

9 September 2022

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## NOTICE OF GENERAL MEETING

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Attached is a Notice of Meeting and sample related proxy form in respect of a General Meeting of Shareholders for **Antilles Gold Limited** (ASX Code: AAU, OTCQB: ANTMF: FSE Code: PTJ) which is to be held on Tuesday 11 October 2022 at 10.30am AEST at the Company's registered office at 55 Kirkham Road, Bowral, NSW.

This notice has been authorised by the Chairman of Antilles Gold Limited.

For further information, please contact:

**Pamela Bardsley,**  
Company Secretary, **Antilles Gold**  
**T:** +61 (02) 4861 1740  
**E:** [pamelabardsley@antillesgold.net](mailto:pamelabardsley@antillesgold.net)

# **ANTILLES GOLD LIMITED**

**ABN 48 008 031 034**

## **NOTICE OF GENERAL MEETING**

**The General Meeting of Shareholders  
will be held on Tuesday 11 October 2022 at 10.30am (AEST)**

**at**

**55 Kirkham Road, Bowral, NSW, 2576**

*If you are unable to attend the meeting, please complete the form of proxy enclosed and return it in accordance with the instructions set out on that form.*

**ANTILLES GOLD LIMITED**  
**ABN 48 008 031 034**

**NOTICE OF GENERAL MEETING**

Notice is given that a General Meeting of the Shareholders of Antilles Gold Limited (the **Company** or **Antilles Gold**) will be held on Tuesday 11 October 2022 commencing at 10.30am (AEST) at the registered office of Antilles Gold Limited at 55 Kirkham Road, Bowral, N.S.W.

The Explanatory Statement and proxy form which accompany and form part of this Notice, describe in more details the matters to be considered. Please consider this Notice, the Explanatory Statement and the proxy form in their entirety.

**AGENDA**

**ORDINARY BUSINESS**

**Resolution 1: Approval of Revised Employee Performance Rights Plan**

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

*“That for the purposes of ASX Listing Rule 7.2 Exception 13, as an exception to ASX Listing Rule 7.1, and for all other purposes, the Shareholders approve the revised terms of the Antilles Gold Performance Rights Plan as summarized in the Explanatory Statement and the grant of Performance Rights and the issue of Shares under that plan.”*

**Voting Exclusion Statement**

The Company will disregard any votes cast on Resolution 1 (in any capacity) by or on behalf of:

- (a) any Director (except one who is ineligible to participate in any employee incentive scheme in relation to the entity).

However, this does not apply to a vote cast in favour of the resolution if it is cast:

- by a person as proxy or attorney for a person who is entitled to vote on the resolution, in accordance with directions given to the proxy or attorney to vote on the resolution in that way; or
- The chair of the meeting as proxy or attorney for a person who is entitled to vote on the resolution, in accordance with a direction given to the chair to vote on the resolution as the chair decides.

**Resolution 2: Ratification of Previous Issue of Shares and Options (LR 7.1)**

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

*“That, for the purposes of ASX Listing Rule 7.4 and for all other purposes, Shareholders ratify and approve the prior allotment and issue of 4,615,386 Fully Paid ordinary Shares and 2,307,693 Listed Options on the terms and conditions set out in the Explanatory Statement accompanying the Notice of Meeting.”*

**Voting Exclusion Statement**

The Company will disregard any votes cast in favour of Resolution 2 by or on behalf of;

- a person or entity who participated in the issue; or
- an associate of that person or those persons.

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

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

### **Resolution 3: Ratification of Previous Issue of Options (LR 7.1)**

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

*“That, for the purposes of ASX Listing Rule 7.4 and for all other purposes, Shareholders ratify and approve the prior allotment and issue of 2,500,000 Listed Options on the terms and conditions set out in the Explanatory Statement accompanying the Notice of Meeting.”*

### **Voting Exclusion Statement**

The Company will disregard any votes cast in favour of Resolution 3 by or on behalf of;

- a person or entity who participated in the issue (namely Lodge Securities Pty Ltd); or
- an associate of that person or those persons or entity.

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

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

### **Resolution 4: Ratification of Previous Issue of Placement Shares and Options (LR 7.1)**

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

*“That, for the purposes of ASX Listing Rule 7.4 and for all other purposes, Shareholders ratify and approve the prior allotment and issue of 23,461,363 Fully Paid Ordinary Shares and 18,780,106 Listed Options on the terms and conditions set out in the Explanatory Statement accompanying the Notice of Meeting.”*

The Company will disregard any votes cast in favour of Resolution 4 by or on behalf of;

- a person or entity who participated in the issue; or
- an associate of that person or those persons.

