

Tuesday, 28 March 2023

Notice of Annual General Meeting

Hillgrove Resources Limited (**Hillgrove**) is pleased to attach a copy of the following documents in relation to the Annual General Meeting of Shareholders to be held on Friday, 28 April 2023 at 9:30am (ACDT):

- Letter to Shareholders regarding arrangements for the Annual General Meeting as despatched to Shareholders;
- Notice of Annual General Meeting; and
- Proxy Form.

Authorised for release by the Board of Hillgrove Resources Limited.

Regards,



Joe Sutanto

Chief Commercial Officer & Company Secretary
Hillgrove Resources Limited

Tuesday, 28 March 2023

Dear Shareholder

I am pleased to invite you to the Annual General Meeting of the Company's Shareholders (**Meeting**) to be held at Adelaide Town Hall, David Spence Room, 128 King William Street, Adelaide, SA, 5000 at 9:30am (ACDT) on Friday 28 April 2023.

A notice of meeting was released to the ASX on 28 March 2023 in respect of the Meeting of the Company's Shareholders.

In accordance with Treasury Laws Amendments (2022 Measures No. 1) Act 2021, the Company will not be sending hard copies of the Notice of Meeting to shareholders. The Notice of Meeting can be viewed and downloaded from www.hillgroveresources.com.au. Alternatively, a complete copy of the meeting documents has been posted to the Company's ASX market announcements page. If you have elected to receive notices by email, a communication will be sent to your nominated email address. If you have not elected to receive notices by email, a copy of your proxy form will be posted to you, together with this Letter.

For further information, please contact the Company Secretary by telephone on +61 8 7070 1698 or by email at info@hillgroveresources.com.au

Authorised for release by the Board of Hillgrove Resources Limited.

Regards,



Joe Sutanto

Chief Commercial Officer & Company Secretary
Hillgrove Resources Limited

HILLGROVE RESOURCES LIMITED

ACN 004 297 116

Notice of Annual General Meeting

and

Related Documentation

NOTICE OF ANNUAL GENERAL MEETING TO BE HELD AT 9:30AM (ACST)
ON FRIDAY, 28 APRIL 2023 IS INCLUDED WITH THESE DOCUMENTS.

TO BE VALID, FORMS OF PROXY FOR USE AT THIS MEETING MUST BE
COMPLETED AND RETURNED TO THE COMPANY NO LATER THAN
9.30AM (ACST) ON WEDNESDAY, 26 APRIL 2023.

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PART A: ABOUT THESE DOCUMENTS

Shareholders in Hillgrove Resources Limited ABN 73 004 297 116 (**Company**) are requested to consider and vote upon each of the Resolutions set out in the Notice.

You can vote by:

- attending and voting at the Meeting;
- appointing someone as your proxy to attend and vote at the Meeting on your behalf, by completing and returning the Proxy Form to the Company or its share registry in the manner set out on the Proxy Form. The Company or its share registry must receive your duly completed Proxy Form by no later than **9:30am (ACST) on Wednesday, 26 April 2023; or**
- if the Shareholder is a body corporate, appoint a corporate representative to attend and vote at the Meeting on behalf of the Shareholder, by providing the Company with evidence of the representative's appointment, including the authority under which it is signed, by no later than **9:30am (ACST) on Wednesday, 26 April 2023** (unless such evidence has already been provided to the Company, in which case no further action is required to allow the corporate representative to vote on behalf of the Shareholder at the Meeting).

A glossary of the key terms used throughout this Document (including the Proxy Form) is contained in **Part E** of this Document.

Please read the whole of this Document carefully, determine how you wish to vote and then cast your vote.

HILLGROVE RESOURCES

28 March 2023

Dear Shareholder

I am pleased to invite you to attend our Annual General Meeting, being held at the Adelaide Town Hall, David Spence Room, 128 King William Street, Adelaide, SA, 5000 on Friday, 28 April 2023 at 9:30am (ACST). Enclosed with this letter is the Notice of Meeting which details the items of business to be dealt with.

If you are unable to join us, you are encouraged to complete the enclosed Proxy Form. The signed Proxy Form should be returned as instructed in the Notice of Meeting by no later than 9:30am (ACST), Wednesday, 26 April 2023. For details regarding voting by proxy, please refer to the Notice of Meeting and instructions on the back of the Proxy Form. If you plan to attend the Meeting, please bring your Proxy Form with you to facilitate registration.

Shareholders who did not elect to receive a copy of the Company's annual report by mail are able to access it via our website, at www.hillgroveresources.com.au, by clicking on the link via the Investor section. Please remember you can update your communications preferences and holding details by contacting our registry, Boardroom Pty Limited, at enquiries@boardroomlimited.com.au or on 1300 737 760.

Your vote is important and we encourage you to either attend the Meeting in person or complete the Proxy Form and return it in accordance with the directions provided.

Yours faithfully



Joe Sutanto
Company Secretary

PART C: NOTICE OF ANNUAL GENERAL MEETING

HILLGROVE RESOURCES LIMITED (ACN 004 297 116)

Notice is hereby given that the annual general meeting of the members of Hillgrove Resources Limited (ACN 004 297 116) (**Company**) will be held at the place, date and time set out in Section 1 below and for the purpose of considering and voting upon the Resolutions set out in Section 2.

SECTION 1: TIME AND PLACE OF MEETING

Venue

The annual general meeting of members of the Company will be held at:

Adelaide Town Hall,
David Spence Room,
128 King William Street,
Adelaide, SA, 5000.

Time and Date

The meeting will commence at **9:30am (ACST) on Friday, 28 April 2023**

How to Vote

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

Voting in Person

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

Voting by Proxy

To vote by proxy, please complete and sign the Proxy Form enclosed with this Document as soon as possible and **either** send, deliver, courier or mail the duly completed Proxy Form:

- online at <https://www.votingonline.com.au/hgoagm2023>
- by facsimile to Boardroom Pty Limited on facsimile number +61 (02) 9290 9655;
- deliver to Boardroom Pty Limited at Level 8, 210 George Street, Sydney NSW 2000, Australia; or
- mail to Boardroom Pty Limited at GPO Box 3993, Sydney NSW 2001, Australia.

so that it is received no later than **9:30am (ACST) on Wednesday, 26 April 2023**.

Details on how to vote by proxy are set out on the back of your Proxy Form.

Please read this Document carefully and in its entirety, determine how you wish to vote in relation to each of the Resolutions and then cast your vote accordingly. If you do not understand any part of this Document, or are in any doubt as to the course of action you should follow, you should contact your financial or other professional adviser immediately.

Determination of Membership and Voting Entitlement for the Purpose of the Meeting

For the purpose of determining a person's entitlement to vote at the Meeting and in accordance with regulation 7.11.37 of the Corporations Regulations 2001 (Cth), a person will be recognised as a member and the holder of Shares if that person is registered as a holder of Shares at **6:30pm (ACST) on Wednesday, 26 April 2023**.

Voting Exclusion Statement

In accordance with the Corporations Act and the Listing Rules, the following persons must not cast any votes on the following Resolutions, and the Company will disregard any votes cast on that Resolution by:

Resolution	Excluded Voters
1	All Directors, other Key Management Personnel and their respective associates or any other closely related party (other than by means of a directed proxy)
2	None
3	A person referred to in ASX 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 Lachlan Wallace and any associate of Lachlan Wallace
4	A person who participated in the issue or is a counterparty to the agreement being approved
5	A 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), and any associate of those persons
6	A 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), and any associate of those persons
7	Freepoint Metals & Concentrates LLC, being a person who will participate in the proposed issue and any associate of Freepoint Metals & Concentrates LLC
8	Freepoint Metals & Concentrates LLC, being a person who will participate in the proposed acquisition of Shares and any associate of Freepoint Metals & Concentrates LLC

However, the Company need not disregard a vote cast in favour of Resolution 1, 3, 4, 5, 6, 7, 8 if it is cast by:

- (a) a person as proxy or attorney for a person who is entitled to vote, in accordance with the directions given to the proxy or attorney to vote on the resolution in that way; or
- (b) the person chairing the meeting as a 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:
 - 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 the directions given by the beneficiary to the holder to vote in that way.

