



FIRST AU LTD

ACN 000 332 918

NOTICE OF ANNUAL GENERAL MEETING

**The Annual General Meeting of the Company will be held virtually
by teleconference on
Thursday, 28 May 2020 at 11 AM (AEST).**

Due to the COVID-19 restrictions imposed by both the Federal and State governments, physical attendance at the meeting by shareholders will not be permitted. The meeting will be held via an audio conferencing facility. If you are a shareholder who wishes to attend and participate in the virtual meeting please contact David McBain, the Company Secretary, at the following email address: dmcbain@firstau.com or by phone on +61 3 9817 0700

Shareholders wishing to join the virtual meeting must contact the Company Secretary no later than 11AM (AEST) on 27 May 2020 to register for the meeting.

Shareholders are encouraged to lodge their completed proxy forms in accordance with the instructions set out herein to vote before the meeting.

The Notice of Annual General Meeting should be read in their 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.

Should you wish to discuss any matter please do not hesitate to contact the Company Secretary by telephone on +61 3 9817 0700 or email on dmcbain@firstau.com

Shareholders are urged to vote by lodging the proxy form attached to this Notice in accordance with the proxy voting instructions which accompany the Notice.



NOTICE OF ANNUAL GENERAL MEETING

Notice is hereby given that the Annual General Meeting of Shareholders of First Au Ltd (**Company**) will be held virtually on Thursday, 28 May 2020 at 11 am (AEST) (**Meeting**).

IMPACTS OF COVID-19 ON THE MEETING

The health and safety of members and personnel, and other stakeholders, is the highest priority and the Company is acutely aware of the current circumstances resulting from COVID-19. While the COVID-19 situation remains volatile and uncertain, based on the best information available to the Board at the time of the Notice, the Company intends to conduct a poll on the resolutions in the Notice using the proxies filed prior to the Meeting and for shareholders to be able to attend and participate in the Meeting (including by voting on resolutions on a show of hands) virtually by Zoom.

Shareholders are strongly encouraged to submit their proxies as early as possible and in any event prior to the cut-off for proxy voting as set out in the Notice. To lodge your proxy, please follow the directions on your personalised proxy form which will be enclosed with a copy of the Notice, delivered to you by email or post (depending on your communication preferences).

If you wish to attend the virtual Meeting, please contact David McBain, the Company Secretary (no later than 11AM (AEST) on 27 May 2020), by email to dmcbain@firstau.com or by phone on +61 3 9817 0700 to receive registration details for the virtual Meeting.

In addition to questions asked at the virtual Meeting, the Company and the auditor are happy to accept and answer questions submitted prior to the Meeting by email to dmcbain@firstau.com. Where a written question is raised in respect of the key management personnel of the Company, the resolutions to be considered at the Meeting or is asked of the auditor, the Company will address the relevant question during the course of the Meeting or by written response after the Meeting (subject to the discretion of the Company not to respond to unreasonable and/or offensive questions).

If the situation in relation to COVID-19 were to change in a way that affected the position above, the Company will provide a further update ahead of the Meeting.

The Explanatory Memorandum provides additional information on matters to be considered at the Meeting. The Explanatory Memorandum and the Proxy Form, form part of the Notice.

The Directors have determined pursuant to regulation 7.11.37 of the *Corporations Regulations 2001* (Cth) that the persons eligible to vote at the Meeting are those who are registered as Shareholders of the Company on Tuesday, 26 May 2020 at 7:00pm (AEST).

AGENDA**1. Annual Report**

To consider the Annual Report of the Company and its controlled entities for the financial year ended 31 December 2019 which includes the Financial Report, the Directors' Report and the Auditor's Report.

Shareholders are referred to the Explanatory Memorandum at Section 3 for details of the website where the Annual Report may be located.

2. Resolution 1 – Remuneration Report

To consider and, if thought fit, to pass with or without amendment, as a non-binding **Ordinary Resolution** the following:

"That the Remuneration Report be adopted by the Shareholders on the terms and conditions in the Explanatory Memorandum."

Voting Exclusion:

In accordance with section 250R of the Corporations Act, a vote on this Resolution must not be cast by or on behalf of a member of the Key Management Personnel whose remuneration details are included in the Remuneration Report, or a Closely Related Party of such member.

A vote may be cast by such person if the vote is not cast on behalf of a person who is excluded from voting on this Resolution, and:

- (a) the person is appointed as proxy by writing that specifies the way the proxy is to vote on the Resolution; or
- (b) the person is the Chair and the appointment of the Chair as proxy does not specify the way the proxy is to vote on this Resolution, but expressly authorises the Chair to exercise the proxy even if this Resolution is connected with the remuneration of a member of the Key Management Personnel.

