage offshore in the Bahamas. Prior to working with BPC, from 2009 to 2014 Mr Uliel was Chief Financial Officer and Chief Commercial Officer of Dart Energy Ltd, an ASX listed company that had coal bed methane and shale gas assets in Australia, Asia and Europe, and Chief Commercial Officer of its predecessor company, Arrow Energy International Ltd.

From 2006 – 2008 Mr Uliel was Asian Regional Head of the Corporate & Structured Finance Group at Babcock & Brown. Prior to that, he was with direct investment and advisory firm Carnegie, Wylie & Company, where he was most recently Managing Director, and was with corporate advisory firm Wentworth Associates prior to joining Carnegie Wylie in 1999.

He commenced his career as a corporate lawyer in Sydney, with the law-firm Freehills.

Mr Uliel was previously Chairman and Chair of the audit committee of Easycall International Ltd (dual ASX / SGX listed), a Director and Chair of the audit committee of Strike Energy Limited (ASX listed) and Jasper Investments Ltd (SGX listed), an Alternate Director of Thakral Corporation Limited (SGX listed), a Director of CH4 Gas Ltd (ASX listed until merged with Arrow Energy Ltd), and an Alternate Director of Neverfail Springwater Ltd (ASX listed). He was also previously a Director and member of the audit committee of Lonely Planet Publications Pty Ltd, Chairman and Director of Golden Pages Ltd (Israel), and Director of various Arrow Energy and Dart Energy entities across Asia and Europe, and a number of other investment related entities.

Mr Uliel holds a Bachelor of Arts (Political Science) and Bachelor of Laws (LLB) degree from the University of New South Wales.

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

Resolution 4. Re-Election of Stephen Bizzell as a Director

Mr Bizzell was originally appointed to the Board of the Company on 9 March 2012. In accordance with the Company's Constitution, Mr Bizzell will retire at the Annual General Meeting, and will stand for re-election.

Mr Bizzell is the Chairman of boutique corporate advisory and funds management group Bizzell Capital Partners Pty Ltd. Mr Bizzell was previously an Executive Director of Arrow Energy Ltd from 1999 until its acquisition by Shell and Petro China, for \$3.5 billion in August 2010. He was instrumental in Arrow Energy's corporate and commercial success and its growth from a junior explorer to a large integrated energy company. He was also a co-founder and Non-Executive Director of Bow Energy Ltd until its takeover \$0.55 billion in January 2012. He has further current experience in the resources sector as a Director of Laneway Resources Ltd, Renascor Resources Ltd, Stanmore Coal Ltd, and Strike Energy Ltd.

Mr Bizzell qualified as a Chartered Accountant and early in his career was employed in the Corporate Finance division of Ernst & Young and the Corporate Tax division of Coopers & Lybrand. He has had considerable experience and success in the fields of corporate restructuring, debt and equity financing, and mergers and acquisitions and has over 20 years' corporate finance and public company management experience in the resources sector in Australia and Canada with various public companies. Mr Bizzell is Chair of the Company's Audit and Risk Committee, and a member of the Remuneration and Health & Safety Committees.

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

Resolution 5. Ratification of securities previously issued

1. Background

On 27 September 2021 the Company made the Announcement as to the Capital Raising. The September Placement Shares and the September Placement Options were issued on 30 September 2021. These September Placement Securities were issued without Shareholder approval, in reliance on either Listing Rule 7.1 or Listing Rule 7.1A.

In addition between 7 July 2021 and 6 October 2021 the Company issued various Shares, to various parties (being employees and third-party providers of goods and services), at various issue prices per Share, without Shareholder approval, in reliance on either Listing Rule 7.1 or Listing Rule 7.1A.

In particular:

- (1) 220,192,320 September Placement Shares were issued to various Recipients on 29 September 2021 at an Issue Price of \$0.026, without disclosure, in reliance on one or more of the exceptions set out under section 708(8) and (11) of the Corporations Act;
- (2) 73,397,439 quoted September Placement Options were issued to various Recipients on 29 September 2021 with an exercise price of \$0.05 per Ratification Option (expiring on 29 February 2024), without disclosure, to each of those Recipients who were issued September Placement Shares, on the basis of one (1) free attaching September Placement Option for every three (3) September Placement Shares issued to the relevant Recipient;
- (3) 21,277,739 Shares were issued to the Company's employees between 9 August 2021 and 6 October 2021 at various Issue Prices between \$0.02 and \$0.027 per Share, in part payment of employee remuneration and without disclosure in reliance on one or more of sections 708(1), 708(8), 708(11), and 708(12) of the Corporations Act; and
- (4) 14,753,553 Shares were issued to various parties in satisfaction of amounts owing for goods or services provided to the Company between 7 July 2021 and 12 August 2021 at various Issue Prices between \$0.025 and \$0.031 per Share, without disclosure in reliance on one or more of sections 708(1), 708(8), 708(11), and 708(12) of the Corporations Act.

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 5** is not passed, 256,223,612 Ratification Shares and 73,397,439 Ratification Options will 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 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 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 2019 Annual General Meeting. It seeks approval for the next 12 months pursuant to **Resolution 10**.

The Ratification Securities were issued without Shareholder approval in reliance on either Listing Rule 7.1 and 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 various parties indicated in the columns headed "**Recipient**" and "**Class**" in **Table 1** below, none of which are related parties of the Company. In each case the amount of Ratification Shares or Ratification Options as the case may be, issued to the various Recipients is indicated in the column headed "**Number**" in **Table 1** below.
- (2) The Company issued a combined total of 256,223,612 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 73,397,439 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 and the Ratification Options were issued on the dates indicated in **Table 1** below in the column "**Date of Issue**".
- (5) The Ratification Shares were issued at the various Issue Prices indicated in **Table 1** below in the column "**Issue Price**".
- (6) The cash proceeds from the issue of the Ratification Shares was and will be used for the Use of Funds.

- (7) The Ratification Options were issued for nil consideration which means that no funds were raised by the allotment of the Ratification themselves. However, if the Ratification Options are all exercised before their expiry, the Company will raise approximately \$3,669,872.
- (8) 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.

Table 1 – Recipients of equity securities previously issued and being the subject of Resolution 5