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

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

#### **Resolution 5: Ratification of Previous Issue of Placement Shares and Options (LR 7.1A)**

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

*“That, for the purposes of ASX Listing Rule 7.4 and for all other purposes, Shareholders ratify and approve the prior allotment and issue of 34,878,957 Fully Paid Ordinary Shares on the terms and conditions set out in the Explanatory Statement accompanying the Notice of Meeting.”*

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

- a person or entity who participated in the issue; or
- an associate of that person or those persons.

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

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

#### **Resolution 6: Ratification of Previous Issue of Shares (LR 7.1)**

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

*“That, for the purpose of ASX Listing Rule 7.4 and for all other purposes, Shareholders approve and ratify the allotment and issue of 445,440 fully paid Ordinary Shares in the Company to D.R. Melling Consulting Inc. on the terms set out in the Explanatory Statement which forms part of the Notice of this Meeting.”*

### **Voting Exclusion Statement**

The Company will disregard any votes on Resolution 6 by or on behalf of D.R. Melling Consulting Inc. or any of its associates.

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

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

### **Resolution 7: Approval of Proposed Placement of Shares to James Tyers**

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

*“That, for the purpose of Listing Rule 10.11, Shareholders approve the issue of up to 2,000,000 fully paid Ordinary Shares in the Company at an issue price of \$0.05 and 666,667 free attaching Listed Options to James Tyers, on the terms set out in the Explanatory Statement which forms part of the Notice of this Meeting.”*

### **Voting Exclusion Statement**

The Company will disregard any votes on Resolution 7 by James Tyers or any of his associates.

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

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

**By Order of the Board**

A handwritten signature in black ink, appearing to read 'P Bardsley', with a large, stylized loop at the end of the name.

**Pamela Bardsley  
Company Secretary  
1 September 2022**

## PROXY AND SHAREHOLDER INFORMATION

### Attendance and Voting

The Company has, for the purposes of determining voting entitlements at this General Meeting (**GM**), that all the Shares of the Company recorded in the Company's register at 7pm (AEST) on 9 October 2022, shall be taken to be held by the persons registered as holding the Shares at that time. Only those persons will be entitled to vote at the GM and transfers registered after that time will be disregarded in determining entitlements to attend and vote at the GM.

Shareholders may vote by attending the GM in person or by proxy (see below).

Ordinary resolutions require the support of more than 50% of those Shareholders voting in person, by proxy, by representative or by attorney. Special resolutions require the support of at least 75% of those Shareholders voting in person, by proxy, by representative or by attorney.

Every resolution put to the Shareholders at this GM will be decided in the first instance by a show of hands. A poll may be demanded in accordance with the Company's Constitution. On a show of hands, every Shareholder who is present in person or by proxy, representative or attorney, will have one vote. Upon a poll, every person who is present in person or by proxy, representative or attorney, will have one vote for each Share held by that person.

### Proxies

In accordance with section 249L of the Corporations Act, Shareholders are advised that:

- each Shareholder has the right to appoint a proxy;
- the proxy need not be a Shareholder of the Company; and
- a Shareholder who is entitled to cast two or more votes may appoint two proxies and may specify the proportion or number of votes each proxy is appointed to exercise.

To vote by proxy, you must complete and lodge the Proxy Form using one of the following methods:

<b>Online</b>	Lodge the Proxy Form online at <a href="https://investor.automic.com.au/#/loginsah">https://investor.automic.com.au/#/loginsah</a> by following the instructions: Login to the Automic website using the holding details as shown on the Proxy Form. Click on 'View Meetings' – 'Vote'. To use the online lodgement facility, Shareholders will need their holder number (Securityholder Reference Number (SRN) or Holder Identification Number (HIN)) as shown on the front of the Proxy Form. For further information on the online proxy lodgment process please see the <b>Online Proxy Lodgment Guide</b> at <a href="https://investor.automic.com.au/#/loginsah">https://investor.automic.com.au/#/loginsah</a>
<b>By post</b>	Automic, GPO Box 5193, Sydney NSW 2001
<b>By hand</b>	Automic, Level 5, 126 Phillip Street, Sydney NSW 2000
<b>By email</b>	<a href="mailto:meetings@automicgroup.com.au">meetings@automicgroup.com.au</a>

Your Proxy instruction must be received not later than 48 hours before the commencement of the Meeting. **Proxy Forms received later than this time will be invalid.**

### Corporate Representatives

A corporate Shareholder or corporate proxy wishing to appoint a person to act as its representative at the meeting may do so by providing that person with the following information which the representative should bring to the meeting:



1. a letter executed in accordance with the Shareholder's or proxy's constitution and the Corporations Act authorizing that person as the corporate Shareholder's or proxy's representative at the meeting; or
2. a copy of the resolution appointing the person as the corporate Shareholder's or proxy's representative at the meeting, certified by the company secretary or a director of the corporate Shareholder or proxy.

