

**CHESSER RESOURCES LIMITED**

**ACN 118 619 042**

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**NOTICE OF ANNUAL GENERAL MEETING**

**EXPLANATORY MEMORANDUM**

**PROXY FORM**

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**Date of Meeting**

3 November 2022

**Time of Meeting**

4.00 pm (Australian Western Standard time)

**Place of Meeting**

The Meeting will be held at the Company's head office situated at Unit 12, 295 Rokeby Road, Subiaco, Western Australia.

This Notice of Meeting and Explanatory Memorandum should be read in its entirety. If Shareholders are in doubt as to how they should vote, they should seek advice from their accountant, solicitor, or other professional adviser prior to voting.

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## NOTICE OF ANNUAL GENERAL MEETING

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Notice is hereby given that an Annual General Meeting (**Meeting**) of the Shareholders of Chesser Resources Limited ACN 118 619 042 (**Company**) will be held on 3 November 2022, commencing at 4.00pm (Australian Western Standard Time).

An online version of the Company's 2022 Annual Report can be downloaded or viewed at [www.chesserresources.com.au](http://www.chesserresources.com.au). The 2022 Annual Report has also been sent by post to those Shareholders who have previously elected to receive a hard copy.

This Notice of Meeting incorporates, and should be read together with, the Explanatory Memorandum and Proxy Form. Shareholders are specifically referred to the Glossary in the Explanatory Memorandum which contains definitions of capitalised terms used in both this Notice of Meeting and the Explanatory Memorandum.

### **ORDINARY BUSINESS**

#### **Receipt of financial statements and reports**

To receive and consider the Directors' report, the Auditor's report, and the financial statements of the Company for the financial year ended 30 June 2022.

#### **Resolutions**

##### **1. Adoption of Remuneration Report (non-binding resolution)**

To consider and if thought fit, pass, with or without amendment, the following Resolution as an ordinary Resolution under section 250R (2) of the Corporations Act:

*"That the Remuneration Report for the financial year ended 30 June 2022 as set out in the Company's 2022 Annual Report be adopted."*

**Note:** Under the Corporations Act, this Resolution is advisory only and does not bind the Directors or the Company. However, if 25% or more votes that are cast are voted against the adoption of the Remuneration Report at two consecutive annual general meetings, Shareholders will be required to vote at that second annual general meeting on an additional resolution on whether another meeting should be held at which all Directors, other than the Managing Director, must stand for re-election. Please see the Explanatory Memorandum for further information.

A voting exclusion statement applies to this Resolution. Please see below.

##### **2. Re-election of Director, Mr Mark Connelly**

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

*"That Mr Mark Connelly, who retires as a Director of the Company pursuant to rule 51 of the Company's Constitution and being eligible and offering himself for re-election, be re-elected as a Director of the Company."*

##### **3. Approval to issue Options to Director – Mr Mark Connelly**

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 10.14 and for all other purposes, approval is given for the Company to issue up to 659,341 Options to Mr Mark Connelly (or his nominee) in accordance with the terms and conditions set out in the Explanatory Memorandum."*

A voting exclusion statement applies to this Resolution. Please see below.

#### **4. Approval to issue Options to Director – Mr Simon O’Loughlin**

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 10.14 and for all other purposes, approval is given for the Company to issue up to 439,560 Options to Mr Simon O’Loughlin (or his nominee) in accordance with the terms and conditions set out in the Explanatory Memorandum.”*

A voting exclusion statement applies to this Resolution. Please see below.

#### **5. Approval to issue Options to Director – Mr Simon Taylor**

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 10.14 and for all other purposes, approval is given for the Company to issue up to 439,560 Options to Mr Simon Taylor (or his nominee) in accordance with the terms and conditions set out in the Explanatory Memorandum.”*

A voting exclusion statement applies to this Resolution. Please see below.

#### **6. Approval to issue Options to Director – Mr Robert Greenslade**

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 10.14 and for all other purposes, approval is given for the Company to issue up to 439,560 Options to Mr Robert Greenslade (or his nominee) in accordance with the terms and conditions set out in the Explanatory Memorandum.”*

A voting exclusion statement applies to this Resolution. Please see below.

#### **7. Approval to issue Options to Director – Mr Andrew Grove**

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 10.14 and for all other purposes, approval is given for the Company to issue up to 3,571,429 Options to Mr Andrew Grove (or his nominee) in accordance with the terms and conditions set out in the Explanatory Memorandum.”*

A voting exclusion statement applies to this Resolution. Please see below.

### **SPECIAL BUSINESS**

#### **8. Approval of additional 10% placement capacity**

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

*“That, for the purposes of ASX Listing Rule 7.1A and for all other purposes, Shareholders approve the issue of Equity Securities up to 10% of the fully paid ordinary issued capital of the Company (at the time of the issue) (10% Placement Capacity) calculated in accordance with the formula prescribed in Listing Rule 7.1A.2 and on the terms and conditions in the Explanatory Memorandum.”*

A voting exclusion statement applies to this Resolution. Please see below.

## Voting Exclusion Statements

In accordance with Listing Rule 14.11 the Company will disregard any votes cast in favour of the resolutions set out below by or on behalf of the following persons:

Resolution	Voting Exclusion
Resolution 1 – Adoption of Remuneration Report (non-binding resolution)	<p>(a) A member of the Key Management Personnel, details of whose remuneration are included in the Remuneration Report; or</p> <p>(b) A Closely Related Party of such a member.</p>
Resolution 2 – Re-election of Director, Mr Mark Connelly	No voting exclusions apply to Resolution 2.
Resolution 3 – Approval to issue Options to Director – Mr Mark Connelly	Any person referred to in Listing Rule 10.14.1, 10.14.2 or 10.14.3 who is eligible to participate in the employee incentive scheme in question (including Mr Mark Connelly, Mr Simon O’Loughlin, Mr Simon Taylor, Mr Robert Greenslade and Mr Andrew Grove) or an associate of that person or those persons.
Resolution 4 – Approval to issue Options to Director – Mr Simon O’Loughlin	Any person referred to in Listing Rule 10.14.1, 10.14.2 or 10.14.3 who is eligible to participate in the employee incentive scheme in question (including Mr Mark Connelly, Mr Simon O’Loughlin, Mr Simon Taylor, Mr Robert Greenslade and Mr Andrew Grove) or an associate of that person or those persons.
Resolution 5 - Approval to issue Options to Director – Mr Simon Taylor	Any person referred to in Listing Rule 10.14.1, 10.14.2 or 10.14.3 who is eligible to participate in the employee incentive scheme in question (including Mr Mark Connelly, Mr Simon O’Loughlin, Mr Simon Taylor, Mr Robert Greenslade and Mr Andrew Grove) or an associate of that person or those persons.
Resolution 6 - Approval to issue Options to Director – Mr Robert Greenslade	Any person referred to in Listing Rule 10.14.1, 10.14.2 or 10.14.3 who is eligible to participate in the employee incentive scheme in question (including Mr Mark Connelly, Mr Simon O’Loughlin, Mr Simon Taylor, Mr Robert Greenslade and Mr Andrew Grove) or an associate of that person or those persons.

Resolution	Voting Exclusion
Resolution 7 - Approval to issue Options to Director – Mr Andrew Grove	Any person referred to in Listing Rule 10.14.1, 10.14.2 or 10.14.3 who is eligible to participate in the employee incentive scheme in question (including Mr Mark Connelly, Mr Simon O'Loughlin, Mr Simon Taylor, Mr Robert Greenslade and Mr Andrew Grove) or an associate of that person or those persons.
Resolution 8 - Approval of additional 10% placement capacity	If at the time the approval is sought the entity is proposing to make an issue of equity securities under rule 7.1A.2, any person who is expected to participate in, or who will obtain a material benefit as a result of, the proposed issue (except a benefit solely by reason of being a holder of ordinary securities in the entity).

However, these exclusions do not apply to a vote cast in favour of this Resolution by:

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

## ATTENDANCE AND VOTING AT THE MEETING

### Questions

Shareholders may submit questions to the Company in advance of the Meeting. Questions must be submitted via email to the Company Secretary at [stephenk@chesserresources.com.au](mailto:stephenk@chesserresources.com.au). Responses to all valid questions received prior to 5.00pm (AWST) on Monday 31 October 2022 will be lodged on the ASX Announcements Platform prior to the commencement of the Meeting.

Shareholders will also have the opportunity to submit questions during the meeting in respect to the formal items of business to be conducted at the Meeting.

