

Should you wish to discuss any matter please do not hesitate to contact the Company by telephone on (03) 9642 0655.



DART MINING NL

ABN 84 119 904 880

NOTICE OF ANNUAL GENERAL MEETING

Notice is hereby given that the Annual General Meeting of shareholders of Dart Mining NL ("Company" or "Dart") will be held via a zoom meeting facility on Wednesday, 20 January 2021 at 11.00am (Melbourne Time). The meeting is being held in this manner due to the continuing developments in relation to COVID-19. All resolutions at the Annual General Meeting will be decided based on a poll rather than by a show of hands. **Shareholders are however strongly encouraged to lodge a directed Proxy Form prior to the meeting.** As the Australian Government's ban on public gatherings has been implemented, Dart is not able to permit shareholders to physically attend the Annual General Meeting.

The Annual General Meeting will be made accessible to shareholders via a zoom meeting facility which will include the facility for shareholders to observe, make comments, ask questions in relation to the business of the meeting, and to vote.

If you wish to attend the AGM, you must register. You can then join the AGM in one of two ways:

1. If your e-mail address has been provided to Dart for you to receive communications by e-mail: by clicking on this link: <https://zoom.us/meeting/register/tJEocuihpj0rGteHG6bxDt2or1M6Vib06Mp1>
You will then be asked to register for the AGM.
2. If your e-mail address has not been provided to Dart: to register for the AGM, go to www.zoom.us then select 'join a meeting' and enter the following meeting ID: 955 5198 6103

You may register at any time up to 11.00am (Melbourne time) on 19 January 2021, being 24 hours before the appointed time of the AGM.

If you have any difficulty please e-mail the Company Secretary: jedwards@dartmining.com.au.

Further guidance on how to access the AGM will be uploaded on the ASX's and the Company's websites at least 7 days prior to the AGM.

The Explanatory Memorandum which accompanies and forms part of this Notice of Meeting describes the various matters to be considered and contains a glossary of defined terms used in this Notice of Meeting.

AGENDA

ITEMS OF BUSINESS:

1. FINANCIAL STATEMENTS

To receive and consider the Company's Annual Report comprising the Directors' Report and Auditors' Report, Directors' Declaration, Consolidated Statement of Comprehensive Income, Consolidated Statement of Financial Position, Consolidated Statement of Changes in Equity, Consolidated Statement of Cash Flows and notes to and forming part of the financial statements for the Company and its controlled entities for the financial year ended 30 June 2020.

2. RESOLUTION 1: REMUNERATION REPORT

To consider and, if thought fit, to pass the following as an **Advisory Resolution**:

THAT, for the purposes of section 250R(2) of the *Corporations Act 2001* (Cth) and for all other purposes, the Remuneration Report for the year ended 30 June 2020 as contained in the Company's Annual Report is adopted.

Note: the vote on this resolution is advisory only and does not bind the Directors or the Company.

Voting exclusion statement

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

- a member of the key management personnel (**KMP**), details of whose remuneration are included in the Remuneration Report; or
- a closely related party of a KMP.

However, a person described above may cast a vote on the resolution if the vote is not cast on behalf of the persons described above and:

- the person does so as a proxy appointed by writing that specifies how the proxy is to vote on the proposed resolution; or
- the vote is cast by the Chairman and the proxy does not specify the way the proxy is to vote but the Chairman is expressly authorised to exercise the proxy even if the resolution is connected directly or indirectly with the remuneration of a KMP.

Shareholders who intend to appoint the Company's Chairman as proxy (including an appointment by default) should have regard to the important information below under the heading "Important information concerning proxy votes on Resolution 1". The proxy form sets out the manner in which the Chairman intends to cast undirected proxies. The proxy form also contains the authority for the Chairman to cast undirected proxies.

3. RESOLUTION 2: RE-ELECTION OF DIRECTOR

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

THAT Dr Denis Clarke, who retires by rotation in accordance with Rule 62 of the Company's Constitution and, being eligible, offers himself for re-election, be and is hereby re-elected as a Director.

4. RESOLUTION 3: RATIFICATION OF PRIOR SHARE ISSUE (MAY 2020)

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

THAT, for the purpose of ASX Listing Rule 7.4 and for all other purposes, the issue by the Company of 1,000,000 fully paid ordinary shares to the allottee described in the Explanatory Memorandum to this Notice of Meeting that were each paid in full on application to the amounts and on the dates referred to in that Explanatory Memorandum, be and is hereby ratified and approved.

Voting exclusion statement

The Company will, in accordance with ASX Listing Rule 14.11, disregard any votes cast in favour of **Resolution 3** by or on behalf of:

- the person who participated in the issue the subject of the resolution; or
- an associate of that person.

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

- a person as proxy or attorney for a person who is entitled to vote on the resolution, in accordance with directions given to the proxy or attorney to vote on the resolution in that way; or

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

5. **RESOLUTION 4: RATIFICATION OF PRIOR SHARE ISSUES (JULY 2020)**

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

THAT, for the purpose of ASX Listing Rule 7.4 and for all other purposes, the issue by the Company of 10,800,000 fully paid ordinary shares to the allottees described in the Explanatory Memorandum to this Notice of Meeting that were each paid in full on application to the amounts and on the dates referred to in that Explanatory Memorandum, be and is hereby ratified and approved.

Voting exclusion statement

The Company will, in accordance with ASX Listing Rule 14.11, disregard any votes cast in favour of **Resolution 4** by or on behalf of:

- the persons who participated in the issue the subject of this resolution; or
- an associate of those persons.

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

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

6. **RESOLUTION 5: APPROVAL OF PERFORMANCE RIGHTS PLAN**

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

THAT the Performance Rights Plan, which is summarised in the attached Explanatory Memorandum (and at Schedule 1), be approved and that for the purposes of Listing Rule 7.2 exception 9(b) and 13(b) and all other purposes, the Company be authorised to grant Performance Rights from time to time under the Performance Rights Plan and the issue of such Performance Rights under the Performance Rights Plan within three (3) years from the date of this resolution be an exception to Listing Rule 7.1 and 7.1A.

Voting Exclusion Statement pursuant to Listing Rule 7.3

The Company will disregard any votes cast on this Resolution by or on behalf of:

- a person who is eligible to participate in the employee incentive scheme; and
- any associate of them.

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

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

Proxy Appointment Restriction

In accordance with section 250BD of the Corporations Act, the Company will disregard any votes cast on this Resolution by a member of the Key Management Personnel of the Company or their Closely Related Parties who has been appointed as a proxy unless:

- the appointed proxy votes for a person who is permitted to vote and in accordance with a direction on the proxy form (directed proxy); or
- the appointed proxy is the chair of the meeting and the appointment of the chair as proxy:
 - o does not specify the way the proxy is to vote on this Resolution; and
 - o expressly authorises the chair of the meeting to exercise the proxy even if the Resolution is connected directly or indirectly with the remuneration of a member of the Key Management Personnel.

Voting Intentions of Chair

Shareholders should be aware that any undirected proxies given to the Chair will be cast by the Chair and counted in favour of all resolutions the subject of this Meeting, including Resolution 5, subject to compliance with the Corporations Act. In exceptional circumstances, the Chair of the meeting may change his voting intention on any resolution, in which case an ASX announcement will be made.

Further details in relation to the ability of the Chair to vote on undirected proxies are set out in the accompanying Proxy Form.

7. RESOLUTION 6: APPROVAL FOR ISSUE OF PERFORMANCE RIGHTS TO MR JAMES CHIRNSIDE UNDER THE PERFORMANCE RIGHTS PLAN

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

THAT, for the purposes of Listing Rules 10.14 and Sections 200B and 200E of the Corporations Act, and for all other purposes, approval is given for the grant of Performance Rights to Mr James Chirnside (or his nominee), and the issue or transfer of Shares to or for the benefit of Mr Chirnside upon the vesting and exercise of those Performance Rights, under the Performance Rights Plan and on the terms and conditions set out in the Explanatory Memorandum.

Notes

- A detailed summary of the proposed terms of the Performance Rights to be granted in accordance with Resolution 6 is contained within the Explanatory Memorandum.
- The total number of Performance Rights to be issued to Mr Chirnside, or his nominee in accordance with Resolution 6 will be calculated in accordance with the formula set out in section 7.2 of the Explanatory Memorandum.
- The Performance Rights are intended to be issued as soon as possible following the Meeting, but in any event, no later than three (3) years after the date of the Meeting.
- The Performance Rights are being issued for nil cash consideration and no funds will be raised by the issue or exercise of the Performance Rights.

Voting Exclusion Statement - Resolution 6, Listing Rules 10.14 and 10.19

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

- (a) a person referred to in Listing Rule 10.14.1, 10.14.2 or 10.14.3 who is eligible to participate in the employee incentive scheme the subject of Resolution 6;
- (b) an Associate of that person or those persons.

However, this does not apply to a vote cast in favour of Resolution 6 by:

- (a) a person as proxy or attorney for a person who is entitled to vote on the Resolution, in accordance with directions given to the proxy or attorney to vote on the Resolution in that way; or
- (b) the chair of the meeting as proxy or attorney for a person who is entitled to vote of the Resolution, in accordance with a direction given to the chair to vote on the resolution as the chair decides; or
- (c) holder acting solely in a nominee, trustee, custodial or other fiduciary capacity on behalf of a beneficiary provided the following conditions are met:
 - (1) 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 Resolutions; and

- (2) the holder votes on the Resolution in accordance with directions given by the beneficiary to the holder to vote in that way.

Voting Prohibition Statement – Resolution 6, section 250BD of the Corporations Act

(a) As Resolution 6 is connected directly or indirectly with the remuneration of a member of the KMP for the Company, pursuant to section 250BD of the Corporations Act, a person must not cast a vote, and the Company will disregard any votes cast on Resolution 6 by:

- any member of the KMP for the Company (or, if the Company is a consolidated entity, for the entity); or
- a Closely Related Party of such KMP (or, if the Company is a consolidated entity, for the entity),

who is appointed as a Shareholder's proxy, on the basis of that appointment, where the Shareholder does not specify in writing the way the proxy is to vote on Resolution 6.

(b) However, the Company need not disregard a vote on Resolution 6 if it is cast by the person chairing the meeting as proxy for a person who is entitled to vote and the Shareholder expressly authorises the person chairing the meeting to exercise the proxy even if Resolution 6 are connected directly or indirectly with the remuneration of a member of the KMP for the Company, or if the Company is part of a consolidated entity, for the entity.

Voting Intention of the Chair

Shareholders should be aware that any undirected proxies given to the Chair will be cast by the Chair and counted in favour of the Resolutions the subject of this Meeting, including Resolution 6, subject to compliance with the Corporations Act. In exceptional circumstances, the Chair may change his/her voting intention on any Resolution, in which case an ASX announcement will be made. Further details, in relation to the ability of the Chair to vote on undirected proxies are set out in the accompanying Proxy Form.

8. RESOLUTION 7: APPROVAL FOR ISSUE OF PERFORMANCE RIGHTS TO MR LUKE ROBINSON UNDER THE PERFORMANCE RIGHTS PLAN

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

THAT, for the purposes of Listing Rules 10.14 and Sections 200B and 200E of the Corporations Act, and for all other purposes, approval is given for the grant of Performance Rights to Mr Luke Robinson (or his nominee), and the issue or transfer of Shares to or for the benefit of Mr Robinson upon the vesting and exercise of those Performance Rights, under the Performance Rights Plan and on the terms and conditions set out in the Explanatory Memorandum.

Notes

- A detailed summary of the proposed terms of the Performance Rights to be granted in accordance with Resolution 7 is contained within the Explanatory Memorandum.
- The total number of Performance Rights to be issued to Mr Robinson, or his nominee in accordance with Resolution 7 will be calculated in accordance with the formula set out in section 8.2 of the Explanatory Memorandum.
- The Performance Rights are intended to be issued as soon as possible following the Meeting, but in any event, no later than three (3) years after the date of the Meeting.
- The Performance Rights are being issued for nil cash consideration and no funds will be raised by the issue or exercise of the Performance Rights.

Voting Exclusion Statement - Resolution 7, Listing Rules 10.14 and 10.19

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

- (a) a person referred to in Listing Rule 10.14.1, 10.14.2 or 10.14.3 who is eligible to participate in the employee incentive scheme the subject of Resolution 7;
- (b) an Associate of that person or those persons.

However, this does not apply to a vote cast in favour of Resolution 7 by:

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

(c) holder acting solely in a nominee, trustee, custodial or other fiduciary capacity on behalf of a beneficiary provided the following conditions are met:

- (1) 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 Resolutions; and
- (2) the holder votes on the Resolution in accordance with directions given by the beneficiary to the holder to vote in that way.

Voting Prohibition Statement – Resolution 7, section 250BD of the Corporations Act

(a) As Resolution 7 is connected directly or indirectly with the remuneration of a member of the KMP for the Company, pursuant to section 250BD of the Corporations Act, a person must not cast a vote, and the Company will disregard any votes cast on Resolution 7 by:

- any member of the KMP for the Company (or, if the Company is a consolidated entity, for the entity); or
- a Closely Related Party of such KMP (or, if the Company is a consolidated entity, for the entity),

who is appointed as a Shareholder's proxy, on the basis of that appointment, where the Shareholder does not specify in writing the way the proxy is to vote on Resolution 7.