Recipient	Class	Number	Issue Price	Date of Issue
PINEMONT TECHNOLOGIES AUSTRALIA PTY LTD	SHARES	5,344,617	\$0.0267	7 JUL 2021
MARGARET ABOODY	SHARES	360,000	\$0.020	9 AUG 2021
TONI HAWKINS	SHARES	630,872	\$0.025	9 AUG 2021
PETER BUBENDORFER	SHARES	437,405	\$0.025	9 AUG 2021
MIKE BUCKNILL	SHARES	609,129	\$0.025	9 AUG 2021
STUART FLETCHER	SHARES	402,970	\$0.025	9 AUG 2021
JON JOHNSON	SHARES	434,751	\$0.025	9 AUG 2021
LUCAS JAMES MCLEAN-HODGSON	SHARES	399,553	\$0.025	9 AUG 2021
WAYNE RICHARDS	SHARES	437,936	\$0.025	9 AUG 2021
MICHAEL STURDY	SHARES	494,510	\$0.025	9 AUG 2021
JOHN MACKINTOSH	SHARES	602,162	\$0.025	9 AUG 2021
MRS SHARYN LESLEY SALOMON & MR JONATHAN ARNOLD SALOMON	SHARES	258,780	\$0.025	9 AUG 2021
CRONUS CONSULTING PTY LTD	SHARES	334,424	\$0.025	9 AUG 2021
MICHAEL LONERGAN	SHARES	191,099	\$0.025	9 AUG 2021
MR MARK JASON GREENWOOD	SHARES	2,322,386	\$0.025	9 AUG 2021
MICHAEL LAURENT	SHARES	3,981,235	\$0.025	9 AUG 2021
MILLBOHM CONSULTING GROUP PTY LTD	SHARES	587,418	\$0.025	9 AUG 2021
PINEMONT TECHNOLOGIES AUSTRALIA PTY LTD	SHARES	7,484,481	\$0.025	9 AUG 2021
VINCENT JOHN PIZZINGA & ANGELA PIZZINGA	SHARES	1,923,077	\$0.026	29 SEP 2021
ANTIBELLA PTY LTD	SHARES	1,000,000	\$0.026	29 SEP 2021
PAUL COZZI	SHARES	19,230,769	\$0.026	29 SEP 2021
M&S HURST PTY LTD	SHARES	850,000	\$0.026	29 SEP 2021
JETAN PTY LTD	SHARES	3,846,154	\$0.026	29 SEP 2021
FIFTH WAVE PTY LTD	SHARES	1,923,077	\$0.026	29 SEP 2021
VIVRE INVESTMENTS PTY LTD	SHARES	1,650,000	\$0.026	29 SEP 2021
DR D R LOWE & MRS Y LOWE	SHARES	2,000,000	\$0.026	29 SEP 2021
VINCENT JOHN PIZZINGA & ANGELA PIZZINGA	OPTIONS	641,026	NIL	29 SEP 2021
ANTIBELLA PTY LTD	OPTIONS	333,333	NIL	29 SEP 2021
PAUL COZZI	OPTIONS	6,410,256	NIL	29 SEP 2021
M&S HURST PTY LTD	OPTIONS	283,333	NIL	29 SEP 2021
JETAN PTY LTD	OPTIONS	1,282,051	NIL	29 SEP 2021
FIFTH WAVE PTY LTD	OPTIONS	641,026	NIL	29 SEP 2021
VIVRE INVESTMENTS PTY LTD	OPTIONS	550,000	NIL	29 SEP 2021
DR D R LOWE & MRS Y LOWE	OPTIONS	666,667	NIL	29 SEP 2021
AYMAN MUHOR INVESTMENTS PTY LTD	SHARES	1,153,846	\$0.026	29 SEP 2021
BABADE PTY LTD	SHARES	1,538,460	\$0.026	29 SEP 2021
BAM OPPORTUNITIES FUND PTY LTD	SHARES	829,500	\$0.026	29 SEP 2021
BEIRNE TRADING PTY LTD	SHARES	3,000,000	\$0.026	29 SEP 2021
CHIFLEY PORTFOLIOS PTY LTD	SHARES	5,000,000	\$0.026	29 SEP 2021
CHOICE INVESTMENTS DUBBO PTY LTD	SHARES	5,769,231	\$0.026	29 SEP 2021
CPS CONTROL SYSTEMS PTY LIMITED	SHARES	7,692,308	\$0.026	29 SEP 2021
GAMBIER PTY LTD	SHARES	385,000	\$0.026	29 SEP 2021
HARTNELL NOMINESS PTY LTD	SHARES	7,692,307	\$0.026	29 SEP 2021
HIC PTY LTD	SHARES	1,000,000	\$0.026	29 SEP 2021
JL GIBSON INVESTMENTS PTY LTD	SHARES	3,846,154	\$0.026	29 SEP 2021
KABILA INVESTMENTS PTY LIMITED	SHARES	1,923,077	\$0.026	29 SEP 2021
MACQUARIE RIVER HOLDINGS PTY LTD	SHARES	700,000	\$0.026	29 SEP 2021
MELBOURNE CAPITAL PTY LTD	SHARES	5,000,000	\$0.026	29 SEP 2021