### Voting entitlement

In accordance with regulation 7.11.37 of the *Corporations Regulations 2001* (Cth), the Board has determined that Shareholders who are on the Company's share register at 7.00pm (Australian Western Standard Time) on Tuesday 1 November, 2022 shall, for the purposes of the Meeting, be entitled to attend and vote at the Meeting.

If you are not the registered holder of a relevant Share at that time, you will not be entitled to vote at the Meeting.

## Voting at the Meeting

The passing of each Resolution arising at this meeting will be decided by a poll. Upon a poll, every person who is present in person or by proxy, corporate representative, or attorney, will have one vote for each Share held by that person.

Ordinary resolutions require the support of more than 50% of the votes cast. Special resolutions require the support of at least 75% of the votes cast. Resolutions 8 is a Special Resolution; all other Resolutions are Ordinary Resolutions.

**Shareholders are strongly urged to vote by proxy prior to the meeting and to appoint the Chair of the Meeting as their proxy. Shareholders can complete the proxy form to provide specific instructions on how their vote is to be exercised on each Resolution. The Chair of the meeting MUST follow the Shareholder's instructions. Instructions for voting by proxy are set out below.**

## Voting by proxy

A Shareholder who is entitled to attend and vote at this Meeting may appoint a proxy to attend and vote on the Shareholder's behalf. A proxy need not be a Shareholder. If the Shareholder is entitled to cast two or more votes at the Meeting, the Shareholder may appoint two proxies and may specify the proportion or number of votes that each proxy is appointed to exercise.

A Proxy Form accompanies this Notice. To be valid, the Proxy Form must be received no later than 4.00pm (AWST time) on 1 November 2022, being 48 hours prior to the commencement of the Meeting.

To record a valid proxy vote, a Shareholder will need to take the following steps:

- (a) cast the Shareholder's vote online by visiting [www.investorvote.com.au](http://www.investorvote.com.au) and entering the Shareholder's Control Number, SRN/HIN, and postcode, which are shown on the first page of the enclosed Proxy Form;
- (b) complete and lodge the Proxy Form at the share registry of the Company, Computershare Investor Services Pty Limited:
  - (i) by post at the following address:  
  
Computershare Investor Services Pty Limited  
  
GPO Box 242  
MELBOURNE VIC 3001  
  
OR
  - (ii) by facsimile on 1800 783 447 (within Australia) or +61 9473 2555 (outside Australia);
- (c) enter [www.investorvote.com.au](http://www.investorvote.com.au) directly into your smart phone and follow the instructions on your personalised proxy form or scanning the QR Code on the front of your proxy form or notice and access form. To scan the QR code you will have needed to download and installed a QR Code Scanner application for your smart phone; or
- (d) for Intermediary Online subscribers only (custodians), cast the Shareholder's vote online by visiting [www.intermediaryonline.com](http://www.intermediaryonline.com).

If you choose to appoint a proxy, you are encouraged to direct your proxy how to vote on each of the Resolutions by marking either **For**, **Against** or **Abstain** on the voting form for each item of business. As explained further below, your vote on Resolution

Pursuant to section 250BB of the Corporations Act, an appointment of a proxy may specify the way the proxy is to vote on a particular Resolution and, if it does:

- (a) the proxy need not vote on a show of hands, but if the proxy does so, the proxy must vote that way (i.e. as directed);

- (b) if the proxy has 2 or more appointments that specify different ways to vote on the Resolution, the proxy must only vote on a poll;
- (c) if the proxy is the Chair of the meeting at which the Resolution is voted on, the proxy must vote on a poll, and must vote that way (i.e. as directed); and
- (d) if the proxy is not the Chair, the proxy need not vote on the poll, but if the proxy does so, the proxy must vote that way (i.e. as directed).

Under section 250BC of the Corporations Act, if:

- (a) an appointment of a proxy specifies the way the proxy is to vote on a particular Resolution at a meeting of a company's members;
- (b) the appointed proxy is not the Chair of the meeting;
- (c) at the meeting, a poll is duly demanded on the Resolution; and
- (d) either of the following applies:
  - (i) the proxy is not recorded as attending the meeting;
  - (ii) the proxy does not vote on the resolution,

the Chair of the meeting is taken, before voting on the resolution closes, to have been appointed as the proxy for the purposes of voting on the Resolution at the meeting.

### **Voting prohibition by Proxy Holders**

In accordance with section 250BD of the Corporations Act, a person appointed as a proxy must not vote on the basis of that appointment on resolutions related to the remuneration of Key Management Personnel if:

- (a) the proxy is either:
  - (i) a member of the Key Management Personnel of the Company; or
  - (ii) a Closely Related Party of such a member; and
- (b) the appointment does not specify the way the proxy is to vote on this Resolution.

However, the above prohibition does not apply if:

- (a) the proxy is the Chair of the Meeting; and
- (b) the appointment expressly authorises the Chair of the Meeting to exercise the proxy even though the Resolution is connected directly or indirectly with remuneration of a member of the Key Management Personnel of the Company.

Resolution 1 and Resolutions 3 to 7 inclusive are related to the remuneration of Key Management Personnel.

The Chair intends to vote undirected proxies in favour of each item of business.

### **Voting by corporate representative**

A Shareholder or proxy that is a corporation and entitled to attend and vote at the Meeting may appoint an individual to act as its corporate representative.

Evidence of the appointment of a corporate representative must be in accordance with section 250D of the Corporations Act and be lodged with the Company before the Meeting.

### **Voting by attorney**

A Shareholder entitled to attend and vote at the Meeting is entitled to appoint an attorney to attend and vote at the Meeting on the Shareholder's behalf.

An attorney need not be a holder of Shares.

An instrument conferring the power of attorney or a certified copy of the authority must be produced to the Company at least 24 hours prior to the commencement of the Meeting.

## **Enquiries**

Shareholders are encouraged to contact the Company Secretary on + 61 7 3854 2387 or by email at [stephenk@chesserresources.com.au](mailto:stephenk@chesserresources.com.au) if they have any questions regarding the special arrangements applying to the Meeting.

DATED 30 September 2022

**BY ORDER OF THE BOARD  
CHESSEER RESOURCES LIMITED**

A handwritten signature in black ink, appearing to read 'Stephen Kelly', written in a cursive style.

**STEPHEN KELLY  
COMPANY SECRETARY**



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## EXPLANATORY MEMORANDUM

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### IMPORTANT NOTICE

This Explanatory Memorandum forms part of the Notice convening the hybrid Annual General Meeting of Shareholders of Chesser Resources Limited to be held in-person at the Company's head office on 3 November 2022 at 4.00 pm (Australian Western Standard Time). This Explanatory Memorandum is to assist Shareholders in understanding the background to, and the legal and other implications of, the Notice and the reasons for the Resolutions proposed. Both documents should be read in their entirety and in conjunction with each other.

Other than the information set out in this Explanatory Memorandum, the Directors believe that there is no other information that could reasonably be required by Shareholders to consider the Resolutions.

If you are in doubt about what to do in relation to the Resolutions, you should consult your financial or other professional adviser.

Words or expressions used in the Notice of Meeting and in this Explanatory Memorandum are defined in the Glossary. Unless otherwise stated, all references to sums of money, '\$' and 'dollars' are references to Australian currency.

This Explanatory Memorandum is dated 30 September, 2022.

### BACKGROUND TO THE RESOLUTIONS

#### ORDINARY BUSINESS

##### Receipt of financial statements and reports

This item does not require voting by Shareholders. It is intended to provide an opportunity for Shareholders to raise questions on the financial statements and reports. The Company's auditor will be present at the Meeting and available to answer any questions.

In addition to asking questions at the Meeting, Shareholders may address written questions to the Chair of the Meeting about the management of the Company or to the Company's Auditor, Pitcher Partners, if the question is relevant to:

- i. the content of the Auditor's report; or
- ii. the conduct of its audit of the financial statements to be considered at the Meeting.

**Note:** Under section 250PA (1) of the Corporations Act a Shareholder must submit the question to the Company no later than the fifth business day before the day on which the Annual General Meeting is held.

Written questions for Pitcher Partners must be delivered by 27 October 2022 to the address listed on the Proxy Form attached to this Notice of Meeting.

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### 1. Resolution 1 – Adoption of Remuneration Report (non-binding resolution)

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#### 1.1 Background

The Annual Report for the year ended 30 June 2022 contains a Remuneration Report that sets out the remuneration policy of the Company and the remuneration details for each Director and for each member of the Company's senior executive management team.