(b) However, the Company need not disregard a vote on Resolution 7 if it is cast by the person chairing the meeting as proxy for a person who is entitled to vote and the Shareholder expressly authorises the person chairing the meeting to exercise the proxy even if Resolution 7 are connected directly or indirectly with the remuneration of a member of the KMP for the Company, or if the Company is part of a consolidated entity, for the entity.

Voting Intention of the Chair

Shareholders should be aware that any undirected proxies given to the Chair will be cast by the Chair and counted in favour of the Resolutions the subject of this Meeting, including Resolution 7, subject to compliance with the Corporations Act. In exceptional circumstances, the Chair may change his/her voting intention on any Resolution, in which case an ASX announcement will be made. Further details, in relation to the ability of the Chair to vote on undirected proxies are set out in the accompanying Proxy Form.

9. SPECIAL RESOLUTION 8: APPROVAL OF 10% PLACEMENT ISSUE

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

THAT, pursuant to and in accordance with ASX Listing Rule 7.1A and for all other purposes, the issue of Equity Securities up to 10% of the issued capital of the Company (at the time of issue) calculated in accordance with the formula prescribed in ASX Listing Rule 7.1A.2 and on the terms and conditions described in the Explanatory Memorandum to this Notice of Meeting, be and is hereby approved.

Voting exclusion statement

The Company will, in accordance with ASX Listing Rule 14.11, disregard any votes cast in favour of **Special Resolution 8** by or on behalf of:

- a person who may participate in the 10% Placement Issue and a person who might obtain a benefit, except a benefit solely in the capacity of a holder of ordinary securities, if this resolution is passed; or
- an associate of those persons.

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

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

PROXY NOTES

Sections 250BB and 250BC of the *Corporations Act 2001* (Cth) ("Corporations Act") apply to voting by proxy. Shareholders and their proxies should be aware of the requirements under the Corporations Act, as they will apply to this meeting. Broadly:

- if proxy holders vote, they must cast all directed proxies as directed; and
- any directed proxies which are not voted will automatically default to the Chair, who must vote the proxies as directed.

You should seek professional advice if you need any further information on this issue.

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

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

In accordance with section 250BA of the Corporations Act, the Company specifies the following for the purposes of receipt of proxy appointments:

Street Address: Automic Group, Level 5, 126 Phillip Street, Sydney NSW 2000

Postal Address: Dart Mining NL, C/- Automic Group, GPO Box 5193, Sydney NSW 2001 (fax number: +61 (0)2 8583 3040)

Online: at Automic's website www.investor.automic.com.au in accordance with the instructions given (you will be taken to have signed your proxy form if you lodge it in accordance with the instructions given on the website).

Due to Covid-19, the Company strongly encourages you to deliver your completed Proxy Form Online (see above) rather than in person or by fax or mail.

Each member entitled to vote at the Annual General Meeting has the right to appoint a proxy to vote on the resolution to be considered at the meeting. The member may specify the way in which the appointed proxy is to vote on a particular resolution or may allow the appointed proxy to vote at its discretion. The instrument appointing the proxy must be received by the Company as provided in its Constitution not later than 48 hours before the time of the commencement of the Annual General Meeting.

For the purposes of Regulation 7.11.37 of the *Corporations Regulations 2001* (Cth) the Company determines that members holding Shares at 11.00am (Melbourne time) on Monday, 18 January 2021 will be entitled to attend and vote at the Annual General Meeting.

If the appointment is signed by an attorney, the power of attorney or a certified copy of it must be sent with the Proxy Form. If you have multiple holdings, please complete a Proxy Form for each holding.

A Proxy Form accompanies this Notice of Annual General Meeting.

Important information concerning proxy votes on Resolution 1

The Corporations Act prohibits key management personnel (**KMP**) and their closely related parties voting in any capacity on the advisory resolution to adopt the Company's remuneration report and resolutions connected directly or indirectly with the remuneration of the Company's KMP. The Remuneration Report identifies the Company's KMP for the financial year ended 30 June 2020. They are the Directors of the Company (both executive and non-executive) and those other persons having authority and responsibility for planning, directing and controlling the activities of the Company, directly or indirectly. Their 'closely related parties' include certain of their family members, dependants and companies they control.

However a KMP may cast a proxy where the proxy specifies in writing how the KMP is to vote (except proxies cast on behalf of another KMP). The Chairman is permitted to vote undirected proxies where the shareholder expressly authorises the Chairman to exercise the proxy.

If the Chairman of the Meeting is your proxy or is appointed you should either:

- direct the Chairman how to vote by mark any of the 'For', 'Against' or 'Abstain' boxes in the proxy form in respect of Resolution 1; or
- if you do not wish to direct the Chairman how to vote in respect of **Resolution 1** then you must mark the box indicated on page 1 of the proxy form if you wish the Chairman to exercise your proxy vote in respect of those resolutions. Marking this box will constitute an express authorisation by you directing the Chairman to vote your proxy in favour of Resolution 1. This express authorisation acknowledges that the Chairman may vote your proxy even if he or she has an interest in the outcome of Resolution 1. **If you do not mark this box and you have not directed your proxy how to vote, the Chairman will not cast your votes on Resolution 1 and your votes will not be counted in calculating the required majority if a poll is called on this resolution.**

BODIES CORPORATE

A body corporate may appoint an individual as its representative to exercise all or any of the powers the body corporate may exercise at meetings of the members. The appointment may be a standing one. Unless the appointment states otherwise, the representative may exercise on the body corporate's behalf all of the powers that the appointing body could exercise at a meeting or in voting on a resolution.

The attached Proxy Form forms part of this notice. Please call (03) 9642 0655 if you have any questions regarding this Notice of Meeting, the Proxy Form or the Explanatory Memorandum.

By Order of the Board

Julie Edwards
Company Secretary
11 December 2020

DART MINING NL

ABN 84 119 904 880

EXPLANATORY MEMORANDUM

This Explanatory Memorandum has been prepared for the information of shareholders of Dart Mining NL ("Company") in connection with the business to be conducted at the Company's virtual Annual General Meeting to be held via a zoom meeting facility on Wednesday, 20 January 2021 at 11.00am (Melbourne time).

All of the resolutions to be voted on are ordinary resolutions except for Special Resolution 8 (item 9). Ordinary resolutions require a simple majority of votes cast by shareholders entitled to vote on the resolution. A Special Resolution (as defined in the *Corporations Act 2001* (Cth)), means a resolution (1) of which notice as set out in paragraph 249L(1)(c) of that Act has been given and (2) that has been passed by at least 75% of the votes cast by members entitled to vote of the resolution.

This Explanatory Memorandum is an important document and should be read carefully in its entirety by all shareholders, and in conjunction with the accompanying Notice of Meeting. Shareholders are strongly advised to consult their legal or financial advisers if they require further advice in connection with the matters contained in this Explanatory Memorandum.

ITEMS OF BUSINESS: EXPLANATORY NOTES TO THE RESOLUTIONS

ITEM 1: *The Company's Financial Statements and Reports and Shareholder Questions*

The Corporations Act requires the Company to lay its Financial Report, Directors' Report and Auditor's Report for the last financial year before the Annual General Meeting. No resolution is required for this item, but shareholders will be given the opportunity to ask questions and to make comments on the reports and the management of the Company.

The Company's Auditor will also be present at the meeting and shareholders will be given the opportunity to ask the Auditor questions including about the conduct of the audit, the preparation and content of the Auditor's report, the accounting policies adopted by the Company and the independence of the Auditor.

The Company's Annual Report 2020 is available on its website: www.dartmining.com.au

ITEM 2 (Resolution 1): *Remuneration Report*

The Annual Report for the year ended 30 June 2020 contains a Remuneration Report which sets out the remuneration policy for the Group and reports the remuneration arrangements in place for the executive Directors, specified executives and non-executive Directors. A copy of the report is set out on pages 6 - 8 of the Company's Financial Report for the year ended 30 June 2020 and can also be found on the Company website at www.dartmining.com.au.

Under the provisions of the Corporations Act and subject to the qualifications in the paragraph below, the shareholder vote is advisory only and does not bind the Directors, and will not require the Company to alter any arrangements detailed in the Remuneration Report, should the resolution not be passed. Notwithstanding the legislative effect of this requirement, the Board has determined that it will take the outcome of the vote into consideration when considering the remuneration policy.

In addition, the Corporations Act provides that, if a company's remuneration report receives a 'no' vote of 25 per cent or more at two consecutive annual general meetings, a resolution must then be put to shareholders at the second annual general meeting as to 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. So, in summary, while the shareholder vote on a Remuneration Report is advisory in respect of that Remuneration Report, shareholders will be entitled to vote in favour of holding a general meeting to re-elect the Board if the Remuneration Report receives "2 strikes".

Shareholders will be given the opportunity to ask questions and to make comments on the Remuneration Report.

ITEM 3 (Resolution 2): Re-Election of Director

Item 3 on the agenda seeks approval for the re-election of Dr Denis Clarke who is retiring by rotation under Rule 62(1) of the Company's Constitution. This Rule states that "*Subject to the Listing Rules and Article 66(7), at each Annual General Meeting one-third of the Directors or, if their number is not a multiple of three, then the number nearest to but not more than one-third of the Directors must retire from office*".

Dr Clarke is eligible for re-election under Rule 62(5) of the Company's Constitution and offers himself for re-election as a Director of the Company.

Dr Denis Clarke

Non-Executive Director, appointed 14 March 2018

Dr Clarke is a geologist with over 50 years of experience in senior technical, financial and corporate positions in the mining and exploration industry globally. In particular, over 16 years Dr Clarke played a significant role in the extraordinary growth of Plutonic Resources Limited through his positions as General Manager of the Exploration, Finance and Administration, and Corporate Divisions of the company at various times. He was part of the team which transformed Plutonic into one of Australia's largest gold producers with up to five operating mines. Post-1998, as Director and Consultant for 10 years, he contributed to the development of Troy Resources Limited from small explorer to successful international gold miner. He has been Non-Executive Chairman of five ASX-listed exploration and mining companies including BCD Resources Limited (formerly Beaconsfield Gold Limited). Additionally, he has served as Non-Executive director of four other listed resource companies.

Dr Clarke holds a B. Sc. In Geology and B.A. (Economics and Statistics) from Queensland University and a Ph. D. (Geology) from Stanford University in California. He is a Fellow of the Australasian Institute of Mining and Metallurgy.

The Board (other than Dr Clarke who has an interest in Resolution 2) recommends the re-election of Dr Clarke.

ITEM 4 (Resolution 3): Ratification of Prior Share Issue (May 2020)

Background

On 25 May 2020, the Company issued 1,000,000 fully paid ordinary shares to a sophisticated investor in a private placement.

Resolution 3 seeks shareholder ratification for the allotment and issue on the date referred to above of 1,000,000 Shares which will have the effect of "refreshing" the Company's 15% limit for the issue of securities under the ASX Listing Rules. Not only will this approval give the Company the capacity to raise additional capital (to the 15% limit) without the need for shareholder approval, it provides the benefit of giving the Company flexibility in its funding endeavours.

Resolution 3: Specific information required by ASX Listing Rule 7.5

For the purposes of ASX Listing Rule 7.5 the following information is provided in relation to the share issues described in **Resolution 3**:

- (a) 1,000,000 fully paid ordinary shares were issued and allotted on 25 May 2020;
- (b) the issue price of each of those Shares is A\$0.05;
- (c) the Shares issued are fully paid ordinary shares in the Company and rank equally in all respects with the Company's existing Shares on issue;
- (d) the Share issue was made to P K Capital Pty Ltd, who is not a related party to the Company; and
- (e) the funds raised from the share issue were used by the Company for its exploration expenditure requirements and general working capital.

A Voting Exclusion Statement is set out in the Notice of Annual General Meeting which this Explanatory Memorandum accompanies.

The Directors unanimously recommend Shareholders vote in favour of Resolution 3.

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ITEM 5 (Resolution 4): Ratification of Prior Share Issues (July 2020)

Background

On 1 July 2020, the Company issued 10,800,000 fully paid ordinary shares to a sophisticated investor in a private placement.

Resolution 4 seeks shareholder ratification for the allotment and issue on the date referred to above of 10,800,000 Shares which will have the effect of “refreshing” the Company’s 15% limit for the issue of securities under the ASX Listing Rules. Not only will this approval give the Company the capacity to raise additional capital (to the 15% limit) without the need for shareholder approval, it provides the benefit of giving the Company flexibility in its funding endeavours.

Resolution 4: Specific information required by ASX Listing Rule 7.5

For the purposes of ASX Listing Rule 7.5 the following information is provided in relation to the share issues described in **Resolution 4**:

- (a) 10,800,000 fully paid ordinary shares were issued and allotted on 1 July 2020;
- (b) the issue price of each of those Shares is A\$0.085;
- (c) the Shares issued are fully paid ordinary shares in the Company and rank equally in all respects with the Company’s existing Shares on issue;
- (d) the Share issue was made to various sophisticated investors, who are not a related party to the Company; and
- (f) the funds raised from the share issue were used by the Company for its exploration expenditure requirements and general working capital.

A Voting Exclusion Statement is set out in the Notice of Annual General Meeting which this Explanatory Memorandum accompanies.

The Directors unanimously recommend Shareholders vote in favour of Resolution 4.