**EXPLANATORY STATEMENT TO SHAREHOLDERS**

**RESOLUTION 1 – Revised Employee Performance Rights Plan**

**Background**

Shareholder approval was obtained on 16 May 2022 at the Company's Annual General Meeting, for the issue of Rights pursuant to the Antilles Gold Employee Performance Rights Plan ("Plan"). The Plan has since been amended by the Board (in accordance with its Rules). Notwithstanding the earlier approval, Directors believe that the changes made could be considered as material terms of the scheme, Shareholder approval is therefore being sought for the amended Plan.

**Reasons for the Plan**

In line with the Company's remuneration policy, the Board believes that appropriately designed equity based plans are an important component of the Company's remuneration arrangements.

The Board believes that in order to attract and retain talented employees and to provide a long-term incentive which continues to align the interests of employees with the Company's strategies, a flexible equity based plan should be established to allow the Board to grant different types of performance-based awards depending on the prevailing circumstances.

The objectives of the Plan are to:

- (i) Reward the achievement of excellent results by providing the opportunity to talented employees to accumulate equity in the Company;
- (ii) Attract and retain talented employees in the Company; and
- (iii) Increase Shareholder value by motivating key employees.

**Listing Rules**

ASX Listing Rule 7.1 provides that a company must not, subject to specified exceptions, issue or agree to issue more equity securities during any 12 month period than that amount which represents 15% of the number of fully paid ordinary securities on issue at the commencement of that 12 month period.

Certain issues falling within an exception to Listing Rule 7.1 include an issue of securities to persons participating in an employee rights scheme where Shareholders at a general meeting held not more than 3 years before the date of issue have approved the issue of securities under the scheme pursuant to Listing Rule 7.2 Exception 13. The Plan was originally approved by Shareholders at the Company's 2010 Annual General Meeting and re-approved at the 2013, 2016 2019 and 2022 Annual General Meetings. As stated above, and in accordance with Listing Rule 7.2 Exception 13 re-approval of the Plan is again required. In accordance with Listing Rules 7.2 Exception 13(b), the Plan includes the maximum number of securities proposed to be offered for issue. The number shall not exceed 5% of the total number of Shares on issue in the Company at the time the offer is made. If an offer were made as at the date of this Notice, the maximum number of Shares would not exceed 20,609,536.

In order to take advantage of the exception from Listing Rule 7.1 and allow the Company greater flexibility to issue securities, Shareholders are requested to approve the revised Plan under Listing Rule 7.2 Exception 13. This approval will be effective for a period of 3 years from the date of the passing by Shareholders of Resolution 1.

The Plan was and will be offered to employees under ASIC Class Order 03/184 Employee Share Schemes. At such time, the Board may determine the number of shares and issue price (if any),

subject to the Corporations Act and Listing Rules. The number of shares which may be issued under the Plan is subject to an effective limit of 5% of the Company's total issued share capital, subject to certain excluded offers under section 708 of the Corporations Act.

### Summary of the Revised Plan

Under the Plan, the Board may grant rights to an employee or executive director of the Company or any wholly owned subsidiary or controlled entity of the Company whom the Board decides in its absolute discretion is eligible to be invited to receive a grant of Rights in the Plan from time-to-time and who is not prohibited from participating in the Plan under the terms and conditions of the Plan "Eligible Employees".

An invitation to an Eligible Employee may be in such form and content as the Board determines and may include information relating to:

- 1) the ratio in which the Right may convert to ordinary shares in the Company; and
- 2) the date on which Rights will be allotted.

Holders of Rights must not grant any security over any Right of the shares for which the Right may convert.

Mandatory vesting of Rights will occur when the specified conditions and performance measures are satisfied. Each Right, when vested, will automatically convert to one fully paid ordinary share in the Company. The Rights are generally granted to vest in equal installments over a period of three years.

