



ACN 118 522 124

Notice of Annual General Meeting

**The Annual General Meeting of the Company will be held at The Celtic Club,
48 Ord Street, West Perth, Western Australia on Thursday, 26 November 2020
at 1.30pm (WST).**

The Notice of Annual General Meeting should be read in its entirety.

If Shareholders are in doubt as to how to vote, they should seek advice from their accountant, solicitor or other professional advisor prior to voting.

**Should you wish to discuss any matter, please do not hesitate to contact the
Joint Company Secretaries by telephone on (08) 9322 2338.**

**Shareholders are urged to attend or vote by lodging the proxy form
attached to the Notice**

Firefly Resources Limited
ACN 118 522 124
(Company)

Notice of Annual General Meeting

Notice is hereby given that the annual general meeting of Shareholders of Firefly Resources Limited will be held at The Celtic Club, 48 Ord Street, West Perth, Western Australia on Thursday, 26 November 2020 at 1.30pm (WST) (**Meeting**).

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

The Directors have determined pursuant to regulation 7.11.37 of the *Corporations Regulations 2001* (Cth) that the persons eligible to vote at the Meeting are those who are registered as Shareholders on Tuesday, 24 November 2020 at 5.00pm (WST).

Terms and abbreviations used in the Notice are defined in Schedule 1.

Agenda

1 Annual Report

To consider the Annual Report of the Company and its controlled entities for the financial year ended 30 June 2020, which includes the Financial Report, the Directors' Report and the Auditor's Report.

2 Resolutions

Resolution 1 – Remuneration Report

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

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

Resolution 2 – Re-election of Director – Mr Michael Edwards

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

'That, in accordance with Clause 13.2 of the Constitution, Listing Rule 14.4 and for all other purposes, Mr Michael Edwards, a Director who was appointed on 10 October 2019, retires and, being eligible, is elected as a Director on the terms and conditions in the Explanatory Memorandum.'

Resolution 3 – Election of Director – Mr Ashley Pattison

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

'That, in accordance with Clause 13.3 of the Constitution, Listing Rule 14.4 and for all other purposes, Mr Ashley Pattison, a Director who was appointed on 3 September 2020, retires and, being eligible, is elected as a Director on the terms and conditions in the Explanatory Memorandum.'

Resolution 4 – Approval of 10% Placement Facility

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

'That, pursuant to and in accordance with Listing Rule 7.1A and for all other purposes, Shareholders approve the issue of Equity Securities totalling up to 10% of the issued capital of the Company at the time of issue, calculated in accordance with the formula prescribed in Listing Rule 7.1A.2 and on the terms and conditions in the Explanatory Memorandum.'

Resolution 5 – Approval to issue Performance Rights to Directors

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

'That, pursuant to and in accordance Listing Rule 10.11, sections 200E and 208 of the Corporations Act and for all other purposes, Shareholders approve the issue of Performance Rights to Directors (or their nominees) as follows:

- (a) *up to 10,000,000 Performance Rights to Mr Simon Lawson;*
- (b) *up to 3,100,000 Performance Rights to Mr Michael Edwards;*
- (c) *up to 1,000,000 Performance Rights to Mr Geoffrey Jones; and*
- (d) *up to 1,000,000 Performance Rights to Mr Ashley Pattison,*

on the terms and conditions in the Explanatory Memorandum.'

Resolution 6– Ratification of prior issue of Placement Shares

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

'That, pursuant to and in accordance with Listing Rule 7.4 and for all other purposes, Shareholders approve and ratify the prior issue on 9 October 2020 of:

- (a) *38,968,430 Shares under Listing Rule 7.1; and*
- (b) *1,031,570 Shares under Listing Rule 7.1A;*

*at an issue price of \$0.15 per share (**Placement Shares**) and otherwise on the terms and conditions in the Explanatory Memorandum.'*

Resolution 7– Approval to issue Corporate Options

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

'That, pursuant to and in accordance with Listing Rule 7.1 and for all other purposes, Shareholders approve the issue of 16,000,000 Corporate Options to CPS Capital Group Pty Ltd (or its nominee) on the terms and conditions in the Explanatory Memorandum.'

Voting exclusions

Pursuant to the Listing Rules, the Company will disregard any votes cast in favour of:

- (a) Resolution 4, if at the time of the Meeting, the Company is proposing to make an issue of Equity Securities under the 10% Placement Facility, by or on behalf of any persons who are expected to participate in, or who will obtain a material benefit as a result of, the proposed issue (except a benefit solely by reason of being a Shareholder), or any associate of those persons; and
- (b) Resolutions 5 (a) to 5 (d) inclusive, by or on behalf of the person who is to receive the Performance Rights in question and any other person who will obtain a material benefit as a result of the issue of the securities (except a benefit solely by reason of being a Shareholder), or any of their respective associates.
- (c) Resolution 6, by or on behalf of any persons who participated in the issue of these Placement Shares and any associates of those persons.
- (d) Resolution 7, by or on behalf of CPS Capital Group Pty Ltd, or any person who is to receive the Corporate Options in question and any other person or who will obtain a material benefit as a result of the issue of the securities (except a benefit solely by reason of being a Shareholder), or any of their respective associates.

The above voting exclusions do not apply to a vote cast in favour of the relevant Resolution by:

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

Shares held by or for an employee incentive scheme must only be voted on a Resolution under the Listing Rules if and to the extent that they are held for the benefit of a nominated participant in the scheme; the nominated participant is not excluded from voting on the Resolution under the Listing Rules; and the nominated participant has directed how the Shares are to be voted.

Voting prohibitions

Resolution 1: In accordance with sections 250BD and 250R of the Corporations Act, a vote on this Resolution must not be cast (in any capacity) by or on behalf of a member of the Key Management Personnel details of whose remuneration are included in the Remuneration Report, or a Closely Related Party of such a member.

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

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


Resolutions 5 (a) to 5 (d) (inclusive): In accordance with section 250BD of the Corporations Act, a person appointed as a proxy must not vote, on the basis of that appointment, on this Resolution if:

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

However, the above prohibition does not apply if:

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

BY ORDER OF THE BOARD



Michael Edwards
Non-Executive Chair
Firefly Resources Limited

Dated: 26 October 2020

Firefly Resources Limited
ACN 118 522 124
(Company)

Explanatory Memorandum

1. Introduction

The Explanatory Memorandum has been prepared for the information of Shareholders in connection with the business to be conducted at the Meeting to be held at The Celtic Club, 48 Ord Street, West Perth, Western Australia on Thursday, 26 November 2020 at 1.30pm (WST).

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

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

Section 3	Financial Statements
Section 4	Resolution 1 – Remuneration Report
Section 5	Resolution 2 – Re-election of Director – Mr Michael Edwards
Section 6	Resolution 3 – Election of Director – Mr Ashley Pattison
Section 7	Resolution 4 – Approval of 10% Placement Facility
Section 8	Resolution 5 – Approval to issue Performance Rights to Directors
Section 9	Resolution 6 – Ratification of prior issue of Placement Shares
Section 10	Resolution 7 – Approval to issue Corporate Options
Schedule 1	Definitions
Schedule 2	Equity Securities issued under 10% Placement Facility
Schedule 3	Terms and conditions of Performance Rights
Schedule 4	Valuation of Performance Rights
Schedule 5	Terms and conditions of Corporate Options

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

2. Action to be taken by Shareholders

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

2.1 **Impact of COVID-19 on the Meeting**

The health and safety of members and personnel, and other stakeholders, is the highest priority and the Company is acutely aware of the current circumstances resulting from COVID-19.

Based on the best information available to the Board at the time of the Notice, the Board considers it will be in a position to hold an 'in-person' meeting to provide Shareholders with a reasonable opportunity to participate in and vote at the Meeting, while complying with the COVID-19 restrictions regarding gatherings. The Company, however, strongly encourages Shareholders to submit proxies prior to the Meeting.