ITEM 6 (Resolution 5): Approval of Performance Rights Plan

Introduction

Shareholder approval is now being sought for the adoption of a Performance Rights Plan and approval for any potential future issues of securities pursuant to the Performance Rights Plan as an exception under Listing Rule 7.2, Exception 9(b) to Listing Rule 7.1. The key features of the Performance Rights Plan are set out in Schedule 1 to this Explanatory Memorandum.

Background and Reasons for the Performance Rights Plan

Pursuant to Resolution 5 the Company is seeking Shareholder approval for the proposed future issue of securities under the Company’s Performance Rights Plan as an exception to Listing Rule 7.1 which would enable securities issued under the Performance Rights Plan over the next three years to be excluded from the calculation of the number of securities issued for the purposes of Listing Rule 7.1.

The Company conducted a review of its remuneration policy which has resulted in the Company, in conjunction with the use of options, to consider adopting a Performance Rights Plan, which will allow the Company to grant different types of appropriately structured performance-based awards to eligible senior management, employees and contractors, depending upon the prevailing circumstances and having regard to market practices generally.

The Performance Rights Plan is designed to provide incentives to eligible participants, including the employees and Directors of the Company who hold a salaried employment or office in the Company, and to recognise their contribution to the Company’s success. Under the Company’s current circumstances the Directors consider that the use of Performance Rights is a cost-effective and efficient incentive for the Company as opposed to relying solely on alternative forms of incentives such as the issue of options, cash bonuses or increased remuneration. To enable the Company to secure and retain key personnel who can assist the Company in achieving its objectives, it is necessary to provide remuneration and incentives to such personnel. The Performance Rights

Plan is designed to achieve this objective by encouraging long term engagement with the Company and continued improvement in performance over time and encouraging personnel to acquire and retain an interest in the Company.

The Performance Rights Plan provides for the issue of Performance Rights which, upon a determination by the Board that performance conditions attached to the Performance Rights have been met, will result in the issue of one fully paid ordinary share in the Company for each Performance Right granted.

The Directors abstain, in the interests of corporate governance, from making a recommendation in relation to Resolution 5.

A summary of the terms of the Rights Plan is set out in Schedule 1 of this Explanatory Memorandum.

ASX Listing Rules

Subject to certain exemptions, ASX Listing Rule 7.1 prohibits a company from issuing new shares equivalent in number to more than 15% of its issued capital in any 12-month period, except in limited circumstances, without the approval of its shareholders. As a result, any issue of securities by the Company to eligible employees under the Performance Rights Plan would reduce the Company's 15% capacity to issue Shares under Listing Rule 7.1.

Exception 9 of Listing Rule 7.2 however, allows the Company to issue securities under the Performance Rights Plan without the issue of such securities being counted towards the Company's 15% issue capacity under Listing Rule 7.1, where Shareholders have approved the issue of securities under the Performance Rights Plan as an exception to Listing Rule 7.1 within three (3) years prior to the issue of the securities. Resolution 5 is being put to Shareholders for this purpose and will allow the Company to utilise Exception 9 of Listing Rule 7.2 for three (3) years from the date of the Resolution being passed.

A summary of the terms of the Performance Rights Plan are set out in Schedule 1. A voting exclusion statement is set out under Resolution 5 in the Notice of Meeting.

ITEM 7 (Resolution 6): *Approval for issue of Performance Rights to Mr James Chirnside under the Performance Rights Plan*

7.1 Background

The Company has recently undertaken an extensive review of, and has implemented an updated policy in respect of, board, executive and employee remuneration. The purpose of the policy is to establish clear and guiding principles for decisions by the Company around employee, executive and director remuneration and to ensure fair, competitive, and appropriate pay for the markets in which the Company operates. The Company's goal is to ensure that the mix and balance of remuneration is appropriate to attract, motivate and retain high calibre directors, senior executives and key management personnel, utilising a policy that is consistent with the Company's business strategy and contemporary corporate governance standards.

As part of this review, the Directors have resolved to refer to Shareholders for approval the proposed grant Performance Rights to Mr James Chirnside on the terms set out in this Explanatory Memorandum (the **Performance Rights**) under the Performance Rights Plan.

The terms of the Performance Rights are set out in more detail below.

Approval for the issue of the Performance Rights is sought in accordance with the provisions of Listing Rules 10.14. As approval is being sought under Listing Rule 10.14, approval will not be required under Listing Rules 7.1 or 10.11.

The maximum number of Performance Rights that may be granted to Mr Chirnside is 2,900,000.

The Board considers it highly desirable for Shareholders that the interests of Mr Chirnside as Managing Director are directly aligned to the interests of other shareholders through the grant of Awards under the Performance Rights Plan. The Board believes that part of the rewards for Mr Chirnside's services to the Company should be performance-based and at risk and should involve equity interests in the Company. This approach is consistent with best practice in executive remuneration and corporate governance. In

structuring the terms of the long-term incentives to Mr Chirnside, the Board has considered market practice among comparable companies listed on the ASX.

7.2 Performance Rights Terms

The proposed grant of Performance Rights to Mr Chirnside will be pursuant to the terms of the Performance Rights Plan which is summarised in Schedule 1 of the Explanatory Memorandum and also subject to the specific terms set out below:

<p>Nature of Award</p>	<ul style="list-style-type: none"> • The Awards proposed to be offered to Mr Chirnside are Performance Rights. • Each Performance Right constitutes a right to receive one Share, subject to the terms and conditions of the Equity Incentive Plan. • A Performance Right which has vested will be automatically exercised, unless Mr Chirnside is not permitted to exercise Performance Rights under the Company's Securities Trading Policy, in which case the exercise will occur on the first subsequent day that the Mr Chirnside is permitted to exercise such Performance Rights in accordance with the Company's Security Trading Policy. • The exercise of a Performance Right may be fulfilled by the Company either issuing, allocating or causing a Share to be transferred to Mr Chirnside, or the Board may determine to settle the Performance Right with a cash equivalent amount. • The Performance Rights will expire three years after their issue date.
<p>Vesting Conditions</p>	<ul style="list-style-type: none"> • The Performance Rights will be divided into four equal tranches and subject to the following vesting conditions (Vesting Conditions): • Tranche 1 - 25% of the Performance Rights will vest: <ul style="list-style-type: none"> ○ subject to the satisfaction of a performance condition being to complete, in aggregate, 2000m of drilling in 2020 by 31/12/2020 (Tranche 1 Performance Period) on any one or more of the Company's projects from time to time including: <ul style="list-style-type: none"> ▪ reverse circulation drilling on the Company's Buckland, Granite Flat, Rushworth, Sandy Creek, Mountain View and Eskdale projects; and ▪ diamond drilling on the Company's Granite Flat project; and ○ provided that Mr Chirnside remains continuously always employed or engaged by a member of the Group from the date of grant of the Performance Rights to the end of the Tranche 1 Performance Period. • Tranche 2 – 25% of the Performance Rights will vest: <ul style="list-style-type: none"> ○ subject to the satisfaction of a performance condition being to complete, in aggregate, 8,000m of drilling in 2021 by 31/12/2021 (Tranche 2 Performance Period) on any one or more of the Company's projects from time to time including: <ul style="list-style-type: none"> ▪ reverse circulation drilling on the Company's Buckland, Granite Flat, Rushworth, Sandy Creek, Mountain View and Eskdale projects; and ▪ diamond drilling on the Company's Granite Flat project; and ○ provided that Mr Chirnside remains continuously always employed or engaged by a member of the Group from the date of grant of the Performance Rights to the end of the Tranche 2 Performance Period. • Tranche 3 – 25% of the Performance Rights will vest: <ul style="list-style-type: none"> ○ subject to the satisfaction of a performance condition being that the VWAP for Dart Shares is greater than 60 cents for a continuous period of 15 days before 15/9/2023 (Tranche 3 Performance Period); and

	<ul style="list-style-type: none"> ○ provided that Mr Chirnside remains continuously always employed or engaged by a member of the Group from the date of grant of the Performance Rights to the end of the Tranche 3 Performance Period. • Tranche 4 – 25% of the Performance Rights will vest: <ul style="list-style-type: none"> ○ subject to the satisfaction of a performance condition being to complete, in aggregate, 30,000m of drilling in 2023 by 31/12/2023 (Tranche 4 Performance Period) on any one or more of the Company's projects from time to time including: <ul style="list-style-type: none"> ▪ reverse circulation drilling on the Company's Buckland, Granite Flat, Rushworth, Sandy Creek, Mountain View and Eskdale projects; and ▪ diamond drilling on the Company's Granite Flat project; and ○ provided that Mr Chirnside remains continuously always employed or engaged by a member of the Group from the date of grant of the Performance Rights to the end of the Tranche 4 Performance Period.
Vesting and Exercise	<ul style="list-style-type: none"> • (Vesting) The Performance Rights will vest on the date the Vesting Condition has been satisfied. • (Consideration) The Performance Rights will be issued for no consideration and no consideration will be payable upon the conversion of the Performance Rights into Shares. • (Ranking) All Shares issued upon the vesting and exercise of Performance Rights will upon issue rank pari passu in all respects with other Shares. • (Listing of shares on ASX) The Company will not apply for quotation of the Performance Rights on ASX. However, the Company will apply for quotation of all Shares issued pursuant to the vesting of Performance Rights on ASX within the period required by ASX.
Rights attaching to Performance Rights	<ul style="list-style-type: none"> • (Participation in New Issues) There are no participating rights inherent in the Performance Rights and holders will not be entitled to participate in new issues of capital offered to Shareholders during the currency of the Performance Rights without exercising the Performance Rights. • (Reorganisation) If, at any time, the issued capital of the Company is reorganised (including subdivision, consolidation, reduction, return or cancellation of such issued capital), all rights of a holder will be adjusted to comply with the Corporations Act, the ASX Listing Rules and applicable laws at the time of the reorganisation. • (Dividend and Voting Rights): A Performance Right does not confer on the holder an entitlement to notice of, or to vote or attend at, a meeting of Shareholders of the Company or receive dividends declared by the Company. • (Change in exercise price of number of underlying securities) Subject to compliance with the ASX Listing Rules, the Performance Rights do not confer the right to a change in exercise price or in the number of underlying Shares over which the Performance Rights can be exercised.

7.3 Listing Rule 10.14

The Company is proposing to issue the Performance Rights.

Listing Rule 10.14 provides that a listed company must not permit any of the following persons to acquire equity securities under an employee incentive scheme:

- (a) **Listing Rule 10.14.1:** a director of the Company.
- (b) **Listing Rule 10.14.2:** an associate of a director of the Company; or
- (c) **Listing Rule 10.14.3:** a person whose relationship with the Company or a person referred to in Listing Rule 10.14.1 or 10.14.2 is such that, in ASX's opinion, the acquisition should be approved by its Shareholders,

unless it obtains the approval of its Shareholders.

The issue of the Performance Rights falls within Listing Rule 10.14.1 above and therefore requires the approval of Dart's Shareholders under Listing Rule 10.14.

Resolution 6 seeks the required Shareholder approval to issue the Performance Rights under and for the purposes of Listing Rule 10.14.

If Resolution 6 is passed, the Company will be able to proceed with the issue of the Performance Rights and Mr Chirnside will be remunerated accordingly based on the achievement of the criteria set out above. If approval is given for the abovementioned issue of the Performance Rights to Mr Chirnside under ASX Listing Rule 10.14, further approval is not required (and will not be sought) under ASX Listing Rule 7.1 for this issue of the abovementioned Performance Rights nor any resulting Shares following the vesting of those Performance Rights.

If Resolution 6 is not passed, the Company will not be able to proceed with the issue of the Performance Rights and the Company may need to consider other forms of performance-based remuneration in that regard.

For the purposes of Listing Rule 10.15, the Company advises as follows:

- (a) **(Listing Rule 10.15.1)** Mr Chirnside (or his nominee) is to be the recipient of the Performance Rights.
- (b) **(Listing Rule 10.15.2)** Mr Chirnside as a Director falls within the category stipulated by Listing Rule 10.14.1. In the event the Performance Rights are issued to a nominee of Mr Chirnside, that person will fall within the category stipulated by Listing Rule 10.14.2.
- (c) **(Listing Rule 10.15.3)** The maximum number of Performance Rights to be issued to Mr Chirnside is 2,900,000.
- (d) **(Listing Rule 10.15.4)** Mr Chirnside's fixed remuneration (exclusive of superannuation) for FY21 is \$180,000. Shareholders are referred to the Company's FY20 Remuneration Report for further details of Mr Chirnside's remuneration.
- (e) **(Listing Rule 10.15.5)** No Equity Securities have previously been issued to any Director under the Performance Rights Plan.
- (f) **(Listing Rule 10.15.6)** A summary of the material terms of the Performance Rights is set out above.
 - (1) Based on an independent valuation of the Performance Rights to be issued to Mr Chirnside and to Mr Robinson obtained from PKF Melbourne Corporate Pty Ltd (the "PKF Valuation") the Company attributes an aggregate value of \$464,000 to the Performance Rights to be issued to Mr Chirnside pursuant to Resolution 6. A copy of the PKF Valuation is attached in Schedule 2 and forms part of this Explanatory Memorandum and the Notice of Meeting.

Members are encouraged to read the PKF Valuation in full so as to be more fully informed as to the basis of the valuation. PKF has consented to the PKF Valuation being attached hereto in the form and context in which it is attached and to the extracts therefrom being included herein in the form and context in which they are included. The value attributed by PKF and by the Company to each tranche of Performance Rights to be issued to Mr Chirnside is as set out in the table below.