Proxies

A Shareholder, entitled to attend and vote at this Meeting pursuant to the Constitution, is entitled to appoint no more than two proxies. Where more than one proxy is appointed, each proxy may be appointed to represent a specific proportion of the member's voting rights. A proxy need not be a Shareholder. Any instrument of proxy deposited or received by the Company in which the name of the appointee is not filled in shall be deemed to be given in the favour of the Chair of the Meeting.

The instrument appointing a proxy must be lodged, and any power of attorney or an office copy of a certified copy thereof under which an attorney for a member appoints a proxy, must be lodged by no later than **9:30am (ACST) on Wednesday, 26 April 2023** in accordance with the instructions provided in the Proxy Form.

The instrument appointing a proxy shall be in writing under the hand of the appointor or of his/her attorney or if such appointor is a corporation, under the hand of its attorney or the hand of a person duly authorised by the corporation. The Proxy Form which accompanies this Notice may be used.

Corporate Representatives

A body corporate that is a Shareholder, or that has been appointed as a proxy by a Shareholder, may appoint an individual as a representative to exercise all or any of the powers the body corporate may exercise at the Meeting. The appointment may be a standing one.

Unless otherwise specified in the appointment, the representative may exercise, on the body corporate's behalf, all of the powers that the body could exercise at the Meeting or in voting on a resolution. Evidence of the representative's appointment, including the authority under which it is signed, must be produced to the Company by no later than **9:30am (ACST) on Wednesday, 26 April 2023** unless these documents have previously been provided to the Company.

SECTION 2: RESOLUTIONS OF ANNUAL GENERAL MEETING

BUSINESS

ACCOUNTS

To receive and consider the Company's financial statements for the 12 months ended 31 December 2022 and the related reports of the Directors and auditor.

1. REMUNERATION REPORT

The Remuneration Report is in the Directors' Report section of the Company's 2022 Annual Report. In accordance with section 250R(2) of the Corporations Act, listed companies are required to submit the Remuneration Report to a vote for adoption at the Company's Annual General Meeting. In accordance with section 250R(3) of the Corporations Act, the resolution will be determined as an ordinary resolution but is advisory only and does not bind the Directors or the Company.

To consider and, if thought fit, to pass, with or without amendment, the following motion:

Resolution 1 – Remuneration Report

"That, for the purposes of section 250R(2) of the Corporations Act, the Remuneration Report in the 2022 Annual Report of the Company be adopted."

For a detailed discussion of the circumstances material to a consideration of Resolution 1, please read Part D, Resolution 1 below.

2. RE-ELECTION OF DIRECTOR

In accordance with Article 6.3 of the Constitution and Listing Rule 14.5, Murray Boyte retires by rotation, effective at the conclusion of the Meeting, and being eligible, offers himself for re-election.

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

Resolution 2 – Re-election of Director Retiring By Rotation

"That Murray Boyte is re-elected as a director of the Company."

For a detailed discussion of the circumstances material to a consideration of Resolution 2, please read Part D, Resolution 2 below.

3. APPROVAL OF MANAGING DIRECTOR'S LONG TERM INCENTIVE

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

Resolution 3 – Approval of Managing Director's Long Term Incentive

"That, for the purpose of ASX Listing Rule 10.14 and for all other purposes, the Shareholders approve the proposed issue by the Company to Lachlan Wallace of 5,000,000 Performance Rights which once issued and as more particularly described in Part D of this document, will entitle Lachlan Wallace to be issued with an equal number of Shares, upon and subject to the satisfaction of specific criteria as set out in the Explanatory Statement."

For a detailed discussion of the circumstances material to a consideration of Resolution 3, please read Part D, Resolution 3 below.

4. RATIFICATION OF PREVIOUS ISSUE OF SHARES UNDER A PLACEMENT

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

Resolution 4 – Ratification of Previous Issue of Shares under a Placement

"That, for the purpose of ASX Listing Rule 7.4 and for all other purposes, the issue and allotment by the Company of 293,572,200 Shares on Thursday, 9 March 2023 under a Placement to professional and sophisticated investors, on the terms and conditions set out in the Explanatory Statement, is approved and ratified."

For a detailed discussion of the circumstances material to a consideration of Resolution 4, please read Part D, Resolution 4 below.

5. ISSUE OF SHARES UNDER A PLACEMENT

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

Resolution 5 – Issue of Shares under a Placement

"That, for the purpose of ASX Listing Rule 7.1 and for all other purposes, the issue and allotment by the Company of up to 64,918,366 Shares under a Placement to professional and sophisticated investors, on the terms and conditions set out in the Explanatory Statement, is approved."

For a detailed discussion of the circumstances material to a consideration of Resolution 5, please read Part D, Resolution 5 below.

6. ISSUE OF OPTIONS UNDER A MANDATE

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

Resolution 6 – Issue of Options

"That, for the purpose of ASX Listing Rule 7.1 and for all other purposes, the issue and allotment by the Company of up to 35,000,000 Options to Canaccord Genuity (Australia) Limited (or its nominee) exercisable at \$0.0795 per share, on the terms and conditions set out in the Explanatory Statement, is approved."

For a detailed discussion of the circumstances material to a consideration of Resolution 6, please read Part D, Resolution 6 below.

7. ISSUE OF SHARES TO FREEPOINT

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

Resolution 7 – Issue of Shares to Freepoint

"That, subject to Resolution 8 being passed, for the purpose of ASX Listing Rule 7.1 and for all other purposes, the issue and allotment by the Company of up to 329,000,000 Shares under a Placement to Freepoint Metals & Concentrates LLC or its nominee, on the terms and conditions set out in the Explanatory Statement, is approved."

For a detailed discussion of the circumstances material to a consideration of Resolution 7, please read Part D, Resolution 7 below.

8. APPROVAL OF FINANCIAL ASSISTANCE

To consider and, if thought fit, pass the following resolution as a special resolution:

Resolution 8 – Approval of Financial Assistance

"That, subject to Resolution 7 being passed, for the purposes of sections 260A and 260B of the Corporations Act and for all other purposes, the provision of financial assistance by the

Company and its subsidiaries, in connection with the issue of Shares to Freepoint under the Subscription Agreement, as described in the Explanatory Statement, is approved."

Note: This is a special resolution and for it to be passed, at least 75% of the votes validly cast by shareholders of the Company entitled to vote and who vote at the meeting in person or by proxy on this Resolution 8 must be in favour of Resolution 8. For a detailed discussion of the circumstances material to a consideration of Resolution 8, please read Part D, Resolution 8 below.

9. OTHER BUSINESS

To transact any other business as may be brought before the Meeting.

By order of the Board



Joe Sutanto

Company Secretary

Dated: 28 March 2023

PART D: EXPLANATORY STATEMENT

This Explanatory Statement is included in and forms part of the Notice of Meeting. It contains an explanation of, and information about, the Resolutions to be considered at the Meeting. It is given to Shareholders to help them determine how to vote on the Resolutions set out in the accompanying Notice of Meeting.

Shareholders should read this Explanatory Statement in full as individual sections do not necessarily give a comprehensive review of the Resolutions contemplated in this Explanatory Statement.

If you are in doubt about what to do in relation to a Resolution, you should consult your financial or other professional advisor.