If the situation in relation to COVID-19 were to change in a way that affects the position above, the Company will provide an update ahead of the Meeting by releasing an ASX announcement.

2.2 **Voting in person**

Given the current COVID-19 circumstances and in the interests of public health and safety of our Shareholders, the Company will implement arrangements to allow Shareholders to physically attend the Meeting in accordance with COVID-19 protocols and government advice.

The Company will strictly comply with applicable limitations on indoor gatherings in force at the time of the Meeting. If you attend the Meeting in person, you will be required to adhere to COVID-19 protocols in place at the time of the Meeting.

2.3 **Proxies**

(a) Voting by proxy

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

Please note that:

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

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

(b) Proxy vote if appointment specifies way to vote

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

- (i) the proxy need not vote on a show of hands, but if the proxy does so, the proxy must vote that way (ie as directed);
 - (ii) if the proxy has two or more appointments that specify different ways to vote on the resolution – the proxy must not vote on a show of hands;
 - (iii) if the proxy is the chair of the meeting at which the resolution is voted on – the proxy must vote on a poll, and must vote that way (ie as directed); and
 - (iv) if the proxy is not the chair – the proxy need not vote on the poll, but if the proxy does so, the proxy must vote that way (ie as directed).
- (c) Transfer of non-chair proxy to chair in certain circumstances

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

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

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

2.4 Chair's voting intentions

The Chair intends to exercise all available proxies in favour of all Resolutions, unless the Shareholder has expressly indicated a different voting intention.

If the Chair is appointed as your proxy and you have not specified the way the Chair is to vote on Resolution 1 and Resolution 5 by signing and returning the Proxy Form, you are considered to have provided the Chair with an express authorisation for the Chair to vote the proxy in accordance with the Chair's intention, even though the Resolution is connected directly or indirectly with the remuneration of a member of the Key Management Personnel of the Company.

2.5 Submitting questions

Shareholders may submit questions in advance of the Meeting to the Company. Questions must be submitted by emailing the Joint Company Secretaries at info@fireflyresources.com.au by 5.00pm WST on Tuesday, 24 November 2020.

Shareholders will also have the opportunity to submit questions during the Meeting in respect to the formal items of business. In order to ask a question during the Meeting, please follow the instructions from the Chair.

The Chair will attempt to respond to the questions during the Meeting. Shareholders are limited to a maximum of two questions each (including any submitted in advance of the Meeting). The Chair will request prior to a Shareholder asking a question that they identify themselves (including the entity name of their shareholding and the number of Shares they hold).

3. **Financial Statements**

In accordance with the Constitution, the business of the Annual General Meeting will include receipt and consideration of the Annual Report of the Company for the financial year ended 30 June 2020 together with the declaration of the Directors, the Directors' Report, the Remuneration Report, the Financial Report and the Auditor's Report.

There is no requirement for Shareholders to approve the Annual Report.

At the Meeting, Shareholders will be offered the opportunity to:

- (a) discuss the Annual Report which is available online at <https://www.fireflyresources.com.au/investors-and-media/>;
- (b) ask questions about, or comment on, the management of the Company; and
- (c) ask the auditor questions about the conduct of the audit and the preparation and content of the Auditor's Report.

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

- (a) the preparation and content of the Auditor's Report;
- (b) the conduct of the audit;
- (c) accounting policies adopted by the Company in relation to the preparation of the financial statements; and
- (d) the independence of the auditor in relation to the conduct of the audit,

may be submitted no later than 5 business days before the Meeting to the Joint Company Secretaries at the Company's registered office.

4. **Resolution 1 – Remuneration Report**

Subsection 250R(2) of the Corporations Act requires that at a listed company's annual general meeting, a resolution that the remuneration report be adopted must be put to the shareholders. The Directors' Report contains the Remuneration Report which sets out the remuneration policy for the Company and the remuneration arrangements in place for the executive Directors, specified executives and non-executive Directors.

In accordance with subsection 250R(3) of the Corporations Act, Resolution 1 is advisory only and does not bind the Directors or the Company. If Resolution 1 is not passed, the Directors will not be required to alter any of the arrangements in the Remuneration Report.

The Company's Remuneration Report did not receive a Strike at the 2019 annual general meeting. If at least 25% of the votes cast on this Resolution are voted against adoption of the Remuneration Report at this Meeting, and at the Company's 2021 annual general meeting, the

Company will be required to put to Shareholders at the second annual meeting a resolution on whether another meeting should be held (within 90 days) at which all Directors (other than the managing director, if any) who were in office at the date of approval of the applicable Directors' Report must stand for re-election (**Spill Resolution**).

If more than 50% of Shareholders vote in favour of the Spill Resolution, the Company must convene the general meeting (**Spill Meeting**) within 90 days of the Company's 2021 annual general meeting. All of the Directors who were in office when the Company's 2021 Directors' Report was approved, other than the managing director of the Company, will cease to hold office immediately before the end of the Spill Meeting, but may stand for re-election at the Spill Meeting. Following the Spill Meeting, those persons whose election or re-election as Directors is approved will be the Directors of the Company.

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

Resolution 1 is an ordinary resolution.

Given the material personal interests of all Directors in this Resolution, the Board makes no recommendation to Shareholders regarding Resolution 1.

5. Resolution 2– Re-election of Director – Mr Michael Edwards

5.1 General

Clause 13.2 of the Constitution requires that one third of the Directors (excluding the Managing Director) must retire at each annual general meeting (or if that is not a whole number, the whole number nearest to one third, rounded down). The Directors to retire are those who have held their office as Director for the longest period since their last election or appointment to that office. In the event two or more Directors have held office for equal periods of time, the retiring Directors are to be determined by lot, unless otherwise agreed by those Directors. A retiring Director is eligible for re-election.

Listing Rule 14.5 requires the Company to hold an election of directors at each annual general meeting.

Non-Executive Director, Mr Michael Edwards was appointed as Non-Executive Director of the Company on 10 October 2019 and was re-elected last at the annual general meeting held on 29 November 2019 and accordingly retires and seeks re-election in accordance with Listing Rule 14.5 and Clause 13.3 of the Constitution.

If Resolution 2 is passed, Mr Edwards will be appointed as a Non-Executive Director and Chairman of the Company.

If Resolution 2 is not passed, Mr Edwards will not be appointed as a Non-Executive Director and Chairman of the Company.

Having had regard to the ASX Principles, the Board considers Mr Edwards an independent Director. Details regarding Mr Edwards are set out in Section 5.2 below.

5.2 Background

Mr Edwards is a geologist and economist with over 20 years' experience in senior management in both the private and public sector. He spent three years with Barclays Australia in their

Corporate Finance department and then eight years as an Exploration and Mine Geologist with companies such as Gold Mines of Australia, Eagle Mining and International Mineral Resources.

Between 2000 and 2010, he was owner and wine-maker of his family wine business, Edwards Wines, based in Margaret River, Western Australia.

Since 2010, Mr Edwards has been consulting as a geologist across a range of commodities, predominantly in Australia and Africa. In addition, he has worked as a corporate advisor and has been involved in numerous ASX listings and reverse takeovers across a range of commodities and industries.

Mr Edwards holds a Bachelor of Business majoring in Economics and Finance from Curtin University of Technology and a Bachelor of Science in Geology from the University of Western Australia. Mr Edwards is also a qualified winemaker with a Graduate Diploma in Oenology from the University of Adelaide. Mr Edwards is a non-executive director of DE Mem Ltd, Serpentine Technologies Limited and Norwood Systems Ltd.

5.3 **Board recommendation**

Resolution 2 is an ordinary resolution.

