



KRAKATOA
RESOURCES LTD.

Krakatoa Resources Limited
ACN 155 231 575

Notice of Annual General Meeting

The Annual General Meeting of the Company will be held at the offices of the Company at Level 11, London House, 216 St Georges Terrace, Perth, Western Australia, on Monday, 30 November 2020 at 1:00pm (WST)

THE COMPANY IS TAKING PRECAUTIONS TO FACILITATE AN IN PERSON MEETING IN ACCORDANCE WITH COVID-19 RESTRICTIONS. IF THE SITUATION IN RELATION TO COVID-19 CHANGES IN A WAY AFFECTING THE ABILITY TO FACILITATE AN IN PERSON MEETING, THE COMPANY WILL PROVIDE AN UPDATE AHEAD OF THE MEETING BY WAY OF AN ASX ANNOUNCEMENT.

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 a suitably qualified professional adviser prior to voting.

Should you wish to discuss any matter, please do not hesitate to contact the Company Secretary by telephone on (08) 9481 0389.

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

Krakatoa Resources Limited
ACN 155 231 575
(Company)

Notice of Annual General Meeting

Notice is given that the annual general meeting of Krakatoa Resources Limited will be held at the offices of the Company at Level 11, London House, 216 St Georges Terrace, Perth, Western Australia on Monday, 30 November 2020 at 1:00pm (WST) (**Meeting**).

The Board is closely monitoring the rapidly changing coronavirus (COVID-19) pandemic. The health of the Company's Shareholders, employees and other stakeholders is of paramount importance.

While the Board would like to host all Shareholders in person, in order to minimise the risk to Shareholders and to the Company and its ongoing operations, the Company suggests that Shareholders do not attend the Meeting in person. Accordingly, the Directors strongly encourage all Shareholders to lodge Proxy Forms prior to the Meeting.

The Board will continue to monitor Australian Government restrictions on public gatherings. If it becomes necessary or appropriate to make alternative arrangements to those set out in this Notice, the Company will notify Shareholders accordingly via the Company's website at <https://ktaresources.com/> and the ASX announcement platform.

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 Shareholders at 5.00pm WST on Saturday, 28 November 2020.

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.

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

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.

Note: There is no requirement for Shareholders to approve the Annual 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 David Palumbo

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

'That Mr David Palumbo, who retires by rotation in accordance with Clause 7.2 of the Constitution, Listing Rule 14.4 and for all other purposes, and, being eligible and offering himself for re-election, is re-elected as a Director on the terms and conditions in the Explanatory Memorandum.'

Resolution 3 – Approval of Employee Securities Incentive Plan

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

'That the employee incentive scheme of the Company known as the "Krakatoa Resources Employee Securities Incentive Plan" and the issue of Securities under that plan are approved under and for the purposes of exception 13(b) of Listing Rule 7.2 and for all other purposes, on the terms and conditions in the Explanatory Memorandum.'

Resolution 4 – Approval of potential termination benefits under the Plan

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

'That, conditional on Resolution 3 being approved, for a period commencing from the date this Resolution is passed and ending upon the expiry of all Securities issued or to be issued under the Krakatoa Resources Employee Securities Incentive Plan, the giving of benefits to any current or future person holding a managerial or executive office of the Company or a related body corporate in connection with that person ceasing to hold such office is given under and for the purposes of Part 2D.2 of the Corporations Act, on the terms and conditions in the Explanatory Memorandum.'

Resolution 5 – Ratification of prior issue of Placement Shares (July 2020)

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

'That the issue of 30 million Shares at \$0.08 per Share to raise approximately \$2.4 million (before costs) is approved under and for the purposes of Listing Rule 7.4 and for all other purposes, on the terms and conditions in the Explanatory Memorandum.'

Resolution 6 – Ratification of prior issue of Placement Shares (October 2020)

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

'That the issue of 25 million Shares at \$0.085 per Share to raise approximately \$2,125,000 (before costs) is approved under and for the purposes of Listing Rule 7.4 and for all other purposes, on the terms and conditions in the Explanatory Memorandum.'

Resolution 7 – Approval to issue Securities to CEO, Mr Mark Major

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

'That the issue of 5 million unquoted Options and 7.5 million Share Appreciation Rights to Mr Mark Major (or his nominees) is approved under and for the purposes of Listing Rule 7.1 and for all other purposes, on the terms and conditions in the Explanatory Memorandum.'

Resolution 8(a)-(c) – Approval to issue Incentive Securities to Directors

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

'That the issue of:

- (a) *4 million Director Options and 7.5 million Share Appreciation Rights to Mr Colin Locke (or his nominees) and ;*
- (b) *3 million Director Options to Mr Tim Hogan (or his nominees); and*
- (c) *3 million Director Options to Mr David Palumbo,*

is approved under and for the purposes of Listing Rule 10.11, sections 195(4), 200E and 208 of the Corporations Act and for all other purposes, on the terms and conditions in the Explanatory Memorandum.'

Resolution 9 – Approval to issue Bonus Shares to Director, David Palumbo

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

'That the issue of 3 million Shares to Mr David Palumbo (or his nominees) is approved under and for the purposes of Listing Rule 10.11 and for all other purposes, on the terms and conditions in the Explanatory Memorandum.'

Resolution 10 – Approval of 10% Placement Facility

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

'That the Company have the additional capacity to issue Equity Securities provided for in Listing Rule 7.1A 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 3** by or on behalf of a person who is eligible to participate in the employee incentive scheme, or any of their respective associates;
- (b) **Resolution 5** and **Resolution 6** by or on behalf of any person who participated in the issue of the Shares, or any of their respective associates;
- (c) **Resolution 7** by or on behalf of Mr Mark Major (or his nominees) and any person 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 of their respective associates;
- (d) **Resolution 8(a)-(c)** by or on behalf of the person who is to receive the securities 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;
- (e) **Resolution 9** by or on behalf of the person who is to receive the securities 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; and
- (f) **Resolution 10**, 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.