Rights will expire or lapse on the earlier of:

- 1) the Vesting Date if any performance conditions contained in the Plan Rules are not satisfied by the Vesting Date; or
- 2) the termination of employment of an Eligible Employee (subject to Board determination).

The Company will not apply for ASX quotation of any Rights issued under the Plan. The Rights are not assignable.

Any shares issued or transferred as a result of the vesting of Rights issued under the Plan will rank equally with existing fully paid ordinary shares in the Company, in all respects including voting rights, entitlements to dividends and future entitlement issues.

The number of Rights issued under the Plan since the last approval are:

Number of Rights issued since the last approval	NIL
Number of Rights that did not vest	NIL
Number of Rights that did vest	NIL
Balance of Rights issued and not currently vested	NIL

### Summary of Recent Amendments to the Plan

- 1) The offer of Performance Rights under the Plan has been extended to Eligible Contractors (may be individuals or a body corporate) who have entered into a contract with the Company or a member of the Group where the number of hours worked are pro-rata equivalent of 40% or more of a comparable full-time position of a member of the Antilles Gold Group of Companies.
- 2) The offer of Performance Rights has also been extended to part-time employees.
- 3) An eligible participant in the Plan may apply in writing to defer the Vesting Date of Rights until the following Vesting Date subject to approval by the Board and the Listing Rules.
- 4) The percentage of Rights that vest has been changed from 1/3, 1/3 and 1/3 to 20%, 30% and 50% for Eligible Contractors and Executive Directors.

**Recommendation:** Each Director not eligible to participate in the Plan (being each non-executive Director) recommends that Shareholders vote in favour of Resolution 1.

## **RESOLUTION 2 – Ratification of Previous Issue of Shares and Options**

Resolution 2 seeks Shareholder ratification pursuant to ASX Listing Rule 7.4 for the issue of Shares and Listed Options under the Placement as announced to the ASX on 29 March 2022.

ASX Listing Rule 7.1 provides that a company must not, subject to specified exemptions, issue or agree to issue more equity securities during any 12-month period than that amount which represents 15% of the number of fully paid ordinary securities on issue at the commencement of that 12 month period.

Listing Rule 7.4 sets out an exception to Listing Rules 7.1. It provides that where a company in general meeting ratifies the previous issue of securities made pursuant to Listing Rule 7.1 (and provided that the previous issue did not breach Listing Rule 7.1), those securities will be deemed to have been made with Shareholder approval for the purpose of Listing Rule 7.1.

By ratifying this issue, the Company will retain the flexibility to issue equity securities in the future up to the 15% annual placement capacity set out in Listing Rule 7.1 without the requirement to obtain prior Shareholder approval.

If Resolution 2 is not passed, the Shares and Options will be included in calculating the Company's 15% placement limit under Listing Rule 7.1, effectively decreasing the number of equity securities the Company can issue without Shareholder approval.

### **Regulatory requirements- ASX Listing Rule 7.4**

Listing Rule 7.5 requires that the following information be provided to Shareholders for the purpose of obtaining Shareholder approval pursuant to Listing Rule 7.4:

(a) The number of securities issued was 4,615,386 Ordinary Shares and 2,307,693 Listed Options.

(b) The Shares and Options were issued on 21 April 2022.

(c) The Shares were issued at \$0.065 per share. The Options were issued for nil consideration at an exercise price of \$0.13 each, exercisable on or before 30 April 2023.

(d) The Shares allotted and issued rank equally in all respects with all of the existing Shares on issue. The Options were issued on the terms set out in Appendix A to this Explanatory Statement.

(e) The Shares and Options were issued to various sophisticated investors and other persons to whom no disclosure is required, under the Placement announced to the ASX on 29 March 2022. In conducting the Placement, the Company and its Lead Manager looked to identify current and new investors based on their alignment to the Company's investment and development strategy and the Lead Manager's understanding of each investor's relevant investment strategies, networks and risk profile.

(f) The Shares and Options were issued to raise up to \$3.25 million before costs of \$180,000 and will be used for:

- Progressing the Definitive Feasibility Study for the proposed La Demajagua open pit gold-silver mine in south west Cuba; and
- costs of the offer.

(g) An appropriate voting exclusion statement is included in the Notice of Meeting.

### **RESOLUTION 3 – Ratification of Previous Issue of Options**

Resolution 3 seeks Shareholder ratification pursuant to ASX Listing Rule 7.4 for the issue of Listed Options as payment of finance brokers' fees.