The Board has reviewed Mr Edwards' performance since his appointment to the Board and considers that Mr Edwards' skills and experience around capital raisings, project development and corporate governance will continue to enhance the Board's ability to perform its role. Therefore, the Directors (other than Mr Edwards) recommend Shareholders vote in favour of the re-election of Mr Edwards.

6. **Resolution 3 – Election of Director – Mr Ashley Pattison**

6.1 **General**

In accordance with 13.4 of the Constitution, the Board may appoint at any time, a person to be a Director either to fill a casual vacancy or as an addition to the existing Directors, but only where the total number of Directors does not at any time exceed the maximum number specified by the Constitution.

Any Director so appointed must retire at the next annual general meeting of the Company and is then eligible for election by Shareholders.

In addition, Listing Rule 14.4 provides that a Director appointed as an addition to the Board must not hold office (without re-election) past the next annual general meeting.

Mr Pattison was appointed as a Non-Executive Director on 3 September 2020 as a representative of the vendors following the recent acquisition of the Yalgoo Gold Project in WA. Accordingly, he is not considered an independent Director of the Company.

If Resolution 3 is passed, Mr Pattison will be appointed as a Non-Executive Director of the Company.

If Resolution 3 is not passed, Mr Pattison will not be appointed as a Non-Executive Director of the Company.

6.2 Background

Mr Pattison is a Chartered Accountant with over 20 years' experience in the resource sector across corporate finance, strategy and project operations. Having lived and worked in several countries, he has gained substantial exposure to exploration and producing operations in Australia and South America. He has also held senior executive positions including as Managing Director of a number of listed and private mining companies over the past 10 years and also as CEO of a listed mining service company.

More recently, he was the founder of PC Gold Pty Ltd (a private equity vehicle with an advanced open pit gold asset in the Northern Territory), Aurum Minerals (acquired by Firefly Resources) and Maroon Gold Pty Ltd (a private equity vehicle that consolidated a number of gold assets in the Charters Towers region of Queensland and commenced production in 2019).

Mr Pattison is currently the Executive Chairman of PC Gold Pty Ltd and Managing Director of Tristar Nominees Pty Ltd, a consulting business to resource companies.

6.3 Board recommendation

Resolution 3 is an ordinary resolution.

The Board has reviewed Mr Pattison's performance since his appointment to the Board and considers that Mr Pattison's skills as an experienced mining executive and his expertise in project development will continue to enhance the Board's ability to perform its role. The Directors (other than Mr Pattison) recommend Shareholders vote in favour of the re-election of Mr Pattison.

7. Resolution 4 - Approval for Additional 10% Placement Facility

7.1 General

Broadly speaking, and subject to a number of exceptions, Listing Rule 7.1 limits the amount of equity securities that a listed entity can issue without the approval of its shareholders over any 12 month period to 15% of the fully paid ordinary securities it had on issue at the start of that period.

Listing Rule 7.1A provides that an eligible entity may seek Shareholder approval by way of a special resolution passed at its annual general meeting, to allow it to issue Equity Securities totalling up to 10% of its issued capital through placements over a period up to 12 months after the annual general meeting (**10% Placement Facility**). The 10% Placement Facility is in addition to the Company's 15% annual placement capacity under Listing Rule 7.1.

Resolution 4 is a special resolution. Accordingly, at least 75% of votes cast by Shareholders present and eligible to vote at the Meeting must be in favour of this Resolution for it to be passed. Resolution 4 seeks Shareholder approval by way of a special resolution to provide the Company the ability to issue Equity Securities under the 10% Placement Facility during the 10% Placement Period (refer to Section 7.1(e) below). The number of Equity Securities to be issued under the 10% Placement Facility will be determined in accordance with the formula prescribed in Listing Rule 7.1A.2 (refer to Section 7.1(b) below).

If Resolution 4 is passed, the Company will be able to issue equity securities up to the combined 25% limit in Listing Rules 7.1 and 7.1A without any further shareholder approval.

If Resolution 4 is not passed, the Company will not be able to access the additional 10% capacity to issue equity securities without shareholder approval provided for in Listing Rule 7.1A and will remain subject to the 15% limit on issuing equity securities without shareholder approval set out in Listing Rule 7.1.

The Board believes that this Resolution is in the best interests of the Company and unanimously recommends that Shareholders vote in favour of this resolution.

(a) **What Equity Securities can be issued?**

The Equity Securities must be in the same class as an existing class of quoted Equity Securities. The Company currently has one class of quoted Equity Securities on issue being:

- (i) 299,789,532 fully paid ordinary Shares.

In addition, the Company has on issue:

- (ii) 1,874,996 unquoted Options expiring 15 April 2021 and exercisable at \$1.20;
- (iii) 399,999 unquoted Options expiring 31 March 2022 and exercisable at \$0.60;
- (iv) 3,500,000 unquoted Options expiring 30 September 2022 and exercisable at \$0.10;
- (v) 3,750,000 unquoted Options expiring 30 September 2022 and exercisable at \$0.125;
- (vi) 2,850,000 unquoted Options expiring 31 December 2021 and exercisable at \$0.12; and
- (vii) 2,850,000 unquoted Options expiring 31 December 2022 and exercisable at \$0.14,

(Unquoted Options); and

- (viii) 22,999,998 unquoted performance rights with various vesting conditions.

(b) **How many Equity Securities can be issued?**

Listing Rule 7.1A.2 provides that under the approved 10% Placement Facility, the Company may issue or agree to issue a number of Equity Securities calculated in accordance with the following formula:

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

Where:

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

- (i) plus the number of fully paid Shares issued in the 12 months under an exception in Listing Rule 7.2 (other than exceptions 9, 16 or 17)

- (ii) plus the number of fully paid Shares issued in the previous 12 months on the conversion of convertible securities within rule 7.2 exception 9 where:
 - a. the convertible securities were issued or agreed to be issued before the commencement of the 12-month period; or
 - b. the issue of, or agreement to issue, the convertible securities was approved, or taken under these rules to have been approved, under rules 7.1 or 7.1;
- (iii) plus the number of fully paid Shares issued in the previous 12 months under an agreement to issue securities within rule 7.2 exception 16, where:
 - a. the agreement was entered into before the commencement of the previous 12-month period; or
 - b. the agreement or issue was approved, or taken under the Listing Rules to have been approved, under rules 7.1 or 7.4;
- (iv) plus the number of partly paid shares that became fully paid in the 12 months;
- (v) plus the number of fully paid Shares issued in the 12 months with Shareholder approval under Listing Rule 7.1 and 7.4. This does not include any issue of Shares under the Company's 15% annual placement capacity without Shareholder approval; and
- (vi) less the number of fully paid Shares cancelled in the 12 months.

Note that "A" has the same meaning in Listing Rule 7.1 when calculating the Company's 15% annual placement capacity.

D is 10%.

E is the number of Equity Securities issued or agreed to be issued under Listing Rule 7.1A.2 in the 12 months before the date of the issue or agreement to issue that are not issued with Shareholder approval under Listing Rule 7.1 or 7.4.

(c) **What is the interaction with Listing Rule 7.1?**

The Company's ability to issue Equity Securities under Listing Rule 7.1A will be in addition to its 15% annual placement capacity under Listing Rule 7.1.

(d) **At what price can the Equity Securities be issued?**

The issue price of Equity Securities issued under 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 10 Trading Days of the date in paragraph (i) above, the date on which the Equity Securities are issued,

(Minimum Issue Price).

(e) **When can Equity Securities be issued?**

Shareholder approval of the 10% Placement Facility under Listing Rule 7.1A will be valid from the date of Meeting at which the approval is obtained and will expire on the earlier to occur of:

- (i) the date that is 12 months after the date of the Meeting at which the approval is obtained;
- (ii) the time and date of the Company's next annual general meeting; or
- (iii) the date of Shareholder approval of a transaction under Listing Rules 11.1.2 (a significant change to the nature or scale of activities) or 11.2 (disposal of main undertaking),

(10% Placement Period).