Further, 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 this Resolution if:

- (a) the proxy is either a member of the Key Management Personnel or a Closely Related Party of such 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; and
- (b) the appointment expressly authorises the Chair to exercise the proxy even though this Resolution is connected directly or indirectly with remuneration of a member of the Key Management Personnel.

Shareholders should note that the Chair intends to vote any undirected proxies in favour of this Resolution. In exceptional circumstances, the Chair may change his or her voting intention on the Resolution, in which case an ASX announcement will be made.

Shareholders may also choose to direct the Chair to vote against the Resolution or to abstain from voting.

If you purport to cast a vote other than as permitted above, that vote will be disregarded by the Company (as indicated above) and you may be liable for breaching the voting restrictions that apply to you under the Corporations Act.

3. Resolution 2 – Re-election of Director – Richard Revelins

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

"That in accordance with Clause 13.4 of the Constitution and for all other purposes, Mr Richard Revelins, who retires and being eligible, offers himself for re-election, is elected as a Director on the terms and conditions in the Explanatory Memorandum."

4. Resolution 3 – Approval of Additional 10% Placement Facility – Listing Rule 7.1A

To consider and, if thought fit, to pass with or without amendment, as a **Special Resolution** the following:

"That for the purposes of Listing Rule 7.1A, shareholders approve the Company having the additional capacity to issue fully paid ordinary shares in the capital of the Company up to a maximum number permitted under ASX Listing Rule 7.1A.2 at an issue price which is not less than 75% of the volume weighted average market (closing) price of the Company's listed ordinary shares calculated over the last fifteen (15) days on which trades of the Company's ordinary shares were recorded on ASX immediately before the date on which the issue price is agreed or the date the issue is made as described in the Explanatory Memorandum which accompanies and forms part of this Notice."

Voting Exclusion

The Company will disregard any votes cast in favour of this Resolution by or on behalf of 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 Company) and any of their associates.

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

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

Voting Note:

If as at the time of the Meeting the Company:

FIRST AU LTD

ACN 000 332 918

- is included in the S&P/ASX 300 Index; and/or
- has a market capitalisation (excluding restricted securities and securities quoted on a deferred settlement basis) of greater than AUD\$300 million,

then Resolution 3 will be withdrawn.

Resolution 4 – Amendment of Constitution

To consider and, if thought fit, to pass with or without amendment, as a **Special Resolution** the following:

"That, for the purposes of section 136(2) of the Corporations Act and for all other purposes, the constitution of the Company be amended as set out in Annexure A of the Memorandum which accompanies and forms part of the Notice with effect immediately upon passing of this Resolution."

AUTHORISED BY:



David McBain
Company Secretary
First Au Ltd

Dated: 17 April 2020

First Au Limited

(ASX: FAU) ACN 000 332 918



EXPLANATORY MEMORANDUM

1. Introduction

The Explanatory Memorandum has been prepared for the information of Shareholders in connection with the business to be conducted at the Meeting to be held virtually on Thursday, 28 May 2020 at 11.00 am (AEST). Further details of the conduct of the virtual Meeting are set out in the Notice including how shareholders can obtain dial-in details for the virtual Meeting.

The Explanatory Memorandum forms part of the Notice which should be read in its entirety. The Explanatory Memorandum contains the terms and conditions on which the Resolutions will be voted.

The Explanatory Memorandum includes the following information to assist Shareholders in deciding how to vote on the Resolutions:

Section 1	Introduction
Section 2	Action to be taken by Shareholders
Section 3	Annual Report
Section 4	Resolution 1 – Remuneration Report
Section 5	Resolution 2 – Re-election of Director – Richard Revelins
Section 6	Resolution 3 – Approval of Additional 10% Placement Facility
Section 7	Resolution 4 – Amendment of Constitution

A Proxy Form is located at the end of the Explanatory Memorandum.

2. Action to be taken by Shareholders

Shareholders should read the Notice including the Explanatory Memorandum carefully before deciding how to vote on the Resolutions.

2.1 Voting

As noted in the Notice, the Company proposes:

- (a) determining Resolutions by way of a poll on proxies submitted prior to the Meeting in accordance with the proxy voting instructions set out in the Notice and the accompanying Explanatory Memorandum; and
- (b) providing shareholders the opportunity to vote on the Resolutions at the virtual Meeting by way of a show of hands.