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.

Resolution 4: 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.

Further, in accordance with section 200E(2A) of the Corporations Act, a vote on this Resolution must not be cast by any participants or potential participants in the Employee

Securities Incentive Plan and their associates, otherwise the benefit of this Resolution will be lost by such a person in relation to that person's future retirement.

However, a vote may be cast by such a person if:

- (a) the person is appointed as proxy by writing that specifies the way the proxy is to vote on the Resolution; and
- (b) it is not cast on behalf of the person or an associate of the person.

Resolution 7: 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:

- (c) the proxy is the Chair; and
- (d) 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.

Resolution 8(a)-(c): 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 these Resolutions 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.

Further, in accordance with section 224 of the Corporations Act, a vote on **Resolution 8(a)-(c)** must not be cast (in any capacity) by or on behalf of a related party of the Company to whom the Resolution would permit a financial benefit to be given, or an associate of such a related party.

However, the above prohibition does not apply if:

- (a) it is cast by a person as a proxy appointed by writing that specifies how the proxy is to vote on the Resolution; and
- (b) it is not cast on behalf of a related party of the Company to whom the Resolution would permit a financial benefit to be given, or an associate of such a related party.

Please note: If the Chair is a person referred to in the section 224 Corporations Act voting prohibition statement above, the Chair will only be able to cast a vote as proxy for a person who is entitled to vote if the Chair is appointed as proxy in writing and the Proxy Form specifies how the proxy is to vote on the relevant Resolution.

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

Resolution 9: 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:

- (c) the proxy is the Chair; and

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



David Palumbo

Director and Company Secretary

Krakatoa Resources Limited

Dated: 28 October 2020

Krakatoa Resources Limited
ACN 155 231 575
(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 offices of the Company at Level 11, London House, 216 St Georges Terrace, Perth, Western Australia on Monday, 30 November 2020 at 1:00pm (WST).

Please refer to Section 2 of the Explanatory Memorandum for instructions on how to attend the Meeting.

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

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

Section 2	Voting and attendance information
Section 3	Annual Report
Section 4	Resolution 1 – Remuneration Report
Section 5	Resolution 2 – Re-election of Director – Mr David Palumbo
Section 6	Resolution 3 – Approval of Employee Securities Incentive Plan
Section 7	Resolution 4 – Approval of potential termination benefits under the Plan
Section 8	Resolution 5 – Ratification of prior issue of Placement Shares (July 2020)
Section 9	Resolution 6 – Ratification of prior issue of Placement Shares (October 2020)
Section 10	Resolution 7 – Approval to issue Securities to CEO, Mr Mark Major
Section 11	Resolution 8(a)-(c) and Resolution 9 – Approval to issue Incentive Securities and Bonus Shares to Directors
Section 12	Resolution 10 – Approval of 10% Placement Facility
Schedule 1	Definitions
Schedule 2	Summary of Employee Securities Incentive Plan

Schedule 3	Terms and conditions of Options
Schedule 4	Terms and conditions of Share Appreciation Rights
Schedule 5	Valuation of Director Options and Share Appreciation Rights
Schedule 6	Securities issued or agreed to be issued in the previous 12 months under Listing Rule 7.1A

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

2. **Voting and attendance information**

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 affected the position above, the Company will provide a further update ahead of the Meeting by releasing an ASX announcement.

2.2 **Voting in person**

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

2.3 **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 to attend the Meeting or 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.

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

- (i) the proxy need not vote on a show of hands, but if the proxy does so, the proxy must vote that way (i.e. as directed);
- (ii) if the proxy has 2 or more appointments that specify different ways to vote on the resolution – the proxy must not vote on a show of hands;
- (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 (i.e. as directed); and
- (iv) if the proxy is not the Chair – the proxy need not vote on the poll, but if the proxy does so, the proxy must vote that way (i.e. as directed).

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 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 Company Secretary at David@miningcorporate.com.au by 5pm (WST) on 27 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. 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. **Annual Report**

In accordance with section 317 of the Corporations Act, Shareholders will be offered the opportunity to discuss the Annual Report, including the Financial Report, the Directors' Report and the Auditor's Report for the financial year ended 30 June 2020.

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://ktaresources.com/company-reports>;
- (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:

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

may be submitted no later than five business days before the Meeting to the Company Secretary at the Company's registered office.

4. **Resolution 1 – Remuneration Report**

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

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

If the Company's Remuneration Report receives a 'no' vote of 25% or more (**Strike**) at two consecutive annual general meetings, Shareholders will have the opportunity to remove the whole Board, except the managing director (if any).

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

The Company's Remuneration Report did not receive a Strike at the 2019 annual general meeting held on 28 November 2019. If the Remuneration Report receives a Strike at this Meeting, Shareholders should be aware that if a second Strike is received at the 2021 annual general meeting, this may result in the re-election of the Board.

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

Resolution 1 is an ordinary resolution.

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

5. Resolution 2 – Re-election of Director – Mr David Palumbo

5.1 General

Clause 7.2(a) and (c) of the Constitution and Listing Rule 14.4 both provide that a Director (excluding the Managing Director) must not hold office without re-election past the third annual general meeting following that Director's appointment or 3 years, whichever is longer.

Clause 7.3 of the Constitution provides that a retiring Director is eligible for re-election.