(f) **What is the effect of this Resolution?**

The effect of this Resolution will be to allow the Directors to issue the Equity Securities under Listing Rule 7.1A during the 10% Placement Period without further Shareholder approval or using the Company's 15% annual placement capacity under Listing Rule 7.1.

7.2 **Technical Information Required by Listing Rule 7.1A**

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

(a) **Minimum Issue Price**

The Equity Securities may be issued at an issue price of not less than 75% of the VWAP of Equity Securities in that 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 10 Trading Days of the date, the date on which the Equity Securities are issued.

If the Company issues Equity Securities for non-cash consideration under the 10% Placement Facility, then, in accordance with the Listing Rules, the Company will provide a valuation of the non-cash consideration to the market that demonstrates that the issue price of the Equity Securities complies with Listing Rule 7.1A.3.

(b) **Date of Issue**

The Company will only issue the Equity Securities under the 10% Placement Facility during the 10% Placement Period.

Shareholder approval of the 10% Placement Facility will cease to be valid if Shareholders approve a transaction under Listing Rule 11.1.2 or 11.2.

(c) **Risk of voting dilution**

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

If this Resolution is approved by Shareholders and the Company issues the maximum number of Equity Securities available under the 10% Placement Facility, the economic and voting dilution of existing Shares would be as shown in the table below (in the case of Options, only if the Options are converted into Shares).

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

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

Number of Shares on Issue	Dilution			
	Number of Shares issued under 10% Placement Facility	Funds raised based on issue price of \$0.09 (50% decrease in current issue price)	Funds raised based on issue price of \$0.18 (Current issue price)	Funds raised based on issue price of \$0.27 (50% increase in current issue price)
299,789,532 (Current)	29,978,953	\$ 2,698,106	\$ 5,396,212	\$ 8,094,317
449,684,298 (50% increase)*	44,968,430	\$ 4,047,159	\$ 8,094,317	\$ 12,141,476
599,579,064 (100% increase)*	59,957,906	\$ 5,396,212	\$ 10,792,423	\$ 16,188,635

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

The table above uses the following assumptions:

1. The current Shares on issue are the Shares on issue as at 19 October 2020.
2. The current issue price set out above is the last price at which Shares were traded prior to 19 October 2020 (being \$0.18).
3. The Company issues the maximum possible number of Equity Securities under the 10% Placement Facility.
4. The issue of Equity Securities under the 10% Placement Facility consists only of Shares. It is assumed that no Options are exercised into Shares before the date of issue of the Equity Securities.
5. The calculations above do not show the dilution that any one particular Shareholder will be subject to. All Shareholders should consider the dilution caused to their own shareholding depending on their specific circumstances.
6. This table does not set out any dilution pursuant to approvals under Listing Rule 7.1.

Shareholders should note that there is a risk that:

- (i) the market price for the Company's Equity Securities may be significantly lower on the issue date 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 those Shares on the date of issue,

which may have an effect on the amount of funds raised by the issue of the Equity Securities.

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

The Company may decide to issue Equity Securities under the 10% Placement Facility for cash consideration to raise funds for the purpose of advancing any of its projects and working capital.

The Company will comply with the disclosure obligations under Listing Rules 7.1A.4 and 3.10.3 upon any issue of Equity Securities under Listing Rule 7.1A.

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

The allottees of the Equity Securities to be issued under the 10% Placement Facility have not yet been determined. However, the allottees of Equity Securities could consist of current Shareholders or new investors (or both), none of whom will be a related party or an associate of a related party of the Company.

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

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

(f) **Previous Approval under Listing Rule 7.1A**

The Company obtained approval under Listing Rule 7.1A at its previous annual general meeting on 29 November 2019. In the 12 months preceding the date of the Meeting and as at the date of this Notice, the Company has issued 1,031,570 Placement Shares under Listing Rule 7.1A. The details of the issue under Listing Rule 7.1A.2 in the 12 months preceding the date of the Meeting are set out in Schedule 2.

7.3 Voting Exclusion

A voting exclusion statement is included in the Notice. As at the date of this Notice, the Company has not invited any existing Shareholder or security holder or an identifiable class of existing security holder to participate in an issue of Equity Securities under Listing Rule 7.1A. Therefore, no existing Shareholders will be excluded from voting on this Resolution.

8. Resolution 5(a), (b), (c) and (d) – Approval to issue Performance Rights to Directors

8.1 General

On 4 September 2020, the Company announced that it is proposing, subject to obtaining Shareholder approval, to issue up to a total of 15,100,000 Performance Rights to Messrs Simon Lawson, Michael Edwards, Geoffrey Jones and Ashley Pattison (**Directors**), or their respective nominees, as follows:

Related Party	Tranche 1 Performance Rights	Tranche 2 Performance Rights	Tranche 3 Performance Rights
Simon Lawson	3,333,333	3,333,333	3,333,333
Michael Edwards	1,033,333	1,033,333	1,033,333
Geoffrey Jones	333,333	333,333	333,333
Ashley Pattison	333,333	333,333	333,333
TOTAL	5,033,332	5,033,332	5,033,332

The last price at which Shares were traded prior to 4 September 2020 was \$0.12. The Company has carefully considered key project and business objectives and believe that offering the Performance Rights is an appropriate method for linking the Company's current remuneration structure to the achievement of medium-term goals, as it embarks on a significant phase of growth at its recently acquired Yalgoo Gold Project in WA, and longer term sustainable growth for shareholders.

The Performance Rights will be subject to the terms and conditions set out in 3 and vest as follows:

- (a) **Tranche 1 Milestone:** Upon announcement by the Company on the ASX market announcements platform of a minimum of 210,000 ounces of Inferred, Indicated and/or Measured Resources, at a minimum grade of 0.3g/t gold or gold Equivalent, reported in accordance with the JORC Code on any one or more of the Tenements;
- (a) **Tranche 2 Milestone:** Upon announcement by the Company on the ASX market announcements platform of a minimum of 350,000 ounces of Inferred, Indicated and/or Measured Resources, at a minimum grade of 0.3g/t of gold or gold Equivalent, reported in accordance with the JORC Code on any one or more of the Tenements; and

- (b) **Tranche 3 Milestone:** Upon the volume weighted average market price of the Company's Shares trading on ASX over 20 consecutive trading days on which the Shares have traded being at least \$0.20.

Resolution 5 (a), (b), (c) and (d) are ordinary resolutions.

The Board recommends that Shareholders vote in favour of Resolution 5.

8.2 **Listing Rule 10.11**

Listing Rule 10.11 provides that unless one of the exceptions in Listing Rule 10.12 applies, a listed company must not issue or agree to issue Equity Securities to:

- (a) a related party (Listing Rule 10.11.1);
- (b) a person who is, or was at any time in the 6 months before the issue or agreement, a substantial holder (30%+) in the company (Listing Rule 10.11.2);
- (c) a person who is, or was at any time in the 6 months before the issue or agreement, a substantial holder (10%+) in the company and who has nominated a director to the board of the company pursuant to a relevant agreement which gives them a right or expectation to do so (Listing Rule 10.11.3);
- (d) an associate of a person referred to in Listing Rules 10.11.1 to 10.11.3 (Listing Rule 10.11.4); or
- (e) a person whose relation with the company or a person referred to in Listing Rule 10.11.1 or 10.11.4 is such that, in ASX's opinion, the issue or agreement should be approved by its shareholders (Listing Rule 10.11.5),

unless it obtains the approval of its shareholders.

The proposed issue of Performance Rights falls within Listing Rule 10.11.1 and does not fall within any of the exceptions in Listing Rule 10.12. It therefore requires the approval of Shareholders under Listing Rule 10.11.