2.2 Proxies

(a) Voting by proxy

As noted above, the Company strongly recommends that members submit their proxies as early as possible and in any event prior to the cut-off date for proxy voting as set out in the Notice. Details of how to lodge your proxy are set out below.

A Proxy Form is attached to the Notice. This is to be used by Shareholders if they wish to appoint a representative (a 'proxy') to vote in their place. All Shareholders are invited and encouraged to attend the virtual Meeting or, if they are unable to attend, sign and return the Proxy Form to the Company in accordance with the instructions thereon. Lodgement of a Proxy Form will not preclude a Shareholder from attending and voting at the virtual Meeting.

Please note that:

- (i) a member of the Company entitled to attend and vote at the Meeting is entitled to appoint a proxy;
- (ii) a proxy need not be a member of the Company; and
- (iii) a member of the Company entitled to cast two or more votes may appoint two proxies and may specify the proportion or number of votes each proxy is appointed to exercise, but where the proportion or number is not specified, each proxy may exercise half of the votes.

The enclosed Proxy Form provides further details on appointing proxies and lodging Proxy Forms.

(b) Proxy vote if appointment specifies way to vote

Section 250BB(1) of the Corporations Act provides that an appointment of a proxy may specify the way the proxy is to vote on a particular resolution and, if it does:

- (i) 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);
- (ii) if the proxy has 2 or more appointments that specify different ways to vote on the resolution – the proxy must not vote on a show of hands;
- (iv) 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
- (iv) 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).

(c) Transfer of non-chair proxy to chair in certain circumstances

Section 250BC of the Corporations Act provides that, if:

- (i) an appointment of a proxy specifies the way the proxy is to vote on a particular resolution at a meeting of the Company's members;
- (ii) the appointed proxy is not the chair of the meeting;
- (iii) either the proxy is not recorded as attending the meeting or 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.

2.3 Voting Prohibition by Proxy Holders (Remuneration of Key Management Personnel)

In accordance with sections 250BD and 250R of the Corporations Act, a vote on Resolution 1 must not be cast (in any capacity) by, or on behalf of:

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

However, a person described above may cast a vote on Resolution 1 if the vote is not cast on behalf of a person who is excluded from voting on Resolution 1 and:

- (a) the person is appointed as proxy by writing that specifies the way the proxy is to vote on the Resolution; or
- (b) the person is the Chair and the appointment of the Chair as proxy does not specify the way the proxy is to vote on the resolution, but expressly authorises the Chair to exercise the proxy even if the Resolution is connected with the remuneration of a member of the Key Management Personnel.

The Chair intends to exercise all available proxies in favour of Resolution 1.

2.4 Special Resolution

Resolutions 3 and 4 are proposed as special resolutions. For a special resolution to be passed, at least 75% of the votes validly cast on the resolution by shareholders (by number of shares) must be in favour of the resolution.

3. Annual Report

In accordance with section 317 of the Corporations Act, Shareholders will be offered the opportunity to discuss the Annual Report, including the Financial Report, the Directors' Report and the Auditor's Report for the financial year ended 31 December 2019.

There is no requirement for Shareholders to approve the Annual Report. At the virtual Meeting, Shareholders will be offered the opportunity to:

- (a) discuss the Annual Report which is available online at investors.firstau.com and at www.asx.com.au, search code "FAU";
- (b) ask questions about, or comment on, the management of the Company; and
- (c) ask the auditor questions about the conduct of the audit and the preparation and content of the Auditor's Report.

In addition to taking questions at the Meeting, written questions to the Chair about the management of the Company, or to the Company's auditor about:

- (a) the preparation and content of the Auditor's Report;
- (b) the conduct of the audit;

(c) accounting policies adopted by the Company in relation to the preparation of the financial statements; and

(d) the independence of the auditor in relation to the conduct of the audit,

may be submitted no later than 2 business days before the Meeting to the Company Secretary by email to dmc bain@firstau.com. Questions submitted will be responded to at the Meeting or responses will be made available after the Meeting.

If you have not received a copy of the Annual Report, please contact the Company Secretary: Telephone: +61 3 9817 0700 or email: dmc bain@firstau.com.

4. Resolution 1 - Remuneration Report

In accordance with subsection 250R(2) of the Corporations Act, the Company must put the Remuneration Report to the vote of Shareholders. The Directors' Report contains the Remuneration Report which sets out the remuneration policy for the Company and the remuneration arrangements in place for the executive Directors, specified executives and non-executive Directors.