Non-Executive Director, Mr David Palumbo, was last elected on 28 November 2018. Accordingly, Mr Palumbo retires by rotation at this Meeting and, being eligible, seeks re-election pursuant to Resolution 2.

If re-elected, Mr David Palumbo is not considered to be an independent Director, as it is proposed that Mr Palumbo will receive performance-based remuneration from the Company if Resolution 8(c) and Resolution 9 are approved by Shareholders.

5.2 Mr David Palumbo

Mr Palumbo is a Chartered Accountant and graduate of the Australian Institute of Company Directors with over fourteen years' experience across company secretarial, corporate advisory and financial management and reporting of ASX listed companies. Mr Palumbo is an employee of Mining Corporate Pty Ltd, where he has been actively involved in numerous corporate transactions. Mr Palumbo is currently a Non-Executive Director of Kaiser Reef Limited (ASX: KAU).

5.3 Board recommendation

Resolution 2 is an ordinary resolution.

The Board (other than Mr Palumbo) supports the re-election of Mr Palumbo and accordingly recommends that Shareholders vote in favour of Resolution 2. The Directors consider Mr Palumbo's skills and experience are valuable to the Board's existing skills and experience. Mr

Palumbo has also added considerable value to the Company through his identification of three of the Company's key projects.

6. Resolution 3 – Approval of Employee Securities Incentive Plan

6.1 General

The Company considers that it is desirable to adopt an employee incentive scheme pursuant to which the Company can issue Equity Securities to attract, motivate and retain key Directors, employees and consultants and provide them with the opportunity to participate in the future growth of the Company.

Resolution 3 seeks Shareholders' approval for the adoption of the employee incentive scheme titled 'Krakatoa Resources Limited Employee Securities Incentive Plan' (**Plan**) in accordance with Listing Rule 7.2 exception 13(b).

Under the Plan, the Board may offer to eligible persons the opportunity to subscribe for such number of Equity Securities in the Company as the Board may decide and on the terms set out in the rules of the Plan, a summary of the key terms and conditions of which is in Schedule 2. In addition, a copy of the Plan is available for review by Shareholders at the registered office of the Company until the date of the Meeting. A copy of the Plan can also be sent to Shareholders upon request to the Company Secretary. Shareholders are invited to contact the Company if they have any queries or concerns.

6.2 Listing Rules 7.1 and 7.2 exception 13(b)

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

Listing Rule 7.2, exception 13(b) provides an exception to Listing Rule 7.1 such that issues of Equity Securities under an employee incentive scheme are exempt for a period of three years from the date on which shareholders approve the issue of Equity Securities under the scheme as an exception to Listing Rule 7.1.

If Resolution 3 is passed, the Company will be able to issue Equity Securities under the Plan to eligible participants over a period of three years up to a nominated maximum amount without using the Company's 15% annual placement capacity under Listing Rule 7.1.

If Resolution 3 is not passed, the Company will not be able to issue Equity Securities under the Plan to eligible participants without using the Company's 15% limit under Listing Rule 7.1, effectively decreasing the number of Equity Securities the Company can issue or agree to issue without obtaining Shareholder approval over the 12 month period following any such issue.

However, any future issues of Equity Securities under the Plan to a related party or a person whose relation with the Company or the related party is, in ASX's opinion, such that approval should be obtained, will require additional Shareholder approval under Listing Rule 10.14 at the relevant time.

The Company is seeking approval under Resolution 3 for the issue of up to 27,590,000 Equity Securities under the Plan.

6.3 **Specific information required by Listing Rule 7.2, exception 13(b)**

Under and for the purposes of Listing Rule 7.2, exception 13(b), the following information is provided in relation to the Plan:

- (a) the material terms of the Plan are summarised in Schedule 2;
- (b) the Plan is a new employee incentive scheme and has not previously been approved by Shareholders. No Equity Securities have previously been issued under the Plan;
- (c) the maximum number of Equity Securities proposed to be issued under the Plan following approval of Resolution 3 shall not exceed 27,590,000 Equity Securities, which is equal to approximately 10% of the Company's Equity Securities currently on issue, subject to adjustment in the event of a reorganisation of capital and further subject to applicable laws and the Listing Rules; and
- (d) a voting exclusion statement is included in the Notice.

6.4 **Board recommendation**

Resolution 3 is an ordinary resolution.

The Board recommends that Shareholders vote in favour of Resolution 3.

7. **Resolution 4 – Approval of potential termination benefits under the Plan**

7.1 **General**

The Corporations Act contains certain limitations concerning the payment of 'termination benefits' to persons who hold a 'managerial or executive office'. The Listing Rules also provides certain limitations on the payment of "termination benefits" to officers of listed entities.

As is common with employee incentive schemes, the Plan provides the Board with the discretion to, amongst other things, determine that some or all of the Equity Securities granted to a participant under the Plan (**Plan Securities**) will not lapse in the event of that participant ceasing their engagement with the Company before such Plan Securities have vested. This 'accelerated vesting' of Plan Securities may constitute a 'termination benefit' prohibited under the Corporations Act, regardless of the value of such benefit, unless Shareholder approval is obtained. Accordingly, the Board has resolved to seek Shareholder approval for the granting of such termination benefits in accordance with Resolution 4.

Resolution 4 is conditional on the passing of Resolution 3. If Resolution 3 is not approved at the Meeting, Resolution 4 will not be put to the Meeting.

7.2 **Part 2D.2 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.

Subject to Shareholder approval of Resolution 4, Shareholder approval is sought for the purposes of Part 2D.2 of the Corporations Act to approve the giving of benefits under the Plan to a person by the Company in connection with that person ceasing to be an officer of, or ceasing to hold a managerial or executive office in, the Company (or subsidiary of the Company) on the terms and conditions in this Explanatory Memorandum.