Accounts

The Company's Financial Report for the 12 month period ended 31 December 2022 is set out in the Annual Report. In accordance with the Corporations Act, Shareholders will be given a reasonable opportunity at the Meeting to ask questions and make comments on the financial report and on the business and management of the Company.

During the discussion of this item, the Company's auditor will be present and will answer qualifying questions.

Written questions for the auditor

If you would like to submit a written question to the Company's auditor, please post your question to the Company Secretary. Written questions must relate to the content of the auditor's report or the conduct of the audit to be considered at the Meeting. A list of qualifying questions will be made available at the Meeting.

Please note that all questions must be received at least four business days before the date of the Meeting, that is, by no later than 9.30am (ACST) on Monday, 24 April 2023.

Resolution 1 – Remuneration Report

The Remuneration Report is in the Directors' Report section of the Company's 2022 Annual Report. Listed companies are required to submit the Remuneration Report to a vote for adoption at the Meeting. The resolution will be determined as an ordinary resolution but is advisory only and does not bind the Directors or the Company.

However, if at least 25% of the votes cast are against adoption of the Remuneration Report at two consecutive annual general meetings, the Company will be required to put a resolution to the second Annual General Meeting (**Spill Resolution**), to approve calling a general meeting (**Spill Meeting**).

If more than 50% of the votes by Shareholders present and eligible to vote (in person, by proxy, by attorney or, in the case of a corporate Shareholder, by a corporate representative) vote in favour of the Spill Resolution, the Company must convene the Spill Meeting within 90 days of the second AGM. All of the Directors who were in office when the Company's Directors' Report was approved, other than the Managing Director of the Company, will cease to hold office immediately before the end of the Spill Meeting, but may stand for re-election at the Spill Meeting. Following the Spill Meeting, those persons whose election or re-election as a Director is approved will be the Directors of the Company.

At the Company's 2022 Annual General Meeting, the adoption of the Remuneration Report was carried on a proxy vote, and in excess of 75% of the votes cast were in favour of Resolution 1.

The Remuneration Report sets out the Company's remuneration arrangements for the Directors and key management personnel of the Company. The Remuneration Report is part of the Directors' Report contained in the Annual Financial Report of the Company for the 12 month period ending 31 December 2022 which is also available on the Company's website at www.hillgroveresources.com.au.

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

The Directors **recommend** that Shareholders vote **in favour** of Resolution 1.

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

Resolution 2 – Re-election of Murray Boyte as Director

Murray has over 35 years' experience in merchant banking and finance, undertaking company reconstructions, mergers and acquisitions in Australia, New Zealand, North America and Hong Kong. Murray holds a Bachelor of Commerce and Administration from the Victoria University in Wellington and is a member of the Australian Institute of Company Directors, the Institute of Directors of New Zealand and Chartered Accountants Australia & New Zealand. In addition, Murray has held executive positions and directorships in the transport, horticulture, finance service, investment, health services and property industries. Murray is currently the Chairman of Eureka Group Holdings (ASX: EGH), Chairman of National Tyre & Wheel Limited (ASX: NTD), and a Non Executive Director of Eumundi Group (ASX: EBG).

Murray was appointed as a non-executive Director of the Company on 10 May 2019, was subsequently re-elected on 7 May 2021, and is considered to be an independent Director.

With his vast skills, expertise, and experience complementing the existing Board, the Directors (with Mr Boyte abstaining) **recommend** that Shareholders re-elect Murray Boyte as Director and vote **in favour** of Resolution 2.

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

Resolution 3 – Approval of Managing Director's Long Term Incentive

Background

As part of Mr Wallace's employment contract, and used by the Company as a retention and incentive mechanism linked to the performance of the Company, Mr Wallace is entitled to long term incentives.

Performance Rights to be issued

The Board proposes to issue Lachlan Wallace, the Managing Director and Chief Executive Officer of the Company 5,000,000 Performance Rights, by offering Mr Wallace participation in the OPRP. It is anticipated these will be issued 1 July 2023.

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 section 210 to 216 of the Corporations Act.

The grant of the Performance Rights constitutes giving a financial benefit and Mr Wallace 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 because the grant of the Performance Rights is considered reasonable remuneration in the circumstances and was negotiated on an arm's length basis.

Requirements for approval

Shareholder approval of the participation of Mr Wallace in the OPRP and his acquisition of Performance Rights as detailed above and of Shares on vesting of those Performance Rights is sought for all purposes under the Listing Rules, including Listing Rule 10.14.

ASX Listing Rule 10.14

Under ASX Listing Rule 10.14, an entity must not issue securities to a related party (such as a Director or a company controlled by a Director) under an employee incentive scheme without the approval of Shareholders. Accordingly, approval of Shareholders is sought for the purpose of ASX Listing Rule 10.14 to enable the

Company to make grants of Performance Rights, and subsequently issue or transfer Shares, to Mr Wallace. As approval will be given under ASX Listing Rule 10.14, no approval is required under ASX Listing Rule 7.1.

For the purposes of ASX Listing Rule 10.15, the following information is provided:

- The Performance Rights will be issued to Mr Wallace.
- Mr Wallace is a Director of the Company.
- 5,000,000 Performance Rights are proposed to be issued.
- 18,121,622 Performance Rights have previously been issued to Mr Wallace under the OPRP, for no cash consideration.
- The Performance Rights will be granted to Mr Wallace no later than 24 months after shareholder approval is received.
- The Performance Rights will be issued for no cash consideration and accordingly, no funds will be raised.
- There are no loans relating to the issue or exercise of any Performance Rights or the acquisition of any Shares under the OPRP.
- Details of any securities, including Performance Rights, granted under the OPRP will be disclosed in the Company's annual report relating to the period in which those securities have been issued, and that approval for the issue of those securities was obtained under ASX Listing Rule 10.14. Any additional persons covered by ASX Listing Rule 10.14 who become entitled to participate in an issue of securities under the scheme after the resolution is approved and who were not named in this notice of meeting will not participate until approval is obtained.
- In accordance with Listing Rule 10.15.12, the Company will disregard any votes cast on Resolution 3 by a person referred to in ASX Listing Rule 10.14.1, 10.14.2 or 10.14.3 who is eligible to participate in the employee incentive scheme in question (i.e. the OPRP), including Lachlan Wallace and any associate of Lachlan Wallace.
- A summary of the terms and conditions of the Performance Rights are set out in **Schedule 1**.

Assessed value of the benefit

The value of the Performance Rights has been assessed by an independent valuer.

The values attributable are based on variables determined at the date of valuation and are indicative only. The Company will prepare and report a valuation based on actual variables at the date of issue, if approved and granted.

The input variables applied in the model by the independent valuer for the purposes of the indicative valuation are as follows:

Detail	Description
Number of Performance Rights	5,000,000
Exercise Price	Nil
Measurement Price	12.0 cents
Price Calculation Methodology	10 Day Volume Weighted Average Price (VWAP)*
Start of Testing Date	1 March 2025
First Exercise Date	1 March 2026
Last Exercise Date	30 March 2027
Valuation	\$205,000
LTI Entitlement (Employment Contract)	50%

LTI Received (Proposed)	49%
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* VWAP is calculated as the volume weighted average market price for securities in that class, calculated over the 10 trading days on which trades in that class were recorded immediately before the date of calculation.

Performance rights valuation and link to Mr Wallace's total fixed remuneration

The valuation of the proposed long term incentive invitation represents a value equal to approximately 49% of Mr Wallace's Total Fixed Remuneration of \$420,000 (which, for the avoidance of doubt, is the only component of Mr Wallace's Total Fixed Remuneration) for the period between 1 January 2023 and 31 December 2023 that these incentives relate to. In addition, Short Term Incentives (STIs) of up to 50% of total fixed remuneration may form part of Mr Wallace's variable remuneration. Mr Wallace did not qualify for an STI payment for the 2022 financial year.