MIKADO CORPORATION PTY LTD	SHARES	3,000,000	\$0.026	29 SEP 2021
MR ASHLEY BAXTER	SHARES	1,923,077	\$0.026	29 SEP 2021
MR BENJAMIN DUNN	SHARES	1,923,077	\$0.026	29 SEP 2021
MR HARRY ARTHUR HILL	SHARES	1,000,000	\$0.026	29 SEP 2021
MR MICHAEL JOHN EDGAR	SHARES	3,000,000	\$0.026	29 SEP 2021
MRS LYNETTE ISOBEL SMITH	SHARES	192,308	\$0.026	29 SEP 2021
MS IRENE MARY FRISBY	SHARES	2,000,000	\$0.026	29 SEP 2021
MUNGALA INVESTMENTS PTY LTD	SHARES	500,000	\$0.026	29 SEP 2021
NAMBIA PTY LTD	SHARES	4,000,000	\$0.026	29 SEP 2021
PAISLEY SUPERANNUATION NOMINESS PTY LTD	SHARES	1,153,846	\$0.026	29 SEP 2021
ROCKET SCIENCE PTY LTD	SHARES	4,000,000	\$0.026	29 SEP 2021
ROOKHARP CAPITAL PTY LIMITED	SHARES	15,384,615	\$0.026	29 SEP 2021
ROW BOAT PTY LTD	SHARES	3,846,154	\$0.026	29 SEP 2021
RYAN ROOKE HOLDINGS PTY LTD	SHARES	1,153,846	\$0.026	29 SEP 2021
VENTOUX PTY LTD	SHARES	3,000,000	\$0.026	29 SEP 2021
WIMALEX PTY LTD	SHARES	2,000,000	\$0.026	29 SEP 2021
AYMAN MUHOR INVESTMENTS PTY LTD	OPTIONS	384,615	NIL	29 SEP 2021
BABADE PTY LTD	OPTIONS	512,820	NIL	29 SEP 2021
BAM OPPORTUNITIES FUND PTY LTD	OPTIONS	276,500	NIL	29 SEP 2021
BEIRNE TRADING PTY LTD	OPTIONS	999,999	NIL	29 SEP 2021
CHIFLEY PORTFOLIOS PTY LTD	OPTIONS	1,666,667	NIL	29 SEP 2021
CHOICE INVESTMENTS DUBBO PTY LTD	OPTIONS	1,923,077	NIL	29 SEP 2021
CPS CONTROL SYSTEMS PTY LIMITED	OPTIONS	2,564,103	NIL	29 SEP 2021
GAMBIER PTY LTD	OPTIONS	128,333	NIL	29 SEP 2021
HARTNELL NOMINESS PTY LTD	OPTIONS	2,564,103	NIL	29 SEP 2021
HIC PTY LTD	OPTIONS	333,333	NIL	29 SEP 2021
JL GIBSON INVESTMENTS PTY LTD	OPTIONS	1,282,051	NIL	29 SEP 2021
KABILA INVESTMENTS PTY LIMITED	OPTIONS	641,026	NIL	29 SEP 2021
MACQUARIE RIVER HOLDINGS PTY LTD	OPTIONS	233,333	NIL	29 SEP 2021
MELBOURNE CAPITAL PTY LTD	OPTIONS	1,666,667	NIL	29 SEP 2021
MIKADO CORPORATION PTY LTD	OPTIONS	1,000,000	NIL	29 SEP 2021
MR ASHLEY BAXTER	OPTIONS	641,026	NIL	29 SEP 2021
MR BENJAMIN DUNN	OPTIONS	641,026	NIL	29 SEP 2021
MR HARRY ARTHUR HILL	OPTIONS	333,333	NIL	29 SEP 2021
MR MICHAEL JOHN EDGAR	OPTIONS	1,000,000	NIL	29 SEP 2021
MRS LYNETTE ISOBEL SMITH	OPTIONS	64,103	NIL	29 SEP 2021
MS IRENE MARY FRISBY	OPTIONS	666,667	NIL	29 SEP 2021
MUNGALA INVESTMENTS PTY LTD	OPTIONS	166,667	NIL	29 SEP 2021
NAMBIA PTY LTD	OPTIONS	1,333,333	NIL	29 SEP 2021
PAISLEY SUPERANNUATION NOMINESS PTY LTD	OPTIONS	384,615	NIL	29 SEP 2021
ROCKET SCIENCE PTY LTD	OPTIONS	1,333,333	NIL	29 SEP 2021
ROOKHARP CAPITAL PTY LIMITED	OPTIONS	5,128,205	NIL	29 SEP 2021
ROW BOAT PTY LTD	OPTIONS	1,282,051	NIL	29 SEP 2021
RYAN ROOKE HOLDINGS PTY LTD	OPTIONS	384,615	NIL	29 SEP 2021
VENTOUX PTY LTD	OPTIONS	1,000,000	NIL	29 SEP 2021
WIMALEX PTY LTD	OPTIONS	666,667	NIL	29 SEP 2021
FACOORY INVESTMENTS (QLD) PTY LTD	SHARES	250,000	\$0.026	29 SEP 2021
MATRA CAPITAL PTY LTD	SHARES	250,000	\$0.026	29 SEP 2021
JONNOLA PTY LTD	SHARES	250,000	\$0.026	29 SEP 2021
MAYHEW CAPITAL PTY LTD	SHARES	250,000	\$0.026	29 SEP 2021
MR BRADLEY PETER VAN	SHARES	360,513	\$0.026	29 SEP 2021
PLAY DIRECT CAPITAL PTY LTD	SHARES	360,513	\$0.026	29 SEP 2021
LI AND WU PROSPERITY PTY LTD	SHARES	374,933	\$0.026	29 SEP 2021
MOORE HOLDINGS PTY LTD	SHARES	374,933	\$0.026	29 SEP 2021
MS FURONG ZHANG & MR VICTOR ZHOU	SHARES	384,615	\$0.026	29 SEP 2021
MR SHAISHAV KUMAR PATEL & MRS VIDUSHI PATEL	SHARES	384,615	\$0.026	29 SEP 2021
MR PHILLIP ANDREW HALL	SHARES	385,000	\$0.026	29 SEP 2021
MR GUY WEST	SHARES	400,000	\$0.026	29 SEP 2021
MR MOUSTAFA AWADA	SHARES	432,615	\$0.026	29 SEP 2021
MR DAMIEN JOEL SZWARC	SHARES	461,540	\$0.026	29 SEP 2021
JATHRO PTY LTD	SHARES	468,666	\$0.026	29 SEP 2021

ZYWIEC INVESTMENTS PTY LTD	SHARES	500,000	\$0.026	29 SEP 2021
SIMMO ENTERPRISES PTY LTD	SHARES	500,000	\$0.026	29 SEP 2021
PASTRO HOLDINGS PTY LTD	SHARES	540,769	\$0.026	29 SEP 2021
MR OON TIAN YEOH & MRS ELZBIETA HELENA YEOH	SHARES	576,923	\$0.026	29 SEP 2021
MR MARK GANZ	SHARES	576,923	\$0.026	29 SEP 2021
MR MARK ANDREW BOULTON & MRS IRINA GOUNDORTSEVA	SHARES	576,923	\$0.026	29 SEP 2021
ABN AMRO CLEARING SYDNEY NOMINEES PTY LTD	SHARES	576,923	\$0.026	29 SEP 2021
JONCELE SUPER PTY LTD	SHARES	576,924	\$0.026	29 SEP 2021
MR PAUL LAY	SHARES	721,025	\$0.026	29 SEP 2021
MR KHRISTOPHER KIT LOWE	SHARES	745,128	\$0.026	29 SEP 2021
MR XIANGTIAN ZHENG	SHARES	749,866	\$0.026	29 SEP 2021
COOPER HOLDINGS NSW PTY LTD	SHARES	769,231	\$0.026	29 SEP 2021
LUDO CAPITAL PTY LTD	SHARES	769,231	\$0.026	29 SEP 2021
MR JOHN NIESSL	SHARES	769,231	\$0.026	29 SEP 2021
CASCADE COMPANY PTY LTD	SHARES	769,231	\$0.026	29 SEP 2021
LUDO CAPITAL PTY LTD	SHARES	800,000	\$0.026	29 SEP 2021
KARTIS PTY LTD	SHARES	961,538	\$0.026	29 SEP 2021
JONNOLA PTY LTD	SHARES	1,000,000	\$0.026	29 SEP 2021
MUNROSE INVESTMENTS PTY LTD	SHARES	1,031,066	\$0.026	29 SEP 2021
BONAV INVESTMENTS PTY LTD	SHARES	1,046,154	\$0.026	29 SEP 2021
LYCD NO 1 PTY LTD	SHARES	1,081,538	\$0.026	29 SEP 2021
MR MICHAEL JAMES LOVELL	SHARES	1,081,538	\$0.026	29 SEP 2021
BVB CUSTODIAN PTY LTD	SHARES	1,153,845	\$0.026	29 SEP 2021
789 PTY LTD	SHARES	1,153,846	\$0.026	29 SEP 2021
SQUARE FOREST PTY LTD	SHARES	1,153,846	\$0.026	29 SEP 2021
DSL TRADING COMPANY PTY LTD	SHARES	1,153,846	\$0.026	29 SEP 2021
XENIUS CAPITAL PTY LTD	SHARES	1,200,000	\$0.026	29 SEP 2021
MR CHRISTOPHER JOHN RICHARDS & MRS LINNET RICHARDS	SHARES	1,461,538	\$0.026	29 SEP 2021
VIVO TRADING PTY LTD	SHARES	1,490,256	\$0.026	29 SEP 2021
LEET INVESTMENTS PTY LIMITED	SHARES	1,500,000	\$0.026	29 SEP 2021
MBA INVESTMENTS PTY LTD	SHARES	1,802,562	\$0.026	29 SEP 2021
GT CAPITAL PTY LTD	SHARES	1,874,664	\$0.026	29 SEP 2021
BLUE HEELER CAPITAL PTY LTD	SHARES	1,923,077	\$0.026	29 SEP 2021
RIYA INVESTMENTS PTY LTD	SHARES	2,000,000	\$0.026	29 SEP 2021
WOLF TRADING PTY LTD	SHARES	2,000,000	\$0.026	29 SEP 2021
H G H MCCATHIE PTY LTD	SHARES	2,000,000	\$0.026	29 SEP 2021
MR MARK ANDREW TKOCZ	SHARES	2,037,333	\$0.026	29 SEP 2021
NETWEALTH INVESTMENTS LIMITED	SHARES	2,692,308	\$0.026	29 SEP 2021
SABA NOMINEES PTY LTD	SHARES	2,846,153	\$0.026	29 SEP 2021
P K CAPITAL PTY LTD	SHARES	3,605,125	\$0.026	29 SEP 2021
HOWSTATE PTY LIMITED	SHARES	3,692,308	\$0.026	29 SEP 2021
NORTH OF THE RIVER INVESTMENTS PTY LTD	SHARES	3,725,639	\$0.026	29 SEP 2021
MATTHEW BURFORD SUPER FUND PTY	SHARES	3,725,640	\$0.026	29 SEP 2021
MR KEVIN DANIEL LEARY & MRS HELEN PATRICIA LEARY	SHARES	3,846,154	\$0.026	29 SEP 2021
JAYART FUNDS MANAGEMENT PTY LTD	SHARES	3,874,665	\$0.026	29 SEP 2021
MR JIAMIING QI	SHARES	4,326,151	\$0.026	29 SEP 2021
ORCA CAPITAL GMBH	SHARES	5,000,000	\$0.026	29 SEP 2021
YUCAJA PTY LTD	SHARES	10,815,376	\$0.026	29 SEP 2021
FACOORY INVESTMENTS (QLD) PTY LTD	OPTIONS	83,333	NIL	29 SEP 2021
MATRA CAPITAL PTY LTD	OPTIONS	83,333	NIL	29 SEP 2021
JONNOLA PTY LTD	OPTIONS	83,333	NIL	29 SEP 2021
MAYHEW CAPITAL PTY LTD	OPTIONS	83,333	NIL	29 SEP 2021
MR BRADLEY PETER VAN	OPTIONS	120,171	NIL	29 SEP 2021
PLAY DIRECT CAPITAL PTY LTD	OPTIONS	120,171	NIL	29 SEP 2021
LI AND WU PROSPERITY PTY LTD	OPTIONS	124,978	NIL	29 SEP 2021
MOORE HOLDINGS PTY LTD	OPTIONS	124,978	NIL	29 SEP 2021
MS FURONG ZHANG & MR VICTOR ZHOU	OPTIONS	128,205	NIL	29 SEP 2021
MR SHAISHAV KUMAR PATEL & MRS VIDUSHI PATEL	OPTIONS	128,205	NIL	29 SEP 2021
MR PHILLIP ANDREW HALL	OPTIONS	128,333	NIL	29 SEP 2021
MR GUY WEST	OPTIONS	133,333	NIL	29 SEP 2021
MR MOUSTAFA AWADA	OPTIONS	144,205	NIL	29 SEP 2021