As noted above, under the terms of the Plan and subject to the Listing Rules, the Board possesses the discretion to vary the terms or conditions of the Plan Securities. Notwithstanding the foregoing, without the consent of the participant in the Plan, no amendment may be made to the terms of any granted Plan Security which reduces the rights of the participant in respect of that Plan Security, other than an amendment introduced primarily to comply with legislation, to correct any manifest error or mistake or to take into consideration possible adverse tax implications.

As a result of the above discretion, the Board has the power to determine that some or all of a participant's Plan Securities will not lapse in the event of the participant ceasing employment or office before the vesting of their Plan Securities. The Board's current intention is to only exercise this discretion where the person is a 'good leaver' (as defined in the Plan, being a leaver by reason of retirement, permanent disability, mental incapacity, redundancy or death, or any leaver determined by the Board in its discretion to be a good leaver on a case by case basis).

The exercise of this discretion by the Board may constitute a 'benefit' for the purposes of section 200B of the Corporations Act. The Company is therefore seeking Shareholder approval for the exercise of the Board's discretion in respect of any current or future participant in the Plan who holds:

- (a) a managerial or executive office in, or is an officer of, the Company (or subsidiary of the Company) at the time of their leaving or at any time in the three years prior to their leaving; and
- (b) Plan Securities at the time of their leaving.

7.3 Value of the termination benefits

Provided Shareholder approval is given, the value of the termination benefits may be disregarded when applying section 200F(2)(b) or section 200G(1)(c) of the Corporations Act (i.e. the approved benefit will not count towards the statutory cap under the legislation).

The value of the termination benefits that the Board may give under the Plan 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 Company's Share price at the time of vesting and the number of Plan Securities that will vest or otherwise be affected. The following additional factors may also affect the benefit's value:

- (a) the participant's length of service and the status of the vesting conditions attaching to the relevant Plan Securities at the time the participant's employment or office ceases; and
- (b) the number of unvested Plan Securities that the participant holds at the time they cease employment or office.

In accordance with Listing Rule 10.19, the Company will ensure that no officer of the Company or any of its child entities will, or may be, entitled to termination benefits if the value of those benefits and the terminations benefits that are or may be payable to all officers together exceed 5% of the equity interests of the Company as set out in the latest accounts given to ASX under the Listing Rules.

7.4 **Board recommendation**

The Board recommends that Shareholders vote in favour of Resolution 4.

Resolution 4 is an ordinary resolution.

8. **Resolution 5 – Ratification of prior issue of Placement Shares (July 2020)**

8.1 **General**

On 13 July 2020, the Company announced that it had received firm commitments for a placement to raise approximately \$2,400,000 before costs (**Placement**) by the issue of Shares at \$0.08 each (**Placement Shares**) to sophisticated and professional investors (**Placement Participants**).

On 14 July 2020, the Company issued 30 million Placement Shares to Placement Participants using the Company's placement capacity under Listing Rules 7.1 (8,125,000 Shares) and 7.1A (21,875,000 Shares) to raise \$2.4 million (before costs).

Resolution 5 seeks the approval of Shareholders to ratify the issue of the Placement Shares under and for the purposes of Listing Rule 7.4.

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

A summary of Listing Rule 7.1 is contained in Section 6.2 above.

Under Listing Rule 7.1A however, an eligible entity can seek approval from its members, by way of a special resolution passed at its annual general meeting, to increase this 15% limit by an extra 10% to 25%. The Company obtained this approval at its annual general meeting held on 28 November 2019.

The issue of the Placement Shares does not fit within any of the exceptions to Listing Rule 7.1 or 7.1A and, as it has not yet been approved by Shareholders, effectively uses up part of the 15% limit in Listing Rule 7.1 (8,125,000 Shares) and part of the 10% limit under Listing Rule 7.1A (21,875,000 Shares), reducing the Company's capacity to issue further Equity Securities without Shareholder approval under those Listing Rules for the 12 month period following the issue of the Placement Shares.

Listing Rule 7.4 allows the shareholders of a listed company to approve an issue of Equity Securities after it has been made or agreed to be made. If they do, the issue is taken to have been approved under Listing Rule 7.1 or 7.1A (as applicable) and so does not reduce the company's capacity to issue further Equity Securities without shareholder approval under Listing Rule 7.1 and Listing Rule 7.1A.

The Company wishes to retain as much flexibility as possible to issue additional Equity Securities into the future without having to obtain Shareholder approval for such issues under Listing Rule 7.1 and 7.1A.

To this end, Resolution 5 seeks Shareholder approval to the issue of 30 million Placement Shares under and for the purposes of Listing Rule 7.4.

If Resolution 5 is passed, the issue of:

- (a) 8,1250,000 of the Placement Shares will be excluded in calculating the Company's 15% limit in Listing Rule 7.1; and
- (b) 21,875,000 of the Placement Shares will be excluded in calculating the Company's 10% limit in Listing Rule 7.1A,

effectively increasing the number of Equity Securities it can issue without Shareholder approval over the 12 month period following the issue of the Placement Shares.

If Resolution 5 is not passed:

- (a) 8,1250,000 of the Placement Shares will be included in the Company's 15% limit under Listing Rule 7.1, effectively decreasing the number of Equity Securities the Company can issue or agree to issue without obtaining Shareholder approval over the 12 month period following the issue of those Placement Shares; and
- (b) 21,875,000 of the Placement Shares will be included in the Company's 10% limit in Listing Rule 7.1A until the expiry of the 12 month period immediately preceding their date of issue.