An electronic copy of the 2022 Annual Report is available to download or view on the Company's website at [www.chesserresources.com.au](http://www.chesserresources.com.au). The 2022 Annual Report has also been sent by post to those Shareholders who have previously elected to receive a hard copy. In addition, the Company has also enabled online voting, details of which are explained on the Proxy Form.

The Corporations Act requires that a resolution to adopt the Remuneration Report be put to the vote of the Company. Shareholders should note that the vote on Resolution 1 is advisory only and, subject to the matters outlined below, will not bind the Company or the Directors. However, the Directors will take the outcome of the vote into consideration when reviewing the Company's remuneration policy.

## **1.2 Two strikes**

If 25% or more of votes that are cast on this non-binding Resolution are voted against the adoption of the Remuneration Report at two consecutive annual general meetings, Shareholders will be required to vote at the second of these annual general meetings on a resolution (a **Spill Resolution**) that another meeting be held within 90 days (**Spill Meeting**), at which:

- (i) all the Company's Directors (other than the Managing Director) cease to hold office immediately before the end of the Spill Meeting; and
- (ii) Resolutions to appoint persons to offices that will be vacated immediately before the end of the Spill Meeting will be put to the vote at the Spill Meeting.

The approval threshold for the Spill Resolution is 50% or more of votes that are cast on the Spill Resolution.

At the 2021 Annual General Meeting, over 75% of the votes cast were voted in favour of the Remuneration Report.

## **1.3 Board Recommendation**

As the Remuneration Report sets out the remuneration details for each Director, the Board does not wish to make a recommendation as to how Shareholders ought to vote on Resolution 1.

The Chair intends to vote undirected proxies in favour of Resolution 1.

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## **2. Resolution 2 – Re-election of Director, Mr Mark Connelly**

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### **2.1 Background**

In accordance with ASX Listing Rule 14.4 and Clause 51 of the Company's existing constitution, one third of the Directors (not including the Managing Director), must retire at each annual general meeting. A Director who retires in accordance with these requirements is eligible for re-election.

Mr Mark Connelly will retire by rotation and being eligible, offers himself for re-election.

Mr Connelly was appointed as a Director on 10 July 2020. The Board believes that Mr Connelly has performed the duties and responsibilities of a Director diligently and professionally and in the best interests of all Shareholders.

### **2.2 Qualifications**

Mr Connelly has extensive experience and involvement in African gold exploration and development including the merger of Papillon Resources with B2 Gold Corp and the merger of Adamus Resources with Endeavour Mining. He is currently Non-Executive Chairman at Oklo Resources Limited and Calidus Resources Limited and a Non-Executive Director at Renegade Exploration Limited.

Mr Connelly is a member of the Australian Institute of Company Directors, a member of the Australian Institute of Management and a member of the Society of Mining, Metallurgy and Exploration.

### **2.3 Independence**

If elected, the Board considers Mr Mark Connelly will be an independent director.

#### **2.4      *Board recommendation***

The Board (with Mr Connelly abstaining) recommends that Shareholders vote **FOR** Resolution 2.

The Chair intends to vote undirected proxies in favour of Resolution 2.

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### **3. Resolution 3 to 8– Resolutions relating to share capital**

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Resolutions 3 to 8 (inclusive) are Resolutions relating to the Company's share capital.

The table below sets out the potential dilutionary impact of Resolutions 4 to 9 (inclusive) on the Share capital of the Company

### 3.1 Potential Dilutionary Effect of Resolutions 3 to 8

Resolution Number	Description	Shares (number)	Shares (cumulative)	% (at issue)	% (after issue of all Shares per Resolution)	Options and Performance Shares (number)	Options and Performance Shares (cumulative)	% (at issue)	% (fully diluted)	Total equities (number)	Total equities (cumulative)
	Current issued capital	585,123,110	585,123,110	100%	91%	29,852,409	29,852,409	100%	5%	614,975,519	614,975,519
3	Approval to issue Director Options - Mark Connelly	-	585,123,110	0%	91%	659,341	30,511,750	2%	5%	659,341	615,634,860
4	Approval to issue Director Options - Simon O'Loughlin	-	585,123,110	0%	91%	439,560	30,951,310	1%	5%	439,560	616,074,420
5	Approval to issue Director Options - Simon Taylor	-	585,123,110	0%	91%	439,560	31,390,870	1%	5%	439,560	616,513,980
6	Approval to issue Director Options - Robert Greenslade	-	585,123,110	0%	91%	439,560	31,830,430	1%	5%	439,560	616,953,540
7	Approval to issue Director Options - Andrew Grove	-	585,123,110	0%	91%	3,571,429	35,401,859	10%	6%	3,571,429	620,524,969
8	Approval of additional 10% placement capacity under ASX Listing Rule 7.1A	58,512,311	643,635,421	9%	100%	-	35,401,859	0%	5%	58,512,311	679,037,280

The above tables reflect the maximum number of equity securities that may be issued by the Company if the relevant Resolution is approved and assuming that no other equity securities are issued by the Company.

Please refer to the explanatory information for each of the Resolutions included in this Notice of Meeting for additional information.

## 4. Resolutions 3 to 7 – Issue of Options to Directors

### 4.1 Background

Resolutions 3 to 7 seek Shareholder approval for the grant of Zero Exercise Price Options (**ZEPOs**) to Directors under the Employee Incentive Plan (**EIP**) and on the terms and conditions detailed below (**ZEPOs**).

The Board proposes to award Options to Directors as part of their remuneration package which is designed to attract, motivate, and retain appropriately skilled and experienced Non-Executive and Executive Directors. These Options are performance based and subject to the satisfaction of the following vesting conditions that the Board considers, if achieved, will create value for shareholders:

- 75% of the Options issued to each participant will vest based on the VWAP for the 30 day period ending 30 June 2025 as a percentage of the Grant Date VWAP which is deemed to be \$0.091 (**VWAP Tranche**) as follows:
  - 50% of the VWAP Tranche options will vest if the VWAP for the 30 day period ending 30 June 2025 is \$0.1274 (being 140% of the Grant Date VWAP of \$0.091)
  - 100% of the VWAP Tranche vesting if the VWAP for the 30 day period ending 30 June 2025 is \$0.182 (being 200% of the Grant Date VWAP of \$0.091).
  - If the VWAP for the 30 day period ending 30 June 2025 is less than \$0.1274 all the VWAP Tranche options will expire unvested.

The table below summarises the vesting schedule for the VWAP Tranche:

	VWAP for the 30 day period ending 30 June 2025					
	\$ 0.1274	\$ 0.1383	\$ 0.1492	\$ 0.1602	\$ 0.1711	\$ 0.1820
30 June 2025 30 day VWAP as a % of Grant Date VWAP	140%	152%	164%	176%	188%	200%
% of VWAP Tranche options that vest	50%	60%	70%	80%	90%	100%

- 25% of the Options issued to each participant will vest if the Group announces that it has been granted a mining licence in relation to one or more of the Diamba Sud, Diamba Nord, Morichou or Bondala exploration licences on or before 30 June 2025 (**ML Tranche**).

The number and the terms and conditions of the Options proposed to be issued to Directors, subject to Shareholder approval, pursuant to Resolutions 3 to 7 inclusive, is as follows:

Director	Exercise Price	Expiry Date	75% subject to VWAP vesting condition	25% subject to ML vesting condition	Total Options
Mark Connelly, Non-Executive Chairman	\$0 (ZEPOs)		494,506	164,835	659,341
Simon O'Loughlin, Non-Executive Director	\$0 (ZEPOs)		329,670	109,890	439,560
Robert Greenslade Non-Executive Director	\$0 (ZEPOs)	All options expire on 30 June 2026	329,670	109,890	439,560
Simon Taylor, Non-Executive Director	\$0 (ZEPOs)		329,670	109,890	439,560
Andrew Grove, Managing Director	\$0 (ZEPOs)		2,678,572	892,857	3,571,429
			<b>4,162,088</b>	<b>1,387,362</b>	<b>5,549,450</b>

The Company considers that the Options represent a cost-effective form of remuneration, enabling the Company to spend a greater proportion of its cash reserves on its operations than it would if alternative cash forms of remuneration were provided to the Directors.