MR DAMIEN JOEL SZWARC	OPTIONS	153,847	NIL	29 SEP 2021
JATHRO PTY LTD	OPTIONS	156,222	NIL	29 SEP 2021
ZYWIEC INVESTMENTS PTY LTD	OPTIONS	166,667	NIL	29 SEP 2021
SIMMO ENTERPRISES PTY LTD	OPTIONS	166,667	NIL	29 SEP 2021
PASTRO HOLDINGS PTY LTD	OPTIONS	180,256	NIL	29 SEP 2021
MR OON TIAN YEOH & MRS ELZBIETA HELENA YEOH	OPTIONS	192,308	NIL	29 SEP 2021
MR MARK GANZ	OPTIONS	192,308	NIL	29 SEP 2021
MR MARK ANDREW BOULTON & MRS IRINA GOUNDORTSEVA	OPTIONS	192,308	NIL	29 SEP 2021
ABN AMRO CLEARING SYDNEY NOMINEES PTY LTD	OPTIONS	192,308	NIL	29 SEP 2021
JONCELE SUPER PTY LTD	OPTIONS	192,308	NIL	29 SEP 2021
MR PAUL LAY	OPTIONS	240,342	NIL	29 SEP 2021
MR KHRISTOPHER KIT LOWE	OPTIONS	248,376	NIL	29 SEP 2021
MR XIANGTIAN ZHENG	OPTIONS	249,955	NIL	29 SEP 2021
COOPER HOLDINGS NSW PTY LTD	OPTIONS	256,410	NIL	29 SEP 2021
LUDO CAPITAL PTY LTD	OPTIONS	256,410	NIL	29 SEP 2021
MR JOHN NIESSL	OPTIONS	256,410	NIL	29 SEP 2021
CASCADE COMPANY PTY LTD	OPTIONS	256,410	NIL	29 SEP 2021
LUDO CAPITAL PTY LTD	OPTIONS	266,667	NIL	29 SEP 2021
KARTIS PTY LTD	OPTIONS	320,513	NIL	29 SEP 2021
JONNOLA PTY LTD	OPTIONS	333,333	NIL	29 SEP 2021
MUNROSE INVESTMENTS PTY LTD	OPTIONS	343,689	NIL	29 SEP 2021
BONAV INVESTMENTS PTY LTD	OPTIONS	348,718	NIL	29 SEP 2021
LYCD NO 1 PTY LTD	OPTIONS	360,513	NIL	29 SEP 2021
MR MICHAEL JAMES LOVELL	OPTIONS	360,513	NIL	29 SEP 2021
BVB CUSTODIAN PTY LTD	OPTIONS	384,615	NIL	29 SEP 2021
789 PTY LTD	OPTIONS	384,615	NIL	29 SEP 2021
SQUARE FOREST PTY LTD	OPTIONS	384,615	NIL	29 SEP 2021
DSL TRADING COMPANY PTY LTD	OPTIONS	384,615	NIL	29 SEP 2021
XENIUS CAPITAL PTY LTD	OPTIONS	400,000	NIL	29 SEP 2021
MR CHRISTOPHER JOHN RICHARDS & MRS LINNET RICHARDS	OPTIONS	487,179	NIL	29 SEP 2021
VIVO TRADING PTY LTD	OPTIONS	496,752	NIL	29 SEP 2021
LEET INVESTMENTS PTY LIMITED	OPTIONS	500,000	NIL	29 SEP 2021
MBA INVESTMENTS PTY LTD	OPTIONS	600,854	NIL	29 SEP 2021
GT CAPITAL PTY LTD	OPTIONS	624,888	NIL	29 SEP 2021
BLUE HEELER CAPITAL PTY LTD	OPTIONS	641,026	NIL	29 SEP 2021
RIYA INVESTMENTS PTY LTD	OPTIONS	666,667	NIL	29 SEP 2021
WOLF TRADING PTY LTD	OPTIONS	666,667	NIL	29 SEP 2021
H G H MCCATHIE PTY LTD	OPTIONS	666,667	NIL	29 SEP 2021
MR MARK ANDREW TKOCZ	OPTIONS	679,111	NIL	29 SEP 2021
NETWEALTH INVESTMENTS LIMITED	OPTIONS	897,436	NIL	29 SEP 2021
SABA NOMINEES PTY LTD	OPTIONS	948,718	NIL	29 SEP 2021
P K CAPITAL PTY LTD	OPTIONS	1,201,708	NIL	29 SEP 2021
HOWSTATE PTY LIMITED	OPTIONS	1,230,769	NIL	29 SEP 2021
NORTH OF THE RIVER INVESTMENTS PTY LTD	OPTIONS	1,241,880	NIL	29 SEP 2021
MATTHEW BURFORD SUPER FUND PTY	OPTIONS	1,241,880	NIL	29 SEP 2021
MR KEVIN DANIEL LEARY & MRS HELEN PATRICIA LEARY	OPTIONS	1,282,051	NIL	29 SEP 2021
JAYART FUNDS MANAGEMENT PTY LTD	OPTIONS	1,291,555	NIL	29 SEP 2021
MR JIAMING QI	OPTIONS	1,442,050	NIL	29 SEP 2021
ORCA CAPITAL GMBH	OPTIONS	1,666,667	NIL	29 SEP 2021
YUCAJA PTY LTD	OPTIONS	3,605,125	NIL	29 SEP 2021
TONI HAWKINS	SHARES	559,068	\$0.027	6 OCT 2021
PETER BUBENDORFER	6 OCT 2021	387,607	\$0.027	6 OCT 2021
MIKE BUCKNILL	6 OCT 2021	714,570	\$0.027	6 OCT 2021
STUART FLETCHER	6 OCT 2021	357,092	\$0.027	6 OCT 2021
JON JOHNSON	6 OCT 2021	458,671	\$0.027	6 OCT 2021
LUCAS JAMES MCLEAN-HODGSON	6 OCT 2021	354,572	\$0.027	6 OCT 2021
WAYNE RICHARDS	6 OCT 2021	491,377	\$0.027	6 OCT 2021
MICHAEL STURDY	6 OCT 2021	474,960	\$0.027	6 OCT 2021
JOHN MACKINTOSH	6 OCT 2021	591,431	\$0.027	6 OCT 2021
MRS SHARYN LESLEY SALOMON & MR JONATHAN ARNOLD SALOMON	6 OCT 2021	209,776	\$0.027	6 OCT 2021
CRONUS CONSULTING PTY LTD	6 OCT 2021	335,081	\$0.027	6 OCT 2021