The Directors (with Mr Wallace abstaining) **recommend** that Shareholders vote **in favour** of Resolution 3.

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

Resolution 4 – Ratification of Previous Issue of Shares under a Placement

Background

The Company is looking to complete underground development with respect to, and re-start/commission, the Project. In order to do this, the Company needs to raise additional working capital.

On 1 March 2023 the Company announced it had received firm commitments for a Placement of up to 358,490,566 Shares at an issue price of \$0.053 each to professional and sophisticated investors to raise a total of up to \$19,000,000 before costs (**Placement**). The Placement is to be conducted over two tranches.

Tranche 1 comprising 293,572,200 Shares and raising approximately \$15,600,000 before costs, was completed on Wednesday, 8 March 2023 without Shareholder approval and utilised the Company's available 15% issue capacity under ASX Listing Rule 7.1 and additional 10% issue capacity under ASX Listing Rule 7.1A (**Tranche 1 Placement**).

Resolution 4 seeks ratification by Shareholders for the issue of 176,143,358 Shares under Tranche 1 of the Placement, which comprises the total Shares issued under the Company's available 15% issue capacity under ASX Listing Rule 7.1 (i.e. effectively 'refreshing' the Company's 15% issue capacity under ASX Listing Rule 7.1).

For the avoidance of doubt, the Company is not seeking to ratify the additional 117,428,842 Shares issued under its 10% issue capacity under ASX Listing Rule 7.1A.

ASX Listing Rule 7.4

ASX Listing Rule 7.1 prohibits a listed company from issuing equity securities representing more than 15% of its fully paid ordinary issued capital in any 12 month period without first obtaining Shareholder approval (subject to certain exceptions).

Under ASX Listing Rule 7.4, a company can seek ratification of securities issued that have been made within the previous 12 month period if:

- (a) the issue does not breach ASX Listing Rule 7.1; and
- (b) shareholders subsequently approve such issue.

The effect of such ratification is that the issue of the 176,143,358 Shares is then deemed to have been made with Shareholder approval, thus not counting towards the 15% limit. The approved securities are also included in the base number for calculating the Company's 15% limit, thereby increasing the number of equity securities the Company can issue without first having to obtain Shareholder approval under ASX Listing Rule 7.1.

The issue of the Shares did not breach ASX Listing Rule 7.1 and did not require Shareholder approval. The Company now seeks Shareholder approval to ratify the issue of the Tranche 1 Placement Shares pursuant to ASX Listing Rule 7.4. This will have the same effect as if Shareholder approval had been obtained before the Company issued the Shares.

If Resolution 4 is passed, the Issue will be excluded in calculating the Company's 15% limit in ASX Listing Rule 7.1, effectively increasing the number of equity securities it can issue without Shareholder approval over the 12 month period following the date of the Issue.

This will provide the Company with the ability to issue more securities in the future, eg a placement to sophisticated and/or professional investors, without seeking Shareholder approval, if the Board considers that it is in the interests of the Company to do so.

If Resolution 4 is not passed, the Issue will be included in calculating the Company's 15% limit in ASX Listing Rule 7.1, effectively decreasing the number of equity securities it can issue without Shareholder approval over the 12 month period following the date of the Issue.

Specific Information required by Listing Rule 7.5

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

- (a) 176,143,358 Shares were issued on Thursday, 9 March 2023 under the Company's available 15% issue capacity pursuant to ASX Listing Rule 7.1;
- (b) the issue price was \$0.053 per Share for a total consideration of \$9,335,597.97 before costs;
- (c) the Shares issued were fully paid ordinary shares in the capital of the Company issued on the same terms and conditions as the Company's existing Shares;
- (d) the Shares were issued to various sophisticated and professional investors identified by Canaccord Genuity (Australia) Limited ACN 075 071 466 (**Canaccord**), as lead manager of the Placement. None of these subscribers are:
 - (i) a Related Party of the Company;
 - (ii) a member of the Company's key management personnel;
 - (iii) an adviser to the Company; or
 - (iv) an associate of any of the above.
- (e) Ariadne Australia Limited ACN 010 474 067 (a substantial shareholder, holding voting power of approximately 15.1% in the Company prior to the Tranche 1 Placement) participated in the Tranche 1 Placement. Aside from this, none of the subscribers to the Tranche 1 Placement are a substantial holder in the Company, or an associate of a substantial holder in the Company.
- (f) the funds raised by the issue of the Shares will be primarily used to fund:
 - (i) development for the Project, along with sufficient contingency;
 - (ii) exploration, for the purposes of continuing to expand the Project and extend the mine life; and
 - (iii) general working capital purposes; and
- (g) a voting exclusion statement has been included in the Notice of Meeting.

Directors' Recommendation

The Directors believe that the ratification of this issue and the refresh of the 15% capacity under ASX Listing Rule 7.1 is beneficial to the Company. The Directors **recommend** that Shareholders vote **in favour** of Resolution 4.

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

Resolution 5 - Issue of Shares under a Placement

Background

Broadly speaking, and subject to a number of exceptions, ASX Listing Rule 7.1 limits the amount of equity securities that a listed company can issue without the approval of its shareholders over any 12 month period to 15% of the fully paid ordinary shares on issue at the start of the period. The issue and allotment of up to 64,918,366 Shares under Tranche 2 of the Placement to professional and sophisticated investors announced

on 1 March 2023 cannot be accommodated within the Company's 15% placement capacity under ASX Listing Rule 7.1, additional 10% placement capacity under ASX Listing Rule 7.1A, and does not fall within any of the exceptions. It therefore requires approval of the Shareholders under ASX Listing Rule 7.1.

Resolution 5 seeks Shareholder approval for the issue and allotment of up to 64,918,366 Shares comprising Tranche 2 of the Placement (**Tranche 2 Placement**). If Resolution 5 is approved, the Shares will not be counted towards the 15% 12 month limit on the issue of equity securities permitted by ASX Listing Rule 7.1.

If Resolution 5 is not passed, the Company may not be able to proceed with the full issue of Shares under the Tranche 2 Placement and therefore may not be able to raise an additional \$3,440,673.40 before costs. As a consequence, the Company may have to delay some activities in relation to the Project and other exploration until further funds are raised.

To this end, Resolution 5 seeks Shareholder approval to the issue under the Tranche 2 Placement for the purposes of ASX Listing Rule 7.1.

If Resolution 5 is passed, the issue of Shares under the Tranche 2 Placement can proceed without using up any of the Company's 15% limit on issuing equity securities without Shareholder approval set out in ASX Listing Rule 7.1.

If Resolution 5 is not passed, the issue of shares under the Tranche 2 Placement might still proceed in part but it will reduce, to that extent, the Company's capacity to issue equity securities without Shareholder approval under ASX Listing Rule 7.1 for 12 months following the issue.

None of the placees are a Related Party of the Company.

Specific Information required by Listing Rule 7.3

For the purposes of ASX Listing Rule 7.3, the following information is provided to Shareholders:

- (a) the maximum number of Shares that may be issued and allotted to professional and sophisticated investors under the Tranche 2 Placement is 64,918,366 Shares;
- (b) the Company will issue and allot the Shares comprised in the Tranche 2 Placement as soon as practicable following the Meeting and, in any event, no later than 3 months after the date of the Meeting;
- (c) the issue price for the Shares is \$0.053 per Share for a total consideration of \$3,440,673.40 before costs;
- (d) the Shares to be issued will be fully paid ordinary shares in the capital of the Company issued on the same terms and conditions as the Company's existing Shares;
- (e) the Shares will be issued and allotted to a number of professional and sophisticated investors identified by Canaccord, as lead manager of the Placement. None of these subscribers are:
 - (i) a Related Party of the Company;
 - (ii) a member of the Company's key management personnel;
 - (iii) a substantial holder in the Company;
 - (iv) an adviser to the Company; or
 - (v) an associate of any of the above;
- (f) the funds raised by the issue of the Shares will be primarily used to fund:
 - (i) development for the Project, along with sufficient contingency;
 - (ii) exploration, for the purposes of continuing to expand the Project and extend the mine life; and
 - (iii) general working capital purposes; and
- (g) a voting exclusion statement has been included in the Notice of Meeting.