Resolution 5 seeks the required Shareholder approval for the issue of Performance Rights under and for the purposes of Listing Rule 10.11 to the Directors.

If Resolutions 5(a), (b), (c) and (d) are passed, the Company will be able to proceed with the issue of Performance Rights to the Directors.

If any of Resolutions 5(a), (b), (c) or (d) are not passed, the Company will not be able to proceed with the issue of Performance Rights to the relevant Director(s).

8.3 **Specific information required by Listing Rule 10.13**

Pursuant to and in accordance with Listing Rule 10.13, the following information is provided in relation to the proposed issue of Performance Rights:

- (a) the Performance Rights will be issued to the Directors in accordance with the table set out in Section 8.1.
- (b) The Directors are a related party of the Company by virtue of being a Director and fall into the category stipulated by Listing Rule 10.11.1;

- (c) a maximum of 15,100,000 Performance Rights will be issued to the Directors (or their nominees) on the terms and conditions set out in Schedule 3;
- (d) upon conversion of the Performance Rights, Shares will be issued on a one for one basis and will rank equally in all respects with the Company's existing Shares;
- (e) the Performance Rights will be issued no later than one month after the date of the Meeting (or such later date to the extent permitted by any ASX waiver or modification of the Listing Rules) and it is intended that all of the Performance Rights will be granted on the same date;
- (f) the Performance Rights will be issued for nil cash consideration as they will be issued as long-term incentives for the Directors. Accordingly, no funds will be raised as a result of the issue. Any Shares issued on achievement of the Milestones will be issued for nil consideration;
- (g) the Directors' annual total remuneration (including superannuation) for the previous and current financial years are set out below:

Related Party	2019/2020	2020/2021
Simon Lawson	\$230,000	\$230,000
Michael Edwards ¹	\$15,000	\$60,000
Geoffrey Jones	\$19,600	\$36,000
Ashley Pattison ²	N/A	\$36,000

Notes:

1. Mr Edwards was appointed on 10 October 2019 as a Non-Executive Director and assumed the role of Chairman on 30 July 2020.
2. Mr Pattison was appointed on 3 September 2020 as a Non-Executive Director.

- (h) the Performance Rights are not being issued under an Agreement; and
- (i) a voting exclusion statement is included in the Notice.

8.4 Section 200E of the Corporations Act

Under section 200B 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' (as defined in the Corporations Act) if an exemption applies or if the benefit is approved by shareholders in accordance with section 200E of the Corporations Act.

The Related Parties hold 'managerial or executive offices' as their details are included in the Directors' Report by virtue of being Directors.

Under the terms and conditions in Schedule 3, under which the Performance Rights the subject of Resolution 5 are proposed to be issued, circumstances in which the early vesting of Performance Rights are permitted at the Board's discretion include, amongst other things, termination of a participant's employment, engagement or office with the Company due to redundancy or any other reason the Board decides, or in other circumstances where the Board

exercises its discretion to allow early vesting as well as change of control events, notwithstanding that the Company will comply with its obligations under Listing Rules 10.18 and 10.19.

The termination 'benefit' under section 200B of the Corporations Act has a wide operation and relevantly includes, in the context of Resolutions 5(a) and (b), the early vesting of Performance Rights upon the exercise of the Board's discretion or the Board determining to provide that the Performance Rights do not lapse but will continue and be vested in the ordinary course.

Resolutions 5(a), (b), (c) and (d) therefore also seek approval of any termination benefit that may be provided to a Related Party under the terms and conditions of the Performance Rights proposed to be issued under those Resolutions.

8.5 Specific information required by section 200E(2) of the Corporations Act

The value of the potential termination benefits cannot be determined in advance. This is because various matters will or are likely to affect that value. In particular, the value of a particular benefit will depend on factors such as the Share price at the time of vesting and the number of Performance Rights that will vest or otherwise be affected. The following additional factors may also affect the benefit's value:

- (a) the Related Party's length of service and the status of the vesting conditions attaching to the relevant Performance Rights at the time the Related Party's employment or office ceases; and
- (b) the number of unvested Performance Rights that the Related Party (or their nominee) holds at the time they cease employment or office.

8.6 Chapter 2E of the Corporations Act

In accordance with Chapter 2E of the Corporations Act, in order to give a financial benefit to a related party, the Company must:

- (a) obtain Shareholder approval in the manner set out in section 217 to 227 of the Corporations Act; and
- (b) give the benefit within 15 months following such approval,

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

The grant of the Performance Rights constitutes giving a financial benefit and the Related Parties are related parties of the Company by virtue of being Directors.

Accordingly, the Company is seeking approval for the purposes of Chapter 2E of the Corporations Act in respect of the Performance Rights proposed to be issued to the Related Parties pursuant to Resolutions 2(a) and (b).

8.7 Information requirements for Chapter 2E of the Corporations Act

Pursuant to and in accordance with section 219 of the Corporations Act, the following information is provided in relation to the proposed issue of the Performance Rights:

(a) **Identity of the related parties to whom Resolutions 5(a) and (b) permit financial benefits to be given**

The Performance Rights will be issued to Messrs Simon Lawson, Michael Edwards, Geoffrey Jones and Ashley Pattison or their respective nominees.

(b) **Nature of the financial benefit**

Resolutions 5(a), (b), (c) and (d) seek approval from Shareholders to allow the Company to issue the Performance Rights in the amounts specified in Section 8.1 above to the Related Parties or their nominees. The Performance Rights are to be issued in accordance with the terms and conditions in 3.

The Shares to be issued upon conversion of the Performance Rights will be fully paid ordinary shares in the capital of the Company on the same terms and conditions as the Company's existing Shares and will rank equally in all respects with the Company's existing Shares. If listed at the time, the Company will apply for official quotation of the Shares on ASX.

(c) **Valuation of financial benefit**

A Black & Scholes valuation of the Performance Rights is set out in Schedule 4.

(d) **Existing relevant interests**

At the date of this Notice, the Related Parties hold the following relevant interests in Equity Securities of the Company:

Related Party	Shares	Unlisted Options	Performance Rights
Simon Lawson ¹	773,808	2,833,332	Nil
Michael Edwards ²	3,333,334	1,000,000	Nil
Geoffrey Jones ³	783,126	1,166,666	Nil
Ashley Pattison ⁴	11,194,322	Nil	2,654,328

Notes:

- Existing unlisted options held are comprised of 666,666 exercisable at \$1.20 each on or before 15 April 2021, 166,666 exercisable at \$1.20 each on or before 30 June 2021, 1,000,000 exercisable \$0.12 each on or before 31 December 2021 and 1,000,000 exercisable at \$0.14 each on or before 31 December 2022.
- Existing unlisted options held are comprised of 500,000 exercisable \$0.12 each on or before 31 December 2021 and 500,000 exercisable at \$0.14 each on or before 31 December 2022.

3. Existing unlisted options held are comprised of 166,666 exercisable at \$1.20 each on or before 15 April 2021, 500,000 exercisable \$0.12 each on or before 31 December 2021 and 500,000 exercisable at \$0.14 each on or before 31 December 2022.
4. Existing performance rights held are comprised of 884,776 Class A performance rights, 884,776 Class B performance rights and 884,776 Class C performance rights.

Assuming that Resolution 5(a), Resolution 5(b), Resolution 5(c) and Resolution 5(d) are each approved by Shareholders, all of the Performance Rights are issued, vested and exercised into Shares, and no other Equity Securities are issued or exercised, the respective interests of the Related Parties in the Company would be as follows:

- (i) Mr Lawson's interest would represent approximately 3.42% of the Company's expanded capital;
- (ii) Mr Edwards' interest would represent approximately 2.04% of the Company's expanded capital;
- (iii) Mr Jones' interest would represent approximately 0.57% of the Company's expanded capital; and
- (iv) Mr Pattison's interest would represent approximately 3.87% of the Company's expanded capital.