#### **4.2 Chapter 2E of the Corporations Act**

For a public company, or an entity that the public company controls, to give a financial benefit to a related party of the public company, the public company or entity must:

- (a) obtain the approval of the public company's members in the manner set out in sections 217 to 227 of the Corporations Act; and
- (b) give the benefit within 15 months following such approval,

unless the giving of the financial benefit falls within an exception set out in sections 210 to 216 of the Corporations Act.

The issue of the Options constitutes the giving of a financial benefit and each of the Directors to whom the Options are proposed to be issued, is a related party of the Company by virtue of being a Director.

The Directors consider that Shareholder approval pursuant to Chapter 2E of the Corporations Act is not required in respect of the issues of the Options the subject of Resolutions 3 to 7 inclusive, because the proposed issue of Options represents reasonable remuneration in the circumstances and forms part of the agreed remuneration package for each Director which has been negotiated on an arm's length basis, and are not more favourable than other commensurate agreements for persons in similar roles in entities similar to the Company.

#### **4.3 ASX Listing Rule 10.14**

ASX Listing Rule 10.14 requires shareholder approval to be obtained where an entity issues, or agrees to issue, securities under an employee incentive scheme to a director of the entity, an associate of the director, or a person whose relationship with the entity, director or associate of the director is, in ASX's opinions, such that approval should be obtained.

Each of Mr Mark Connelly, Mr Simon O'Loughlin, Mr Simon Taylor and Mr Robert Greenslade (**Non-Executive Directors**) and Mr Andrew Grove (**Managing Director**) is a related party by virtue of being a Director of the Company. As each proposed issue of the Options involves the issue of securities under an employee incentive scheme to a Director or Related Party of the Company, Shareholder approval pursuant to ASX Listing Rule 10.14 is required unless an exception applies. It is the view of the Directors that the exceptions set out in ASX Listing Rule 10.16 do not apply to the Options to be issued pursuant to Resolutions 3 to 7 inclusive.

#### **4.4 Technical information required by ASX Listing Rule 10.15**

Pursuant to and in accordance with the requirements of ASX Listing Rule 10.15, the following information is provided in relation to the proposed issue of the Options pursuant to Resolutions 3 to 7 inclusive:

- (a) The Options are to be issued to Mr Mark Connelly, Mr Simon O'Loughlin, Mr Simon Taylor, Mr Robert Greenslade and Mr Andrew Grove, each of whom is a related party by virtue of being a director of the Company;
- (b) The maximum number of Options (being the nature of the financial benefit being provided) to be issued is 5,549,450 as set out in section 4.1.
- (c) The Options will be issued for nil cash consideration.
- (d) The terms and conditions of the Options are set out in Annexure 1.
- (e) The Options are being issued pursuant to the Employee Incentive Plan (EIP). A summary of the key terms of the EIP is set out in Annexure 2.

- (f) The remuneration and emoluments from the Company to the Directors for the previous financial year (**FY2022**) and the proposed remuneration and emoluments for the current financial year (**FY2023**) are set out below:

Director	Remuneration <sup>1</sup>	
	FY2023 \$	FY2022 \$
Mark Connelly	128,178	198,793
Robert Greenslade	73,140	93,922
Simon O'Loughlin	73,140	98,266
Simon Taylor	73,140	98,381
Andrew Grove	521,504	865,136

<sup>1</sup> Remuneration includes cash Director fees, superannuation and share based payments but excludes bonuses and the Non-Executive Director Options the subject of Resolutions 3 to 7.

- (g) The Company has estimated the value of the Director Options as follows:
- (i) The VWAP Tranche Options have been valued using a trinomial option valuation model; and
  - (ii) The Mining Lease Tranche Options have a non-market-based performance condition. Non-market conditions are considered by adjusting the number of Options included in the measurement of the transaction amount using a probability of vesting assumption so that, ultimately, the amount recognised shall be based on the number of rights that eventually vest.

The following table summarises the estimated value of the Director Options proposed to be issued:

Director	VWAP Tranche Options			Mining Lease Tranche Options			Total value of all tranches
	Number of Options	Value per Option	Total value	Number of Options	Value per Option	Total value	
Mark Connelly	494,506	\$0.0608	\$30,065	164,835	\$0.0682	\$11,242	\$41,307
Robert Greenslade	329,670	\$0.0608	\$20,043	109,890	\$0.0682	\$7,495	\$27,538
Simon O'Loughlin	329,670	\$0.0608	\$20,043	109,890	\$0.0682	\$7,495	\$27,538
Simon Taylor	329,670	\$0.0608	\$20,043	109,890	\$0.0682	\$7,495	\$27,538
Andrew Grove	2,678,572	\$0.0608	\$162,857	892,857	\$0.0682	\$60,893	\$223,750

- (h) Directors have previously been issued securities under the EIP. The table below sets out the number, acquisition price and value of the Salary Sacrifice Rights and ZEPOs previously issued to Directors. The Salary Sacrifice Rights issued to Directors represented part payment of Directors fees to preserve the Company's cash reserves.

Director	Date of grant	Number of Director Options	Class	Acquisition Price	Value per security at grant date
Mark Connelly	30/11/2020	1,400,000	ZEPOs	\$nil	\$0.21
Mark Connelly	30/11/2021	282,123	ZEPOs	\$nil	\$0.03
Mark Connelly	30/11/2021	94,041	ZEPOs	\$nil	\$0.065
Robert Greenslade	30/11/2020	500,000	ZEPOs	\$nil	\$0.21
Robert Greenslade	30/11/2020	64,524	Rights	\$0.085	\$0.085
Robert Greenslade	30/11/2020	25,736	Rights	\$0.21	\$0.21
Robert Greenslade	30/11/2021	205,479	ZEPOs	\$nil	\$0.03
Robert Greenslade	30/11/2021	68,493	ZEPOs	\$nil	\$0.065
Simon O'Loughlin	30/11/2020	500,000	ZEPOs	\$nil	\$0.21
Simon O'Loughlin	30/11/2020	58,926	Rights	\$0.085	\$0.085
Simon O'Loughlin	30/11/2020	23,503	Rights	\$0.21	\$0.21
Simon O'Loughlin	30/11/2021	205,479	ZEPOs	\$nil	\$0.03
Simon O'Loughlin	30/11/2021	68,493	ZEPOs	\$nil	\$0.065

Director	Date of grant	Number of Director Options	Class	Acquisition Price	Value per security at grant date
Simon Taylor	30/11/2020	500,000	ZEPOs	\$nil	\$0.21
Simon Taylor	30/11/2021	205,479	ZEPOs	\$nil	\$0.03
Simon Taylor	30/11/2021	68,493	ZEPOs	\$nil	\$0.065
Andrew Grove	25/03/2021	5,000,000	ZEPOs	\$nil	\$0.14
Andrew Grove	30/11/2021	1,669,521	ZEPOs	\$nil	\$0.03
Andrew Grove	30/11/2021	556,607	ZEPOs	\$nil	\$0.065

- (i) the Options will be issued no later than 3 years after the date of the Meeting (or such later date as permitted by any ASX waiver or modification of the ASX Listing Rules). It is anticipated the Options will be issued on one date and shortly after the Meeting.
- (j) details of any Shares issued to the Directors on exercise of the Options will be published in the annual report of the Company relating to the period in which the Shares have been issued and it will be disclosed that the approval for the issue of the Shares was obtained under ASX Listing Rule 10.14.
- (k) any additional person covered by Listing Rule 10.14 who becomes entitled to participate in an issue of securities under the EIP after the resolution is approved, and who was not named in the notice of meeting, will not participate until approval is obtained under Listing Rule 10.14.
- (l) no loans are being provided in connection with the issue of the Options

Approval pursuant to ASX Listing Rule 7.1 is not required to issue the Options as approval is being obtained under ASX Listing Rule 10.14. Accordingly, the issue of Options to the Directors will not be included in the 15% calculation of the Company's annual placement capacity pursuant to ASX Listing Rule 7.1.

If any of Resolutions 4 to 8 inclusive are not passed, the Company will not be able to issue the Options to the relevant Director(s) as part of their remuneration and may be required to consider other forms of remunerating the relevant Director(s) including the payment of cash incentives in lieu of the Options.

#### **4.5 Directors Recommendation**

The Board (with Mr Connelly abstaining) recommends that Shareholders vote **FOR** Resolution 3.

The Board (with Mr O'Loughlin abstaining) recommends that Shareholders vote **FOR** Resolution 4.

The Board (with Mr Taylor abstaining) recommends that Shareholders vote **FOR** Resolution 5.