ASX Listing Rule 7.1 provides that a company must not, subject to specified exemptions, issue or agree to issue more equity securities during any 12 month period than that amount which represents 15% of the number of fully paid ordinary securities on issue at the commencement of that 12 month period.

Listing Rule 7.4 sets out an exception to Listing Rule 7.1. It provides that where a company in general meeting ratifies the previous issue of securities made pursuant to Listing Rule 7.1 (and provided that the previous issue did not breach Listing Rule 7.1) those securities will be deemed to have been made with Shareholder approval for the purpose of Listing Rule 7.1.

By ratifying this issue, the Company will retain the flexibility to issue equity securities in the future up to the 15% annual placement capacity set out in Listing Rule 7.1 without the requirement to obtain prior Shareholder approval.

#### **Regulatory requirements- ASX Listing Rule 7.4**

Listing Rule 7.5 requires that the following information be provided to Shareholders for the purpose of obtaining Shareholder approval pursuant to Listing Rule 7.4:

- (a) The number of securities issued was 2,500,000 Listed Options.
- (b) The Options were issued on 21 April 2022.
- (c) The Options were issued in payment of finance broker's fees at an exercise price of \$0.13 each exercisable on or before 30 April 2023.
- (d) The Options were issued on the terms set out in Appendix A to this Explanatory Statement.
- (e) The Options were issued to Lodge Securities Pty Ltd in consideration of finance broking services provided. Engagement of the brokers may be terminated by either party on written notice.
- (f) An appropriate voting exclusion statement is included in the Notice of Meeting.

### **RESOLUTIONS 4 and 5 – Ratification of Issue of Placement Shares and Options**

Resolutions 4 and 5 seek Shareholder ratification pursuant to ASX Listing Rule 7.4 for the issue of Shares under the Placement as announced to the ASX on 1 August 2022.

The Company issued 23,461,363 Ordinary Shares and 18,780,106 Listed Options under Listing Rule 7.1 and 34,878,957 Ordinary Shares under Listing Rule 7.1A. to sophisticated investors at an issue price of \$0.05 per Share with one free attaching Listed Option for every three Shares. The Options are exercisable at \$0.13 on or before 30 April 2023.

ASX Listing Rule 7.1 provides that a company must not, subject to specified exemptions, issue or agree to issue more equity securities during any 12-month period than that amount which represents 15% of the number of fully paid ordinary securities on issue at the commencement of that 12 month period. In addition, at its Annual General Meeting held on 16 May 2022, the Company obtained shareholder approval to issue additional equity securities up to 10% of the issued capital of the Company under Listing Rule 7.1A.

Listing Rule 7.4 sets out an exception to Listing Rules 7.1 and 7.1A. It provides that where a company in general meeting ratifies the previous issue of securities made pursuant to Listing Rule 7.1 and 7.1A (and provided that the previous issue did not breach Listing Rules 7.1 and 7.1A),

those securities will be deemed to have been made with Shareholder approval for the purpose of Listing Rule 7.1.

By ratifying this issue, the Company will retain the flexibility to issue equity securities in the future up to the 15% annual placement capacity set out in Listing Rule 7.1 and the additional 10% placement capacity set out in Listing Rule 7.1A without the requirement to obtain prior Shareholder approval.

If Resolutions 4 and 5 are not passed, the Shares will be included in calculating the Company's combined 25% placement limit under Listing Rules 7.1 and 7.1A, effectively decreasing the number of equity securities the Company can issue without Shareholder approval.

#### **Regulatory requirements- ASX Listing Rule 7.4**

Listing Rule 7.5 requires that the following information be provided to Shareholders for the purpose of obtaining Shareholder approval pursuant to Listing Rule 7.4:

(a) The number of securities issued was 23,461,363 Ordinary Shares and 18,780,106 Listed Options pursuant to Listing Rule 7.1 (ratification of which is sought under Resolution 4) and 34,878,957 Ordinary Shares issued pursuant to Listing Rule 7.1A (ratification of which is sought under Resolution 5).

(b) The Shares and Options were issued between 5 and 18 August 2022.

(c) The Shares were issued at \$0.05 per share. The Options were issued for nil consideration at an exercise price of \$0.13 each on or before 30 April 2023.

(d) The Shares allotted and issued rank equally in all respects with all of the existing Shares on issue. The Options were issued on the terms set out in Appendix A to this Explanatory Statement.