Dart Mining Performance Rights	Number of rights	Value per right	Total value
Mr James Chirnside			
Tranche 1	725,000	AU\$0.180	AU\$130,500
Tranche 2	725,000	AU\$0.180	AU\$130,500
Tranche 3	725,000	AU\$0.100	AU\$72,500
Tranche 4	725,000	AU\$0.180	AU\$130,500
	2,900,000		AU\$464,000

- (2) The explanation as to why Performance Rights are being used is that the Company has chosen to grant the Performance Rights under the Performance Rights Plan because they create share price alignment between executives and ordinary shareholders but do not provide executives with the full benefits of share ownership (such as dividend and voting rights) unless and until the Performance Rights vest.
- (3) The Company believes that the grant of the Performance Rights provides a cost-effective and efficient incentive as opposed to alternative forms of incentives (e.g. cash bonuses).
- (g) **(Listing Rule 10.15.7)** The Performance Rights are intended to be granted as soon as possible following the meeting, but in any event, within three (3) years of the date of the Meeting.
- (h) **(Listing Rule 10.15.8)** The Performance Rights are being issued for nil cash consideration and no exercise price will be applicable to each Performance Right
- (i) **(Listing Rule 10.15.9)** A summary of the material terms of the Performance Rights Plan is set out at Schedule 1 of this Explanatory Memorandum and specific terms of the Performance Rights to be issued are set out in section 7.2 above.
- (j) **(Listing Rule 10.15.10)** No funds are being raised by the grant or exercise of the Performance Rights. Accordingly, no loans of any description will be provided to Mr Chirnside in relation to the Performance Rights.
- (k) **(Listing Rule 10.15.11)** Details of any Equity Securities issued under the Performance Rights will be published in the Company's Annual Report relating to the period in which they were issued, along with a statement that approval for the issue was obtained under Listing Rule 10.14.
- (1) Details of any securities issued to Mr Chirnside under the Performance Rights Plan will be published in the annual report of the Company for the period in which they were issued, along with a statement that approval for the issue was obtained under ASX Listing Rule 10.14;
- (2) Any additional Directors covered by Listing Rule 10.14 who will become entitled to participate in an issue of securities under the Performance Rights Plan after Resolution 6 is approved (should it be approved) and who are not named in this Notice will not participate until approval is obtained under Listing Rule 10.14.
- (l) **(Listing Rule 10.15.12)** a voting exclusion statement for Resolution 6 is contained in the Notice of Meeting above.

In accordance with Listing Rule 7.2, as approval is being sought under Listing Rule 10.14, approval is not required to be obtained under Listing Rule 7.1.

7.4 Chapter 2E of the Corporations Act

Chapter 2E of the Corporations Act regulates the provision of financial benefits to related parties by a public company. Section 208 of the Corporations Act prohibits a public company giving a financial benefit to a related party unless one of a number of exceptions apply.

A "financial benefit" is defined in the Corporations Act in broad terms and the grant of equity incentives by a public company.

Under the Corporations Act, a director of a company is a related party of that company. As Mr Chirnside is a recipient under the Performance Rights Plan and an Executive Director, financial benefits will be given by the Company when the Performance Rights are granted to Mr Chirnside.

Section 211 of the Corporations Act provides an exception to the prohibition in section 208 of the Corporations Act where the financial benefit is given to a related party as an officer of the Company and to give the remuneration would be reasonable given the circumstances of the Company and the related party's circumstances (including the responsibilities involved in the office or employment) (**Reasonable Remuneration Exemption**).

It is the view of the Directors that the proposed grant of Performance Rights to Mr Chirnside (as contemplated in Resolution 6) falls within the Reasonable Remuneration Exemption given the circumstances of the Company and the position held by Mr Chirnside.

The Company considers that the issue of Performance Rights with vesting conditions is a market standard way to incentivise and reward executives such as Mr Chirnside and is consistent with remuneration for roles in similar organisations.

7.5 Section 200B and 200E of the Corporations Act

The Corporations Act restricts the benefits that can be given to persons who hold a "managerial or executive office" (as defined in the Corporations Act) on leaving their employment with the Company or any of its related bodies corporate.

Under Sections 200B and 200E of the Corporations Act, a company may only give a person a benefit in connection with them ceasing to hold a managerial or executive office if the benefit is approved by shareholders or an exemption applies.

The term "benefit" has a wide meaning and may include benefits resulting from the Board exercising certain discretions under the terms of Mr Chirnside's Performance Rights, including the discretion to determine the accelerated vesting or automatic vesting of Performance Rights in certain circumstances (and see the summary in the Explanatory Memorandum in relation to Resolution 5).

7.6 Section 219 of the Corporations Act

Notwithstanding that the Board considers that the grant of the Performance Rights and the issue of any shares thereunder to Mr Chirnside fall within the Reasonable Remuneration Exemption in section 211 of the Corporations Act as noted above the following information is provided in like manner as it would be required in accordance with the requirements of Section 219 of the Corporations Act as if section 211 did not apply.

- (a) The related party who would benefit from Resolution 6 is Mr Chirnside.
- (b) The nature of the financial benefit is that if the hurdles set out in each or any tranche of the Performance Rights are satisfied then Mr Chirnside will receive the financial benefit that he will become entitled to the shares the subject of the those Performance Rights. While the PKF Valuation has set out a value attributable to each tranche of Performance Rights (referred to above), the actual value of the shares the subject of any tranche of the Performance Rights may be more or less than the values so attributed.
- (c) If the Company is successful in achieving its objectives then it is reasonable to assume that the price of shares in the Company will increase making the Performance Rights and the shares associated therewith more valuable. If the Company is unsuccessful in achieving its objectives then it is also reasonable to assume that the price of shares in the Company will fall making the Performance Rights and the shares associated therewith less valuable. The actual value of the Performance Rights will reflect the underlying share price of shares in the Company from time to time. Members are referred to the PKF Valuation set out in Schedule 2.
- (d) The only director to have an interest in the outcome of Resolution 6 is Mr Chirnside and his benefit is that he will become the holder of the Performance Rights and any financial benefit attached thereto.
- (e) Members should note that the remuneration which Mr Chirnside may obtain under the Performance Rights on the satisfaction of the relevant hurdles in respect of each tranche of Performance Rights will, on the subsequent issue of the shares, be subject to tax in Mr Chirnside's hands in like manner as normal remuneration. Those are matters for Mr Chirnside to deal with but it should be noted that,

consequently, the net benefit of the Performance Rights to Mr Chirnside will be reduced by any tax which may be payable in relation thereto.

- (f) Within the knowledge of the directors, there is no other information reasonably required by members in order to decide whether or not it is in the interest of the members to pass the proposed resolution. Clearly, the effect of passing the resolution and issuing the Performance Rights to Mr Chirnside is, that, if the shares attributable to the Performance Rights or any tranche thereof are issued to Mr Chirnside then member's interests and their respective voting power will be diluted proportionately. Based on the current issued capital, and based on all tranches of the Performance Rights being issued and all hurdles satisfied so that the maximum number of shares were issued thereunder as at the date of the Annual General Meeting the dilution suffered by members would be approximately 2.82%.

The Board (except Mr Chirnside, who has a material personal interest in this Resolution) recommends that Shareholders vote in favour of Resolution 6.

ITEM 8 (Resolution 7): Approval for issue of Performance Rights to Mr Luke Robinson under the Performance Rights Plan

8.1 Background

The Company has recently undertaken an extensive review of, and has implemented an updated policy in respect of, board, executive and employee remuneration. The purpose of the policy is to establish clear and guiding principles for decisions by the Company around employee, executive and director remuneration and to ensure fair, competitive, and appropriate pay for the markets in which the Company operates. The Company's goal is to ensure that the mix and balance of remuneration is appropriate to attract, motivate and retain high calibre directors, senior executives and key management personnel, utilising a policy that is consistent with the Company's business strategy and contemporary corporate governance standards.

As part of this review, the Directors have resolved to refer to Shareholders for approval the proposed grant Performance Rights to Mr Luke Robinson on the terms set out in this Explanatory memorandum (the **Performance Rights**) under the Performance Rights Plan.

The terms of the Performance Rights are set out in more detail below.

Approval for the issue of the Performance Rights is sought in accordance with the provisions of Listing Rules 10.14. As approval is being sought under Listing Rule 10.14, approval will not be required under Listing Rules 7.1 or 10.11.

The maximum number of Performance Rights that may be granted to Mr Luke Robinson is 500,000.

The Board considers it highly desirable for Shareholders that the interests of Mr Robinson as a Non-executive Director are directly aligned to the interests of other shareholders through the grant of Awards under the Performance Rights Plan. The Board believes that part of the rewards for Mr Robinson's services to the Company should be performance-based and at risk and should involve equity interests in the Company. This approach is consistent with best practice in executive remuneration and corporate governance. In structuring the terms of the long-term incentives to Mr Robinson, the Board has considered market practice among comparable companies listed on the ASX.

8.2 Performance Rights Terms

The proposed grant of Performance Rights to Mr Robinson will be pursuant to the terms of the Performance Rights Plan which is summarised in Schedule 1 of this Explanatory Memorandum and also subject to the specific terms set out below:

Nature of Award	<ul style="list-style-type: none"> • The Awards proposed to be offered to Mr Robinson are Performance Rights. • Each Performance Right constitutes a right to receive one Share, subject to the terms and conditions of the Equity Incentive Plan. • A Performance Right which has vested will be automatically exercised, unless Mr Robinson is not permitted to exercise Performance Rights under the Company's Securities Trading Policy, in which case the exercise will occur on
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	<p>the first subsequent day that the Mr Robinson is permitted to exercise such Performance Rights in accordance with the Company's Security Trading Policy.</p> <ul style="list-style-type: none"> • The exercise of a Performance Right may be fulfilled by the Company either issuing, allocating or causing a Share to be transferred to Mr Robinson, or the Board may determine to settle the Performance Right with a cash equivalent amount. • The Performance Rights will expire three years after their issue date.
Vesting Conditions	<ul style="list-style-type: none"> • The Performance Rights will be divided into four equal tranches and subject to the following vesting conditions (Vesting Conditions): • Tranche 1 - 25% of the Performance Rights will vest: <ul style="list-style-type: none"> ○ subject to the satisfaction of a performance condition being to complete, in aggregate, 2000m of drilling in 2020 by 31/12/2020 (Tranche 1 Performance Period) on any one or more of the Company's projects from time to time including: <ul style="list-style-type: none"> ▪ reverse circulation drilling on the Company's Buckland, Granite Flat, Rushworth, Sandy Creek, Mountain View and Eskdale projects; and ▪ diamond drilling on the Company's Granite Flat project; and ○ provided that Mr Robinson remains continuously always employed or engaged by a member of the Group from the date of grant of the Performance Rights to the end of the Tranche 1 Performance Period. • Tranche 2 – 25% of the Performance Rights will vest: <ul style="list-style-type: none"> ○ subject to the satisfaction of a performance condition being to complete, in aggregate, 8,000m of drilling in 2021 by 31/12/2021 (Tranche 2 Performance Period) on any one or more of the Company's projects from time to time including: <ul style="list-style-type: none"> ▪ reverse circulation drilling on the Company's Buckland, Granite Flat, Rushworth, Sandy Creek, Mountain View and Eskdale projects; and ▪ diamond drilling on the Company's Granite Flat project; and ○ provided that Mr Robinson remains continuously always employed or engaged by a member of the Group from the date of grant of the Performance Rights to the end of the Tranche 2 Performance Period. • Tranche 3 – 25% of the Performance Rights will vest: <ul style="list-style-type: none"> ○ subject to the satisfaction of a performance condition being that the VWAP for Dart Shares is greater than 60 cents for a continuous period of 15 days before 15/9/2023 (Tranche 3 Performance Period); and ○ provided that Mr Robinson remains continuously always employed or engaged by a member of the Group from the date of grant of the Performance Rights to the end of the Tranche 3 Performance Period. • Tranche 4 – 25% of the Performance Rights will vest: <ul style="list-style-type: none"> ○ subject to the satisfaction of a performance condition being to complete, in aggregate, 30,000m of drilling in 2023 by 31/12/2023 (Tranche 4 Performance Period) on any one or more of the Company's projects from time to time including: <ul style="list-style-type: none"> ▪ reverse circulation drilling on the Company's Buckland, Granite Flat, Rushworth, Sandy Creek, Mountain View and Eskdale projects; and ▪ diamond drilling on the Company's Granite Flat project; and ○ provided that Mr Robinson remains continuously always employed or engaged by a member of the Group from the date of grant of the Performance Rights to the end of the Tranche 4 Performance Period.

Vesting and Exercise	<ul style="list-style-type: none"> • (Vesting) The Performance Rights will vest on the date the Vesting Condition has been satisfied. • (Consideration) The Performance Rights will be issued for no consideration and no consideration will be payable upon the conversion of the Performance Rights into Shares. • (Ranking) All Shares issued upon the vesting and exercise of Performance Rights will upon issue rank pari passu in all respects with other Shares. • (Listing of shares on ASX) The Company will not apply for quotation of the Performance Rights on ASX. However, the Company will apply for quotation of all Shares issued pursuant to the vesting of Performance Rights on ASX within the period required by ASX.
Rights attaching to Performance Rights	<ul style="list-style-type: none"> • (Participation in New Issues) There are no participating rights inherent in the Performance Rights and holders will not be entitled to participate in new issues of capital offered to Shareholders during the currency of the Performance Rights without exercising the Performance Rights. • (Reorganisation) If, at any time, the issued capital of the Company is reorganised (including subdivision, consolidation, reduction, return or cancellation of such issued capital), all rights of a holder will be adjusted to comply with the Corporations Act, the ASX Listing Rules and applicable laws at the time of the reorganisation. • (Dividend and Voting Rights): A Performance Right does not confer on the holder an entitlement to notice of, or to vote or attend at, a meeting of Shareholders of the Company or receive dividends declared by the Company. • (Change in exercise price of number of underlying securities) Subject to compliance with the ASX Listing Rules, the Performance Rights do not confer the right to a change in exercise price or in the number of underlying Shares over which the Performance Rights can be exercised.