The Board (with Mr Greenslade abstaining) recommends that Shareholders vote **FOR** Resolution 6.

The Board (with Mr Grove abstaining) recommends that Shareholders vote **FOR** Resolution 7.

The Chair intends to vote undirected proxies in favour of Resolutions 3 to 7.



## Special Business

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### 5. Resolution 8 – Approval of additional 10% placement capacity

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#### 5.1 General

ASX Listing Rule 7.1A provides that an Eligible Entity may seek Shareholder approval at its annual general meeting to allow it to issue Equity Securities up to 10% of its fully paid ordinary issued capital (**10% Placement Capacity**) without using the Company's 15% placement capacity under Listing Rule 7.1.

An eligible entity for the purposes of Listing Rule 7.1A is an entity that is not included in the S&P/ASX 300 Index and has a market capitalisation of \$300 million or less. The Company is an eligible entity as it is not included in the S&P/ASX 300 Index and has a current market capitalisation of approximately \$46.8 million as of 8 September 2022.

An Equity Security is a share, a unit in a trust, a right to a share or unit in a trust or option, an option over an issued or unissued security, a convertible security, or any security that ASX decides to classify as an equity security.

Any Equity Securities issued under the 10% Placement Capacity must be in the same class as an existing class of quoted Equity Securities.

The Company is now seeking Shareholder approval by way of a special resolution to have the ability to issue Equity Securities under the 10% Placement Facility.

This Resolution is a special resolution. Accordingly, at least 75% of votes cast by Shareholders present and eligible to vote at the Meeting must be in favour of Resolution 8 for it to be passed. The exact number of Equity Securities to be issued under the 10% Placement Facility will be determined in accordance with the formula prescribed in Listing Rule 7.1A.2 (see below).

If Resolution 8 is not passed, the Company will not be able to access the additional 10% capacity to issue Equity Securities without Shareholder approval under Listing Rule 7.1A, and will remain subject to the 15% limit on issuing Equity Securities without Shareholder approval set out in Listing Rule 7.1

#### 5.2 ASX Listing Rule 7.1A

##### 5.2.1 Period

An approval under ASX Listing Rule 7.1A must be for a period commencing on the date of the Annual General Meeting at which the approval is obtained and expiring on the first to occur of the following:

- i. the date that is 12 months after the date of the Annual General Meeting at which the approval is obtained.
- ii. the time and date of the Company's next annual general meeting; or
- iii. the date of the approval by Shareholders of a transaction under ASX Listing Rule 11.1 or 11.2.

##### 5.2.2 Shareholder approval

The ability to issue Equity Securities under the 10% Placement Facility is subject to Shareholder approval by way of a special resolution at an Annual General Meeting.

##### 5.2.3 Equity Securities

Any Equity Securities issued under the 10% Placement Facility must be in the same class as an existing quoted class of Equity Securities of the Company.

The Company, as at the date of the Notice, has on issue 2 classes of Equity Securities, being Shares and Options. Only the Company's Shares are quoted.

#### 5.2.4 Formula for calculating 10% Placement Capacity

Listing Rule 7.1A.2 provides that eligible entities that 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 Equity Securities calculated in accordance with the following formula:

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

Where:

- A** is the number of fully paid ordinary securities on issue 12 months before the date of issue or agreement to issue:
- plus, the number of fully paid ordinary securities issued in the previous 12 months under an exception in ASX Listing Rule 7.2 other than exception 9, 16 or 17;
  - plus, the number of fully paid ordinary securities issued in the previous 12 months on the conversion of convertible securities within ASX Listing Rule 7.2 exception 9 where:
    - the convertible securities were issued or agreed to be issued before the commencement of the 12 month period; or
    - the issue, or agreement to issue, the convertible securities was approved, or taken under the ASX Listing Rules to have been approved under ASX Listing Rule 7.1 or 7.4,
  - plus, the number of fully paid ordinary securities issued in the previous 12 months under an agreement to issue securities within ASX Listing Rule 7.2 exception 16 where:
    - the agreement was entered into before the commencement of the 12 month period; or
    - the issue or agreement was approved, or taken under the ASX Listing Rules to have been approved under ASX Listing Rule 7.1 or 7.4,
  - plus, the number of other fully paid ordinary securities issued in the previous 12 months with approval of Shareholders under Listing Rule 7.1 or 7.4. This does not include an issue of fully paid ordinary securities under the entity's 15% placement capacity without Shareholder approval;
  - plus the number of partly paid ordinary securities that became fully paid during the 12 month period,
  - less the number of fully paid ordinary securities cancelled in the previous 12 months.
- D** is 10%.
- E** is the number of Equity Securities issued or agreed to be issued under ASX Listing Rule 7.1A.2 in the 12 month period where the issue or agreement has not been subsequently approved by Shareholders under ASX Listing Rule 7.4.

#### 5.2.5 Listing Rule 7.1 and Listing Rule 7.1A

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

At the date of this Notice, the Company has on issue 585,123,110 Shares. The Company therefore has a capacity to issue:

- i. 87,768,466 Equity Securities under Listing Rule 7.1; and
- ii. 58,512,311 Equity Securities under Listing Rule 7.1A.

The actual number of Equity Securities that the Company will have capacity to issue under Listing Rule 7.1A will be calculated at the date of issue of the Equity Securities in accordance with the formula prescribed in Listing Rule 7.1A.2 (refer to Section 3(c) below).

#### **5.2.6 Technical information required by ASX Listing Rule 7.1A**

Pursuant to and in accordance with ASX Listing Rule 7.3A, the information below is provided in relation to this Resolution 8:

##### **(a) Minimum Price**

The minimum price at which the Equity Securities may be issued is 75% of the volume weighted average price of Equity Securities in that class, calculated over the 15 ASX trading days on which trades in that class were recorded immediately before:

- (i) the date on which the price at which the Equity Securities are to be issued is agreed; or
- (ii) if the Equity Securities are not issued within 10 ASX trading days of the date in paragraph 5.2.6(a)(i) the date on which the Equity Securities are issued.

##### **(b) Date of Issue**

The Equity Securities may be issued under the 10% Placement Capacity commencing on the date of the Meeting and expiring on the first to occur of the following:

- (i) 12 months after the date of this Meeting; or
- (ii) the time and date of the Company's next annual general meeting; or
- (iii) the date of approval by Shareholders of any transaction under ASX Listing Rules 11.1.2 (a significant change to the nature or scale of the Company's activities) or 11.2 (disposal of the Company's main undertaking) after which date, an approval under Listing Rule 7.1A ceases to be valid, (10% Placement Capacity Period).

##### **(c) Risk of voting dilution**

Any issue of Equity Securities under the 10% Placement Capacity will dilute the interests of Shareholders who do not receive any Shares under the issue.

If Resolution 8 is approved by Shareholders and the Company issues the maximum number of Equity Securities available under the 10% Placement Capacity, the economic and voting dilution of existing Shares would be as shown in the table below.

The table below shows the dilution of existing Shareholders calculated in accordance with the formula outlined in ASX Listing Rule 7.1A(2), on the basis of the current market price of Shares and the current number of Equity Securities on issue as at the date of this Notice.

The table also shows the voting dilution impact where the number of Shares on issue (variable A in the formula) changes and the economic dilution where there are changes in the issue price of Shares issued under the 10% Placement Capacity.

### Potential dilutionary impact of Resolution 8

Number of Shares on Issue (Variable 'A' in ASX Listing Rule 7.1A2)	Dilution			
	Issue Price (per Share)	\$ 0.04 (50% decrease in issue price)	\$ 0.08 (issue price)	\$ 0.10 (25% increase in issue price)
585,123,110  (Current Variable 'A')	Shares issued - 10% voting dilution	58,512,311 Shares	58,512,311 Shares	58,512,311 Shares
	Funds Raised	\$ 2,340,492	\$ 4,680,985	\$ 5,851,231
877,684,665  (50% increase in Variable 'A') *	Shares issued - 10% voting dilution	87,768,467 Shares	87,768,467 Shares	87,768,467 Shares
	Funds Raised	\$ 3,510,739	\$ 7,021,477	\$ 8,776,847
1,170,246,220  (100% increase in Variable 'A') *	Shares issued - 10% voting dilution	117,024,622 Shares	117,024,622 Shares	117,024,622 Shares
	Funds Raised	\$ 4,680,985	\$ 9,361,970	\$ 11,702,462

\* The number of Shares on issue (Variable A in the formula) could increase as a result of the issue of Shares that do not require Shareholder approval (such as under a pro-rata rights issue or scrip issued under a takeover offer) or that are issued with Shareholder approval under ASX Listing Rule 7.1.