MICHAEL LONERGAN	6 OCT 2021	437,871	\$0.027	6 OCT 2021
MR MARK JASON GREENWOOD	6 OCT 2021	936,062	\$0.027	6 OCT 2021
MICHAEL LAURENT	6 OCT 2021	17,375	\$0.027	6 OCT 2021
MILLBOHM CONSULTING GROUP PTY LTD	6 OCT 2021	412,415	\$0.027	6 OCT 2021
MARGARET ABOODY	6 OCT 2021	607,037	\$0.027	6 OCT 2021
MARK EDWARD HANSEN	6 OCT 2021	1,277,778	\$0.027	6 OCT 2021
DON THOM	6 OCT 2021	170,366	\$0.027	6 OCT 2021

Resolution 6. Approval to issue, or Ratification of the issue, of 33,653,845 Placement Shares and 11,217,948 Placement Options

1. Background

As noted in the Announcement¹, the Company is currently undertaking the Capital Raising. As separately announced to the market on 30 September 2021 (*Capital Raising Update*), approximately \$2.475 million of funds remain to be settled. Approximately \$1.6 million of the Capital Raising is subject to shareholder approval as it is being issued to DGR Global Limited, the Company's largest shareholder – this is dealt with separately in Resolution 8. This Resolution 6 concerns the issue of Placement Shares and Placement Options (together, **Placement Securities**) which relate to \$0.875 million of the Capital Raising. The intended subscribers are set out below in Table 2.

Accordingly, Resolution 6 seeks to either:

- approve the issue of 33,653,845 Placement Shares and 11,217,948 Placement Options to the recipients set out in Table 2 below (the **Placement Issue**) in accordance with Listing Rule 7.1 (refer section 2 below); or
- if the Placement Issue has taken place before the Meeting, ratify the issue of 33,653,845 Placement Shares and 11,217,948 Placement Options to the recipients set out in Table 2 below in accordance with Listing Rule 74 (refer section 3 below).

2. Listing Rule 7.1

Listing Rule 7.1 limits the number of equity securities that a listed entity can issue without the approval of its members. 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 5. The Company now seeks Shareholder approval to ratify the issue of the Placement Securities for the purposes of Listing Rule 7.1.

If Resolution 6 is not passed, the Company will be required to issue some or all of the Placement Securities out of its current Listing Rule 7.1 and 7.1A placement capacity. Those Placement Securities when issued will be included when calculating the Company's capacity under Listing Rule 7.1 or 7.1A (as the case may be).

3. Listing Rule 7.4

Listing Rule 7.4 allows the members of a listed entity 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 entity's remaining capacity to issue securities under Listing Rules 7.1 and 7.1A. For a further discussion of Listing Rule 7.4 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 5.

It is possible the Company may issue the Placement Securities under its placement capacity before the Meeting is held. However, if it does so, in accordance with Listing Rule 7.4 the Company will seek Shareholder approval to ratify the previous issue of the Placement Securities to the recipients set out below in Table 2.

The Company seeks Shareholder approval to ratify the previous issue of 33,653,845 Placement Shares and 11,217,948 Placement Options in order to ratify the Company's ability to issue up to 15% of its share capital (in a 12-month period) under Listing Rule 7.1.

¹ See ASX Announcement, 27 September 2020 *Successful Completion of \$8.2 million Equity Raising*.

Under Listing Rule 7.4, an issue of securities made without approval under Listing Rule 7.1 is treated as having been made with approval if the issue:

- did not breach Listing Rule 7.1 (ie. the issue did not exceed the 15% limit under that Listing Rule); and
- holders of the entity's ordinary securities subsequently approve the issue.

4. Information required by Listing Rules 7.3 and 7.5

Listing Rule 7.3 sets out the requirements for notices of meetings at which Shareholder approval is sought for the purposes of Listing Rule 7.1. Listing Rule 7.5 sets out the requirements for notices of meetings at which Shareholder approval is sought for the purposes of Listing Rule 7.4.

Accordingly, for the purposes of both Listing Rules 7.3 and 7.5, the following information is provided about the issue of 33,653,845 Placement Shares and 11,217,948 Placement Options:

- (1) The Placement Securities will be issued to the recipients and on the proportions set out in Table 2 below.
- (2) The maximum number of Placement Shares that the Company can issue pursuant to Resolution 6 is 33,653,845 Placement Shares. Any Placement Shares issued will be fully paid ordinary Shares in the capital of the Company, not 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 link noted above.
- (3) The maximum number of Placement Options that the Company can issue pursuant to Resolution 6 is 11,217,948 Placement Options.
- (4) The terms on which the Placement Options will be issued are set out in **Schedule 1 – Option Terms**.
- (5) If the issue of the Placement Securities takes place before the Meeting, their issue date will be the date on which an Appendix 2A applying for their quotation is lodged with ASX. If the issue does not take place before the Meeting, the Placement Securities will be issued (if at all) 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). Their allotment may occur progressively.
- (6) The Placement Shares will be issued at an issue price of \$0.026 per Placement Share. 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 three (3) Placement Shares issued.
- (7) The funds raised from the issue of the Placement Shares will be applied towards the Use of Funds (refer definition on page 34). No funds will be raised from the issue of the Placement Options as the Placement Options will be issued for nil cash consideration on a free attaching basis.
- (8) A Voting Exclusion Statement for this Resolution is set out under Resolution 6 in the Notice of Meeting.