Directors' Recommendation

The Directors **recommend** that Shareholders vote **in favour** of Resolution 5.

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

Resolution 6 - Issue of Options under a Mandate

Background

In order to implement the Placement, the Company entered into an engagement mandate with Canaccord on 14 February 2023 (**Mandate**) under which Canaccord was appointed lead manager for the Placement.

Under the Mandate, upon completion of the Placement:

- (a) the Company is to issue 35,000,000 Options to Canaccord, exercisable per Option at \$0.0795 per Share, for up to 3 years from the date of issue; and
- (b) in consideration, Canaccord is to pay the Company the sum of \$3.50.

As outlined above, ASX Listing Rule 7.1 limits the amount of equity securities that a listed company can issue without the approval of its shareholders over any 12 month period to 15% of the fully paid ordinary shares on issue at the start of the period. The issue and allotment of up to 35,000,000 Options to Canaccord in accordance with the Mandate cannot be accommodated within the Company's 15% placement capacity under ASX Listing Rule 7.1 and does not fall within any of the exceptions. It therefore requires approval of the Shareholders under ASX Listing Rule 7.1.

Resolution 6 seeks Shareholder approval for the issue and allotment of up to 35,000,000 Options to Canaccord in accordance with the Mandate. If Resolution 6 is approved, the Options will not be counted towards the 15% 12 month limit on the issue of equity securities permitted by ASX Listing Rule 7.1.

If Resolution 6 is not passed, the Company might still proceed with the issue of the Options in part but it will reduce, to that extent, the Company's capacity to issue equity securities without Shareholder approval under ASX Listing Rule 7.1 for 12 months following the issue.

To this end, Resolution 6 seeks Shareholder approval to the issue of the Options under the Mandate for the purposes of ASX Listing Rule 7.1.

If Resolution 6 is passed, the issue of Options under the Mandate can proceed without using up any of the Company's 15% limit on issuing equity securities without Shareholder approval set out in ASX Listing Rule 7.1.

Specific Information required by Listing Rule 7.3

For the purposes of ASX Listing Rule 7.3, the following information is provided to Shareholders:

- (a) the maximum number of Options that may be issued and allotted to Canaccord under the Mandate is 35,000,000 Options;
- (b) the Company will issue the Options referred to under the Mandate as soon as practicable following the Meeting and, in any event, no later than 3 months after the date of the Meeting;
- (c) the Options may be exercised at any time by Canaccord up to 3 years from the issue date, and are exercisable per Option at \$0.0795 per Share for a total consideration of \$2,782,500 before costs;
- (d) upon exercising the Options, the Shares to be issued will be fully paid ordinary shares in the capital of the Company issued on the same terms and conditions as the Company's existing Shares;
- (e) the Options, and the Shares (if the Options are exercised), will be issued and allotted to Canaccord;
- (f) there is no obligation for Canaccord to exercise the Options, meaning that there is no guarantee that any or all of the Options will be exercised;
- (g) a summary of the terms and conditions of the Options are set out in **Schedule 2**.
- (h) the funds raised by the issue of the Shares will be primarily used to fund:
 - (i) development for the Project, along with sufficient contingency;
 - (ii) exploration, for the purposes of continuing to expand the Project and extend the mine life; and
 - (iii) general working capital purposes; and

- (i) a voting exclusion statement has been included in the Notice of Meeting.

Directors' Recommendation

The Directors **recommend** that Shareholders vote **in favour** of Resolution 6.

The Chair intends to vote undirected proxies in favour of Resolution 6.

Resolution 7 - Issue of Shares to Freepoint

Background

On 1 March 2023 the Company announced it had entered into a binding, conditional term sheet with Freepoint Metals & Concentrates LLC (**Freepoint**), which contemplates the Company entering into a long form subscription agreement incorporating the key commercial terms outlined under the term sheet (**Subscription Agreement**), for a placement of up to 329,000,000 Shares at an issue price of \$0.053 each to Freepoint to raise a total of up to \$17,437,000 before costs (**FP Placement**). The FP Placement is to be conducted over two tranches:

- (a) Tranche 1 comprises the Shares required to result in Freepoint acquiring voting power of 9.9% in the Company (i.e. an issue of up to 95,137,404 Shares) and raising \$5,042,282.41 before costs (**Tranche 1 FP Placement**); and
- (b) Tranche 2 comprises the Shares required to result in Freepoint acquiring voting power of a 19.99% in the Company (i.e. an issue of up to 233,862,596 Shares) and raising \$12,394,717.59 before costs (**Tranche 2 FP Placement**).

Presently Freepoint holds 57,022,134 Shares representing voting power of approximately 3.85% in the Company.

Under the Subscription Agreement:

- (a) the Tranche 1 FP Placement is conditional on:
 - (i) the Company successfully raising \$20,000,000 before costs under the Placement and SPP;
 - (ii) Shareholder approval of the FP Placement for the purposes of ASX Listing Rule 7.1 and sections 260A and 260B of the Corporations Act, on or before 30 April 2023; and
 - (iii) the Company entering in to the Hedging Documents; and
- (b) the Tranche 2 FP Placement is conditional on:
 - (i) completion of the Tranche 1 FP Placement;
 - (ii) the Company being satisfied (in its absolute discretion) that either:
 - i. Freepoint has received notice in writing from the Treasurer or his or her agent to the effect that there are no objections under the *Foreign Acquisitions and Takeovers Act 1975 (Cth)* ("**FATA**") to Freepoint acquiring the Shares under the Tranche 2 FP Placement in accordance with the terms of the Subscription Agreement and the transactions (including the grant of the Security by the Company) under the Hedging Agreement on an unconditional basis, or subject to conditions that are acceptable to Freepoint (in its absolute discretion); or
 - ii. the Treasurer is, by reason of lapse of time, no longer empowered to make an order under FATA prohibiting Freepoint from acquiring the Shares under the Tranche 2 FP Placement or entering into the transactions (including the grant of the Security by the Company) under the Hedging Agreement in accordance with the terms of the Subscription Agreement

(FIRB Condition).

The FIRB Condition has a sunset date of 3 months from the date of the Subscription Agreement unless extended as a result of the Treasurer or his or her agent extending the statutory period for any reason not caused by an act or omission of Freepoint.

Resolution 7 seeks Shareholder approval for the issue and allotment of Shares under the FP Placement. If Resolution 7 is approved, the Shares will not be counted towards the 15% 12 month limit on the issue of equity securities permitted by ASX Listing Rule 7.1.

If Resolution 7 is not passed, the Company will not be able to proceed with the issue of Shares under the FP Placement and therefore will not be able to raise an additional \$17,437,000 before costs. As a consequence, the Company may have to delay some activities in relation to the Project and other exploration until further funds are raised.

To this end, Resolution 7 seeks shareholder approval to the issue under the FP Placement for the purposes of ASX Listing Rule 7.1.

If Resolution 7 is passed, the issue of Shares under the Tranche 1 FP Placement and Tranche 2 FP Placement can proceed (subject to their respective conditions being satisfied) without using up any of the Company's 15% limit on issuing Equity Securities without shareholder approval set out in ASX Listing Rule 7.1.