(e) **Trading history**

The highest and lowest closing market sale prices of the Shares on ASX during the 12 months prior to the date of this Notice were:

Highest:	\$0.230 per Share
Lowest:	\$0.020 per Share

The closing market sale price of the Shares on ASX prior to the date of this Notice was \$0.18 per Share on 19 October 2020.

(f) **Dilution**

The issue of the Performance Rights will have a diluting effect on the percentage interest of existing Shareholders' holdings if the Performance Rights vest and are exercised. The potential dilution effect is summarised below:

Performance Rights	Dilutionary effect
Tranche 1	1.60%
Tranche 2	1.60%
Tranche 3	1.60%

The above table assumes the current Share capital structure as at the date of this Notice (being 299,789,532 Shares on 19 October 2020) and that no Shares are issued other than the Shares issued on exercise of the Performance Rights. The exercise of all of the Performance Rights will result in a total dilution of all other Shareholders' holdings

of 4.80% on a fully diluted basis (assuming that all Options and Performance Rights on issue are exercised). The actual dilution will depend on the extent that additional Shares are issued by the Company.

(g) **Corporate governance**

Messrs Lawson, Edwards, Jones and Pattison are directors of the Company and therefore the Board believes that the grant of the Performance Rights is in line with Recommendation 8.2 of the 3rd and 4th editions of the ASX Corporate Governance Council's Corporate Governance Principles and Recommendations.

(h) **Taxation consequences**

There are no taxation consequences for the Company arising from the issue of the Performance Rights (including fringe benefits tax).

(i) **Other information**

The Board is not aware of any other information that would be reasonably required by Shareholders to allow them to make a decision whether it is in the best interests of the Company to pass Resolutions 5(a) - (d) (inclusive).

8.8 **Board recommendation**

As Messrs Lawson, Edwards, Jones and Pattison are proposed recipients of the Performance Rights, the Board is unable to make a recommendation on the Resolutions 5(a) - (d) inclusive.

9. **Resolution 6 – Ratification of prior issue of Placement Shares**

9.1 **General**

On 9 October 2020, the Company issued a total of 40,000,000 Shares at an issue price of \$0.15 per Share by way of a private placement to sophisticated, professional and other exempt investors, comprising existing and new shareholders to raise \$6 million before costs (**Placement Shares**).

The Placement Shares issued are fully paid ordinary shares in the Company and rank equally with all other existing Shares on issue.

Resolution 6 seeks the approval of Shareholders pursuant to Listing Rule 7.4 to ratify the issue of Placement Shares.

Resolution 6 is an ordinary resolution.

9.2 **Listing Rules 7.1, 7.1A and 7.4**

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

A summary of Listing Rule 7.1A is contained in Section 7.1 above. The Company obtained approval for the 10% Placement Facility at its last annual general meeting held on 29 November 2019. The 10% Placement Facility is in addition to the Company's 15% annual placement capacity under Listing Rule 7.1.

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

The issue of Placement Shares does not fit within any of the exceptions, and as they have not yet been approved by the Company's Shareholders, they effectively use up part of the aggregate 25% limit under Listing Rule 7.1 and 7.1A, reducing the Company's capacity to issue further Equity Securities without Shareholder approval under Listing Rule 7.1 and 7.1A for the 12 month period following the issue date.

The effect of Shareholders passing Resolution 6 will be to restore the Company's ability to issue further Equity Securities, to the extent of 40,000,000 Equity Securities (comprised of 38,968,430 Placement Shares issued under Listing Rule 7.1 and 1,031,570 Placement Shares issued under Listing Rule 7.1A) during the next 12 months without the requirement to obtain prior Shareholder approval.

If Resolution 6 is not passed, the Placement Shares will be counted towards the Company's 15% annual placement capacity under Listing Rule 7.1 and the 10% Placement Facility under Listing Rule 7.1A, effectively decreasing the number of Equity Securities it can issue or agree to issue without Shareholder approval over the 12 month period following the date of issue of the Placement Shares.

9.3 **Specific information required by Listing Rule 7.5**

Pursuant to and in accordance with Listing Rule 7.5, the following information is provided in relation to the ratification:

- (a) the Placement Shares were issued to sophisticated and professional investors (or their nominees), none of whom are related parties of the Company. A substantial holder of the Company, Mr Tolga Kumova, participated in the placement by subscribing for 6,660,000 Placement Shares. The remaining participants are not considered to be "material investors" for the purposes of ASX Guidance Note 21, paragraph 7.2 ;
- (b) a total of 40,000,000 Placement Shares were issued as follows:
 - i. 38,968,430 Placement Shares were issued under Listing Rule 7.1, within the Company's 15% annual placement capacity; and
 - ii. 1,031,570 Placement Shares were issued under Listing Rule 7.1A, within the Company's 10% Placement Capacity.
- (c) the Placement Shares were issued on 9 October 2020;
- (d) the Placement Shares are fully paid ordinary shares in the capital of the Company, having the same terms and conditions as the Company's existing Shares;
- (e) the Placement Shares were issued for \$0.15 per Share;
- (f) the funds raised will be applied to advancing the Company's portfolio of assets including the Yalgoo Gold Project, Paterson Copper-Gold Project, and Forrestania Gold Project in Western Australia and for general working capital;

- (g) the Placement Shares were not issued under an agreement; and
- (h) a voting exclusion statement is included in the Notice.

9.4 **Board recommendation**

The Board recommends that Shareholders vote in favour of Resolution 6.

10. **Resolution 7 – Approval to issue Corporate Options**

10.1 **General**

On 1 October 2020, the Company announced that it had agreed, subject to Shareholder approval, to issue 16,000,000 options exercisable at \$0.25 each with an expiry date of 18 months from the date of issue (**Corporate Options**) to CPS Capital Group Pty Ltd (**CPS Capital**) (or its nominee).

CPS Capital acted as Lead Manager to the recently completed \$6 million placement and received a capital raising fee of 6% (excluding GST) on all funds raised.

Resolution 7 is an ordinary resolution.

10.2 **Listing Rule 7.1**

A summary of Listing Rule 7.1 is contained in section 9.2 above.

The proposed issue of Corporate Options does not fit within any of the exceptions to Listing Rule 7.1 and would currently exceed the 15% limit in Listing Rule 7.1. It therefore requires the approval of the Company's Shareholders under Listing Rule 7.1.

The effect of Resolution 7 will be to allow the Company to issue the Corporate Options during the period of three months after the Meeting (or a longer period, if allowed by ASX), without using the Company's 15% annual placement capacity under Listing Rule 7.1.

If Resolution 7 is passed, the Company will be able to issue the Corporate Options. In addition, the issue will be excluded from the calculation of the number of Equity Securities that the Company can issue without Shareholder approval under Listing Rule 7.1.

If Resolution 7 is not passed, the Company will not be able to proceed with the issue of the Corporate Options to CPS Capital (or its nominee) under the current terms of the Placement and the Company will be required to renegotiate the terms of the Placement with the Lead Manager.

10.3 **Specific information required by Listing Rule 7.3**

Pursuant to and in accordance with Listing Rule 7.3, the following information is provided in relation to the proposed issue of the Corporate Options:

- (a) the total number of Corporate Options to be issued is 16,000,000;
- (b) the Corporate Options will be issued to CPS Capital (or its nominees), who is not a related party of the Company;
- (c) the Corporate Options will be issued on the terms and conditions set out in Schedule 5, and the Company does not intend to apply for quotation of the Corporate Options;

- (d) the Corporate Options will be issued no later than three months after the date of the Meeting (or such later date to the extent permitted by any ASX waiver or modification of the Listing Rules) and will occur on the same date;
- (e) the issue price of the Corporate Options will be \$0.00001 each and the funds raised will be used to accelerate the drill program at the Company's Yalgoo Gold Project, Western Australia;
- (f) a voting exclusion statement is included in the Notice.