(e) The Shares and Options were issued to various sophisticated investors and other persons to whom no disclosure is required, under the Placement announced to the ASX on 1 August 2022. In conducting the Placement, the Company looked to identify current and new investors based on their alignment to the Company's investment and development strategy and the Company's understanding of each investor's relevant investment strategies, networks and risk profile.

(f) The Shares and Options were issued to raise up to \$3,050,000 million before costs of approximately \$180,000 and will be used for:

- a preliminary drilling program of El Pilar copper-gold porphyry deposit, and its overlying gold-copper oxide cap in central Cuba; and
- finalising the Definitive Financial Study for proposed La Demajagua gold-silver open pit mine on Isle of Youth, in south west Cuba.

(g) An appropriate voting exclusion statement is included in the Notice of Meeting.

#### **RESOLUTION 6 – Ratification of Previous Issue of Shares**

The Company agreed to issue Shares in payment of an invoice from D.R.Melling Inc. for geological services on its La Demajagua gold and silver project in Cuba. The Shares were issued at the same price as the Shares issued in the recent Placement, i.e. at \$0.05 per Share. Accordingly, the Company has issued 445,440 Fully Paid Ordinary Shares to D.R.Melling Inc. for the issue price of \$0.05 per Share.

Resolution 6 seeks Shareholder ratification pursuant to ASX Listing Rule 7.4 for the issue of 445,440 Shares issued to D.R.Melling Inc. on 30 August 2022.

ASX Listing Rule 7.1 provides that a company must not, subject to specified exemptions, issue or agree to issue more equity securities during any 12-month period than that amount which

represents 15% of the number of fully paid ordinary securities on issue at the commencement of that 12 month period.

Listing Rule 7.4 sets out an exception to Listing Rule 7.1. It provides that where a company in general meeting ratifies the previous issue of securities made pursuant to Listing Rule 7.1 (and provided that the previous issue did not breach Listing Rule 7.1), those securities will be deemed to have been made with Shareholder approval for the purpose of Listing Rule 7.1.

By ratifying this issue, the Company will retain the flexibility to issue equity securities in the future up to the 15% annual placement capacity set out in Listing Rule 7.1 without the requirement to obtain prior Shareholder approval.

If Resolution 6 is not passed, the Shares will be included in calculating the Company's 15% placement limit under Listing Rule 7.1, effectively decreasing the number of equity securities the Company can issue without Shareholder approval.

#### **Regulatory requirements- ASX Listing Rule 7.4**

Listing Rule 7.5 requires that the following information be provided to Shareholders for the purpose of obtaining Shareholder approval pursuant to Listing Rule 7.4:

- (a) The number of securities issued was 445,440 fully paid Ordinary Shares.
- (b) The Shares were issued on 30 August 2022.
- (c) The Shares were issued at \$0.05 per share.
- (d) The Shares allotted and issued rank equally in all respects with all of the existing Shares on issue.
- (e) The Shares were issued to D.R.Melling Inc. who is not a related party or associate of the Company.
- (f) The placement is in lieu of payment of an invoice submitted by D.R.Melling Inc.
- (g) An appropriate voting exclusion statement is included in the Notice of Meeting.

#### **RESOLUTION 7 – Approval of Proposed Placement of Shares to James Tyers**

##### **Listing Rule 10.11**

Listing Rule 10.11 provides that a company must not, subject to specified exceptions, issue or agree to issue equity securities to a related party (as defined in the Listing Rules) or other person set out in that Listing Rule, without Shareholder approval.

##### **Participating Director Shares**

As noted above, the Placement includes commitments the Company secured from the following related party (being a Director (or his nominee)) to subscribe for the Participating Director Shares and Options (subject to the requisite Shareholder approval being obtained for the purpose of Listing Rule 10.11) as set out in the table below:

<b>Resolution</b>	<b>Participating Director</b>	<b>Participating Shares</b>	<b>Director</b>	<b>Participating Director Options</b>
7	James Tyers	2,000,000		666,667

## **Approval of Participating Director Shares**

To this end, Resolution 7 seeks Shareholder approval to the issue of Participating Director Shares and Options for the purposes of Listing Rule 10.11.

If Resolution 7 is passed, the Company will be able to complete the issue of the Participating Director Shares and Options.

It should also be noted that if Resolution 7 is passed, the Participating Director Shares and Options issued will be excluded from the calculation of the Company's Placement Capacity under Listing Rule 7.1, preserving the number of equity securities it can issue without Shareholder approval over the 12- month period following the issue date of the Participating Director Securities.