Table 2 – Recipients of Placement Securities

Recipient	Placement Shares	Placement Options
ROOKHARP CAPITAL PTY LIMITED	13,461,538	4,487,179
MELBOURNE CAPITAL PTY LTD	5,000,000	1,666,667
RYAN ROOKE HOLDINGS PTY LTD	576,923	192,308
CHOICE INVESTMENTS (DUBBO) PTY LTD	13,461,538	4,487,179
TALBRAGAR RIVER HOLDINGS PTY LTD	1,153,846	384,615

5. Directors' Recommendation

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

Resolution 7. Approval to issue up to 13,235,108 Fee Options to Bizzell Capital Partners Pty Ltd

1. Background

As announced in the Announcement² the Company appointed BCP to act as Joint Lead Manager with JB Advisory with respect to the Capital Raising. The terms of the appointment are set out in the BCP Engagement Letter which in summary provides that:

- (1) BCP will (amongst other things) act as a joint lead manager in relation to the Capital Raising.
- (2) BCP may appoint co-managers or brokers in relation to the Capital Raising.
- (3) 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 bids into the sub-underwriting and determining final sub-underwriting allocations; and providing such other assistance to the Company with respect to the Capital Raising as agreed from time to time.
- (4) The following fees are payable to BCP in relation to the September Placement and the September Conditional Placement:
 - (a) a management fee of 1% of the value of all funds raised under the Capital Raising (the **Management Fee**);
 - (b) a selling fee of 5% of the value of all September Placement Shares and September Conditional Placement Shares issued (the **Placement Fee**); and
 - (c) subject to obtaining Shareholder approval, the issue to BCP or its sub underwriter nominees of four (4) Fee Options for every one (1) dollar raised under the Capital Raising (the **BCP Fee Options**).

Pursuant to the terms of the BCP Engagement Letter, BCP is entitled to the issue of 13,235,108 BCP Fee Options for subscriptions procured by it for the Capital Raising.

- (5) 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.
- (6) For all amounts payable by the BCP to DGR under the arrangements described in paragraph (5) immediately above, BCP may direct DGR to invoice the Company directly for these amounts, and the Company to settle these amounts with those parties directly (the **Pay Away Arrangements**).

2. Listing Rule 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 respect of **Resolution 7** for the issue of the BCP Fee Options to BCP.

² as above.

If the approval sought under Listing Rule 10.11 for the issue is granted, then approval will not be required under Listing Rule 7.1 for the relevant issue (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 5**). 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 7** is not passed then the BCP Fee Options cannot be issued to BCP.

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 Fee Options is BCP, and any other third party to which BCP directs the Company to issue the BCP Fee Options. The Company is advised that these third parties may include parties which participated in the September Placement or the September Conditional Placement. None of the potential third party recipients of the BCP Fee Options the subject of this **Resolution 7**, 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, these are the subject of **Resolution 8**.
- (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 BCP Fee Options to be issued is 13,235,108.
- (4) The terms on which the BCP Fee Options will be issued are set out in **Schedule 1 – Option Terms**.
- (5) If Shareholder approval is granted, the BCP Fee Options will be issued within one (1) month of the date of the Meeting.
- (6) The issue price of the BCP Fee Options will be nil, and no funds will be raised from the issue of the BCP Options as they will be issued as consideration for services provided by BCP pursuant to the BCP Engagement Letter. The BCP Engagement Letter is summarised above under the heading **1. Background**. However, if the BCP Fee Options are all exercised before their expiry, the Company will raise approximately \$661,755.
- (7) A Voting Exclusion statement for this Resolution has been included in the Notice of Meeting.

4. Chapter 2E

The non-conflicted Directors of the Company (Messrs Uliel and Sleeman) have satisfied themselves that the fees payable under the BCP Engagement Letter are on arm's length terms. Accordingly, 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 benefit³ to a related party⁴. Therefore, the consent of ASIC has not been sought in relation to **Resolution 7**.

5. Directors' Recommendation

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

³ The issue of the Fee Options are a "financial benefit" for the purposes of the Corporations Act.

⁴ A "related party" for the purposes of the Corporations Act includes a director of the public company and any entity controlled by that director. BCP is an entity controlled by a Director of the Company and are therefore a related party of the Company.

Resolution 8. Approval to issue up to 61,538,462 Shares, up to 20,512,821 Options and up to 6,400,000 Fee Options to DGR Global Limited

1. Background

- (1) As noted elsewhere in this Explanatory Memorandum, in the Announcement the Company announced that as part of the Capital Raising it may undertake the September Conditional Placement. Pursuant to the September Conditional Placement DGR has agreed to subscribe for:
 - (a) 61,538,462 September Conditional Placement Shares at an Issue Price of \$0.026 (the **DGR Conditional Placement Shares**); and
 - (b) 20,512,821 September Conditional Placement Options to subscribe for Shares, exercisable at \$0.05 per Option on or before 29 February 2024 (the **DGR Conditional Placement Options**).
- (2) As noted above in the context of **Resolution 7**, pursuant to the Pay Away Arrangements set out in the BCP Engagement Letter, for any amounts subscribed for in the Capital Raising by DGR, BCP will pay through to DGR, 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. As DGR will subscribe for \$1,600,000 worth of DGR Conditional Placement Shares, if this **Resolution 8** is passed, BCP will direct the Company to issue 6,400,000 DGR Fee Option Shares to DGR, which would otherwise have been issued to BCP as BCP Fee Options.

2. Listing Rule 10.11

As noted above in the context of **Resolution 7**, 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 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 DGR of:

- (1) 61,538,462 DGR Conditional Placement Shares;
- (1) 20,512,821 DGR Conditional Placement Options; and
- (2) 6,400,000 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 issues⁵. 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 8** is not passed then the September Conditional Placement Securities cannot 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 the September Conditional Placement Securities.

⁵ 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 5**.

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 the subject of Resolution 7 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 the subject of **Resolution 8** to be issued to DGR will be:
 - (a) up to 61,538,462 DGR Conditional Placement Shares. 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: <https://www.armourenergy.com.au/s/2.pdf>;
 - (b) up to 20,512,821 DGR Conditional Placement Options. 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 6,400,000 DGR Fee Options. 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 Fee Options will be issued are set out in **Schedule 1 – Option Terms**
- (1) The DGR Conditional Placement Securities will likely 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.
- (2) The DGR Fee Options will be issued to DGR no later than one (1) month after the date of this Meeting.
- (3) The DGR Conditional Placement Shares will be issued at an issue Price of \$0.026.
- (4) The issue price of the DGR Conditional Placement Options and the DGR Fee Options will be nil. However should all of the DGR Conditional Placement Options and the DGR Fee Options be exercised, the Company will raise approximately \$1,345,641.
- (5) The funds raised from the issue of the DGR Conditional Placement Shares to DGR will be applied towards the Use of Funds.
- (6) 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 Mather (as a director of DGR) have abstained from making a recommendation.

Resolution 9. Approval to issue up to 13,164,892 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): 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 bids into the sub-underwriting and determining final sub-underwriting allocations; and providing such other assistance to the Company with respect to the Capital Raising as agreed from time to time.
- (2) 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 above, 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 9 is passed the JBAP Fee Options will be excluded when calculating the Company's remaining capacity under Listing Rule 7.1.