8.3 Listing Rule 10.14

The Company is proposing to issue the Performance Rights.

Listing Rule 10.14 provides that a listed company must not permit any of the following persons to acquire equity securities under an employee incentive scheme:

- (a) **Listing Rule 10.14.1:** a director of the Company.
- (b) **Listing Rule 10.14.2:** an associate of a director of the Company; or
- (c) **Listing Rule 10.14.3:** a person whose relationship with the Company or a person referred to in Listing Rule 10.14.1 or 10.14.2 is such that, in ASX's opinion, the acquisition should be approved by its Shareholders,

unless it obtains the approval of its Shareholders.

The issue of the Performance Rights falls within Listing Rule 10.14.1 above and therefore requires the approval of Dart's Shareholders under Listing Rule 10.14.

Resolution 7 seeks the required Shareholder approval to issue the Performance Rights under and for the purposes of Listing Rule 10.14.

If Resolution 7 is passed, the Company will be able to proceed with the issue of the Performance Rights and Mr Robinson will be remunerated accordingly based on the achievement of the criteria set out above. If approval is given for the abovementioned issue of the Performance Rights to Mr Robinson under ASX Listing Rule 10.14, further approval is not required (and will not be sought) under ASX Listing Rule 7.1 for

this issue of the abovementioned Performance Rights nor any resulting Shares following the vesting of those Performance Rights.

If Resolution 7 is not passed, the Company will not be able to proceed with the issue of the Performance Rights and the Company may need to consider other forms of performance-based remuneration in that regard.

For the purposes of Listing Rule 10.15, the Company advises as follows:

- (a) **(Listing Rule 10.15.1)** Mr Luke Robinson (or his nominee) is to be the recipient of the Performance Rights.
- (b) **(Listing Rule 10.15.2)** Mr Luke Robinson as a Director falls within the category stipulated by Listing Rule 10.14.1. In the event the Performance Rights are issued to a nominee of Mr Robinson, that person will fall within the category stipulated by Listing Rule 10.14.2.
- (c) **(Listing Rule 10.15.3)** The maximum number of Performance Rights to be issued to Mr Robinson is 500,000.
- (d) **(Listing Rule 10.15.4)** Mr Robinson's fixed remuneration (exclusive of superannuation) for FY21 is \$30,000. Shareholders are referred to the Company's FY20 Remuneration Report for further details of Mr Robinson's remuneration.
- (e) **(Listing Rule 10.15.5)** No Equity Securities have previously been issued to any Director under the Performance Rights Plan.
- (f) **(Listing Rule 10.15.6)** A summary of the material terms of the Performance Rights is set out above.
 - (1) Based on the PKF Valuation, the Company attributes an aggregate value of \$80,000 to the Performance Rights to be issued to Mr Luke Robinson pursuant to Resolution 7. The value attributed by PKF to each tranche of Performance Rights to be issued to Mr Robinson is as set out in the table below.

Dart Mining Performance Rights	Number of rights	Value per right	Total value
Mr Luke Robinson			
Tranche 1	125,000	AU\$0.180	AU\$22,500
Tranche 2	125,000	AU\$0.180	AU\$22,500
Tranche 3	125,000	AU\$0.100	AU\$12,500
Tranche 4	125,000	AU\$0.180	AU\$22,500
	500,000		AU\$80,000

- (2) The explanation as to why Performance Rights are being used is that the Company has chosen to grant the Performance Rights under the Performance Rights Plan because they create share price alignment between executives and ordinary shareholders but do not provide executives with the full benefits of share ownership (such as dividend and voting rights) unless and until the Performance Rights vest.
- (3) The Company believes that the grant of the Performance Rights provides a cost-effective and efficient incentive as opposed to alternative forms of incentives (e.g. cash bonuses).
- (g) **(Listing Rule 10.15.7)** The Performance Rights are intended to be granted as soon as possible following the meeting, but in any event, within three (3) years of the date of the Meeting.
- (h) **(Listing Rule 10.15.8)** The Performance Rights are being issued for nil cash consideration and no exercise price will be applicable to each Performance Right

- (i) **(Listing Rule 10.15.9)** A summary of the material terms of the Performance Rights Plan is set out at Schedule 1 of this Explanatory Memorandum and specific terms of the Performance Rights to be issued are set out in section 8.2 above.
- (j) **(Listing Rule 10.15.10)** No funds are being raised by the grant or exercise of the Performance Rights. Accordingly, no loans of any description will be provided to Mr Robinson in relation to the Performance Rights.
- (k) **(Listing Rule 10.15.11)** Details of any Equity Securities issued under the Performance Rights will be published in the Company's Annual Report relating to the period in which they were issued, along with a statement that approval for the issue was obtained under Listing Rule 10.14.
 - (1) Details of any securities issued to Mr Robinson under the Performance Rights Plan will be published in the annual report of the Company for the period in which they were issued, along with a statement that approval for the issue was obtained under ASX Listing Rule 10.14
 - (2) Any additional Directors covered by Listing Rule 10.14 who will become entitled to participate in an issue of securities under the Performance Rights Plan after Resolution 7 is approved (should it be approved) and who are not named in this Notice will not participate until approval is obtained under Listing Rule 10.14.
- (l) **(Listing Rule 10.15.12)** a voting exclusion statement for Resolution 7 is contained in the Notice of Meeting above.

In accordance with Listing Rule 7.2, as approval is being sought under Listing Rule 10.14, approval is not required to be obtained under Listing Rule 7.1.

8.4 Chapter 2E of the Corporations Act

Chapter 2E of the Corporations Act regulates the provision of financial benefits to related parties by a public company. Section 208 of the Corporations Act prohibits a public company giving a financial benefit to a related party unless one of a number of exceptions apply.

A "financial benefit" is defined in the Corporations Act in broad terms and the grant of equity incentives by a public company.

Under the Corporations Act, a director of a company is a related party of that company. As Mr Robinson is a recipient under the Performance Rights Plan and a Non- executive Director, financial benefits will be given by the Company when the Performance Rights are granted to Mr Robinson.

Section 211 of the Corporations Act provides an exception to the prohibition in section 208 of the Corporations Act where the financial benefit is given to a related party as an officer of the Company and to give the remuneration would be reasonable given the circumstances of the Company and the related party's circumstances (including the responsibilities involved in the office or employment) (**Reasonable Remuneration Exemption**).

It is the view of the Directors that the proposed grant of Performance Rights to Mr Robinson (as contemplated in Resolution 7) falls within the Reasonable Remuneration Exemption given the circumstances of the Company and the position held by Mr Robinson. The Company considers that the issue of Performance Rights with vesting conditions is a market standard way to incentivise and reward executives such as Mr Robinson and is consistent with remuneration for roles in similar organisations.

8.5 Section 200B and 200E of the Corporations Act

The Corporations Act restricts the benefits that can be given to persons who hold a "managerial or executive office" (as defined in the Corporations Act) on leaving their employment with the Company or any of its related bodies corporate.

Under Sections 200B and 200E of the Corporations Act, a company may only give a person a benefit in connection with them ceasing to hold a managerial or executive office if the benefit is approved by shareholders or an exemption applies.

The term “benefit” has a wide meaning and may include benefits resulting from the Board exercising certain discretions under the terms of Mr Robinson’s Performance Rights, including the discretion to determine the accelerated vesting or automatic vesting of Performance Rights in certain circumstances (and see the summary in the Explanatory Memorandum in relation to Resolution 5).

8.6 Section 219 of the Corporations Act

Notwithstanding that the Board considers that the grant of the Performance Rights and the issue of any shares thereunder to Mr Robinson fall within the Reasonable Remuneration Exemption in section 211 of the Corporations Act as noted above the following information is provided in like manner as it would be required in accordance with the requirements of Section 219 of the Corporations Act as if section 211 did not apply.

- (a) The related party who would benefit from Resolution 7 is Mr Robinson.
- (b) The nature of the financial benefit is that if the hurdles set out in each or any tranche of the Performance Rights are satisfied then Mr Robinson will receive the financial benefit that he will become entitled to the shares the subject of the those Performance Rights. While the PKF Valuation has set out a value attributable to each tranche of Performance Rights (referred to above), the actual value of the shares the subject of any tranche of the Performance Rights may be more or less than the values so attributed.
- (c) If the Company is successful in achieving its objectives then it is reasonable to assume that the price of shares in the Company will increase making the Performance Rights and the shares associated therewith more valuable. If the Company is unsuccessful in achieving its objectives then it is also reasonable to assume that the price of shares in the Company will fall making the Performance Rights and the shares associated therewith less valuable. The actual value of the Performance Rights will reflect the underlying share price of shares in the Company from time to time. Members are referred to the PKF Valuation set out in Schedule 2.
- (d) The only director to have an interest in the outcome of Resolution 7 is Mr Robinson and his benefit is that he will become the holder of the Performance Rights and any financial benefit attached thereto.
- (e) Members should note that the remuneration which Mr Robinson may obtain under the Performance Rights on the satisfaction of the relevant hurdles in respect of each tranche of Performance Rights will, on the subsequent issue of the shares, be subject to tax in Mr Robinson’s hands in like manner as normal remuneration. Those are matters for Mr Robinson to deal with but it should be noted that, consequently, the net benefit of the Performance Rights to Mr Robinson will be reduced by any tax which may be payable in relation thereto.
- (f) Within the knowledge of the directors, there is no other information reasonably required by members in order to decide whether or not it is in the interest of the members to pass the proposed resolution. Clearly, the effect of passing the resolution and issuing the Performance Rights to Mr Robinson is, that, if the shares attributable to the Performance Rights or any tranche thereof are issued to Mr Robinson then member’s interests and their respective voting power will be diluted proportionately. Based on the current issued capital, and based on all tranches of the Performance Rights being issued and all hurdles satisfied so that the maximum number of shares were issued thereunder as at the date of the Annual General Meeting the dilution suffered by members would be approximately 0.5%.

The Board (except Mr Robinson, who has a material personal interest in this Resolution) recommends that Shareholders vote in favour of Resolution 7.

ITEM 9 (Special Resolution 8): Approval of 10% Placement Facility

General

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 its issued share capital through placements over a 12 month period after the Annual General Meeting (**10% Placement Facility**). The 10% Placement Facility is in addition to the 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 an eligible entity.

The Company is now seeking shareholder approval by way of a special resolution to have the ability to issue Equity Securities under the 10% Placement Facility. The exact number of Equity Securities 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 to Section 7.2(c) below). The Company may use funds raised from any 10% Placement Facility for its exploration expenditure requirements and general working capital.

The Directors of the Company believe that Special Resolution 8 is in the best interests of the Company and unanimously recommend that Shareholders vote in favour of this Resolution.

1. Description of ASX Listing Rule 7.1A

(a) Shareholder approval

The ability to issue Equity Securities under the 10% Placement Facility is subject to shareholder approval by way of a special resolution at an annual general meeting.

(b) 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.

As at the date of the Notice, the Company, has two classes of Equity Securities on issue being Shares and unlisted Options.

(c) Formula for calculating 10% Placement Facility

ASX Listing Rule 7.1A.2 provides that eligible entities which have obtained shareholder approval at an annual general meeting may issue or agree to issue, during the 12 month period after the date of the annual general meeting, a number of Equity Securities calculated in accordance with the following formula:

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

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

- (A) plus the number of fully paid shares issued in the 12 months under an exception in ASX Listing Rule 7.2;
- (B) plus the number of partly paid shares that became fully paid in the 12 months;
- (C) 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;
- (D) less the number of fully paid shares cancelled in the 12 months.

Note that 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 that are not issued with the approval of shareholders under ASX Listing Rules 7.1 or 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.

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 to Section 7.2(c) above).

(d) 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 on which trades in that class were recorded immediately before:

- (i) the date on which the price at which the Equity Securities are to be issued is agreed; or
- (ii) if the Equity Securities are not issued within 5 Trading Days of the date in paragraph (i) above, the date on which the Equity Securities are issued.

(e) **10% Placement Period**

Shareholder approval of the 10% Placement Facility under ASX Listing Rule 7.1A is valid from the date of the annual general meeting at which the approval is obtained and expires on the earlier to occur of:

- (i) the date that is 12 months after the date of the annual general meeting at which the approval is obtained; or
- (ii) 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).

2. ASX Listing Rule 7.1A

The effect of Special Resolution 8 will be to allow the Directors to issue the Equity Securities under ASX Listing Rule 7.1A during the 10% Placement Period without using the Company's 15% placement capacity under ASX Listing Rule 7.1.

Resolution 8 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).