8.3 Specific information required by Listing Rule 7.5

Under and for the purposes of Listing Rule 7.5, the following information is provided in relation to the ratification of the issue of Placement Shares:

- (a) the Placement Shares were issued to the Placement Participants, being sophisticated and professional investors to whom a disclosure document does not need to be provided under the Corporations Act, none of whom is a related party of the Company. No lead manager was appointed to manage the Placement. The participants in the Placement are existing contacts of the Company and were identified by the Company after it sought expressions of interest from non-related parties to participate in the Placement. The following entity is a Material Investor, being a substantial holder of Shares who was issued more than 1% of the Company's current issued capital:

- (i) Lafras Luitingh – 4,000,000 Shares (1.8%).

The remaining Placement Participants are not considered to be Material Investors;

- (b) a total of 30 million Placement Shares were issued on 14 July 2020;
- (c) the Placement Shares are fully paid ordinary shares in the capital of the Company and rank equally in all respects with the Company's existing Shares on issue;
- (d) the Placement Shares were issued at \$0.08 per Share;
- (e) the proceeds from the issue of the Placement Shares are intended to be used towards advancing the Company's three projects in New South Wales' Lachlan Ford Belt, including drill programs at Turon and Belgravia (Sugarloaf Target Area), an IP Program at Belgravia (Bell Valley Target Area) and target generation, including

geophysical surveys across the Rand Project. Funds will also be used to pursue other project opportunities as well as covering costs of the issue and working capital;

- (f) there are no additional material terms with respect to the agreements for the issue of the Placement Shares; and
- (g) a voting exclusion statement is included in the Notice.

8.4 **Board recommendation**

Resolution 5 is an ordinary resolution.

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

9. **Resolution 6 – Ratification of prior issue of Placement Shares (October 2020)**

9.1 **General**

On 14 October 2020, the Company announced that it had received firm commitments for a placement to raise approximately \$2,125,000 before costs (**Placement**) by the issue of Shares at \$0.085 each (**Placement Shares**) to sophisticated and professional investors (**Placement Participants**).

On 19 October 2020, the Company issued 25 million Placement Shares to Placement Participants using the Company's placement capacity under Listing Rule 7.1 to raise \$2,125,000 (before costs).

Resolution 6 seeks the approval of Shareholders to ratify the issue of the Placement Shares under and for the purposes of Listing Rule 7.4.

9.2 **Listing Rules 7.1 and 7.4**

A summary of Listing Rule 7.1 is contained in Section 6.2 above.

The issue of Placement Shares does not fit within any of the exceptions to Listing Rule 7.1 and, as it has not yet been approved by Shareholders, effectively uses up part of the 15% limit in Listing Rule 7.1, reducing the Company's capacity to issue further Equity Securities without Shareholder approval under that Listing Rule for the 12 month period following the issue of the Placement Shares.

Listing Rule 7.4 allows the shareholders of a listed company to approve an issue of Equity Securities after it has been made or agreed to be made. If they do, the issue is taken to have been approved under Listing Rule 7.1 and so does not reduce the company's capacity to issue further Equity Securities without shareholder approval under Listing Rule 7.1.

The Company wishes to retain as much flexibility as possible to issue additional Equity Securities into the future without having to obtain Shareholder approval for such issues under Listing Rule 7.1.

To this end, Resolution 6 seeks Shareholder approval to the issue of 25 million Placement Shares under and for the purposes of Listing Rule 7.4.

If Resolution 6 is passed, the issue of the Placement Shares will be excluded in calculating the Company's 15% limit in Listing Rule 7.1, effectively increasing the number of Equity Securities it can issue without Shareholder approval over the 12 month period following the issue of the Placement Shares.

If Resolution 6 is not passed, the Placement Shares will be included in the Company's 15% limit under Listing Rule 7.1, effectively decreasing the number of Equity Securities the Company can issue or agree to issue without obtaining Shareholder approval over the 12 month period following the issue of those Placement Shares.

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

Under and for the purposes of Listing Rule 7.5, the following information is provided in relation to the ratification of the issue of Placement Shares:

- (a) the Placement Shares were issued to the Placement Participants, being sophisticated and professional investors to whom a disclosure document does not need to be provided under the Corporations Act, none of whom is a related party of the Company. No lead manager was appointed to manage the Placement. The participants in the Placement are existing contacts of the Company and were identified by the Company after it sought expressions of interest from non-related parties to participate in the Placement. The following entity is a Material Investor, being a substantial holder of Shares who was issued more than 1% of the Company's current issued capital:

- (i) Lafras Luitingh – 2,821,371 Shares (1.1%).

The remaining Placement Participants are not considered to be Material Investors;

- (b) a total of 25 million Placement Shares were issued on 19 October 2020;
- (c) the Placement Shares are fully paid ordinary shares in the capital of the Company and rank equally in all respects with the Company's existing Shares on issue;
- (d) the Placement Shares were issued at \$0.085 per Share;
- (e) the proceeds from the issue of the Placement Shares are intended to be used towards advancing the Company's three gold projects in New South Wales' Lachlan Ford Belt and the Mt Clere Project in Narryer Terrane, Western Australia, as well as for ongoing project generation and evaluation activities, costs of the Placement and general working capital;
- (f) there are no additional material terms with respect to the agreements for the issue of the Placement Shares; and
- (g) a voting exclusion statement is included in the Notice.

9.4 **Board recommendation**

Resolution 6 is an ordinary resolution.