The table above uses the following assumptions:

- (i) There are currently 583,123,110 Shares on issue as at the date of this Notice of Meeting.
- (ii) The current issue price set out above is the closing price of the Shares on the ASX on 8th September 2022, being \$0.08.
- (iii) The Company issues the maximum possible number of Equity Securities under the 10% Placement Capacity.
- (iv) The issue of Equity Securities under the 10% Placement Capacity consists only of Shares. It is assumed that no Options are exercised into Shares before the date of issue of the Equity Securities.
- (v) This table does not set out any dilution pursuant to approvals under ASX Listing Rule 7.1.
- (vi) The 10% voting dilution reflects the aggregate percentage dilution against the issued share capital at the time of issue. This is why the voting dilution is shown in each example as 10%.
- (vii) The table does not show an example of dilution that may be caused to a particular Shareholder by reason of placements under the 10% Placement Capacity, based on that Shareholder's holding at the date of the Meeting. All Shareholders should consider the dilution caused to their own shareholding depending on their specific circumstances.

Shareholders should note that there is a risk that:

- (i) the market price for the Company's Shares may be significantly lower on the issue date than on the date of the Meeting; and
- (ii) the Shares may be issued at a price that is at a discount to the market price for those Shares on the date of issue.

(d) ***Purpose of Issue under 10% Placement Capacity***

The Company may issue Equity Securities under the 10% Placement Capacity as cash consideration in which case the Company intends to use funds raised for exploration on the Company's exploration projects located in Senegal, for the completion of technical studies relating to the Company's exploration projects in Senegal and for general working capital purposes.

The Company will comply with the disclosure obligations under ASX Listing Rules 7.1A.4 upon issue of any Equity Securities.

(e) ***Allocation under the 10% Placement Capacity***

The Company's allocation policy for the issue of Equity Securities under the 10% Placement Capacity will be dependent on the prevailing market conditions at the time of the proposed placement(s).

The recipients of the Equity Securities to be issued under the 10% Placement Capacity have not yet been determined. However, the recipients of Equity Securities could consist of current Shareholders or new investors (or both), none of whom will be related parties of the Company.

The Company will determine the recipients at the time of the issue under the 10% Placement Capacity, having regard to the following factors:

- (i) the purpose of the issue;
- (ii) alternative methods for raising funds available to the Company at that time, including, but not limited to, an entitlement issue or other offer where existing Shareholders may participate;
- (iii) the effect of the issue of the Equity Securities on the control of the Company;
- (iv) the circumstances of the Company, including, but not limited to, the financial position and solvency of the Company;
- (v) prevailing market conditions; and
- (vi) advice from corporate, financial, and broking advisers (if applicable).

(f) ***Previous Approval under ASX Listing Rule 7.1A and disclosure required by ASX Listing Rule 7.3A.6***

The Company has previously obtained approval from Shareholders pursuant to ASX Listing Rule 7.1A at its Annual General Meeting held on 30 November 2021.

In accordance with ASX Listing Rule 7.3A.6, the Company discloses that during the 12-month period preceding the date of the Meeting, the Company issued the following Equity Securities pursuant to ASX Listing Rule 7.1A:

- (i) On 31 March 2022 announced that it had received firm commitments for the issue of 115,238,096 Shares at an issue price of \$0.105 per share to raise \$12.1 million before costs. The Shares were issued on 7 April 2022.
- (ii) 44,744,344 Shares were issued pursuant to the Company's Listing Rule 7.1A placement capacity.
- (iii) The Shares issued represent approximately 9.03% of the total diluted number of Equity Securities on issue in the Company on 30 November 2021 which was 495,398,583.
- (iv) The issue price of \$0.105 per share represented a discount of 19% to the \$0.13 per share closing price

of the Company's shares on 28 March 2022 being the last day on which the Company's shares traded prior Company entering into agreements to issue the Shares.

- (v) The allottees were professional and sophisticated applicants, as determined by the Board and the Joint Lead Managers who assisted in the Capital Raising, none of whom are related parties of the Company. The placement participants were identified through a bookbuild process which involved the Joint Lead Managers seeking expressions of interest to participate in the placement from non-related parties of the Company.
- (vi) The Shares issued were all fully paid ordinary shares in the capital of the Company and issued on the same terms and conditions as the Company's existing Shares.
- (vii) In the period since the Share issue the Company has spent approximately \$2.7 million of the total placement proceeds of \$12.1 million for the following purposes:
  - The costs of the Share issue.
  - Costs associated with the completion of the 20,000 metre Phase 8 exploration drilling program at the Diamba Sud Gold Project in Senegal, West Africa.
  - Progressing environmental and feasibility studies at the Diamba Sud Project.
  - Corporate costs and general working capital purposes.
- (viii) The remaining total Share issue proceeds of \$9.4 million are intended to be used to undertake further resource expansion and exploration drill programs at the Diamba Sud Project; to progress environmental studies and feasibility studies at Diamba Sud; and for general working capital purposes<sup>1</sup>.

**(g) *Compliance with ASX Listing Rule 7.1A.4***

When the Company issues Equity Securities pursuant to the 10% Placement Capacity, it will give to ASX:

- (i) a list of the recipients of the Equity Securities and the number of Equity Securities allotted to each recipient (not for release to the market), in accordance with ASX Listing Rule 7.1A.4; and
- (ii) state in its announcement of the proposed issue under rule 3.10.3 or in its application for quotation of the securities under rule 2.7 that the securities are being issued under rule 7.1A.

### **5.3 Voting Exclusion**

As at the date of this Notice, the Company has not invited any existing Shareholder to participate in an issue of Equity Securities under ASX Listing Rule 7.1A. Therefore, no existing Shareholders will be excluded from voting on Resolution 8.

### **5.4 Directors Recommendation**

The Directors recommend that Shareholders vote in favour of Resolution 8.

The Chair intends to vote undirected proxies in favour of Resolution 8.

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<sup>1</sup> This is a statement of current intentions as at the date of this Notice. As with any budget, intervening events and new circumstances have the potential to affect the manner in which the funds are ultimately applied. The Board reserves the right to alter the way the funds are applied on this basis.

## Glossary

In this Explanatory Memorandum and the Notice of Meeting:

**AUD, \$, AU\$** are references to the Australian Dollar;

**Annual General Meeting** or **Meeting** means the annual general meeting of the Company to be convened by this Notice of Meeting (unless the context otherwise requires);

**Associate(s)** has the meaning given in the Corporations Act;

**ASX** means the Australian Securities Exchange or ASX Limited ACN 008 624 691;

**Board** means the board of Directors of the Company at the date of this Notice; **Chair** means the chair of the Meeting;

**Closely Related Party** of a member of the Key Management Personnel for an entity, includes:

- (a) a spouse or child of the member; a child of the member's spouse;
- (b) a dependent of the member or of the member's spouse;
- (c) 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;
- (d) a company the member controls; or
- (e) a person prescribed as such by the *Corporations Regulations 2001* (Cth);

**Company** means Chesser Resources Limited ACN 118 619 042;

**Constitution** means the constitution of the Company in effect at the time of the Meeting;

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

**Directors** means the directors of the Company being as at the date of this Notice of Meeting, being Mark Connelly, Robert Greenslade, Simon Taylor, Simon O'Loughlin, and Andrew Grove;

**Explanatory Memorandum** means this explanatory memorandum that accompanies and forms part of the Notice of Meeting;

**Financial Report** means the 30 June 2022 financial report of the Company, a copy of which was lodged with ASX on 30 September 2022 under the announcement "Annual Report to shareholders";

**Key Management Personnel** means those persons having authority and responsibility for planning, directing, and controlling the activities of the Company, directly or indirectly, including any Director (whether executive or otherwise);

**Listing Rules** means the official Listing Rules of ASX;

**Marketable Parcel** has the meaning given in the Listing Rules;

**Options** means the zero price options proposed to be issued to Mark Connelly, Robert Greenslade, Simon Taylor, Simon O'Loughlin, and Andrew Grove pursuant to Resolutions 3 to 7 inclusive;

**Notice of Meeting** means the notice of annual general meeting dated 30 September 2022 which this Explanatory Memorandum accompanies and in which the Resolutions are set out;

**Proxy Form** means a valid proxy form for this Annual General Meeting (unless the context otherwise requires);

**Remuneration Report** means the remuneration report of the Company for the year ended 30 June 2022 contained in the Financial Report;

**Resolution** or **Resolutions** means the resolutions referred to in the Notice of Meeting;

**Restricted Securities** has the meaning given in the Listing Rules;

**Share** means a fully paid ordinary share in the Company;

**Shareholder** means a holder of Shares;

**Special Resolution** means a resolution requiring that at least 75% of the votes cast on the resolution are cast in favour of the resolution in order for it to be passed;

**Spill Meeting** has the meaning given in Resolution 1; and

**Spill Resolution** has the meaning given in Resolution 1.



## ANNEXURE 1

### TERMS OF DIRECTOR OPTIONS

The Options (ZEPO) entitle the holders to subscribe for fully paid ordinary shares in the Company on the following terms:

**(a) Entitlement**

Subject to the satisfaction of the vesting conditions, each ZEPO entitles the holder to subscribe for one Share, issued under the Company's Employee Incentive Plan, at nil cost.