10.4 **Board recommendation**

The Board recommends that Shareholders vote in favour of Resolution 7.

Schedule 1 Definitions

In the Notice, words importing the singular include the plural and vice versa.

\$ or A\$	means Australian Dollars.
Annual Report	means the Directors' Report, the Financial Report, and Auditor's Report, in respect to the year ended 30 2020.
ASX	means the ASX Limited (ABN 98 008 624 691) and, where the context permits, the Australian Securities Exchange operated by ASX Limited.
Auditor's Report	means the auditor's report on the Financial Report.
Board	means the board of Directors.
Chair	means the person appointed to chair the Meeting of the Company convened by the Notice.
Closely Related Party	means: (a) a spouse or child of the member; or (b) has the meaning given in section 9 of the Corporations Act.
Company	means Firefly Resources Limited (ACN 118 522 124).
Constitution	means the constitution of the Company as at the date of the Meeting.
Corporations Act	means the <i>Corporations Act 2001</i> (Cth).
Corporate Options	means up to 16,000,000 unlisted options to be issued to CPS Capital Group Pty Ltd (or its nominees) on the terms and conditions set out in Schedule 5, which is the subject of Resolution 7.
Director	means a director of the Company.
Directors' Report	means the annual directors' report prepared under Chapter 2M of the Corporations Act for the Company and its controlled entities.
Equity Security	has the same meaning as in the Listing Rules.
Equivalent	has the same meaning given by paragraph 50 of the JORC Code 2012
Explanatory Memorandum	means the explanatory memorandum which forms part of the Notice.
Financial Report	means the annual financial report prepared under Chapter 2M of the Corporations Act for the Company and its controlled entities.
JORC Code	means the Australasian Code for Reporting of Exploration Results, Mineral Resources and Ore Reserves, prepared by the Joint Ore Reserves Committee of the Australasian Institute of Mining and Metallurgy, the Australian Institute of Geoscientists and the Minerals Council of Australia, effective December 2012.

Key Management Personnel	has the same meaning as in the accounting standards issued by the Australian Accounting Standards Board and means those persons having authority and responsibility for planning, directing and controlling the activities of the Company, or if the Company is part of a consolidated entity, of the consolidated entity, directly or indirectly, including any Director (whether executive or otherwise) of the Company, or if the Company is part of a consolidated entity, of an entity within the consolidated group.
Listing Rules	means the listing rules of ASX.
Meeting	has the meaning given in the introductory paragraph of the Notice.
Notice	means this notice of annual general meeting.
Option	means an option to acquire a Share.
Performance Rights	means up to 15,100,000 performance rights to be issued to the Related Parties on the terms and conditions set out in Schedule 3, which are the subject of Resolution 5(a) to (d) (inclusive).
Proxy Form	means the proxy form attached to the Notice.
Related Parties	means Messrs Simon Lawson, Michael Edwards, Geoffrey Jones and Ashely Pattison for the purposes of Resolution 5
Remuneration Report	means the remuneration report of the Company contained in the Directors' Report.
Resolution	means a resolution referred to in the Notice.
Schedule	means a schedule to the Notice.
Section	means a section of the Explanatory Memorandum.
Securities	means any Equity Securities of the Company (including Shares, Options and/or Performance Rights).
Share	means a fully paid ordinary share in the capital of the Company.
Shareholder	means the holder of a Share.
Spill Meeting	has the meaning given in Section 4.
Tenement	means the tenement package that forms the Yalgoo Gold Project.
Trading Day	has the meaning given in the Listing Rules.
VWAP	means volume weighted average market price.
WST	means Western Standard Time, being the time in Perth, Western Australia.

Schedule 2 Equity Securities issued or agreed to be issued by the Company under Listing Rule 7.1A2 during the 12 months preceding the Meeting

Date of issue	Type of Equity Security	Number issued	Summary of Terms of Equity Securities	Recipient of Equity Securities	Issue Price (and discount to closing market price)	Total cash consideration and intended use of remaining cash
9 October 2020	Fully paid ordinary Shares	1,031,570 Placement Shares	Fully paid ordinary Shares which rank equally in all respects with the existing fully paid ordinary Shares on issue.	The Placement Shares were issued to sophisticated and professional investors, none of whom are related parties of the Company.	\$0.15 per Share, a 12% discount to the closing market price on 28 September 2020, the date of agreement to issue.	\$154,735.50 (before costs), none of the funds has been spent. It is intended to be used to accelerate drilling at the Company's Yalgoo Gold Project, undertake a maiden drill campaign at its Paterson Copper-Gold Project and for general working capital.

Schedule 3 Terms and conditions of Performance Rights

1. Entitlement

The Performance Rights entitle the holder (**Holder**) to subscribe for one Share upon the conversion of the Performance Rights.

The Performance Rights will be granted for nil cash consideration.

2. Conversion price

The conversion price of each Performance Right is nil.

3. Vesting Conditions

Subject to these terms and conditions, the vesting of a Performance Right subject to the satisfaction of the relevant milestones specified below (each referred to as a Milestone):

Tranche	Applicable Milestone	Expiry Date	Number of Performance Rights to be issued upon
1	'Tranche 1 Milestone' will be completed upon announcement by the Company on the ASX market announcements platform of a minimum of 210,000 ounces of Inferred, Indicated and/or Measured Resources, at a minimum grade of 0.3g/t gold or gold Equivalent ¹ , reported in accordance with the JORC Code on any one or more of the Tenements.	3 years from the date of issue	5,033,332
2	'Tranche 2 Milestone' will be completed upon announcement by the Company on the ASX market announcements platform of a minimum of 350,000 ounces of Inferred, Indicated and/or Measured Resources, at a minimum grade of 0.3g/t of gold or gold Equivalent, reported in accordance with the JORC Code on any one or more of the Tenements.	3 years from the date of issue	5,033,332

3	'Tranche 3 Milestone' will be completed upon the volume weighted average market price of the Shares trading on ASX over 20 consecutive trading days on which the Shares have traded being at least \$0.20.	3 years from the date of issue	5,033,332
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Notes to the above table:

1. Equivalent has the meaning given in the JORC Code 2012, as updated from time to time.
2. Resource means an inferred, indicated and/or measured resource including the 153,000 ounces in resource estimates in the Company's announcement dated 24 June 2020.

4. **Change of Control**

Upon:

- (a) a takeover bid under Chapter 6 of the Corporations Act having:
 - (i) been made in respect of the Company;
 - (ii) received acceptances for not less than 50.1% of the Company's shares on issue; and
 - (iii) been declared unconditional by the bidder; or
- (b) a Court granting orders approving a compromise or arrangement for the purposes of or in connection with a scheme of arrangement for the reconstruction of the Company or its amalgamation with any other company or companies,

then, to the extent the Performance Rights have not vested due to satisfaction of the Vesting Condition, the Performance Rights automatically vest to that number of Shares which when issued together with all Shares issued under any other class of Performance Rights then on issue, is equal to the lesser of one Share per Performance Right and 10% of the total Shares on issue in the Company at that time. Performance Rights that are not vested and converted into Shares will continue to be held by the holder on the same terms and conditions.

5. **Takeovers Limitation**

Notwithstanding any other provisions of these terms, if the conversion of any Performance Rights would result in any person being in breach of section 606(1) of the Corporations Act, the conversion of each Performance Right that would cause the contravention will be deferred until such time or times thereafter that the conversion would not result in a contravention of section 606(1).

6. **Expiry of Performance Rights**

A Performance Right will lapse upon the relevant Milestone becoming incapable of satisfaction on or before the date that is 3 years from the date of issue.