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

10. Resolution 7 – Approval to issue Securities to CEO, Mr Mark Major

10.1 General

On 14 October 2020, the Company announced that it had appointed Mr Mark Major as Chief Executive Officer of the Company, with a commencement date of 14 October 2020 (**Commencement Date**). A summary of the material terms of Mr Major's Employment Agreement with the Company (**Employment Agreement**) were contained within that announcement and are set out below:

- (a) **Commencement Date:** 14 October 2020.
- (b) **Term:** No fixed term.
- (c) **Salary:** \$220,000 per annum inclusive of 9.5% superannuation.
- (d) **Termination:** Either party may terminate the Executive Services Agreement by providing three (3) months' prior notice.
- (e) **Issue of Securities:** Subject to Shareholder approval, Mr Major (or his nominees) will be issued the following Securities (together, the **CEO Securities**) as part of his remuneration as CEO of the Company:
 - (i) 5 million unquoted Options, each vesting 6 months from the Commencement Date (**Vesting Date**); and
 - (ii) 7.5 million Share Appreciation Rights.

The CEO Securities will be issued for nil cash consideration. The full terms and conditions of the Options are set out in Schedule 3 and the full terms and conditions of the Share Appreciation Rights are set out in Schedule 4.

- (f) **Other:** The Executive Services Agreement also contains standard terms covering confidentiality, change in control, intellectual property, moral rights, expense reimbursements and post-employment restraints.

The CEO Securities provide an incentive component to Mr Major's remuneration package, and align his interests with those of Shareholders. The Board considers that the number of Options and Share Appreciation Rights to be granted to Mr Major is commensurate with his value to the Company and is an appropriate method to provide cost effective remuneration. The Board believes it is important to offer these CEO Securities to continue to attract and maintain highly experienced and qualified staff in a competitive market.

Resolution 7 seeks Shareholder approval for the issue of the CEO Securities to Mr Major (or his nominees) under and for the purposes of Listing Rule 7.1.

10.2 Listing Rule 7.1

A summary of Listing Rule 7.1 is contained in Section 6.2 above.

While the proposed issue does not exceed the Company's 15% limit under Listing Rule 7.1 and can therefore be made without breaching that rule, the issue is subject to Shareholder

approval pursuant to the terms of Mr Major's Employment Agreement. It therefore requires the approval of Shareholders under Listing Rule 7.1.

To this end, Resolution 7 seeks the required Shareholder approval to the issue of the CEO Securities under and for the purposes of Listing Rule 7.1.

If Resolution 7 is passed, the Company will be able to proceed with the issue of the CEO Securities and Mr Major will be remunerated accordingly based on the achievement of the applicable vesting conditions. 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 CEO Securities and may be required to reach an alternative agreement with Mr Major, which is likely to involve paying a cash bonus upon the achievement of certain key performance indicators or milestones.

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

Under and for the purposes of Listing Rule 7.3, the following information is provided in relation to the proposed issue of the CEO Securities:

- (a) a maximum of 5 million unquoted Options and 7.5 million Share Appreciation Rights will be issued to Mr Major (or his nominees);
- (b) the Options will vest on the Vesting Date and will otherwise be issued on the terms and conditions set out in Schedule 3;
- (c) the Share Appreciation will be issued on the terms and conditions set out in Schedule 4;
- (d) the CEO Securities are intended to be issued on the same date, no later than three months after the date of the Meeting (or such later date as permitted by any ASX waiver or modification of the Listing Rules);
- (e) the CEO Securities will be issued for nil cash consideration as a component of Mr Major's remuneration package. Accordingly, no funds will be raised from the issue;
- (f) a summary of the material terms of Mr Major's Employment Agreement were contained within the Company's ASX announcement dated 14 October 2020; and
- (g) a voting exclusion statement is included in the Notice

10.4 **Board recommendation**

Resolution 7 is an ordinary resolution.

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

11. **Resolution 8(a)-(c) and Resolution 9 – Approval to issue Incentive Securities and Bonus Shares to Directors**

11.1 **Background**

The Company is proposing, subject to obtaining Shareholder approval of Resolution 8(a)-(c), to issue:

- (a) 4 million unquoted Options and 7.5 million Share Appreciation Rights to Executive Director, Mr Colin Locke (or his nominees);
- (b) 3 million unquoted Options to non-executive Director, Mr Tim Hogan (or his nominees); and
- (c) 3 million unquoted Options to non-executive Director, Mr David Palumbo (or his nominees),

(together, the **Incentive Securities**).

In addition, the Company is proposing, subject to Shareholder approval of Resolution 9, to issue 3 million Shares to non-executive Director, Mr David Palumbo, as a bonus payment for his contribution in identifying the Rand, Turon and Mt Clere Projects for direct application by the Company (**Bonus Shares**).

The Company is in an important stage of development with significant opportunities and challenges in both the near and long-term, and the proposed issues seek to align and reward the efforts of the Directors in seeking to achieve growth of the Share price and in the creation of Shareholder value. In addition, the Board also believes that incentivising with Securities is a prudent means of conserving the Company's available cash reserves. The Board believes it is important to offer the Incentive Securities to continue to attract and maintain highly experienced and qualified Board members in a competitive market.

11.2 **Terms and Conditions of Incentive Securities and Bonus Shares**

- (a) The Director Options to be issued to the Directors will vest immediately upon grant and will otherwise be issued on the terms and conditions set out in Schedule 3.
- (b) The Share Appreciation Rights to be issued to Mr Colin Locke will be issued on the terms and conditions set out in Schedule 4.
- (c) The Bonus Shares to be issued to Mr David Palumbo 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. The Company will apply for official quotation of the Shares on ASX.

11.3 **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 issues of Incentive Securities and Bonus Shares to the Directors (or their respective nominees) falls within Listing Rule 10.11.1 and does not fall within any of the exceptions in Listing Rule 10.12. They therefore require the approval of Shareholders under Listing Rule 10.11.