Freepoint is not a Related Party of the Company, however, at the date of this Notice of Meeting it holds voting power of approximately 3.85% in the Company.

In addition to the Subscription Agreement, as contemplated in the ASX announcement of 1 March 2023, the Company intends to amend an existing hedging agreement with Copper (a wholly owned subsidiary of the Company) and Freepoint in order to, subject to the satisfaction of certain conditions, effect commodity hedging arrangements for the price protection for at least 16,000 tonnes of copper concentrate (**Hedging Agreement**).

As security for the hedging transactions under the Hedging Agreement, the Company and its subsidiaries also will grant the following in favour of Freepoint:

- (a) a first priority security interest (subject to subordination to the security interest held by the Minister for Mineral Resources and Energy) over all present and after acquired property of the Company and each of its subsidiaries (including Copper);
- (b) a first priority security interest (subject to subordination to the security interest held by the Minister for Mineral Resources and Energy) over all of the mining tenements held by the Company and Copper;
- (c) a security interest over all of the shares held by the Company in its subsidiaries (including Copper); and
- (d) a real property mortgage over all of the real property and leasehold interests held by the Company and any of its subsidiaries,

(Security).

Specific Information required by Listing Rule 7.3

For the purposes of ASX Listing Rule 7.3, the following information is provided to Shareholders:

- (a) the maximum number of Shares that may be issued and allotted to Freepoint under the FP Placement is 329,000,000 Shares;
- (b) the Company will issue and allot the Shares under the Tranche 1 FP Placement as soon as practicable following satisfaction or waiver of the relevant conditions under the Subscription Agreement, and in any event, no later than 3 months after the date of the Meeting;
- (c) there is a possibility that the FIRB Condition may not be satisfied in time to allow the Company to issue and allot the Shares under the Tranche 2 FP Placement within 3 months of the date of the Meeting. To this end, the Company has obtained from the ASX a waiver from ASX Listing Rule 7.3.4, allowing the Tranche 2 FP Placement Shares to be issued as soon as practicable following the satisfaction of the FIRB Condition, and in any event no later than 6 months after the date of the Meeting;
- (d) the issue price for the Shares under the FP Placement is \$0.053 per Share for a total consideration of \$17,437,000 before costs;
- (e) the Shares to be issued will be fully paid ordinary shares in the capital of the Company issued on the same terms and conditions as the Company's existing Shares;
- (f) under the Subscription Agreement on the date of completion of:

- (i) the Tranche 1 FP Placement, the Company is to pay Freepoint an equity structuring fee of 1.5% of the proceeds received by the Company under the Tranche 1 FP Placement, which may be paid by way of set off against the amount payable by Freepoint under the Tranche 1; and
- (ii) the Tranche 2 FP Placement, the Company is to pay Freepoint an equity structuring fee of 1.5% of the proceeds received by the Company under the Tranche 2 FP Placement, which is to be treated effectively as a reduction of the proceeds received by the Company under the Tranche 2 FP Placement;
- (g) the Shares will be issued and allotted to Freepoint (or its nominees);
- (h) the funds raised by the issue of the Shares will be used to fund:
 - (i) development for the Project, along with sufficient contingency;
 - (ii) exploration, for the purposes of continuing to expand the Project and extend the mine life; and
 - (iii) general working capital purposes; and
- (i) a voting exclusion statement has been included in the Notice of Meeting.

Listing Rule 7.3.4 requires a notice of meeting with a resolution to approve the issue of equity securities to state that the securities will be issued within 3 months of the date of the shareholder's meeting. The Company has obtained from the ASX a waiver from ASX Listing Rule 7.3.4, not to state that the Tranche 2 FP Placement Shares will be issued within 3 months of the date the Meeting, on the following conditions:

- the Tranche 2 FP Placement Shares are to be issued as soon as practicable following the satisfaction of the FIRB Condition, and in any event no later than 6 months after the date of the Meeting;
- the FIRB Condition must not be varied;
- the maximum number of Tranche 2 FP Placement Shares to be issued is to be capped at 233,862,596;
- adequate details regarding the dilutionary effect of the Tranche 2 Placement Shares on the Company's capital structure be included in the Company's notice of meeting;
- for any annual reporting period during which the Tranche 2 FP Placement Shares remain to be issued, the Company's annual report sets out the number of Tranche 2 FP Placement Shares that remain to be issued and the basis on which the Tranche 2 FP Placement Shares may be issued;
- in any half year or quarterly report for a period during which the Tranche 2 FP Placement Shares have been issued or remain to be issued, the Company must include a summary statement of the number of Tranche 2 FP Placement Shares issued during the reporting period or remain to be issued and the basis on which the Tranche 2 FP Placement Shares may be issued; and
- the Company's notice of meeting contains the material terms and conditions of the agreement pursuant to which the Tranche 2 FP Placement Shares are to be issued as well as the conditions of the waiver.

It should be noted that if the FIRB Condition is not satisfied by the specified sunset date, then only Tranche 1 FP Placement would have completed and Freepoint's holding in the Company would be limited to 9.9% and the Company and Freepoint have agreed to enter into discussions and negotiations on a 'reasonable endeavours' basis with respect to potential alternative funding arrangements (including, potentially debt funding) for the amount of the Tranche 2 FP Placement.

The material terms of the Subscription Agreement have been previously announced by the Company. The agreement contains customary provisions for such a document, and also includes a requirement that provided that Freepoint holds at least 10% of the Company, the Company will consult in good faith with Freepoint with respect to Freepoint's possible participation in the raising.

Proposed Resolution

Resolution 7 is a proposed ordinary resolution of the Shareholders to approve the Tranche 1 FP Placement and the Tranche 2 FP Placement. Resolution 7 is interdependent with, and subject to, Resolution 8 being passed.

Directors' Recommendation

The Directors strongly believe that it is in the best interests of the Company and all Shareholders that Shareholders vote **in favour** of Resolution 7. This is the unanimous recommendation of the Directors, and each Director intends to vote or procure the voting of, all Shares which they control in favour of Resolution 7.

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

Resolution 8 – Approval of Financial Assistance

Restrictions on Companies Giving Financial Assistance

Under section 260A(1) of the Corporations Act, a company may financially assist a person to acquire shares (or units of shares) in the company or a holding company of the company only if:

- (a) giving the assistance does not materially prejudice:
 - (i) the interests of the company or its shareholders; or
 - (ii) the company's ability to pay its creditors; or
- (b) the assistance is approved by shareholders under section 260B of the Corporations Act; or
- (c) the assistance is exempted under section 260C of the Corporations Act.

A company may be regarded as giving financial assistance if it gives something needed in order that a transaction be carried out or something in the nature of aid or help. The term 'financial assistance' has no technical meaning and requires an examination of the commercial realities of the relevant transaction. Common examples of financial assistance include issuing a debenture, giving security over a company's assets and giving a guarantee or indemnity in respect of another person's liabilities.

Shareholder Approval of Financial Assistance

Under section 260B(1) of the Corporations Act, for a company to financially assist a person to acquire shares in itself or a company of which it is a subsidiary, the financial assistance must be approved by its shareholders by:

- (a) a special resolution passed at a general meeting of the company, with no votes being cast in favour of the resolution by the person acquiring the shares (or units of shares) or by their associates; or
- (b) a resolution agreed to, at a general meeting, by all ordinary shareholders.

The Proposed Financial Assistance

As outlined above in the description of Resolution 7 in Part D of this Notice, the Company intends to enter into the Subscription Agreement in order to facilitate the FP Placement.

Completion of the Tranche 1 FP Placement, and in turn completion of the Tranche 2 FP Placement, under the Subscription Agreement is conditional on the Company entering into the Hedging Documents. The Security forms part of the Hedging Documents.