If Resolution 7 is not passed, the Participating Director Shares and Options will not be issued. As a result, the Director would be unable to participate in the Placement, thereby limiting the alignment of the Participating Director's interests with that of the Company and the Shareholders and reducing the funds raised by the Company for its needs.

## **Information required by Listing Rule 10.13**

Pursuant to Listing Rule 10.13, the following information is provided in relation to Resolution 7:

- (a) Participating Director Shares and Options as set out in the table above will be issued to the Participating Director or his nominee entity;
- (b) The Participating Director falls under rule 10.11.1 of the Listing Rules, being a director of the Company, and therefore a related party;
- (c) The issue price of \$0.05 per Participating Director Share, being the same issue price as for the Placement Shares. The Participating Director Options are free attaching on a 1 for 3 basis as are the Placement Options;
- (d) The Participating Director Shares are expected to be issued within two Business Days of the date of this meeting but in any event no later than one month after the date of this Meeting;
- (e) The Participating Director Shares are fully paid Ordinary Shares in the capital of the Company and from the date of issue will rank equally in all respects with the existing Shares. The Participating Director Options will be issued on the terms set out in Appendix A to this Explanatory Statement;
- (f) The funds raised from the issue to the Participating Director will go towards the same items as the Placement Shares as noted at point (f) in Resolutions 4 and 5 above;
- (g) The Participating Director Shares are being paid for in cash by the Director and are not intended to remunerate or incentivize the Director; and
- (h) A voting exclusion statement is included in the Notice.

## **Directors' Recommendation**

The Directors (excluding the Participating Director only in relation to Resolution 7 which applies to himself or his nominee – as set out in the table above – due to his material personal interest in the outcome of this Resolution), unanimously recommend that Shareholders vote in favour of Resolution 7.

## **Related Party Transactions**

Chapter 2E of the Corporations Act provides that for a public company, or an entity that the public company controls, to give a financial benefit to a related party (as defined in the Corporations Act and includes Directors) of the public company, the public company or entity must obtain the approval of the public company's members unless the giving of the financial benefit falls within an exception set out in sections 210 to 216 of the Corporations Act.



Under section 210 of the Corporations Act, Shareholder approval is not needed to give a financial benefit on terms that would be reasonable in the circumstances if the company and the Related Party were dealing at arm's length.

As the terms of the proposed issue of Shares and Options to the Participating Director contained in Resolution 7 will be at the same price and terms as the Shares and Options under the Placement, the exception in section 210 of the Corporations Act applies in the circumstances and Shareholder approval is not required for the purposes of section 208 of the Corporations Act.

## APPENDIX A

### TERMS OF ISSUED OF LISTED OPTIONS

The Options entitle the holder to be issued Shares on the following terms and conditions:

(a) Entitlement

Each Option entitles the holder to subscribe for one Share upon exercise of the Option before the Expiry Date.

(b) Quotation of Options

(c) Exercise Price

The amount payable on exercise of each Option will be \$0.13 (Exercise Price):

(d) Expiry Date

The Options will expire at 5.00pm (AEST) on 30 April 2023 (Expiry Date):  
Any Option not exercised before the Expiry Date will automatically lapse on the Expiry Date.

(e) Exercise Period

Options may be exercised at any time prior to the Expiry Date (Exercise Period).

(f) Notice of Exercise

The Options may be exercised by notice in writing to the Company (Exercise Notice) and payment of the Exercise Price, in Australian currency, for each Option being exercised. A minimum of 3,846 Options (having a total exercise price of \$500) must be exercised at any time. Where a Shareholder holds less than 3,846 Options then they must exercise their entire holding of Options.

(g) Exercise Date

Any Exercise Notice received by the Company will be deemed effective on and from the later of:

- (i) the date of receipt of the Exercise Notice and
- (ii) the date of Company's receipt of the Exercise Price, for each Option being exercised, in cleared funds (Exercise Date).

(h) Timing of Issue of Shares on Exercise

Within 15 Business Days after an Option is validly exercised or such other period specified by the Listing Rules, the Company will:

- (i) allot and issue that number of Shares pursuant to the exercise of the Options; and
- (ii) if admitted to the official list of the ASX at the time, apply for official quotation on the ASX of the Shares issued pursuant to the exercise of the Options.

(i) Shares Issued on Exercise

Shares issued pursuant to the exercise of the Options will rank equally with the then issued Shares of the Company.