Resolution 8(a)-(c) and Resolution 9 seek the required Shareholder approvals to the proposed issues of Incentive Securities and Bonus Shares under and for the purposes of Listing Rule 10.11.

If Resolution 8(a)-(c) and Resolution 9 are passed, the Company will be able to proceed with the issue of the Incentive Securities and Bonus Shares to the Directors (or their respective nominees) and they will be remunerated accordingly.

If Resolution 8(a)-(c) and Resolution 9 are not passed, the Company will not be able to proceed with the issue of the Incentive Securities and Bonus Shares to the Directors (or their respective nominees) and the Company may need to consider other forms of incentive remuneration, including by the payment of cash.

As Shareholder approval is sought under Listing Rule 10.11, approval under Listing Rule 7.1 is not required. Accordingly, the issue of Incentive Securities and Bonus Shares will not be included under the Company's 15% annual placement capacity pursuant to Listing Rule 7.1.

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

Under and for the purposes of Listing Rule 10.13, the following information is provided in relation to the proposed issue of Incentive Securities and Bonus Shares:

- (a) the maximum number of Securities to be issued to the Directors is as follows:
 - (i) 4 million unquoted Options and 7.5 million Share Appreciation Rights will be issued to Executive Director, Mr Colin Locke (or his nominees);
 - (ii) 3 million unquoted Options will be issued to non-executive Director, Mr Tim Hogan (or his nominees); and

- (iii) 3 million unquoted Options and 3 million Bonus Shares will be issued to non-executive Director, Mr David Palumbo (or his nominees);
- (b) each proposed recipient of Securities is a related party of the Company by virtue of being a Director and falls into the category stipulated by Listing Rule 10.11.1. In the event the Incentive Securities or Bonus Shares are issued to a nominee of a Director, that person will fall into the category stipulated by Listing Rule 10.11.4;
- (c) Section 11.2 above details the terms and conditions of the Incentive Securities and Bonus Shares;
- (d) the Incentive Securities and Bonus Shares 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);
- (e) the Incentive Securities will be issued for nil cash consideration as they will be issued as part of each Director's remuneration package. The Bonus Shares will be issued for nil cash consideration as a bonus payment for services provided by Mr Palumbo to the Company. Accordingly, no funds will be raised as a result of the issues. Funds raised upon any exercise of the Director Options are intended to be used for general working capital purposes;
- (f) the current total remuneration package for each Director as at the date of this Notice is set out below:

Remuneration (per annum)^{1, 2}	Mr Colin Locke	Mr Tim Hogan	Mr David Palumbo
Salary and fees	\$144,000	\$30,000	\$60,000
Superannuation	-	\$2,850	-
Share-based payments ³	-	-	-
TOTAL	\$144,000	\$32,850	\$60,000

Notes:

1. The Company has valued the Incentive Securities using a Black & Scholes valuation model, as set out in Schedule 5. The total value of the Incentive Securities is \$982,500.
 2. The Company has valued the Bonus Shares based on \$0.088 per Share (being the closing market sale price of Shares on ASX as at 22 October 2020). The total value of the Bonus Shares is \$264,000.
 3. Neither the value of the Incentive Securities or Bonus Shares the subject of Resolution 8(a)-(c) and Resolution 9 is reflected in the table above.
- (g) there are no additional material terms with respect to the agreements for the proposed issue of the Incentive Securities and Bonus Shares; and

- (h) a voting exclusion statement is included in the Notice in respect of each of the Resolutions comprising Resolution 8(a)-(c) and in respect of Resolution 9.

11.5 **Section 195 of the Corporations Act**

Section 195(1) of the Corporations Act prohibits a director of a public company who has a material personal interest in a matter that is being considered at a meeting of directors from being present while the matter is being considered at the meeting or voting on the matter. If there is not a quorum of directors who are eligible to vote on a matter because of the operation of section 195(1) of the Corporations Act, one or more directors may call a general meeting and the general meeting may deal with the matter.

The Directors have a material personal interest in the outcome of each of their respective Resolutions under Resolution 8(a)-(c) and have exercised their right under section 195(4) of the Corporations Act to put the issue of the Incentive Securities to the Directors to Shareholders to resolve upon.

11.6 **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 Incentive Securities and Bonus Shares constitutes giving a financial benefit and the Related Parties are related parties of the Company by virtue of being Directors.

It is the view of the Board that the exceptions set out in sections 210 to 216 of the Corporations Act do not apply to the issue of the Incentive Securities in the current circumstances. Accordingly, the Company is seeking approval for the purposes of Chapter 2E of the Corporations Act in respect of the Incentive Securities proposed to be issued to the Directors pursuant to Resolution 8(a)-(c).

The Board (other than Mr Palumbo who has a material personal interest in Resolution 9) considers that Shareholder approval pursuant to Chapter 2E of the Corporations Act is not required in respect of the grant of the Bonus Shares to Mr Palumbo due to the exceptions in sections 210 and 211 of the Corporations Act.

11.7 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 Incentive Securities:

(a) **Identity of the related parties to whom Resolution 8(a)-(c) permits financial benefits to be given**

The Director Options will be issued to the Directors or their respective nominees. The Share Appreciation Rights will be issued to Mr Colin Locke or his nominees.

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

Resolution 8(a)-(c) seeks approval from Shareholders to allow the Company to issue the Incentive Securities in the amounts specified in Section 11.1 above to the Directors or their nominees (or, in the case of the Share Appreciation Rights, to Mr Colin Locke or his nominees).

The Shares to be issued upon conversion of the Incentive Securities 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. The Company will apply for official quotation of the Shares on ASX.

(c) **Valuation of financial benefit**

A valuation of the Incentive Securities is set out in Section 11.4 above.