In accordance with subsection 250R(3) of the Corporations Act, Resolution 1 is advisory only and does not bind the Directors. If Resolution 1 is not passed, the Directors will not be required to alter any of the arrangements in the Remuneration Report. If the Company's Remuneration Report receives a 'no' vote of 25% or more (**Strike**) at two consecutive Annual General Meetings, Shareholders will have the opportunity to remove the whole Board, except the Managing Director.

Where a resolution on the Remuneration Report receives a Strike at two consecutive annual general meetings, the Company will be required to put to Shareholders at the second annual general meeting a resolution on whether another meeting should be held (within 90 days) at which all Directors (other than the managing director) who were in office at the date of approval of the applicable Directors' Report must stand for re-election.

The Company did not receive a Strike at the 2019 annual general meeting. Shareholders should be aware that if a Strike is received at this Meeting, a Strike received at the 2021 annual general meeting may result in a re-election of the Board.

The Chair will allow a reasonable opportunity for Shareholders as a whole to ask about or make comments on the Remuneration Report.

Resolution 1 is an ordinary resolution. The Chair intends to exercise all available proxies in favour of Resolution 1.

If the Chair is appointed as your proxy and you have not specified the way the Chair is to vote on Resolution 1, by signing and returning the Proxy Form, you are considered to have provided the Chair with an express authorisation for the Chair to vote the proxy in accordance with the Chair's intention, even though the Resolution is connected directly or indirectly with the remuneration of a member of the Key Management Personnel of the Company.

5. Resolution 2 – Re-election of Director – Richard Revelins

5.1 General

Clause 10.1 of the Constitution requires the Company to have at least 3 Directors. The Company currently has 4 Directors. Clause 10.3(c) of the Constitution requires one third of the Directors to retire at each annual general meeting. Clause 10.3(f) of the Constitution provides that a Director who retires is eligible for re-election.

Listing Rule 14.5 also requires that an entity which has directors must hold an election of Directors at each annual general meeting.

Pursuant to these Articles, Mr Revelins will retire by rotation, and being eligible, will seek re-election.

Details regarding Mr Revelins are set out in the Annual Report to Shareholders.

Resolution 2 is an ordinary resolution.

5.2 Board recommendation

The Board (excluding Mr Revelins who abstains from making a recommendation) recommends that Shareholders vote in favour of Resolution 2.

The Chairman intends to exercise all available proxies in favour of Resolution 2.

6. Resolution 3 – Approval of Additional 10% Placement Facility – Listing Rule 7.1A

ASX has introduced fund raising rules to provide more flexibility for smaller companies to raise additional capital in an easier and potentially less costly manner. ASX Listing Rule 7.1A enables eligible entities to issue equity securities (as that term is defined in the ASX Listing Rules) up to 10% of their issued share capital through placements over a specified period (**10% Placement Facility**). The 10% Placement Facility is in addition to a company's 15% placement capacity under ASX Listing Rule 7.1. An eligible entity for the purposes of ASX 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, at the date of the Notice, an eligible entity.

The Company is seeking shareholder approval by way of special resolution to have the ability to issue equity securities under the 10% Placement Facility during the 10% Placement Period (defined below). The exact number of equity securities (if any) to be issued under the 10% Placement Facility will be determined in accordance with the formula prescribed in ASX Listing Rule 7.1A.2 (refer below). The Company may use funds raised from any 10% Placement Facility for funding of existing operations or new operations and/or general working capital.

The Company has not previously obtained shareholder approval for the 10% Placement Facility.

The Directors of the Company believe that Resolution 3 is in the best interests of the Company and unanimously recommend that Shareholders vote in favour of this resolution.

DESCRIPTION OF LISTING RULE 7.1A

- 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 AGM.

- 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 two classes of quoted equity securities, fully paid ordinary shares (**FAU**) and listed options (**FAUO**).

- Formula for calculating 10% Placement Facility

ASX Listing Rule 7.1A.2 provides that eligible entities which have obtained shareholder approval at an AGM may, during the 10% Placement Period (defined below), issue a number of equity securities calculated in accordance with the following formula:

(A x D) – E

where:

A is the number of shares on issue 12 months before the date of the issue or agreement to issue:

- (i)*** plus the number of fully paid shares issued in the 12 months under an exception in ASX Listing Rule 7.2 other than exception 9, 16 or 17;
- (ii)*** plus the number of fully paid ordinary shares issued in the relevant period on the conversion of convertible securities within rule 7.2 Exception 9 where:
 - a.*** the convertible securities were issued or agreed to be issued before the commencement of the relevant period; or
 - b.*** the issue of, or agreement to issue, the convertible securities was approved, or taken under those rules to have been approved, under ASX Listing Rule 7.1 or 7.4;
- (iii)*** plus the number of fully paid ordinary shares issued in the relevant period under an agreement to issue securities within rule 7.2 Exception 16 where:
 - a.*** the agreement was entered into before the commencement of the relevant period; or
 - b.*** the agreement or issue was approved, or taken under those rules to have been approved, under ASX Listing Rule 7.1 or 7.4;
- (iv)*** plus the number of fully paid shares issued in the 12 months with approval of holders of shares under ASX Listing Rules 7.1 and 7.4;
- (v)*** plus the number of partly paid shares that became fully paid in the 12 months;
- (vi)*** less the number of fully paid shares cancelled in the 12 months.

Note: “A” has the same meaning in ASX Listing Rule 7.1 when calculating an entity’s 15% placement capacity.

D is 10%

E is the number of equity securities issued or agreed to be issued under ASX Listing Rule 7.1A.2 in the 12 months before the date of the issue or agreement to issue where the issue or agreement has not been subsequently approved by shareholders under ASX Listing Rule 7.4.

- **ASX Listing Rule 7.1 and ASX Listing Rule 7.1A**

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

As at the date of this Memorandum, the Company has on issue 266,750,084 ordinary shares and therefore would have capacity to issue:

- (i)*** 40,012,512 equity securities under Listing Rule 7.1 (15% capacity); and
- (ii)*** Subject to shareholders approving this Resolution 3, 26,675,008 ordinary shares under Listing Rule 7.1A (10% capacity).

The actual number of equity securities that the Company will have capacity to issue under ASX Listing Rule 7.1A will be calculated at the date of issue of the equity securities in accordance with the formula prescribed in ASX Listing Rule 7.1A.2 (refer above).

- Minimum Issue Price

The issue price of equity securities issued under ASX Listing Rule 7.1A must be not less than 75% of the VWAP of equity securities in the same class calculated over the 15 trading days 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 trading days of the date in paragraph (i) above, the date on which the equity securities are issued.

- 10% Placement Period

Shareholder approval of the 10% Placement Facility under ASX Listing Rule 7.1A is valid from the date of the AGM at which the approval is obtained and expires (and ceases to be valid) on the earlier to occur of:

- (i) the date that is 12 months after the date of the AGM at which the approval is obtained;
- (ii) the time and date of the next AGM; or
- (iii) the date of the approval by Shareholders of a transaction under ASX Listing Rules 11.1.2 (a significant change to the nature or scale of activities) or 11.2 (disposal of main undertaking) **(10% Placement Period)**.

- ASX Listing Rule 7.1A

The effect of Resolution 3 will be to allow the Company to issue the equity securities under ASX Listing Rule 7.1A during the 10% Placement Period separate to the Company's 15% placement capacity under ASX Listing Rule 7.1. Resolution 3 is a special resolution and therefore requires approval of 75% of the votes cast 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).

SPECIFIC INFORMATION REQUIRED BY ASX LISTING RULE 7.3A

Pursuant to and in accordance with ASX Listing Rule 7.3A, information is provided in relation to the approval of the 10% Placement Facility as follows:

- Shareholder approval for the 10% Placement Facility will only be valid for the 10% Placement Period as described above.
- Any equity security issued will be issued at an issue price of not less than 75% of the VWAP for the Company's equity securities over the 15 trading days 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 5 trading days of the date in paragraph (i) above, the date on which the equity securities are issued.
- If Resolution 3 is approved by the Shareholders and the Company issues equity securities under the 10% Placement Facility, the existing Shareholders' voting power in the Company would be diluted as shown in the below table (in the case of options, only if the options are exercised). There is a risk that:
 - (i) the market price for the Company's equity securities may be significantly lower on the date of the issue of the equity securities than on the date of the Meeting; and

- (ii) the equity securities may be issued at a price that is at a discount to the market price for the Company's equity securities on the issue date,

which may have an effect on the quantum of funds raised by the issue of the equity securities.

The table below shows the dilution of existing shareholders on the basis of the Deemed Price (defined below) and the current number of ordinary securities for variable "A" calculated in accordance with the formula in ASX Listing Rule 7.1A(2) as at the date of the Notice. The table also shows:

- Two examples where variable "A" has increased by 50% and 100%. Variable "A" is based on the number of ordinary shares the Company has on issue. The number of ordinary securities on issue may increase as a result of issues of ordinary securities that do not require shareholder approval (for example, a pro-rata entitlements issue or scrip issued under a takeover offer) or future specific placements under ASX Listing Rule 7.1 that are approved at a future shareholders' meeting.
- Two examples of where the Deemed Price has decreased by 50% and increased by 50%.