(j) Participation in New Issues

There are no participation rights or entitlements inherent in the Options and the holder will not be entitled to participate in new issues of capital to Shareholders during the currency of the Options without exercising the Options.

(k) Reconstruction of Capital

If at any time the issued share capital of the Company is reconstructed, all rights of an Option holder will be varied to comply with the Corporations Act and the ASX Listing Rules which apply to the reconstruction at the time of the reconstruction.

(l) New Options Transferable

The Options are transferable.

(m) Change in Exercise Price

An Option does not confer the right to a change in the Exercise Price or a change in the number of underlying securities over which the Option can be exercised.

(n) Adjustments for Rights Issues

If the Company makes a pro rate issue of Shares to existing Shareholders, there will be no adjustment to the Exercise Price of an Option.

(o) Adjustment for Bonus Issue of Shares

If the Company makes a bonus issue of Shares or other securities to existing Shareholders (other than in satisfaction of dividends or by way of dividend reinvestment):

The number of Shares which must be issued on the exercise of an Option will be increased by the number of Shares which the Option holder would have received if the Option holder had exercised the Option before the record date for the bonus issue; and there will be no adjustment to the Exercise Price of an Option.

If you are attending the meeting in person, please bring this with you for Securityholder registration.

Holder Number:

Your proxy voting instruction must be received by **10.30am (AEST) on Sunday, 9<sup>th</sup> October 2022**, being **not later than 48 hours** before the commencement of the Meeting. Any Proxy Voting instructions received after that time will not be valid for the scheduled Meeting.

## SUBMIT YOUR PROXY VOTE ONLINE

Vote online at <https://investor.automic.com.au/#/loginsah>



Login & Click on 'Meetings'. Use the Holder Number as shown at the top of this Proxy Voting form.

- ✓ **Save Money:** help minimise unnecessary print and mail costs for the Company.
- ✓ **It's Quick and Secure:** provides you with greater privacy, eliminates any postal delays and the risk of potentially getting lost in transit.
- ✓ **Receive Vote Confirmation:** instant confirmation that your vote has been processed. It also allows you to amend your vote if required.

## SUBMIT YOUR PROXY VOTE BY PAPER

Complete the form overleaf in accordance with the instructions set out below.

### YOUR NAME AND ADDRESS

The name and address shown above is as it appears on the Company's share register. If this information is incorrect, and you have an Issuer Sponsored holding, you can update your address through the investor portal: <https://investor.automic.com.au/#/home> Shareholders sponsored by a broker should advise their broker of any changes.

### STEP 1 – APPOINT A PROXY

If you wish to appoint someone other than the Chair of the Meeting as your proxy, please write the name of that Individual or body corporate. A proxy need not be a Shareholder of the Company. Otherwise, if you leave this box blank, the Chair of the Meeting will be appointed as your proxy by default.

### DEFAULT TO THE CHAIR OF THE MEETING

Any directed proxies that are not voted on a poll at the Meeting will default to the Chair of the Meeting, who is required to vote these proxies as directed. Any undirected proxies that default to the Chair of the Meeting will be voted according to the instructions set out in this Proxy Voting Form, including where the Resolutions are connected directly or indirectly with the remuneration of KMP.

### STEP 2 - VOTES ON ITEMS OF BUSINESS

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

### APPOINTMENT OF SECOND PROXY

You may appoint up to two proxies. If you appoint two proxies, you should complete two separate Proxy Voting Forms and specify the percentage or number each proxy may exercise. If you do not specify a percentage or number, each proxy may exercise half the votes. You must return both Proxy Voting Forms together. If you require an additional Proxy Voting Form, contact Automic Registry Services.

### SIGNING INSTRUCTIONS

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

**Joint holding:** Where the holding is in more than one name, all Shareholders should sign.

**Power of attorney:** If you have not already lodged the power of attorney with the registry, please attach a certified photocopy of the power of attorney to this Proxy Voting Form when you return it.

**Companies:** To be signed in accordance with your Constitution. Please sign in the appropriate box which indicates the office held by you.

**Email Address:** Please provide your email address in the space provided.

**By providing your email address, you elect to receive all communications despatched by the Company electronically (where legally permissible) such as a Notice of Meeting, Proxy Voting Form and Annual Report via email.**

### CORPORATE REPRESENTATIVES

If a representative of the corporation is to attend the Meeting the appropriate 'Appointment of Corporate Representative' should be produced prior to admission. A form may be obtained from the Company's share registry online at <https://automic.com.au>.