7. Shares Issued on Exercise

Shares issued on the exercise of a Performance Rights rank equally with the then Shares of the Company.

8. No cash consideration

The Performance Rights will be issued for nil cash consideration and no consideration will be payable upon the issue of Shares after vesting.

9. Timing of issue of Shares

(a) As soon as practicable after the satisfaction of a Performance Right Milestone, the Company shall give written notice to the holder that the relevant Milestone has been satisfied.

(b) As soon as practicable after the later of the following:

(i) the Company receives a notice of conversion or the Performance Rights; and

(ii) excluded information in respect to the Company (as defined in section 708A(7) of the Corporations Act) (if any) ceasing to be excluded information,

the Company will:

(iii) issue the Shares pursuant to the exercise of the Performance Rights;

(iv) give ASX a notice that complies with section 708A(5)(e) of the Corporations Act; and

(v) apply for official quotation on ASX of Shares issued pursuant to the exercise of the Performance Rights.

10. Quotation

The Company will not apply for quotation of the Performance Rights on ASX.

11. Transferability of Performance Rights

The Performance Rights are not transferable.

12. Participation in New Issues

There are no participation rights or entitlements inherent in the Performance Rights and holders will not be entitled to participate in new issues of capital offered to shareholders such as bonus issues and entitlement issues.

13. Adjustments for Reorganisation

If there is any reorganisation of the issued share capital of the Company, the rights of the holders of Performance Rights will be varied in accordance with the Listing Rules.

14. Voting rights

A Performance Right does not entitle the Holder to vote on any resolutions proposed at a general meeting of the Company, subject to any voting rights provided under the Corporations Act or the Listing Rules where such rights cannot be excluded by these terms.

15. Dividend rights

A Performance Right does not entitle the Holder to any dividends.

16. Return of capital rights

The Performance Rights do not confer any right to a return of capital, whether in a winding up, upon a reduction of capital or otherwise.

17. Rights on winding up

The Performance Rights have no right to participate in the surplus profits or assets of the Company upon a winding up of the Company

Schedule 4 Valuation of Performance Rights

The Performance Rights to be issued to the Related Parties pursuant to Resolution 5 have been valued using the Black & Scholes valuation model based on the assumptions set out below.

Assumptions	Tranche 1	Tranche 2	Tranche 3
Valuation Date	21 September 2020	21 September 2020	21 September 2020
Market price of Shares (at Valuation Date)	\$0.165	\$0.165	\$0.165
Exercise price	Nil	Nil	Nil
Performance/ vesting period (years)	3 years	3 years	3 years
Risk free interest rate	0.27%	0.27%	0.27%
Share price volatility	167%	167%	167%
Dividend yield	Nil	Nil	Nil
Theoretical value per Performance Right	\$0.165	\$0.165	\$0.165
Number of Performance Rights per Tranche	5,033,332	5,033,332	5,033,332
Total theoretical value per Tranche	\$830,499	\$830,499	\$830,499

Indicative Theoretical value of Rights	Tranche 1	Tranche 2	Tranche 3
Mr Simon Lawson	\$550,000	\$550,000	\$550,000
Mr Michael Edwards	\$170,499	\$170,499	\$170,499
Mr Geoffrey Jones	\$55,000	\$55,000	\$55,000
Mr Ashley Pattison	\$55,000	\$55,000	\$55,000

Notes:

Australian Accounting Standards require the Performance Rights to be expensed over the vesting period in accordance with AASB 2 – Share Based Payments. Accordingly, the Performance Rights are expected to be expensed over a 3-year period. Expensing the Performance Rights will have the effect of increasing both expenses and the equity of the Company. There will be no impact on the net assets, cash position or financial resources of the Company as a result of expensing the Performance Rights.

Schedule 5 Terms and conditions of Corporate Options

1. Entitlement

Each Corporate Option entitles the holder to subscribe for one Share upon exercise of the Corporate Option.

2. Expiry date

Each Corporate Option will expire at 5.00pm (WST) on the date that is 18 months after the date of issue (**Expiry Date**).

3. Exercise price

Each Corporate Option will have an exercise price of \$0.25 (**Exercise Price**).

4. Vesting, exercise period and lapsing

Subject to clause 9, the Corporate Options may be exercised at any time after the date of issue and prior to the Expiry Date. After this time, any unexercised Corporate Options will automatically lapse.

5. Exercise notice and payment

The Corporate Options may be exercised by notice in writing to the Company (Exercise Notice) together with payment to the Company of the Exercise Price for each Corporate Option being exercised. Any Exercise Notice for a Corporate Option received by the Company will be deemed to be a notice of the exercise of that Corporate Option as at the date of receipt. Cheques paid in connection with the exercise of Corporate Options must be in Australian currency, made payable to the Company and crossed "Not Negotiable".

6. Shares issued on exercise

Shares issued on exercise of the Corporate Options will rank equally in all respects with then existing fully paid ordinary shares in the Company.

7. Quotation of Shares

Provided that the Company is quoted on the official list of ASX Limited at the time, application will be made by the Company to ASX Limited for quotation of the Shares issued pursuant to the exercise of the Corporate Options.

8. Timing of issue of Shares

Subject to clause 9, within 5 business days after receipt of an Exercise Notice the Company will allot and issue the Shares pursuant to the exercise of the Corporate Options. The Company makes no representation that the Shares will be freely tradable upon issue and the holder acknowledges that the Shares may be subject to the on-sale restrictions contained in sections 706 and 707 of the *Corporations Act 2001 (Cth)* (**Corporations Act**). In these circumstances,

the holder agrees not to trade the Shares for so long as the Shares are subject to such restrictions.

9. Shareholder and regulatory approvals

- i. Notwithstanding any other provision of these terms and conditions, exercise of the Corporate Options into Shares will be subject to the Company obtaining all required (if any) Shareholder and regulatory approvals for the purpose of issuing the Shares to the holder.
- ii. If exercise of the Corporate Options would result in any person being in contravention of section 606 of the Corporations Act then the exercise of each Corporate Option that would cause the contravention will be deferred until such time or times that the exercise would not result in a contravention of section 606 of the Corporations Act.
- iii. Holders must give notification to the Company in writing if they consider that the exercise of the Options may result in the contravention of section 606 of the Corporations Act, failing which the Company will be entitled to assume that the exercise of the Corporate Options will not result of any person being in contravention of section 606 of the Corporations Act.

10. Participation in new issues

There are no participation rights or entitlements inherent to the Corporate Options and holders will not be entitled to participate in new issues of capital offered to Shareholders during the currency of the Corporate Options. However, the Company will ensure that for the purposes of determining entitlements to any such issue, the record date will be at least four business days after the issue is announced. This is intended to give the holders of the Corporate Options the opportunity to exercise their Corporate Options prior to the announced record date for determining entitlements to participate in any such issue.

11. Adjustment for bonus issues of Shares

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

- i. the number of Shares which must be issued on the exercise of a Corporate Option will be increased by the number of Shares which the holder would have received if the holder had exercised the Corporate Option before the record date for the bonus issue; and
- ii. no change will be made to the Exercise Price.

12. Adjustment for rights issue

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

13. Adjustment for reorganisation

If there is any reconstruction of the issued share capital of the Company, the rights of the holders may be varied to company with the Listing Rules which apply to the reconstruction at the time of the reconstruction.

14. **Quotation of Corporate Options**

The Company will not apply for quotation of the Corporate Options to ASX Limited.

15. **Transferability**

The Corporate Options are not transferable.



Firefly Resources Limited | ABN 84 118 522 124

Proxy Voting Form

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

Holder Number:

Your proxy voting instruction must be received by **1.30pm (WST) on Tuesday, 24 November 2020**, 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/#/loginsah> 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.



BY MAIL:

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