Variable "A" in ASX Listing Rule 7.1A.2		Dilution		
		\$0.004 50% Decrease in Deemed Price	\$0.008 Deemed Price	\$0.012 50% Increase in Deemed Price
Current Variable A 266,750,084 shares	10% Voting Dilution	26,675,008 shares	26,675,008 shares	26,675,008 shares
	Funds raised	\$106,700	\$213,400	\$320,100
50% increase in current Variable A 400,125,126 shares	10% Voting Dilution	40,012,512 shares	40,012,512 shares	40,012,512 shares
	Funds raised	\$160,050	\$320,100	\$480,150
100% increase in current Variable A 533,500,168 shares	10% Voting Dilution	53,350,016 shares	53,350,016 shares	53,350,016 shares
	Funds raised	\$213,400	\$426,800	\$640,200

The table above has been prepared on the following assumptions:

- () The Company issues the maximum securities available under the ASX Listing Rule 7.1A being 10% of the Company's shares on issue at the date of the Meeting.
- (i) No options are exercised into fully paid ordinary securities before the date of the issue of securities under ASX Listing Rule 7.1A.
- (ii) The table does not demonstrate an example of dilution that may be caused to a particular Shareholder by reason of placements under ASX Listing Rule 7.1A, based on that shareholder's holding at the date of the Meeting.
- (iii) The table only demonstrates the effect of issues of securities under ASX Listing Rule 7.1A. It does not consider placements made under ASX Listing Rule 7.1, the "15% rule".
- (iv) The price of ordinary securities is deemed for the purposes of the table above to be \$0.008, being the last price of the Company's listed ordinary shares on ASX on 15 April 2020. The Deemed Price is indicative only and does not consider the 25% discount to market that the securities may be placed at.

- (v) *The table does not demonstrate the effect of convertible securities being issued under ASX Listing Rule 7.1A, it only considers the issue of the fully paid ordinary securities.*

If the Company issues equity securities under the 10% placement capacity, it intends to use funds raised towards advancing existing businesses, the acquisition of new assets or businesses or other business development or licensing arrangements and/or general working capital.

The Company will comply with the disclosure obligations under ASX Listing Rules 7.1A(4) upon issue of any equity securities.

The Company's allocation policy is dependent on the prevailing market conditions at the time of any proposed issue pursuant to the 10% Placement Facility. The identity of the allottees of equity securities will be determined on a case-by-case basis having regard to factors including but not limited to the following:

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

The allottees under the 10% Placement Facility have not been determined as at the date of the Notice but may include existing substantial shareholders and/or new shareholders who are not related parties or associates of a related party of the Company.

The Company has not previously received shareholder approval for the 10% Placement Facility.

The Company is not proposing to make an issue of equity securities under ASX Listing Rule 7.1A.2 as at the date of the Notice, however the Company wishes to retain the flexibility in respect of such issues up to the date of the Meeting and accordingly a voting exclusion for Resolution 3 has been included in the Notice.

The directors of the Company unanimously recommend shareholders vote in favour of Resolution 3.

7. Resolution 4 – Amendment of constitution

It is proposed that the Constitution of the Company be amended as set out in Annexure A. The amendment is proposed to update the Constitution of the Company to reflect changes to the ASX Listing Rules which took effect 1 December 2019.

In particular, the amendment is proposed to specifically address the new terms of ASX Listing Rule 15.12 which, subject to transitional arrangements for existing listed entities, provides that the constitution of a listed entity must include specific text. This specific text is set out in full in Annexure A. An outline of the impact of these changes is set out below:

- adding that, if restricted securities are in the same class as quoted securities, the holder will be taken to have agreed in writing that the restricted securities are to be kept on the entity's issuer sponsored sub-register and to have a holding lock applied for the duration of the escrow period applicable to those securities. This formalises prior requirements of ASX that each holder of restricted securities must sign a written restriction agreement with respect to those restricted securities;
- adding that a holder of restricted securities will not be entitled to participate in any return of capital on those securities during the escrow period applicable to those securities except as permitted by the listing rules of ASX. This amendment contains similar content to ASX Listing Rule 7.24A which provides an entity must not return capital to holders of restricted securities; and
- other consequential drafting changes to clarify the application of ASX Listing Rule 15.12.