3. 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:

- (a) The Equity Securities 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 on which trades in that class were recorded immediately before:
 - (i) the date on which the price at which the Equity Securities are to be issued is agreed; or
 - (ii) if the Equity Securities are not issued within 5 Trading Days of the date in paragraph (i) above, the date on which the Equity Securities are issued.
- (b) If Resolution 8 is approved by the Shareholders and the Company issues Equity Securities under the 10% Placement Facility, the existing Shareholders' voting power in the Company will be diluted as shown in the below table (in the case of unlisted options, only if the unlisted 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 Annual General 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 amount of funds raised by the issue of the Equity Securities.

The table below shows the dilution of existing Shareholders on the basis of the current market price of Shares 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 this Notice of Meeting.

The table also shows:

- (i) 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 prorata 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; and
- (ii) two examples of where the price of ordinary securities has decreased by 50% and increased by 100% as against the current market price.

Variable "A" in ASX Listing Rule 7.1A.2 (number of shares on issue)	50% decrease in Issue Price \$0.0975		Issue Price \$0.195		100% Increase in Issue Price \$0.39	
	10% Voting Dilution	Funds raised \$	10% Voting Dilution	Funds raised \$	10% Voting Dilution	Funds raised \$
99,945,476 (current)	9,994,548	\$974,468	9,994,548	\$1,948,937	9,994,548	\$3,897,874
149,918,214 (50% increase in current Variable A)	14,991,821	\$1,461,703	14,991,821	\$2,923,405	14,991,821	\$5,846,810
199,890,952 (100% increase in current Variable A)	19,989,095	\$1,948,937	19,989,095	\$3,897,874	19,989,095	\$7,795,747

The table has been prepared on the following assumptions:

- (i) 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;
 - (ii) No options are exercised into fully paid ordinary securities before the date of the issue of securities under ASX Listing Rule 7.1A. The Company has 34,556,369 unlisted Options on issue at the date of this Notice of Meeting;
 - (iii) 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;
 - (iv) 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";
 - (v) The price of ordinary securities is deemed for the purposes of the table above to be \$0.195, being the closing price of the Company's listed securities on ASX on 9 December 2020 (**Deemed Price**). The Deemed Price is indicative only and does not consider the 20% discount to market that the securities may be placed at;
 - (vi) The table does not demonstrate the effect of listed or unlisted options being issued under ASX Listing Rule 7.1A, it only considers the issue of the fully paid ordinary securities.
- (c) The Company will only issue and allot the Equity Securities during the 10% Placement Period. The approval under Resolution 8 for the issue of the Equity Securities will cease to be valid in the event that Shareholders approve a transaction under ASX Listing Rule 11.1.2 (a significant change to the nature or scale of activities or ASX Listing Rule 11.2 (disposal of main undertaking).
- (d) The Company may seek to issue the Equity Securities for the following purposes:
- (i) non-cash consideration for the acquisition of new resources assets and investments (although the Company presently has no proposal to do so). In such circumstances the Company will provide a valuation of the non-cash consideration as required by ASX Listing Rule 7.1A.3; or
 - (ii) cash consideration. In such circumstances, the Company intends to use the funds raised towards continued exploration and feasibility study expenditure on the Company's current assets and/or general working capital, or if applicable, towards the acquisition of new assets or investments (including expense associated with such acquisition).

The Company will comply with the disclosure obligations under ASX Listing Rules 7.1A.4 and 3.10.5A 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:

- (i) 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;
- (ii) the effect of the issue of the Equity Securities on the control of the Company;
- (iii) the financial situation and solvency of the Company; and
- (iv) 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 this Notice of Meeting but may include existing substantial Shareholders and/or new Shareholders who are not related parties or associates of a related party of the Company.

Further, if the Company were to pursue an acquisition and were it to be successful in acquiring new resources assets or investments, it is possible that the allottees under the 10% Placement Facility will be the vendors of the new resources assets or investments.

- (e) The Company has previously obtained Shareholder approval under ASX Listing Rule 7.1A at its Annual General Meeting held on 29 November 2020.
- (f) A voting exclusion statement is included in the Notice of Meeting to which this Explanatory Memorandum relates. At the date of that Notice, the Company has not approached any particular existing Shareholder or security holder or an identifiable class of existing security holder to participate in the issue of the Equity Securities. No existing Shareholder's votes will therefore be excluded under the voting exclusion in the Notice.

4. Additional Information required by ASX Listing Rule 7.3A.6

As the Company has previously obtained approval under Listing Rule 7.1A, the following additional information as prescribed by that Rule is provided:

Listing Rule 7.3A.6(a): Total equity securities issued in previous 12 months:

Listing Rule 7.3A.6(a)	Shares	Unlisted Options
Number of equity securities on issue at commencement of 12 month period	53,519,107	3,750,000
Equity securities issued in prior 12 month period ¹	46,426,369	30,806,369
Percentage previous issues represent of total number of equity securities on issue at commencement of 12 month period	87%	821%

Note 1: see the table on the following pages for details of equity securities issued in the previous 12 months.

Listing Rule 7.3A.6(b): Details of equity securities issued in previous 12 months

Date of Issue:	Number Issued:	Class/ Type of equity security:	Summary of terms:	Names of persons who received securities or basis on which those persons was determined:	Price at which equity securities were issued:	Discount to market price (if any):	For cash issues:				For non-cash issues:	
							Total cash consideration received:	Amount of cash consideration spent:	Use of cash consideration:	Intended use for remaining amount of cash (if any):	Non-cash consideration paid:	Current value of that non-cash consideration:
31/01/20	5,400,000	Fully paid ordinary shares	Shares rank pari passu with all other fully paid ordinary shares on issue in the Company	Unrelated Sophisticated investors in a private placement	\$0.10	None	\$540,000	\$540,000	Development and working capital	N/A	N/A	N/A
31/1/20	2,700,000	Unlisted options	Options with an exercise price of \$0.25 and an expiry date of 30/6/21.	Unrelated Sophisticated investors that purchased shares on 31/01/20. 1 Option for 2 shares purchased	Nil cash consideration	N/A	Nil	N/A	N/A	N/A	N/A	N/A
15/4/20	4,240,000	Fully paid ordinary shares	Shares rank pari passu with all other fully paid ordinary shares on issue in the Company	Unrelated Sophisticated investors in a private placement	\$0.05	None	\$212,000	\$212,000	Development and working capital	N/A	N/A	N/A
25/5/20	1,000,000	Fully paid ordinary shares	Shares rank pari passu with all other fully paid ordinary shares on issue in the Company	Unrelated Sophisticated investors, PK Capital Pty Ltd	\$0.05	12%	\$50,000	\$50,000	Development and working capital	N/A	N/A	N/A
10/6/20	2,620,000	Unlisted options	Options with an exercise price of \$0.08 and an expiry date of 30/6/22.	Unrelated Sophisticated investors that purchased shares on 15/4/20 and 25/5/20. 1 option for 2 shares purchased.	Nil cash consideration	N/A	Nil	N/A	N/A	N/A	N/A	N/A
1/7/20	10,800,000	Fully paid ordinary shares	Shares rank pari passu with all other fully paid ordinary shares on issue in the Company	Unrelated Sophisticated investors, placed by Veritas Securities Ltd.	\$0.085	18%	\$30,000	\$30,000	Development and working capital	N/A	N/A	N/A

Date of Issue:	Number Issued:	Class/ Type of equity security:	Summary of terms:	Names of persons who received securities or basis on which those persons was determined:	Price at which equity securities were issued:	Discount to market price (if any):	For cash issues:				For non-cash issues:	
							Total cash consideration received:	Amount of cash consideration spent:	Use of cash consideration:	Intended use for remaining amount of cash (if any):	Non-cash consideration paid:	Current value of that non-cash consideration:
23/9/20	12,780,808	Fully paid ordinary shares	Shares rank pari passu with all other fully paid ordinary shares on issue in the Company	1 for 3 Rights Issue	\$0.20	none	\$2,556,162	\$600,000	Development and working capital	Development and working capital	N/A	N/A
23/9/20	12,780,808	Unlisted options	Options with an exercise price of \$0.30 and an expiry date of 30/9/22.	Free attaching options on 1 for 3 Right Issue on 23/9/20	No cash consideration	N/A	N/A	N/A	N/A	N/A	N/A	N/A
10/11/20 and 11/11/20	12,205,561	Fully paid ordinary shares	Shares rank pari passu with all other fully paid ordinary shares on issue in the Company	1 for 3 Rights Issue shortfall	\$0.20	none	\$2,556,162	\$600,000	Development and working capital	Development and working capital	N/A	N/A
10/11/20 and 11/11/20	12,205,561	Unlisted options	Options with an exercise price of \$0.30 and an expiry date of 30/9/22.	Free attaching options on Rights Issue shortfall	No cash consideration	N/A	N/A	N/A	N/A	N/A	N/A	N/A
11/11/20	500,000	Unlisted options	Options with an exercise price of \$0.30 and an expiry date of 30/9/22.	Issued to New Street Capital Pty Ltd for Rights Issue advisory services.	No cash consideration	N/A	N/A	N/A	N/A	N/A	N/A	N/A

The Directors unanimously recommend Shareholders vote in favour of Special Resolution 8.

Definitions

Terms used in this Explanatory Memorandum and the accompanying Notice of Meeting have the following meanings:

\$ means Australian dollars

Advisory Resolution means a Resolution which, the result of voting by Shareholders, does not bind the Company or the Directors.

AGM means annual general meeting.

Annual Report means the document entitled 'Annual Financial Report – Financial Year Ended June 2020' of the Company announced on 25 September 2020.

ASIC means the Australian Securities and Investments Commission.

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

Board means the board of directors of the Company.

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

- (a) a spouse or child of the member;
- (b) a child of the member's spouse;
- (c) a dependant of the member or the member's spouse;
- (d) anyone else who is one of the member's family and may be expected to influence the member, or be influenced by the member, in the member's dealings with the entity;
- (e) a company the member controls; or
- (f) a person prescribed by the regulations for the purposes of this definition;

Company and **Dart** means Dart Mining NL (ACN 119 904 880)

Constitution means the constitution of the Company from time to time.

Corporations Act means the *Corporations Act 2001* (Cth) as amended, varied or replaced from time to time.

Director means a director of the Company.

Directors' Report means the document entitled 'Directors' Report' contained within pages 3 to 8 of the Annual Report dated 25 September 2020.

Equity Securities has the meaning given to that term in the Listing Rules.

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

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

Listing Rule means the official listing rules of the ASX as amended from time to time.

Market Price has the meaning given to that term in the Listing Rules.

Meeting or **Annual General Meeting** means the Annual General Meeting of Shareholders to be held virtually via a zoom meeting facility on Wednesday, 20 January 2021 at 11.00am (Melbourne Time) or any adjournment thereof.

Notice of Meeting or **Notice** means the notice of meeting giving notice to shareholders of the Meeting, accompanying this Explanatory Memorandum.

Options means options to subscribe for Shares.

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

Remuneration Report means the document entitled 'Remuneration Report' contained within pages 6 to 8 of the Annual Report dated 25 September 2020.

Resolution means a resolution proposed at the Meeting.

Share means an ordinary fully paid share in the issued capital of the Company.

Shareholder means a holder of Shares in the Company.

Special Resolution means a Resolution:

- (a) of which notice has been given as set out in paragraph 249L(1)(c) of the Corporations Act; and
- (b) that has been passed by at least 75% of the votes cast by members of the Company entitled to vote on the Resolution.

Schedule 1

Summary of the key terms of the Performance Rights Plan	
Plan Overview	<p>The Performance Rights Plan (the Plan) is to extend to Eligible Persons of the Company as the Board may in its discretion determine.</p> <p>The Plan is a long-term incentive aimed at creating a stronger link between both an Eligible Person's performance and reward, whilst increasing Shareholder value in the Company.</p>
Eligible Person and Eligible Associate	<p>A Director, Employee, Contractor or Prospective Participant (or the Eligible Associate of such person) of the Company or an Associated Body Corporate who the Board determines to be eligible to participate in the Plan.</p> <p>An Eligible Associate is;</p> <ul style="list-style-type: none"> (a) an immediate family member of an Eligible Person. (b) a company whose members comprise no persons other than the Eligible Person or immediate family members of the Eligible Person; or (c) a corporate trustee of a self-managed superannuation fund (within the meaning of the Superannuation Industry (Supervision) Act 1993) where the Eligible Person is a director of the trustee.
Participant	An Eligible Person or an Eligible Associate who applies and becomes a member of the Plan is a Participant.
Plan limit	<p>The total number of Performance Rights to be issued by the Company under the Plan shall not at any time exceed 5% of the Company's total issued share capital when aggregated with the number of Shares issued or that may be issued as a result of offers made at any time during the previous 3 year period under:</p> <ul style="list-style-type: none"> a) an employee incentive scheme covered by ASIC CO 14/1000; or b) an ASIC exempt arrangement of a similar kind to an employee incentive scheme.
Acceptance of Invitation to Participate in the Plan	An Invitation to participate in the Plan may be accepted by an Eligible Person (to whom the invitation is made), by delivering to the Company written acceptance in the form determined by the Board and stated in the letter of Invitation. An Eligible Person who receives an Invitation may renounce the invitation in favour of the Invitation being made to an Eligible Associate.
Performance Hurdles	<p>The Board will determine in its absolute discretion whether any performance hurdles or other conditions (including as to time) will be required to be met (Performance Hurdles) before the Performance Rights which have been granted under the Plan can vest.</p> <p>Performance Rights will vest upon the satisfaction of the Performance Hurdles.</p>
Issue Price	A Participant will not pay any consideration for the grant of Performance Rights.
Exercise Price	No amount shall be payable by a Participant on the exercise of a Vested Performance Right.
Exercise Period	The terms for exercise, including the exercise period, are stated in the Invitation, however the exercise period must not exceed three years unless otherwise determined by the Board of Directors of the Company.