It is noted that in addition to the Security, the Company and its subsidiaries (together the "**Assisting Parties**") are to cross-guarantee to Freepoint the punctual performance by the Assisting Parties of their obligations under the Hedging Documents.

This effectively means that the provision of the Security, and the guarantees under the Hedging Documents, by the Assisting Parties are required to facilitate the issue of Shares to Freepoint under the Subscription Agreement, and therefore the Assisting Parties are considered to be providing 'financial assistance' (for the purposes of the Corporations Act) in relation to an acquisition of shares in the Company.

Effect of Financial Assistance

As both the Security and guarantees are provided as collateral support for the hedging transactions under the Hedging Agreement, the material effects of the financial assistance on the Company will include:

- (a) **Joint and several liability:** the Company will assume joint and several liability with the other Assisting Parties under the Hedging Documents;

- (b) **Guarantee and indemnities:** Freepoint may be entitled to claim by way of guarantee and indemnities provided by the Company, in whole or in part, any amounts owed under the Hedging Documents; and
- (c) **Enforcement of Security:** Freepoint may be entitled to enforce the Security granted by the Assisting Parties (including the Company) and apply the proceeds of enforcement towards repayment of the amounts owed under the Hedging Documents.

If an event of default, Freepoint may require immediate repayment of the amounts due under the Hedging Documents and Freepoint would be entitled to enforce its security over the assets of the Assisting Parties.

The directors of the Company do not currently believe that Copper and the Assisting Parties are likely to default on their obligations under the Hedging Documents.

Reasons for Giving Financial Assistance

The main reasons for the giving of the financial assistance described in this Notice include, but are not limited to:

- (a) it is a condition of the Subscription Agreement that the Assisting Parties provide the Security, and guarantees under the Hedging Documents. Failure to comply with such condition in the time specified in the Subscription Agreement will mean that, absent a waiver from Freepoint:
 - (i) the FP Placement will be unable to complete, and in turn the Company will be unable to raise an additional \$17,437,000 before costs to assist with the further development of the Project; and
 - (ii) Copper and the Company will be unable to obtain price protection for at least 16,000 tonnes of copper concentrate; and
- (b) it is a reasonable, customary and necessary part of obtaining equity finance and commodity price protection on the most favourable terms. Obtaining equity funding of this nature without that requirement would have been difficult and would have resulted in funding being obtained on more restrictive and expensive terms.

Accordingly, the directors of the Company believe that approving the transactions contemplated by this proposed Resolution 8 is in the best interests of the Company, and its subsidiaries.

Disadvantages of Giving Financial Assistance

The disadvantages of the proposed Resolution 8 for the Company include that if an event of default occurs under the Hedging Documents:

- (a) the Company, together with the other Assisting Parties, will become liable for the amounts due by Copper and the other subsidiaries under the Hedging Documents;
- (b) Freepoint may make a demand under the guarantees provided by the Company and the Assisting Parties, requiring immediate payment of the outstanding amounts under the Hedging Documents; and
- (c) Freepoint may enforce the guarantee and/or Security granted by Company and the Assisting Parties to recover the amounts due.

Proposed Resolution

Resolution 8 is a proposed special resolution of the Shareholders to approve the financial assistance to be provided by the Assisting Parties, where the giving of financial assistance (i.e. the providing of the Security, and entering into the Hedging Documents) is required by the terms of the Subscription Agreement. This Resolution 8 is interdependent with, and subject to, Resolution 7 being passed.

Directors' Recommendation

The Directors strongly believe that it is in the **best interests** of the Company and all Shareholders vote **in favour** of Resolution 8. This is the unanimous recommendation of the Directors, and each Director intends to vote or procure the voting of, all Shares which they control in favour of Resolution 8.

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

Prior Notice to ASIC

As required by section 260B(5) of the Corporations Act, copies of this Notice as sent to the Shareholders were lodged with ASIC prior to their dispatch to the Shareholders.

Disclosure

The Directors consider that this Notice contains all information known to the Company that would be material to the Shareholders in deciding how to vote on Resolution 8 other than information which it would be unreasonable to require the Company to include because it has been previously disclosed to the Shareholders.

PART E: GLOSSARY

For the purposes of this document, including Schedule 1, the following terms have the meanings prescribed below:

2022 Annual Report	the Company's Annual Report for the 12 month period ended 31 December 2022.
ACST	Australian Central Standard Time.
ASIC	Australian Securities & Investments Commission.
Assisting Parties	has the meaning as defined in the Background to Resolution 8 in Part D of this Notice.
ASX	ASX Limited ACN 008 624 691 or the securities exchange market operated by it, as the context requires.
Board	the board of Directors.
Company	Hillgrove Resources Limited ACN 004 297 116.
Constitution	the constitution of the Company.
Copper	Hillgrove Copper Pty Ltd ACN 105 074 762.
Corporations Act	Corporations Act 2001 (Commonwealth).
Director	a director of the Company.
Equity Securities	has the same meaning given to it in the Listing Rules.
Hedging Agreement	has the meaning as defined in the Background to Resolution 7 in Part D of this Notice.
Hedging Documents	the documents, including the Security, to be entered into between, amongst others, the Company and Freepoint in respect of the Hedging Agreement.
Key Management Personnel	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 Rule	the listing rules of the ASX as amended from time to time.
Meeting	the Annual General Meeting referred to in the Notice.
Notice or Notice of Meeting	the Notice of Annual General Meeting, forming part of this Document.
OPRP	the Company's Option and Performance Rights Plan as approved by Shareholders at the general meeting of 7 May 2021.
Options	an option convertible into a Share to be issued to Canaccord Genuity (Australia) Limited on the terms set out in Schedule 2.
Performance Right	a right to acquire a Share.
Placement	has the meaning as defined in the Background to Resolution 4 in Part D of this Notice.
Project	the Kanmantoo Underground Copper Project, located in South Australia, Australia.
Proxy Form	the proxy form attached to this Document.
Related Party	has the meaning given to that term in the Corporations Act and the Listing Rules.

Resolution	a resolution set out in the Notice.
Security	has the meaning as defined in the Background to Resolution 7 in Part D of this Notice.
Share	a fully paid ordinary share in the Company.
Shareholder	a registered holder of Shares.
SPP	a share purchase plan.
Subscription Agreement	has the meaning as defined in the Background to Resolution 7 in Part D of this Notice.
Trading Day	means a day determined by ASX to be a trading day in accordance with the Listing Rules.

Schedule 1 – Material Terms and Conditions of Managing Director's Performance Rights

A summary of the key terms of the Performance Rights proposed to be issued to Lachlan Wallace are set out in the table below.

Terms	Description
Number of Performance Rights	5,000,000
Exercise Price	Nil
Measurement Price	12.0 cents
Price Calculation Methodology	10 Day Volume Weighted Average Price (VWAP)*
Start of Testing Date	1 March 2025
First Exercise Date	1 March 2026
Last Exercise Date	30 March 2027

* VWAP is calculated as the volume weighted average market price for securities in that class, calculated over the 10 trading days on which trades in that class were recorded immediately before the date of calculation.

Maximum number of shares

Each vested Performance Right will convert into one Share. Accordingly, the maximum number of Shares that may be acquired by Mr Wallace through his exercise of the Performance Rights is 5,000,000 Shares.

Price payable on grant or exercise of Performance Rights

Mr Wallace will not be required to pay any amount on either the grant or vesting of his Performance Rights under the proposed long term incentive invitation or upon exercise of any of those Performance Rights, once vested. The Performance Rights are not transferable.

Change of control

Subject to the Listing Rules, if a “change of control event” occurs, all unvested Performance Rights will vest.