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ACN 000 332 918

As the Company is already listed, any existing restricted securities on issue are subject to transitional arrangements. However, if the Company:

- undertakes a transaction requiring re-compliance with Chapters 1 & 2 of the ASX Listing Rules under ASX Listing Rule 11.1.3 (full re-compliance) involving the issue of restricted securities;
- issues restricted securities to a party referred to in ASX Listing Rule 10.1 for the acquisition of a substantial classified asset from that party,

it will be required to comply with the new terms of ASX Listing Rule 15.12 in respect of any of its restricted securities following the above transaction(s).

Noting the above, the Company considers the Meeting an opportunity to update its Constitution to address the changes to the ASX Listing Rules as described above.

Resolution 4 is a special resolution and therefore requires approval of 75% of the votes cast 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).

The proposed amendment to the Constitution is set out in Annexure A.

The Directors of the Company unanimously recommend shareholders vote in favour of Resolution 4.

Note: reference to \$ or dollars are to Australian dollars.

ANNEXURE A**AMENDMENT TO CONSTITUTION**Amendment to reflect ASX Listing Rule 15.12

Amendment of the constitution of the Company by inserting as new clause 6.9 the following:

“6.9. RESTRICTED SECURITIES

At times when the Company’s shares are listed for quotation on the ASX, for so long as the Company has any restricted securities on issue and despite any other provision in this Constitution:

- (a) a holder of restricted securities must not dispose of, or agree or offer to dispose of, the securities during the escrow period applicable to those securities except as permitted by the Listing Rules or the ASX;
- (b) if the securities are in the same class as quoted securities, the holder will be taken to have agreed in writing that the restricted securities are to be kept on the entity’s issuer sponsored subregister and are to have a holding lock applied for the duration of the escrow period applicable to those securities;
- (c) the Company will refuse to acknowledge any disposal (including, without limitation, to register any transfer) of restricted securities during the escrow period applicable to those securities except as permitted by the Listing Rules or the ASX;
- (d) a holder of restricted securities will not be entitled to participate in any return of capital on those securities during the escrow period applicable to those securities except as permitted by the Listing Rules or the ASX;
- (e) if a holder of restricted securities breaches a restriction deed or a provision of the Company’s constitution restricting a disposal of those securities, the holder will not be entitled to any dividend or distribution, or to exercise any voting rights, in respect of those securities for so long as the breach continues; and
- (f) in this Clause 6.9, and for the purposes of this Constitution generally when used in connection with this Clause 6.9 or its subject matter, the following words and phrases have the meaning given to them in the Listing Rules: “class”; “dispose” or “disposal” (which include using an asset as collateral - see chapter 19 of the Listing Rules); “holding lock”; “issuer sponsored subregister”; “restriction deed”; and “securities”.

IMPACT OF COVID-19

At the date of the Notice, due to restrictions as a result of COVID-19, the Company will not be convening the Meeting physically. While the situation remains volatile and uncertain, based on the information available to the Board at the time of the Notice, the Company intends to conduct the Meeting virtually as set out in the Notice. Please see the accompanying Notice for more information including how to register to attend the Meeting.

LODGE YOUR VOTE



ONLINE

www.linkmarketservices.com.au



BY MAIL

First Au Limited
C/- Link Market Services Limited
Locked Bag A14
Sydney South NSW 1235 Australia



BY FAX

+61 2 9287 0309



BY HAND

Link Market Services Limited
1A Homebush Bay Drive, Rhodes NSW 2138; or
Level 12, 680 George Street, Sydney NSW 2000



ALL ENQUIRIES TO

Telephone: 1300 554 474 Overseas: +61 1300 554 474

PROXY FORM

I/We being a member(s) of First Au Limited and entitled to attend and vote hereby appoint:

APPOINT A PROXY

☐ the Chairman of the Meeting (mark box)

OR if you are **NOT** appointing the Chairman of the Meeting as your proxy, please write the name of the person or body corporate you are appointing as your proxy

or failing the person or body corporate named, or if no person or body corporate is named, the Chairman of the Meeting, as my/our proxy to act on my/our behalf (including to vote in accordance with the following directions or, if no directions have been given and to the extent permitted by the law, as the proxy sees fit) at the Annual General Meeting of the Company to be held at **11:00am (AEST) on Thursday, 28 May 2020 virtually by teleconference (the Meeting)** and at any postponement or adjournment of the Meeting.