Summary of the key terms of the Performance Rights Plan

<p>Lapse</p>	<p>A Performance Right lapses, to the extent that it has not been exercised, on the earlier to occur of:</p> <ul style="list-style-type: none"> the date on which the Board decides that the Performance Hurdles have not been satisfied. the date on which the Board decides that a Participant acts fraudulently or dishonestly or is in material breach of his or her obligations to the Company or an Associated Body Corporate; or in the event of a Change in Control Event (being a scheme of arrangement, takeover bid, or ability to replace all or a majority of the Directors), the last day specified in writing in a notice given by the Board to each Participant, that he or she may exercise Vested Performance Rights; if an Eligible Person's employment or engagement with the Company or Associated Body Corporate ceases because of: <ul style="list-style-type: none"> death, serious injury, disability, or illness which renders the Eligible Person incapable of continuing their employment or engagement (or providing the services the subject of the engagement) with the Company or Associated Body Corporate. forced early retirement, retrenchment, or redundancy; or such other circumstances which results in an Eligible Person leaving the employment of or ceasing their engagement with the Company or Associated Body Corporate and which the Board determines is an Uncontrollable Event. <p>(each an Uncontrollable Event), the earlier of</p> <ul style="list-style-type: none"> the Last Exercise Date; or the date that is 3 months from the date of cessation of employment or engagement. if an Eligible Person's employment or engagement with the Company or Associated Body Corporate ceases for reasons other than due an Uncontrollable Event: <ul style="list-style-type: none"> in respect of a vested Performance Right: <ul style="list-style-type: none"> the Last Exercise Date; or 3 months from the date of cessation of employment or engagement; or in respect of an unvested Performance Right the date of cessation of employment or engagement. <p>and</p> <ul style="list-style-type: none"> the day ending at 5.00pm (Melbourne time) on the date which is 36 months following the date of issue of the Performance Rights, unless otherwise determined by the Board.
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Summary of the key terms of the Performance Rights Plan	
Rights and restrictions of Performance Rights	<ul style="list-style-type: none"> • Performance Rights issued pursuant to the Plan have no rights to dividends or other distributions and no rights to vote at meetings of the Company until that Performance Right is exercised and the holder of the Performance Rights is a Shareholder in the Company. • Shares acquired upon exercise of the Performance Rights will upon allotment rank pari passu in all respects with other Shares, except as set out in the Plan. • If there are certain variations of the share capital of the Company including a capitalisation or rights issue, sub-division, consolidation or reduction in share capital, a demerger (in whatever form) or other distribution in specie, the Board may make such adjustments as it considers appropriate; • Performance Rights will not be quoted on the ASX. The company will apply for quotation of the exercised Shares on the ASX within ten Business Days after the date of allotment of those Shares: and • A Performance Right does not confer on the Participant the right to participate in a new issue of Shares by the Company, including by way of bonus issue, rights issue or otherwise.
Assignability	Except on the death of a Participant, Performance Rights may not be transferred, assigned, or novated except with the approval of the Board
Administration	The Plan is administered by the Board, which has the discretion (exercised reasonably and in good faith) to determine appropriate procedures for its administration and resolve questions of fact or interpretation and formulate special terms and conditions (subject to the Listing Rules, including any waiver granted by ASX) in addition to those set out in the Plan.
Change of Control	<p>Where there is publicly announced any proposal in relation to the Company which the Board reasonably believes may lead to a Change in Control Event:</p> <ol style="list-style-type: none"> a) all the Participant's Unvested Performance Rights, that have not lapsed, will become Vested Performance Rights; and b) the Board shall promptly notify each Participant in writing that he or she may, within the period specified in the notice, exercise Vested Performance Rights. <p>Control Event means any of the following:</p> <ol style="list-style-type: none"> a) the Company entering a scheme of arrangement with its creditors or Shareholders or any class thereof pursuant to section 411 of the Corporations Act. b) the commencement of a bid period (as defined in the Corporations Act) in relation to the Company to acquire any Share where the takeover bid extends to Shares issued and allotted after the date of the takeover bid; or c) when a person or group of associated persons having a relevant interest in, subsequent to the adoption of these Rules, sufficient Shares in the Company to give it or them the ability, in general meeting, to replace all or a majority of the Directors in circumstances where such ability was not already held by a person associated with such person or group of associated persons,
Amendments	The Board may amend the Plan at any time but may not do so in a way which materially reduces the rights of Participants' existing rights without their consent, unless the amendment is to comply with the law, to correct an error or similar.
Termination and suspension	The Plan may be terminated or suspended at any time by resolution of the Directors without notice to the Participants.

PKF Melbourne



2 December 2020

The Directors
Dart Mining NL
Level 6, 412 Collins Street
Melbourne VIC 3000

By email: richard@resourceslaw.com.au

Dear Directors

Re: Valuation of Financial Benefit

1. Introduction

- 1.1 PKF Melbourne Corporate Pty Ltd ("PKF Corporate") has been requested by Mr Richard Udovenya on behalf of the Directors of Dart Mining NL ("Dart Mining" or "the Company"), to provide Dart Mining with independent advice in respect of the financial benefits that may be approved by the shareholders of Dart Mining at the forthcoming annual general meeting.
- 1.2 The financial benefits relate to the proposed issue of up to 2.9 million performance rights to Mr James Chirnside and up to 500,000 performance rights to Mr Luke Robinson both for nil consideration (the "Performance Rights"). The Performance Rights are convertible into fully paid ordinary shares of Dart Mining subject to meeting certain vesting conditions. In our opinion, the value of the financial benefit is reflected by the value of the underlying Performance Rights.
- 1.3 Dart Mining is seeking shareholder approval at the forthcoming Annual General Meeting ("AGM"). The Notice of Meeting (the "Notice") requires the shareholders of Dart Mining to vote on several ordinary resolutions. The proposed resolutions to be approved by shareholders in respect of the Performances Rights are set out below.

Resolution 6: Approval for issue of performance rights to Mr James Chirnside under the Performance Rights Plan

"That, for the purposes of Listing Rules 10.14 and Sections 200B and 200E of the Corporations Act, and for all other purposes, approval is given for the grant of Performance Rights to Mr James Chirnside (or his nominee), and the issue or transfer of Shares to or for the benefit of Mr Chirnside upon the vesting and exercise of those Performance Rights, under the Performance Rights Plan and on the terms and conditions set out in the Explanatory Memorandum."

Resolution 7: Approval for issue of performance rights to Mr Luke Robinson under the Performance Rights Plan

"That, for the purposes of Listing Rules 10.14 and Sections 200B and 200E of the Corporations Act, and for all other purposes, approval is given for the grant of Performance Rights to Mr Luke Robinson (or his nominee), and the issue or transfer of Shares to or for the benefit of Mr Robinson upon the vesting and exercise of those Performance Rights, under the Performance Rights Plan and on the terms and conditions set out in the Explanatory Memorandum."

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For office locations visit www.pkf.com.au

- 1.4 The proposed issue of the Performance Rights requires prior shareholder approval pursuant to Australian Securities Exchange (ASX) Listing Rule 10.14. The Directors of Dart Mining have requested PKF Corporate to independently assess the value of the financial benefit proposed to be provided by the Company.
- 1.5 ASIC Regulatory Guide 76 – Related Party Transactions provides that where a financial benefit is difficult to value it may be necessary to include a valuation from an independent expert with a notice of meeting.
- 1.6 For the purpose of this report, we have adopted the definition of fair value as set out in Australian accounting standard AASB 2 ‘Share-based Payment’.

Fair Value is the amount for which an asset could be exchanged, a liability settled, or an equity instrument granted could be exchanged, between knowledgeable, willing parties in an arm’s length transaction.

- 1.7 This report has been prepared in accordance with the Accounting Professional and Ethical Standards Board professional standard APES 225 – Valuation Services.

2. Description of the Performance Rights

- 2.1 A total of up to 3.4 million Performance Rights are proposed to be issued (up to 2.9 million to Mr James Chirside, the Managing Director of Dart Mining, and up to 500,000 to Mr Luke Robinson, a Non-Executive Director of Dart Mining) subject to the receipt of prior shareholder approval. As the Performance Rights are yet to be issued and in accordance with AASB 2, we have taken 26 November 2020 to be the assumed grant date for the purpose of this valuation.
- 2.2 The Performance Rights proposed to be granted have features that are akin to options, except that there is no exercise price payable and, as such, the instruments are better described as “performance rights” and we use this terminology in the balance of this report.
- 2.3 The Performance Rights proposed to be issued will vest in four equal tranches and subject to meeting certain vesting conditions.
 - 25% will vest subject to Dart Mining completing 2,000 metres of drilling in 2020 by 31 December 2020 and the holder remaining continuously employed or engaged by Dart Mining from the grant date to 31 December 2020 (“Tranche 1”);
 - 25% will vest subject to Dart Mining completing 8,000 metres of drilling in 2021 by 31 December 2021 and the holder remaining continuously employed or engaged by Dart Mining from the grant date to 31 December 2021 (“Tranche 2”);
 - 25% will vest subject to the volume weighted average share price (VWAP) of a Dart Mining share being above AU\$0.60 per share for 15 days before 15 September 2023 and the holder remaining continuously employed or engaged by Dart Mining from the grant date to 15 September 2023 (“Tranche 3”); and
 - 25% will vest subject to Dart Mining completing 30,000 metres of drilling in 2023 by 31 December 2023 and the holder remaining continuously employed or engaged by Dart Mining from the grant date to 31 December 2023 (“Tranche 4”).
- 2.4 Having regard to the vesting conditions, we consider that all vesting conditions with the exception of the share price hurdle condition within Tranche 3 to be non-market vesting conditions and, as such, we have assumed all non-market vesting conditions will be satisfied in the balance of this report.

3. Valuation Premise and Methodology

3.1 AASB 2 provides guidance as to the valuation of Share-based Payments. AASB 2 distinguishes between vesting conditions that are 'market' based and 'non-market' based. Market conditions are defined as conditions that are related to the market price of an entity's equity instruments with all other conditions being non-market conditions. AASB 2, in recognition of the difficulty to obtain sufficient appropriate evidence as to the likelihood that a non-market condition will be achieved, provides that vesting conditions other than market conditions shall not be taken into account when estimating the fair value of the Share-based Payments. Instead, the non-market conditions are taken into account by adjusting the number of equity instruments expected to be issued in relation to the Share-based Payments.

3.2 For the purpose of this report, we have adopted the definition of market condition as set out in Australian accounting standard AASB 2 'Share-based Payment'.

A market condition is a performance condition upon which the exercise price, vesting or exercisability of an equity instrument depends that is related to the market price of the entity's equity instruments, such as attaining a specified share price or a specified amount of intrinsic value or a share option...

3.3 Whilst there are a number of option pricing models in common use, the principle underlying the option valuation models is the value of the deferral of the exercise price. As no exercise price is payable in respect of the Performance Rights, these models cannot be applied. AASB 2 does not mandate the use of a particular model in valuing Share-based Payments, such as the Performance Rights.

3.4 Having regard to the terms and conditions of the Performance Rights set out in Section 2 of this report, we have used the following valuation models:

- a pricing model provided by Hoadley¹ which handles performance-vested options for which vesting is contingent on a share price target being achieved over consecutive days during the vesting period has been used to value the Tranche 3 Performance Rights; and
- the Black-Scholes option valuation model has been used to value the Tranche 1, 2 and 4 Performance Rights. Accordingly, the theoretical value of these tranches of Performance Rights is equal to the fair value of a Dart Mining share at the assumed grant date, reduced by the net present value of the dividends expected to be paid over the currency of the vesting periods for each tranche of Performance Rights. We have used the Black-Scholes options valuation model and set the exercise price as close as possible to zero.

¹ HoadleyBarrier1

4. Assumptions

4.1 Set out below is a discussion of each of the variables and the assumptions that we have selected in arriving at an indicative value of the Performance Rights.

4.2 The current share price of the underlying shares

4.2.1 Dart Mining is a no liability public company incorporated in Australia and its securities are quoted on the ASX. The AASB 2 guidance provides that the fair value of the shares shall be measured at the market price of the entity's shares, or an estimated market price, if the entity's shares are not publicly traded.

4.2.2 In view of the above, where this is a deep and active market in a company's shares, we use the closing share price on the date the Performance Rights are granted, however, we do not believe that this is appropriate where there is not a deep and active market.

4.2.3 The closing share of Dart Mining shares at the assumed grant date of 26 November 2020 was AU\$0.180. We have also examined the share prices for a period leading up to the assumed grant date. The VWAP, based on the closing daily prices on the ASX, for a range of periods leading up to the assumed grant date are set out in the table below.