If Resolution 9 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 13,164,892 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 13,164,892.
- (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. However should all of the JBAP Fee Options be exercised, the Company will raise approximately \$658,245.
- (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.

SPECIAL BUSINESS

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

1. Introduction

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

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

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

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

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

2. Listing Rule 7.1A

Eligibility

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

For illustrative purposes only, on 13 October 2021, the Company's market capitalisation was approximately \$44,794,725 based on the closing market price of the Shares on that date. The calculation of market capitalisation will be based on the closing market price of the Shares, on the last trading day on which trades in the Shares were recorded before the date of the Annual General Meeting, multiplied by the number of Shares on issue (excluding restricted securities and securities quoted on a deferred settlement basis).

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

Special Resolution

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

If this Resolution is not passed, the Company will not be able to access the additional 10% capacity to issue equity securities without shareholder approval provided for in Listing Rule 7.1A and will remain subject to the 15% limit on issuing equity securities without shareholder approval as set out in Listing Rule 7.1.

Shareholder Approval

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

3. Formula for calculating 10% Placement Facility – Listing Rule 7.1A.2

Listing Rule 7.1A2 provides that Eligible Entities which have obtained shareholder approval at an AGM may issue or agree to issue, during the 12-month period after the date of the AGM, a number of the equity securities calculated in accordance with the following formula:

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

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

plus the number of fully paid ordinary securities issued in the 12 months under an exception in Listing Rule 7.2 other than exception 9, 16 or 17;

plus the number of fully paid ordinary securities issued in the 12 months on the conversion of convertible securities within Listing Rule 7.2 exception 9 where: (a) the convertible securities were issued to or agreed to be issued before the commencement of the 12 months; or (b) the issue of, or agreement to issue, the convertible securities was approved, or taken under the Listing Rules to have been approved, under Listing Rule 7.1 or Listing Rule 7.4;

plus the number of fully paid ordinary securities issued in the 12 months under an agreement to issue securities within Listing Rule 7.2 exception 16 where: (a) the agreement was entered into before the commencement of the 12 months; or (b) the agreement or issue was approved, or taken under the Listing Rules to have been approved, under Listing Rule 7.1 or Listing Rule 7.4;

plus the number of partly paid ordinary securities that became fully paid in the 12 months; and

plus the number of fully paid ordinary securities issued in the 12 months with approval of holders of shares under Listing Rules 7.1 and 7.4 (this does not include an issue of fully paid shares under the entity's 15% placement capacity without shareholder approval);

less the number of fully paid ordinary securities cancelled in the 12 months.

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

D is 10%

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

4. Listing Rules 7.1 and 7.1A

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

At the date of this Notice of Meeting, the Company has on issue 1,866,446,875 Shares. If this Resolution is passed the Company will have the capacity to issue the following equity securities immediately following the Meeting:

- (1) 279,967,031 equity securities under Listing Rule 7.1; and
- (2) subject to Shareholder approval being obtained under this Resolution, a further 186,644,688 Placement Securities under Listing Rule 7.1A.

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

5. Information to be given to ASX – Listing Rule 7.1A.4

If **Resolution 10** is passed and the Company issues any Placement Securities under Listing Rule 7.1A, the Company will give to ASX:

1. a list of allottees of the Placement Securities and the number of the Placement Securities allotted to each placee (this list will not be released to the market); and
2. details of the proposed issue of equity securities in the form of, or accompanied by, and Appendix 3B.

6. Specific Information required by Listing Rule 7.3A

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

1. Period of time for which approval granted under Listing Rule 7.1A will be valid– Listing Rule 7.3A.1

If this Resolution is passed, Shareholder approval for the Additional 10% Placement will be valid from the date of the Meeting until the earlier to occur of:

- (1) the date that is 12 months after the date of the Meeting; or
- (2) the date of the approval by Shareholders of a transaction under Listing Rule 11.1.2 (a significant change to the nature or scale of activities) or Listing Rule 11.2 (disposal of main undertaking); or
- (3) such longer period if allowed by ASX.

Accordingly, if Shareholders give approval for the issue of the Placement Securities pursuant to this Resolution, then that approval will expire on 25 November 2022 unless Shareholder approval is granted pursuant to Listing Rules 11.1.2 or 11.2 prior to that date.

2. Minimum Price of securities issued under Listing Rule 7.1A – Listing Rule 7.3A.2

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

- (1) the date on which the price at which the Placement Securities are to be issued is agreed; or
- (2) if the Placement Securities are not issued within ten (10) trading days of the date in paragraph (1) above, the date on which the Placement Securities are issued.

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

3. Purpose – Listing Rule 7.3A.3

As noted above, the purpose for which the Placement Securities may be issued include to raise funds to be applied towards the acquisition of new assets or investments (including expenses associated with such acquisitions), continued exploration and feasibility study expenditure on the Company's current assets and general working capital.

4. Risk of Economic and Voting Dilution – Listing Rule 7.3A.4

As provided by Listing Rule 7.3A.2, if this Resolution is passed and the Company issues the Placement Securities, there is a risk of economic and voting dilution to the existing Shareholders. The Company currently has on issue 1,866,446,875 Shares. Subject to the passing of this Special Resolution, the number of Shares that the Company could issue pursuant to Listing Rule 7.1A will be 186,644,688 (however, it is important to note that the exact number of Placement Securities which may be issued will be calculated in accordance with the formula contained in Listing Rule 7.1A.2, details of which are set out above). Any issue of the Placement Securities will have a dilutive effect on existing Shareholders.

There is a specific risk that:

- (1) the closing market price for the Company's equity securities may be significantly lower on the date of the issue of any Placement Securities than it is on the date of the Meeting; and
- (2) the Placement Securities may be issued at a price that is at a discount to the closing market price for the Company's equity securities on the issue date,

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

As required by Listing Rule 7.3A.2, Table 3 below shows the potential economic and voting dilution effect, in circumstances where the issued share capital has doubled and the closing market price of the shares has halved. Table 3 also shows additional scenarios in which the issued share capital has increased (by both 50% and 100%) and the closing market price of the Shares has:

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

Table 3:

	50% Decrease in Closing Market Price \$0.012		Current Closing Market Price \$0.024		100% Increase in Closing Market Price \$0.048	
	10% Voting Dilution	Capital Raised	10% Voting Dilution	Capital Raised	10% Voting Dilution	Capital Raised
Present Issued Share Capital* 1,610,223,263	161,022,326	\$1,932,268	161,022,326	\$3,864,536	161,022,326	\$7,729,072
50% Increase in Share Capital 2,415,334,895	241,533,489	\$2,898,402	241,533,489	\$5,796,804	241,533,489	\$11,593,607
100% Increase in Share Capital 3,220,446,526	322,044,653	\$3,864,536	322,044,653	\$7,729,072	322,044,653	\$15,458,143

* Calculated in accordance with the definition of "A" in Listing Rule 7.1A.2.