Important for Resolution 1: If the Chairman of the Meeting is your proxy, either by appointment or by default, and you have not indicated your voting intention below, you expressly authorise the Chairman of the Meeting to exercise the proxy in respect of Resolution 1, even though the Resolution is connected directly or indirectly with the remuneration of a member of the Company's Key Management Personnel (**KMP**).

The Chairman of the Meeting intends to vote undirected proxies in favour of each item of business.

VOTING DIRECTIONS

Proxies will only be valid and accepted by the Company if they are signed and received no later than 48 hours before the Meeting. Please read the voting instructions overleaf before marking any boxes with an ☒.

Resolutions

For Against Abstain*

1 Adoption of Remuneration Report

<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
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2 Re-election of Director – Richard Revelins

<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
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3 Approval of Additional 10% Placement Facility – Listing Rule 7.1A

<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
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4 Amendment of Constitution

<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
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* 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 votes will not be counted in computing the required majority on a poll.

SIGNATURE OF SHAREHOLDERS – THIS MUST BE COMPLETED

Shareholder 1 (Individual)

Joint Shareholder 2 (Individual)

Joint Shareholder 3 (Individual)

Sole Director and Sole Company Secretary

Director/Company Secretary (Delete one)

Director

This form should be signed by the shareholder. If a joint holding, either shareholder may sign. If signed by the shareholder's attorney, the power of attorney must have been previously noted by the registry or a certified copy attached to this form. If executed by a company, the form must be executed in accordance with the company's constitution and the *Corporations Act 2001* (Cth).

HOW TO COMPLETE THIS SHAREHOLDER PROXY FORM

YOUR NAME AND ADDRESS

This is your name and address as it appears on the Company's share register. If this information is incorrect, please make the correction on the form. Shareholders sponsored by a broker should advise their broker of any changes. **Please note: you cannot change ownership of your shares using this form.**

APPOINTMENT OF PROXY

If you wish to appoint the Chairman of the Meeting as your proxy, mark the box in Step 1. If you wish to appoint someone other than the Chairman of the Meeting as your proxy, please write the name of that individual or body corporate in Step 1. A proxy need not be a shareholder of the Company.

DEFAULT TO CHAIRMAN OF THE MEETING

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

VOTES ON ITEMS OF BUSINESS – PROXY APPOINTMENT

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

APPOINTMENT OF A SECOND PROXY

You are entitled to appoint up to two persons as proxies to attend the Meeting and vote on a poll. If you wish to appoint a second proxy, an additional Proxy Form may be obtained by telephoning the Company's share registry or you may copy this form and return them both together.

To appoint a second proxy you must:

- (a) on each of the first Proxy Form and the second Proxy Form state the percentage of your voting rights or number of shares 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; and
- (b) return both forms together.

SIGNING INSTRUCTIONS

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

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

Joint Holding: where the holding is in more than one name, either shareholder may sign.

Power of Attorney: to sign under Power of Attorney, you must lodge the Power of Attorney with the registry. If you have not previously lodged this document for notation, 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 indicate the office held by signing in the appropriate place.

CORPORATE REPRESENTATIVES

If a representative of the corporation is appointed the appropriate "Certificate of Appointment of Corporate Representative" must be produced prior to admission in accordance with the Notice of Meeting. A form of the certificate may be obtained from the Company's share registry or online at www.linkmarketservices.com.au.

LODGEMENT OF A PROXY FORM

This Proxy Form (and any Power of Attorney under which it is signed) must be received at an address given below by **11:00am (AEST) on Tuesday, 26 May 2020**, being not later than 48 hours before the commencement of the Meeting. Any Proxy Form received after that time will not be valid for the scheduled Meeting.

Proxy Forms may be lodged using the reply paid envelope or:



ONLINE

www.linkmarketservices.com.au

Login to the Link website using the holding details as shown on the Proxy Form. Select 'Voting' and follow the prompts to lodge your vote. To use the online lodgement facility, shareholders will need their "Holder Identifier" - Securityholder Reference Number (SRN) or Holder Identification Number (HIN).



BY MAIL

First Au Limited
C/- Link Market Services Limited
Locked Bag A14
Sydney South NSW 1235
Australia



BY FAX

+61 2 9287 0309



BY HAND

delivering it to Link Market Services Limited*
1A Homebush Bay Drive
Rhodes NSW 2138
or
Level 12
680 George Street
Sydney NSW 2000

* During business hours (Monday to Friday, 9:00am–5:00pm)

IF YOU WOULD LIKE TO ATTEND AND VOTE AT THE ANNUAL GENERAL MEETING,
PLEASE FOLLOW THE INSTRUCTIONS IN THE NOTICE.