Period to grant date	Shares Traded		VWAP	Share Price	
	Number	Value		Low	High
10 days to 26 November 2020	762,076	AU\$136,541	AU\$0.179	AU\$0.170	AU\$0.190
15 days to 26 November 2020	1,134,553	AU\$205,823	AU\$0.181	AU\$0.170	AU\$0.190
30 days to 26 November 2020	6,204,602	AU\$1,188,346	AU\$0.192	AU\$0.170	AU\$0.245
60 days to 26 November 2020	9,487,647	AU\$1,762,776	AU\$0.186	AU\$0.150	AU\$0.245
90 days to 26 November 2020	16,501,004	AU\$3,356,921	AU\$0.203	AU\$0.150	AU\$0.270

4.2.4 We have set out in Appendix 1 of this report a graph showing the trading in Dart Mining shares from 28 November 2019 to 26 November 2020. We also reviewed the market announcements issued by Dart Mining during this period. We consider that there have been several market sensitive announcements during this period that have contributed to changes in trading volumes and the share price.

4.2.5 Based on the above information and our analysis, we have concluded that the market in Dart Mining shares is relatively liquid, justifying the use of the closing share price on the assumed grant date and we have assumed a share price of AU\$0.180, which we consider represents the market value of shares in Dart Mining at the valuation date of 26 November 2020.

4.3 Exercise price

4.3.1 The Performance Rights have no exercise price and the underlying shares will be issued for nil consideration to the holders, subject to the satisfaction of the vesting conditions.

4.4 Vesting conditions

4.4.1 The respective performance conditions and vesting periods for each of the tranches of the Performance Rights are detailed in Section 2 of this report.

4.5 Expiry date

4.5.1 The expiry date for each of the tranches of the Performances Rights are represented by the last day on which the respective vesting conditions can be met under each tranche.

4.6 Volatility

- 4.6.1 The volatility of the share price is a measure of uncertainty about the returns provided by the shares. Generally, it is possible to predict future volatility of a stock by reference to its historical volatility. A share with a greater volatility has a greater time value component of the total option value.
- 4.6.2 The volatility estimate used in option pricing models is typically calculated with reference to the annualised standard deviation of daily share price returns on the underlying security over a specified period. We source historical volatility information for Australian listed companies from a quarterly research report issued by Rozetta Technology Pty Ltd (Rozetta Technology), a leading provider of financial data in the Australian market. Rozetta Technology calculates volatility over a four-year historical period.
- 4.6.3 We have considered the most recently released Rozetta Technology report for the June 2020 quarter in estimating a volatility to value the Performance Rights. We have estimated the historical volatility of Dart Mining shares and the historical volatility of share price returns for companies comparable to Dart Mining. We note that the Global Industry Classification Standard of Dart Mining is the Metals and Mining industry (the "Industry"). We have considered the historical volatility of share price returns for comparable companies in the Industry to Dart Mining with a primary focus on gold exploration and a market capitalisation between AU\$5 million and AU\$15 million as at the valuation date of 26 November 2020. We have set out in Appendix 2 of this report our analysis of the comparator group of companies.
- 4.6.4 After considering the above information and our analysis, we have concluded that a share price volatility of 80% is appropriate when valuing the Performance Rights.

4.7 Risk free rate of interest

In valuing the Performance Rights, we have set out in the table below the risk-free interest rates we have used for each Tranche of the Performance Rights. The rates are based on Treasury Bond yields sourced from the Reserve Bank of Australia as at the valuation date of 26 November 2020 with a maturity approximating the end date of the vesting period for each Tranche of the Performance Rights.

Share-based Payments	Valuation date	Vesting date	Risk-free rate
Tranche 1	26-Nov-20	31-Dec-20	-0.005%
Tranche 2	26-Nov-20	31-Dec-21	-0.005%
Tranche 3	26-Nov-20	15-Sep-23	0.105%
Tranche 4	26-Nov-20	31-Dec-23	0.105%

Source: Reserve Bank of Australia

4.8 Expected dividend

Dart Mining does not have a history of paying dividends and based on a review of Dart Mining's Appendix 2A announcements to the ASX regarding its dividend policy, we have assumed that no dividends will be paid during the currency of the Performance Rights.

5. Valuation of the Financial Benefits

- 5.1 Using the assumptions set out in Section 4 of this report and the applicable valuation approaches, we have set out below our assessment of the fair value of the Performance Rights proposed to be issued.

Dart Mining Performance Rights	Number of rights	Value per right	Total value
Mr James Chirnside			
Tranche 1	725,000	AU\$0.180	AU\$130,500
Tranche 2	725,000	AU\$0.180	AU\$130,500
Tranche 3	725,000	AU\$0.100	AU\$72,500
Tranche 4	725,000	AU\$0.180	AU\$130,500
	2,900,000		AU\$464,000
Mr Luke Robinson			
Tranche 1	125,000	AU\$0.180	AU\$22,500
Tranche 2	125,000	AU\$0.180	AU\$22,500
Tranche 3	125,000	AU\$0.100	AU\$12,500
Tranche 4	125,000	AU\$0.180	AU\$22,500
	500,000		AU\$80,000

- 5.2 The values of tranches 1, 2 and 4 equate to the value of the underlying shares as they are not impacted by any market conditions. However receipt of the underlying shares is deferred until vesting and hence these performance rights are akin to escrowed shares. Escrowed shares generally have a lower value than shares that are freely tradeable. In our opinion, the unlisted nature of escrowed shares reduces their value in comparison with the underlying ordinary shares of Dart Mining.
- 5.3 Shares in listed companies are readily marketable and therefore liquid and, as such, are more valuable than shares in unlisted companies, which supports a discount due to their reduced marketability. Based on research papers², shares in unlisted companies trade at a discount of 30% to 35% to listed shares due to their reduced marketability, however, this marketability restriction is indefinite, whereas the escrow restrictions are finite (i.e. upon satisfying the vesting conditions).
- 5.4 The treatment of discount for lack of marketability has been addressed by Shannon P. Pratt³. A range of studies related to restricted stock transactions estimate that the discount for non-transferability is in the range of 10% to 30%.
- 5.5 After considering the available evidence and the escrow conditions of the Rights and the assumption that Dart Mining will not pay a dividend during the currency of the Rights, we would recommend applying a discount range between 2% to 3% per year to the above values of the Rights assessed under each of the drilling target vesting condition scenarios.
- 5.6 It should be noted that the above values pertaining to the Performance Rights do not factor in any non-market vesting conditions such as the drilling and continued employment conditions. Accordingly, the above values assume that all the Performance Rights will vest. For accounting purposes, the assessment of the number of the Performance Rights expected to vest based on the non-market vesting conditions will need to be made by Dart Mining.

² Wayne Lonergan, The Valuation of Businesses, Shares and Other Equity 4th Edition

³ Shannon P. Pratt, Business Valuation Discounts and Premiums, 2001

PKF Corporate consents to this report being attached to the Notice of Meeting to be despatched to Dart Mining shareholders for the forthcoming annual general meeting of Dart Mining. PKF Corporate also consents to the references to this valuation as set out in the Notice of Meeting.

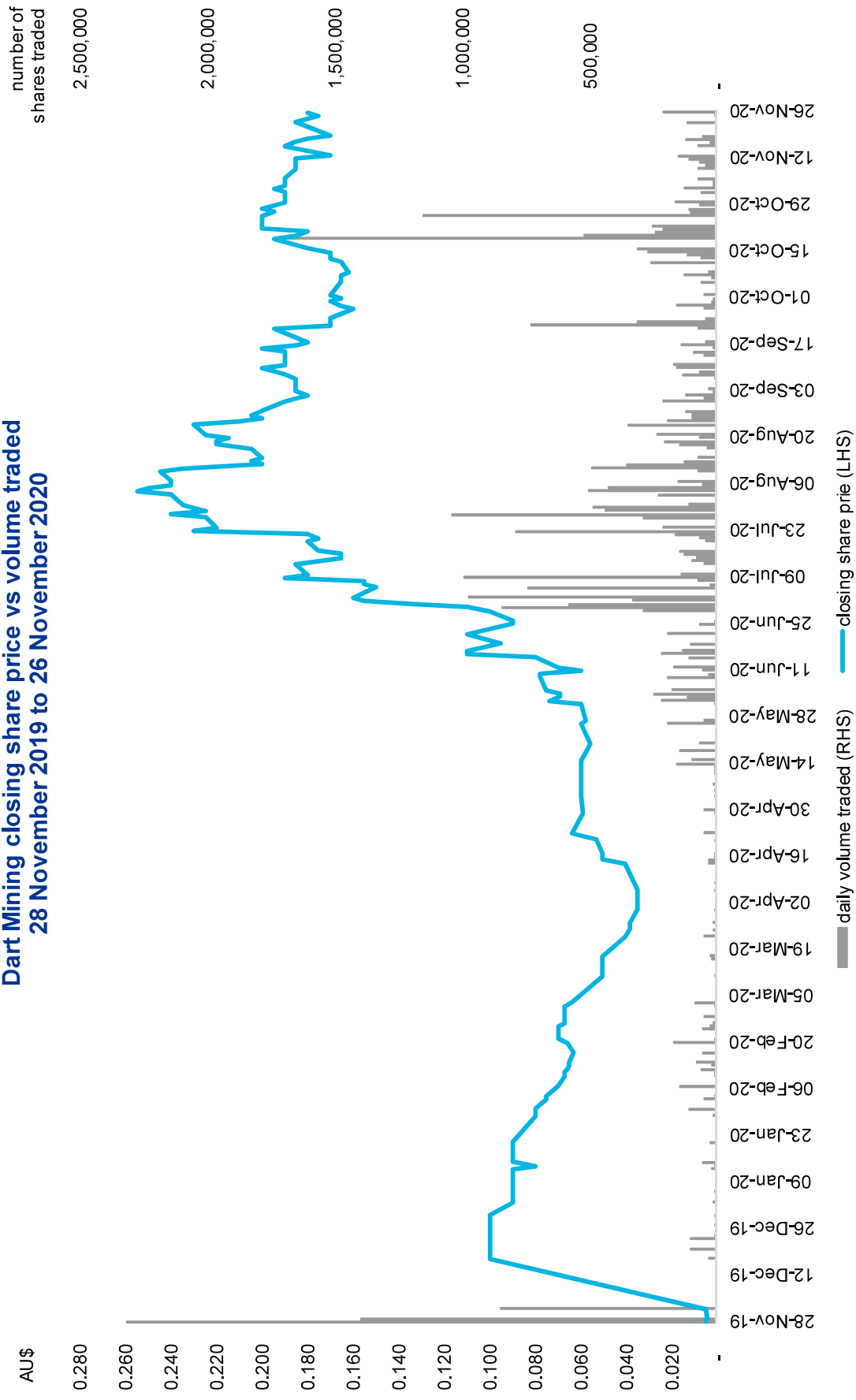
Should you require any further information, please contact the undersigned or Stefan Galbo of this office.

Yours faithfully

A handwritten signature in black ink that reads 'Paul Lom'.

Paul Lom
Director

**Dart Mining closing share price vs volume traded
28 November 2019 to 26 November 2020**



Quarter ended June 2020 Company name	ASX code	Market capitalisation \$ million	Volatility excl Mar20 %	Volatility incl Mar20 %
Metals and Mining				
Gullewa Limited	GUL	14.2	57.16	57.16
Ora Gold Limited	OAU	13.5	81.75	89.72
Torian Resources Limited	TNR	12.9	76.56	75.86
Cazaly Resources Limited	CAZ	9.7	68.24	68.24
Boadicea Resources Ltd	BOA	9.7	83.83	83.14
GBM Gold Limited	GBM	8.9	60.28	60.28
Arrow Minerals Limited	AMD	8.4	80.71	81.06
Strickland Metals Limited	AYR	8.4	121.24	119.86
Krakatoa Resources Limited	KTA	8.3	58.89	58.89
Xantippe Resources Limited	XTC	8.0	62.01	61.31
Dampier Gold Limited	DAU	7.2	62.01	61.31
Indiana Resources Limited	IDA	7.2	60.28	59.58
AuStar Gold Limited	AUL	7.1	72.75	72.75
First Au Limited	FAU	6.4	91.45	90.76
KalNorth Gold Mines Limited	KGM	6.3	119.17	118.82
Cynus Gold Limited	CY5	5.5	109.47	107.73
White Cliff Minerals Limited	WCN	4.9	112.24	115.35
Average of Comparator Group		8.6	81.06	81.28
Median of Comparator Group		8.3	76.56	75.86
Dart Mining NL	DTM	7.1	86.60	91.80

[HolderNumber]

Holder Number:
[HolderNumber]

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[EntityRegistrationDetailsLine2Envelope]
[EntityRegistrationDetailsLine3Envelope]
[EntityRegistrationDetailsLine4Envelope]
[EntityRegistrationDetailsLine5Envelope]
[EntityRegistrationDetailsLine6Envelope]

Your proxy voting instruction must be received by **11:00AM (Melbourne) on Monday, 18 January 2021**, being **not later than 48 hours** before the commencement of the Meeting. Any Proxy Voting instructions received after that time will not be valid for the scheduled Meeting.

SUBMIT YOUR PROXY

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

YOUR NAME AND ADDRESS

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

STEP 1 – APPOINT A PROXY

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

DEFAULT TO THE CHAIR OF THE MEETING

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

STEP 2 - VOTES ON ITEMS OF BUSINESS

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

APPOINTMENT OF SECOND PROXY

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

SIGNING INSTRUCTIONS

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

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

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

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

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

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

CORPORATE REPRESENTATIVES

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

Lodging your Proxy Voting Form:

Online:

Use your computer or smartphone to appoint a proxy at
<https://investor.automic.com.au/#/login>

or scan the QR code below using your smartphone

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



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