**(b) Expiry Date**

Each ZEPO will expire at 5.00pm (WST) on the date that is 5 years from the date of grant (Expiry Date).

**(c) Exercise Period**

The exercise period for ZEPOs will commence when the ZEPOs have vested and any exercise conditions have been satisfied (or waived by the Board or are deemed to have been satisfied under the terms and conditions of the Company's Employee Incentive Plan) and will end on the Expiry Date, subject to the terms and conditions of the Company's Employee Incentive Plan and the terms of the Company's Security Trading Policy.

**(d) Notice of Exercise**

A ZEPO is exercisable by the holder lodging a notice of exercise option and application for Shares in a form approved by the Company, together with any exercise price of each Share to be issued on exercise and the relevant ZEPO certificate, with the Company Secretary.

**(e) Timing of Issue of Shares on Exercise**

Within 15 business days after the Exercise Date, the Company will:

- (i) issue the number of Shares required under these terms and conditions in respect of the number of Options specified in the Notice of Exercise and for which cleared funds have been received by the Company;
- (ii) if required, give ASX a notice that complies with section 708A(5)(e) of the Corporations Act, or, if the Company is unable to issue such a notice, lodge with ASIC a prospectus prepared in accordance with the Corporations Act and do all such things necessary to satisfy section 708A(11) of the Corporations Act to ensure that an offer for sale of the Shares does not require disclosure to investors; and
- (iii) 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.

If a notice delivered under (e)(ii) for any reason is not effective to ensure that an offer for sale of the Shares does not require disclosure to investors, the Company must, no later than 20 Business Days after becoming aware of such notice being ineffective, lodge with ASIC a prospectus prepared in accordance with the Corporations Act and do all such things necessary to satisfy section 708A(11) of the Corporations Act to ensure that an offer for sale of the Shares does not require disclosure to investors.

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**(f) *Partial Exercise***

A ZEPO holder may exercise only some of that person's ZEPOs, which does not affect that holder's right to exercise the remainder of their ZEPOs by the Expiry Date.

**(g) *Transferability***

The ZEPOs are not transferable.

**(h) *Shares Issued on Exercise***

All Shares issued upon exercise of the ZEPOs will, from the date they are issued, rank pari passu in all respects with the Company's then issued Shares. The Company will apply for official quotation to ASX of all shares issued upon exercise of the ZEPOs.

**(i) *Participation Rights***

If ZEPOs are exercised before the record date of an entitlement, the ZEPO holder can participate in a pro rata issue to the holders of the underlying securities in the Company. The Company must notify the ZEPO holder of the proposed issue at least five (5) business days before the record date. ZEPO holders do not have a right to participate in new issues without exercising their options in accordance with Listing Rule 6.19.

**(j) *Reconstruction of Capital***

In the event of any reconstruction (including consolidation, subdivision, reduction or return) of the issued capital of the Company, all rights of the ZEPO holder will be changed to the extent necessary to comply with the Listing Rules applying to the reconstruction of capital, at the time of the reconstruction.

**(k) *Change of Control***

On the occurrence of a Change of Control event, the Board may determine that all or a percentage of unvested ZEPOs will vest and become exercisable with such vesting deemed to have taken place immediately prior to the effective date of the event, regardless of whether or not the employment or engagement of the Eligible Participant is terminated or ceases in relation to the Change of Control event.

**(l) *Conferral of Rights***

ZEPO holders will be sent all communications sent to Shareholders of the Company, but ZEPO holders do not confer any rights to attend or vote at meetings of Shareholders of the Company. Notice may be given by the Company to ZEPO holders in the manner provided by the Company's Constitution for the giving of notices to shareholders, and the relevant provisions of the Company's Constitution apply with all necessary modification to notices to ZEPO holders.

**(m) *Incentive Plan***

At all times, ZEPOs are subject to the full terms and conditions of the Company's Employee Incentive Plan including any vesting conditions.

## ANNEXURE 2

### SUMMARY OF TERMS OF THE EMPLOYEE INCENTIVE PLAN

#### **(a) Eligibility**

The Board has the discretion to determine which Directors, key management personnel, employees, contractors, and consultants are eligible to participate in the EIP.

#### **(b) Vesting conditions**

The vesting of any securities issued under the EIP, if any, may be conditional on the satisfaction of performance and/or service conditions as determined by the Board and advised to Participants in their individual personalised offer documents.

#### **(c) Exercise of securities**

Vested securities issued under the EIP will not automatically trigger the exercise of the securities, but a participant will be entitled to exercise in accordance with the terms contained in their individual personalised offer documents.

#### **(d) Price**

Securities issued under the EIP may be issued at no cost to the participants. Options, if offered, may be subject to payment of an exercise price by the participant which is determined by the Board and advised to the participant in their individual personalised offer documents.

#### **(e) Lapse/forfeiture**

Securities issued under the EIP will lapse or be forfeited on the earliest of:

- (a) the date that the Board determines in its absolute discretion that the vesting conditions for Securities which have not yet vested have not or cannot be met by the relevant date;
- (b) the date that the Board determines in its absolute discretion that the exercise conditions for Securities which have vested have not or cannot be met by the relevant date;
- (c) the Board determining that the Participant materially breached the rules of the EIP;
- (d) the insolvency of a participant;
- (e) the Board determining that the participant has acted fraudulently or dishonestly or has wilfully breached their obligations to any group company;
- (f) the Board determining that a participant is ineligible to hold the office for the purposes of Part 2D.6 of the Corporations Act, or is found to have acted in a manner that the Board considers to constitute gross misconduct; and
- (g) the date that is 15 years from the date the Securities are awarded under the EIP.

as set out in the individual personalised offer documents.

#### **(f) Board may elect to settle in cash**

If the Board determines that it is not appropriate for tax, legal, regulatory or compliance reasons to issue or transfer Shares upon satisfaction of its obligations under the plan, the Company may make a cash payment to the participant in accordance with the terms of the plan for equivalent value.

#### **(g) Waiving the restricted period**

The Board may waive or shorten the restriction period applicable to securities issued under the EIP to the participant in accordance with the terms of the EIP.

**(h) *Change of Control***

On the occurrence of a Change of Control of the Company (as defined in the terms of the EIP), or if in the Board's opinion a Change of Control will occur, the Board will determine, in its sole and absolute discretion, the manner in which vested and unvested securities issued under the EIP shall be dealt with.

**(i) *Cessation of employment***

Under the individual personalised offer documents, if a Participant ceases to provide services to the Company (or a related body corporate of the Company) prior to the vesting of any securities issued under the EIP:

- (a) they will retain all of their vested Awards; and
- (b) all of their unvested Awards will be forfeited on a date determined by the Board, unless the Board provides express written consent that the Participant may retain any or all of their unvested Awards. If the Board determines that the Participant may retain any or all of their unvested Awards, those Awards will be subject to the terms and conditions that the Participant held those Awards prior to becoming a Leaver, or such other terms and conditions as the Board sees fit.

**(j) *No dealing or hedging***

Dealing restrictions apply to securities issued under the EIP in accordance with the terms of the EIP, the individual personalised offer documents and the Company's share trading policy. Participants are prohibited from hedging or otherwise protecting the value of unvested securities issued under the EIP.

**(k) *Rights attaching to Shares***

Shares issued under the EIP (upon exercise of vested securities issued under the EIP) will be subject to any restrictions imposed under the terms of the EIP and otherwise rank equally with the existing Shares on issue at the time of allotment or transfer.