Assumptions and Explanations for Table 3

- The closing market price is \$0.024, based on the closing market price of the Shares on ASX on 13 October 2021.
- The above table only shows the dilutionary effect based on the issue of the Placement Securities (assuming only Shares are issued), and not any Shares issued under the 15% capacity under Listing Rule 7.1.
- The 10% voting dilution reflects the aggregate percentage dilution against the issued Share capital at the time of issue. It shows the number of shares that the Company's share capital will increase by.
- The Company issues the maximum number of Placement Securities.
- The issued Share capital has been calculated in accordance with the formula in Listing Rule 7.1A.2 as at 13 October 2021.
- The Issue Price of the Placement Securities used in the table is the same as the closing market price and does not take into account the discount to the closing market price (if any).
- The table above does not show the potential dilutionary effect to a particular shareholder.

5. Company's Allocation Policy – Listing Rule 7.3A.5

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

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

The allottees of the Placement Securities have not been determined as at the date of this Notice but may include existing substantial Shareholders and new Shareholders who are not related parties or associates of a related party of the Company.

Furthermore, if the Company is successful in acquiring new assets or investments for which Placement Securities are issued as consideration, it is likely that the allottees of some of the Placement Securities will be the vendors of the new assets or investments.

6. Details of all equity securities issued where Shareholder approval under Listing Rule 7.1A.2 was previously obtained – Listing Rule 7.3A.6

The Company previously obtained Shareholder approval under Listing Rule 7.1A at the previous Annual General Meeting held on 18 December 2020. For the purposes of Listing Rule 7.3A.6(a), the Company advises as follows:

(i) Number of Equity securities on issue at commencement of 12-month period commencing on 18 December 2020	1,162,514,211 FPO 330,408,637 Quoted Options 97,750,000 Unlisted Options
(ii) Equity securities issued in prior 12-month period commencing on 18 December 2020	288,553,829 FPO
(iii) Percentage previous issues represent of total number of Equity securities on issue at commencement of 12-month period	18.14%

For the purposes of Listing Rule 7.3A.6(b), the Company advises as follows:

- On 24 March 2021, 127,531,503 fully paid ordinary shares were issued to sophisticated and professional investors who participated in the Company's Capital Raising program. These shares were issued at a price of \$0.035 each, which was not a discount to the market price on the same date of \$0.0315.
- On 29 September 2021, 161,022,326 fully paid ordinary shares were issued to sophisticated and professional investors who participated in the Company's Capital Raising program. These shares were issued at a price of \$0.026 each, which was not a discount to the market price on the same date of \$0.025.

7. Voting Exclusion Statement – Listing Rule 7.3A.7

As required by Listing Rule 7.3A.7, a Voting Exclusion Statement for this Resolution 10 has been included in the Notice of Meeting.

7. Directors' Recommendation

The Directors recommend that you vote in favour of this Special 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 and the Listing Rules or the Corporations Act as appropriate, unless otherwise defined below, or in the body of the Explanatory Memorandum. The following terms shall have the meanings ascribed to the below:

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 27 September 2021 entitled "Successful Completion of \$8.2 million Equity Raising".

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

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

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 23 September 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 7**.

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 7**.

Board means the board of Directors of the Company.

Capital Raising means the September Placement and the September Conditional Placement.

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

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

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.

DGR Conditional Placement Securities means the DGR Conditional Placement Shares and the DGR Conditional Placement Options.

DGR Conditional Placement Shares means the September Conditional Placement Shares to be issued to DGR, the subject of **Resolution 8**.

DGR Conditional Placement Options means the September Conditional Placement Options to be issued to DGR, the subject of **Resolution 8**.

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

Director means a director of the Company.

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

Issue Price means with respect to a Share referred to in the Notice of Meeting or the Explanatory Memorandum, the price at which it has been issued or may be issued, as the context requires.

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 23 September 2021, pursuant to which JB Advisory will 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 9**.

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 9**.

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

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

Meeting or Annual General Meeting means the annual general meeting of the Company to be held on 25 November 2021.

Northern Basin projects means those exploration permits and exploration permit applications in the Northern Territory, and in the South Nicholson Basin in Queensland, which as at the date of the Explanatory Memorandum are held by either McArthur NT Pty Ltd, a wholly owned subsidiary of the Company, or the Company itself.

Northern Basin Business demerger and IPO of McArthur Oil & Gas means the series of transactions by which: the shares of McArthur Oil & Gas Ltd (which is the holding company of McArthur NT Pty Ltd, which in turn holds the Northern Basin projects) will be distributed to shareholders of the Company; an initial public offering made with respect to the shares of McArthur Oil & Gas Ltd; and an application made for the listing for quotation of the shares of McArthur Oil & Gas Ltd on the Australian Stock Exchange.

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

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

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

Pay Away Arrangements means those arrangements entered into between the Company and 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 7**.

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

professional and sophisticated investors means a person to whom securities may be issued without disclosure in reliance neither section 708 (8) or (11) as the case may be.

Ratification Securities means the Ratification Shares and the Ratification Options.

Ratification Shares means the Shares the subject of **Resolution 5**.

Ratification Options means the Options the subject of **Resolution 5**.

Recipients means the recipients of the Ratification Securities.

Resolution means a resolution to be proposed at the Meeting.

September Conditional Placement means the private placement to Sophisticated and Professional Investors of approximately \$1.6 million worth of Conditional Placement Shares along with one (1) Conditional Placement Option for every three (3) Conditional Placement Shares subscribed for, announced to the ASX in the Announcement.

September Conditional Placement Options means the free attaching options to be issued as part of the September Conditional Placement, which are to be issued on the terms set out in **Schedule 1** to this Explanatory Memorandum.

September Conditional Placement Securities means the September Conditional Placement Shares and the September Conditional Placement Options.

September Conditional Placement Shares means the Shares to be issued pursuant to the September Conditional Placement at an Issue Price.

September Placement means the private placement to Sophisticated and Professional Investors of approximately \$6.6 million worth of September Placement Shares along with one (1) September Placement Option for every three (3) September Placement Shares subscribed for, announced to the ASX in the Announcement.

September Placement Options means the free attaching options issued as part of the September Placement, which were issued on the terms set out in **Schedule 1** to this Explanatory Memorandum.

September Placement Securities means the September Conditional Placement Shares and the September Conditional Placement Options.

September Placement Shares means the Shares issued as part of the September Placement at an Issue Price of \$0.026.

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) Costs associated with progressing the planning and approvals required to undertake the proposed 2022 work programs on the Northern Basin projects;
- (3) Ongoing expenditures related to retention of exploration areas of interest, holding tenures in good standing and compliance across all the Company's areas of interest, including the Northern Basin;
- (4) Kincora Gas Processing Plant production assurance and pipeline maintenance capital;
- (5) Costs associated with securing a remediation outcome in relation to previous work program activities;
- (6) Payment of interest and scheduled principal amortisation payments in respect of the Company's Amortising Notes; and
- (7) General working capital requirements, outstanding trade creditor payments and costs of the Placement.

VWAP means volume weighted average price.

ENQUIRIES

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

Notes

Entitlement to Vote

For the purposes of determining those shareholders entitled to attend and vote at the Annual General Meeting of the Company, shall be those persons recorded in the register of shareholders as at 6:00 pm (Brisbane Time) 23 November 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 Annual General Meeting in person, by proxy or authorised representative.

Voting in Person

To vote in person, attend the Annual 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.

Completed proxies can be returned to the Company Secretary by either mail to GPO Box 5261, Brisbane QLD 4001, facsimile to (07) 3303 0681, or scanned and emailed to kschlobohm@armourenergy.com.au