Exercise on vesting

Any Performance Rights that vest after having met the Measurement Price may be exercised once the Measurement Price has been determined and an equal number of Shares will be issued. Any unvested Performance Rights will lapse.

For the avoidance of doubt, all 5,000,000 Performance Rights issued to Lachlan Wallace will vest if, in the time period commencing on the Start of Testing Date and expiring on the Last Exercise Date, there is a 10 Day Volume Weighted Average Price of 12.0 cents (or greater).

No right to dividends, bonus or rights issues

None of the Performance Rights confer on the holder an entitlement to receive dividends or to participate in bonus issues or rights issues until such time as those Performance Rights vest and Shares are issued or transferred.

No voting rights

The Performance Rights do not confer an entitlement to vote at general meetings of the Company until such time as the Performance Rights vest and Shares are issued or transferred.

Non-quotation

The Company will not apply to the ASX for official quotation of the Performance Rights. Shares issued pursuant to the vesting of a Performance Right will rank equally with the Shares then on issue and will be the subject of an application by the Company for official quotation.

Schedule 2 – Material Terms and Conditions of Options

A summary of the key terms of the Options proposed to be issued to Canaccord are set out below.

1. Each option entitles the holder to one ordinary share in the Company.
2. Each of the options has an exercise price of \$0.0795 per Share.
3. Each option is exercisable in whole or in part at any time during the period commencing on the date of issue and expiring on the third anniversary of issue (Exercise Period). Options not exercised before the Exercise Period will lapse.
4. Options are exercisable by notice in writing to the Board delivered to the registered office of the Company and payment of the exercise price per option in cleared funds.
5. The Company will make application for official quotation on ASX of new shares allotted on exercise of the options. Those shares will participate equally in all respects with existing issued ordinary shares, and in particular new shares allotted on exercise of options will qualify for dividends declared after the date of their allotment.
6. Options can only be transferred with Board approval, except that if at any time before expiry of the Exercise Period the optionholder dies, the legal personal representative of the deceased optionholder may:
 - i. elect to be registered as the new holder of the options;
 - ii. whether or not he or she becomes so registered, exercise those options in accordance with the terms and conditions on which they were granted; and
 - iii. if the deceased has already exercised options, pay the exercise price in respect of those options.
7. An optionholder may only participate in new issues of securities to holders of ordinary shares in the Company if the option has been exercised and shares allotted in respect of the option before the record date for determining entitlements to the issue. The Company must give prior notice to the optionholder of any new issue before the record date for determining entitlements to the issue in accordance with the ASX Listing Rules.
8. If there is a bonus issue to the holders of ordinary shares in the capital of the Company, the number of ordinary shares over which the option is exercisable will be increased by the number of ordinary shares which the holder of the option would have received if the option had been exercised before the record date for the bonus issue.
9. If the Company makes a rights issue (other than a bonus issue), the exercise price of options on issue will be reduced according to the following formula:

$$A = O - \frac{E[P - (S + D)]}{(N + 1)}$$

Where:

A = the new exercise price of the option;

O = the old exercise price of the option;

E = the number of underlying ordinary shares into which one option is exercisable;

P = the average closing sale price per ordinary share (weighted by reference to volume) recorded on the stock market of the ASX during the five trading days immediately preceding the ex rights date or ex entitlements date (excluding special crossings and overnight sales and exchange traded options);

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

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

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

10. If, during the currency of the options the issued capital of the Company is reorganised, those options will be reorganised to the extent necessary to comply with ASX Listing Rules.

All Correspondence to:

- ✉ **By Mail** Boardroom Pty Limited
GPO Box 3993
Sydney NSW 2001 Australia
- 📠 **By Fax:** +61 2 9290 9655
- 💻 **Online:** www.boardroomlimited.com.au
- ☎ **By Phone:** (within Australia) 1300 737 760
(outside Australia) +61 2 9290 9600

YOUR VOTE IS IMPORTANT

For your vote to be effective it must be recorded **before 9:30am (ACDT) on Wednesday, 26 April 2023.**

🖥 TO VOTE ONLINE

- STEP 1: VISIT** <https://www.votingonline.com.au/hgoagm2023>
- STEP 2: Enter your Postcode OR Country of Residence (if outside Australia)**
- STEP 3: Enter your Voting Access Code (VAC):**

📱 BY SMARTPHONE



Scan QR Code using smartphone
QR Reader App

TO VOTE BY COMPLETING THE PROXY FORM

STEP 1 APPOINTMENT OF PROXY

Indicate who you want to appoint as your Proxy.

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

Appointment of a Second Proxy

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

To appoint a second proxy you must:

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

STEP 2 VOTING DIRECTIONS TO YOUR PROXY

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

Proxy which is a Body Corporate

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

STEP 3 SIGN THE FORM

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

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

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

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

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

STEP 4 LODGEMENT

Proxy forms (and any Power of Attorney under which it is signed) must be received no later than 48 hours before the commencement of the meeting, therefore by **9:30am (ACDT) on Wednesday, 26 April 2023.** Any Proxy Form received after that time will not be valid for the scheduled meeting.

Proxy forms may be lodged using the enclosed Reply Paid Envelope or:

- 🖥 **Online** <https://www.votingonline.com.au/hgoagm2023>
- 📠 **By Fax** + 61 2 9290 9655
- ✉ **By Mail** Boardroom Pty Limited
GPO Box 3993,
Sydney NSW 2001 Australia
- 👤 **In Person** Boardroom Pty Limited
Level 8, 210 George Street
Sydney NSW 2000 Australia

Attending the Meeting

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

Hillgrove Resources Limited

ACN 004 297 116

☐

Your Address

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

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

PROXY FORM

STEP 1 APPOINT A PROXY

I/We being a member/s of **Hillgrove Resources Limited** and entitled to attend and vote hereby appoint:

☐

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

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

or failing the individual or body corporate named, or if no individual or body corporate is named, the Chair of the Meeting as my/our proxy at the Annual General Meeting of the Company to be held at the **VENUE & ADDRESS on Friday, 28 April, 2023 at 9:00am (ACDT)** and at any adjournment of that meeting, to act on my/our behalf and to vote in accordance with the following directions or if no directions have been given, as the proxy sees fit.

Chair of the Meeting authorised to exercise undirected proxies on remuneration related matters: If I/we have appointed the Chair of the Meeting as my/our proxy or the Chair of the Meeting becomes my/our proxy by default and I/we have not directed my/our proxy how to vote in respect of Resolutions 1 & 3, I/we expressly authorise the Chair of the Meeting to exercise my/our proxy in respect of this Resolution even though Resolutions 1 & 3 is connected with the remuneration of a member of the key management personnel for the Company.

The Chair of the Meeting intends to vote undirected proxies in favour of each of the items of business.

STEP 2 VOTING DIRECTIONS

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

		For	Against	Abstain*
Resolution 1	To Adopt the Remuneration Report	☐	☐	☐
Resolution 2	Re-election of Director – Mr Murray Boyte	☐	☐	☐
Resolution 3	Approval of Managing Director's Long-Term Incentive	☐	☐	☐
Resolution 4	Ratification of Previous Issue of Shares under a Placement	☐	☐	☐
Resolution 5	Issue of Shares under a Placement	☐	☐	☐
Resolution 6	Issue of Options Under a Mandate	☐	☐	☐
Resolution 7	Issue of Shares to Freepoint	☐	☐	☐
Resolution 8	Approval of Financial Assistance	☐	☐	☐

STEP 3 SIGNATURE OF SECURITYHOLDERS

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

Individual or Securityholder 1

Sole Director and Sole Company Secretary

Securityholder 2

Director

Securityholder 3

Director / Company Secretary

Contact Name.....

Contact Daytime Telephone.....

Date / / 2023