**(l) *Company may issue or acquire shares***

The Company may, in its discretion, either issue new Shares or acquire Shares already on issue, or a combination of both, to satisfy the Company's obligations under the EIP.

**(m) *Adjustments***

Prior to the allocation of Shares to an EIP participant upon exercise of vested securities issued under the EIP if the Company undergoes a reorganisation of capital, the terms of unvested securities will be changed to comply with the ASX Listing Rules. If the Company makes a pro rata bonus issue to Shareholders, the terms of any unexercised securities will change to entitle the participant to one Share plus the number of bonus Shares which would have been issued to the participant if the unexercised securities had been exercised prior to the bonus issue.

**(n) *Limits on securities issued***

The number of Shares that may be issued under the EIP is set regarding the limits prescribed under ASIC Class Order 14/1000 with respect to employee share scheme offers made without a prospectus. Currently these limits provide that the number of Shares that may be issued, when aggregated with the number of Shares issued during the previous 3 years from Share issues under all employee share schemes established by the Company (including as a result of exercise of options to acquire Shares

granted to the previous five years under any such executive share scheme), must not exceed 5% of the total number of Shares on issue, disregarding certain unregulated offers. As of 31 August 2022, the Company had 588,123,110 Shares on issue and as such the maximum number of Shares that may be issued pursuant to ASIC Class Order 14/1000 is 29,406,156.

**(o)      *Loan funding***

Pursuant to the terms of the EIP, the Board will, where the loan funded shares are instituted, offer employees an interest free limited recourse loan to assist in the purchase of Shares, with the Shares acquired at their market value. The loan will be limited recourse so that at any time (subject to any restrictions) the employee may divest their Shares in full satisfaction of the loan balance.

**(p)      *Continued operation of the plan***

The EIP may be suspended, terminated, or amended at any time by the Board, subject to any resolution of the Company required by the ASX Listing Rules.



ACN 118 619 042

CHZ

MR SAM SAMPLE  
FLAT 123  
123 SAMPLE STREET  
THE SAMPLE HILL  
SAMPLE ESTATE  
SAMPLEVILLE VIC 3030

## Need assistance?



**Phone:**

1300 368 218 (within Australia)  
+61 (3) 9415 4615 (outside Australia)



**Online:**

[www.investorcentre.com/contact](http://www.investorcentre.com/contact)



## YOUR VOTE IS IMPORTANT

For your proxy appointment to be effective it must be received by **4.00 pm (Australian Western Standard time)** on **Tuesday, 1 November 2022**

# Proxy Form

## How to Vote on Items of Business

All your securities will be voted in accordance with your directions.

### APPOINTMENT OF PROXY

**Voting 100% of your holding:** Direct your proxy how to vote by marking one of the boxes opposite each item of business. If you do not mark a box your proxy may vote or abstain as they choose (to the extent permitted by law). If you mark more than one box on an item your vote will be invalid on that item.

**Voting a portion of your holding:** Indicate a portion of your voting rights by inserting the percentage or number of securities you wish to vote in the For, Against or Abstain box or boxes. The sum of the votes cast must not exceed your voting entitlement or 100%.

**Appointing a second proxy:** You are entitled to appoint up to two proxies to attend the meeting and vote on a poll. If you appoint two proxies you must specify the percentage of votes or number of securities for each proxy, otherwise each proxy may exercise half of the votes. When appointing a second proxy write both names and the percentage of votes or number of securities for each in Step 1 overleaf.

**A proxy need not be a securityholder of the Company.**

## SIGNING INSTRUCTIONS FOR POSTAL FORMS

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

**Joint Holding:** Where the holding is in more than one name, all of the securityholders 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 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) 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 sign in the appropriate place to indicate the office held. Delete titles as applicable.

## PARTICIPATING IN THE MEETING

### Corporate Representative

If a representative of a corporate securityholder or proxy is to participate in the meeting you will need to provide the appropriate "Appointment of Corporate Representative". A form may be obtained from Computershare or online at [www.investorcentre.com/au](http://www.investorcentre.com/au) and select "Printable Forms".

## Lodge your Proxy Form:

**XX**

### Online:

Lodge your vote online at [www.investorvote.com.au](http://www.investorvote.com.au) using your secure access information or use your mobile device to scan the personalised QR code.

Your secure access information is



**Control Number: 999999**

**SRN/HIN: I9999999999**

**PIN: 99999**

For Intermediary Online subscribers (custodians) go to [www.intermediaryonline.com](http://www.intermediaryonline.com)

### By Mail:

Computershare Investor Services Pty Limited  
GPO Box 242  
Melbourne VIC 3001  
Australia

### By Fax:

1800 783 447 within Australia or  
+61 3 9473 2555 outside Australia



**PLEASE NOTE:** For security reasons it is important that you keep your SRN/HIN confidential.

MR SAM SAMPLE  
FLAT 123  
123 SAMPLE STREET  
THE SAMPLE HILL  
SAMPLE ESTATE  
SAMPLEVILLE VIC 3030

☐

**Change of address.** If incorrect, mark this box and make the correction in the space to the left. Securityholders sponsored by a broker (reference number commences with 'X') should advise your broker of any changes.



I 9999999999

I ND

## Proxy Form

Please mark ☒ to indicate your directions

### Step 1 Appoint a Proxy to Vote on Your Behalf

XX

I/We being a member/s of Chesser Resources Limited hereby appoint

☐

the Chairman  
of the Meeting

OR

**PLEASE NOTE:** Leave this box blank if you have selected the Chairman of the Meeting. Do not insert your own name(s).

or failing the individual or body corporate named, or if no individual or body corporate is named, the Chairman of the Meeting, as my/our proxy to act generally at the meeting on my/our behalf and to vote in accordance with the following directions (or if no directions have been given, and to the extent permitted by law, as the proxy sees fit) at the Annual General Meeting of Chesser Resources Limited to be held at Unit 12, 295 Rokeby Road, Subiaco, Western Australia on Thursday, 3 November 2022 at 4.00 pm (Australian Western Standard time) and at any adjournment or postponement of that meeting.

**Chairman authorised to exercise undirected proxies on remuneration related resolutions:** Where I/we have appointed the Chairman of the Meeting as my/our proxy (or the Chairman becomes my/our proxy by default), I/we expressly authorise the Chairman to exercise my/our proxy on Resolutions 1, 3, 4, 5, 6, and 7 (except where I/we have indicated a different voting intention in step 2) even though Resolutions 1, 3, 4, 5, 6, and 7 are connected directly or indirectly with the remuneration of a member of key management personnel, which includes the Chairman.

**Important Note:** If the Chairman of the Meeting is (or becomes) your proxy you can direct the Chairman to vote for or against or abstain from voting on Resolutions 1, 3, 4, 5, 6, and 7 by marking the appropriate box in step 2.

### Step 2 Item of Business

**PLEASE NOTE:** If you mark the **Abstain** box for an item, you are directing your proxy not to vote on your behalf on a show of hands or a poll and your votes will not be counted in computing the required majority.

#### ORDINARY BUSINESS

	For	Against	Abstain
Resolution 1 Adoption of Remuneration Report (non-binding resolution)	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Resolution 2 Re-election of Director, Mr Mark Connelly	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Resolution 3 Approval to issue Options to Director – Mr Mark Connelly	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Resolution 4 Approval to issue Options to Director – Mr Simon O'Loughlin	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Resolution 5 Approval to issue Options to Director – Mr Simon Taylor	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Resolution 6 Approval to issue Options to Director – Mr Robert Greenslade	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Resolution 7 Approval to issue Options to Director – Mr Andrew Grove	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>

#### SPECIAL BUSINESS

Resolution 8 Approval of additional 10% placement capacity	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
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The Chairman of the Meeting intends to vote undirected proxies in favour of each item of business. In exceptional circumstances, the Chairman of the Meeting may change his/her voting intention on any resolution, in which case an ASX announcement will be made.

### Step 3 Signature of Securityholder(s) *This section must be completed.*

Individual or Securityholder 1

Sole Director & Sole Company Secretary

Securityholder 2

Director

Securityholder 3

Director/Company Secretary

/ /

Date

**Update your communication details** (Optional)

Mobile Number

Email Address

By providing your email address, you consent to receive future Notice of Meeting & Proxy communications electronically

CHZ

999999A



Computershare