(d) **Remuneration of Directors**

The current total remuneration package for each of the Directors as at the date of this Notice is set out in Section 11.7(d) above.

(e) **Existing relevant interests**

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

Director	Shares	Options
Mr Colin Locke	129,000	7,000,000 ¹
Mr Tim Hogan	-	6,000,000 ¹
Mr David Palumbo	501,500	2,539,389 ¹

Notes:

1. Options exercisable at \$0.05 each on or before 31 July 2021.

Assuming that each of the separate resolutions comprising Resolution 8(a)-(c) are approved by Shareholders, all of the Incentive Securities are issued, vested and

exercised into Shares, and no other Equity Securities are issued or exercised, the respective interests of the Directors in the Company would be as follows:

- (i) Mr Locke's interest would increase to 11,629,000 Shares and would represent approximately 3.86% of the Company's expanded capital;
- (ii) Mr Hogan's interest would increase to 3,000,000 Shares and would represent approximately 0.99% of the Company's expanded capital; and
- (iii) Mr Palumbo's interest would increase to 3,501,500 Shares and would represent approximately 1.16% of the Company's expanded capital.

(f) **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: \$0.12 per Share on 18 September 2020

Lowest: \$0.028 per Share on 10 February, 24 February and 16 March 2020

The latest available closing market sale price of the Shares on ASX prior to the date of this Notice was \$0.088 per Share on 22 October 2020.

(g) **Dilution**

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

Incentive Securities	Dilutionary effect
17.5 million	6.34%

The above table assumes the current Share capital structure as at the date of this Notice (being 275,950,000 Shares on 22 October 2020) and that no Shares are issued other than the Shares issued on exercise of the Incentive Securities. The actual dilution will depend on the extent to which additional Shares are issued by the Company.

(h) **Corporate governance**

The Board acknowledges the grant of the Director Options to the non-executive Directors, Messrs Hogan and Palumbo is contrary to Recommendation 8.2 of the 4th edition of the ASX Corporate Governance Council's Corporate Governance Principles and Recommendations. However, the Board considers the grant of the Director Options to the non-executive Directors reasonable in the circumstances for the reasons set out in Section 11.1.

(i) **Taxation consequences**

There are no taxation consequences for the Company arising from the issue of the Incentive Securities and Bonus Shares (including fringe benefits tax).

(j) **Director recommendations**

The Directors decline to make a recommendation to Shareholders in relation to each of the Resolutions comprising Resolution 8(a)-(c) due to their material personal interests in the outcome of Resolution 8.

(k) **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 Resolution 8(a)-(c).

11.8 **Board recommendation**

Resolution 8(a)-(c) and Resolution 9 are each ordinary resolutions.

The Directors decline to make a recommendation to Shareholders in relation to each of the Resolutions comprising Resolution 8(a)-(c) due to their material personal interests in the outcome of Resolution 8.

The Directors (other than Mr Palumbo, who has a material personal interest in the outcome of Resolution 9) recommend that Shareholders vote in favour of Resolution 9 for the following reasons:

- (a) the grant of the Bonus Shares is a reasonable and appropriate method to provide cost effective remuneration for services provided to the Company as the non-cash form of this benefit will allow the Company to spend a greater proportion of its cash reserves on its operations than it would if alternative cash forms of remuneration were given to Mr Palumbo; and
- (b) it is not considered that there are any significant opportunity costs to the Company or benefits foregone by the Company in granting the Bonus Shares upon the terms proposed.

12. **Resolution 10 – Approval of 10% Placement Facility**

12.1 **General**

A summary of Listing Rule 7.1 is contained in Section 6.2 above.

Under Listing Rule 7.1A, however, an eligible entity can seek approval from its members, by way of a special resolution passed at its annual general meeting, to increase this 15% limit by an extra 10% to 25% (**10% Placement Facility**).

Resolution 10 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 12.2(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 12.2(c) below).

If Resolution 10 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 10 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.

12.2 Listing Rule 7.1A

(a) Is the Company an eligible entity?

An 'eligible entity' means an entity which is not included in the S&P/ASX 300 Index and which has a market capitalisation of \$300 million or less.

The Company is an eligible entity for these purposes as it is not included in the S&P/ASX 300 Index and has a market capitalisation of approximately \$24.28 million, based on the closing price of Shares (\$0.088) on 22 October 2020.

(b) What Equity Securities can be issued?

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 eligible entity.

As at the date of the Notice, the Company has on issue on quoted class of Equity Securities, being Shares.

(c) 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:

(A) plus the number of fully paid Shares issued in the 12 months:

- (1) under an exception in Listing Rule 7.2 (other than exception 9, 16 or 17);
- (2) on the conversion of convertible securities within Listing Rule 7.2 exception 9 where:
 - the convertible securities were issued or agreed to be issued before the 12-month period; or
 - the issue of, or agreement to issue, the convertible securities was approved, or taken under the Listing Rules to have been approved, under Listing Rule 7.1 or 7.4;
- (3) under an agreement to issue securities within Rule 7.2 exception 16 where:

- the agreement was entered into before the 12-month period; or
- the agreement or issue was approved, or taken under the Listing Rules to be approved, under Listing Rule 7.1 or 7.4; and

(4) with Shareholder approval under Listing Rule 7.1 or 7.4. This does not include any issue of Shares under the Company's 15% annual placement capacity without Shareholder approval;

(B) plus the number of partly paid shares that became fully paid in the 12 months; and

(C) 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.

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

Any Equity Securities issued under Listing Rule 7.1A must be issued for a cash consideration per security which is 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 by the Company and the recipient of the Equity Securities; 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 and will expire on the earlier to occur of:

- (i) the time and date that is 12 months after the date of the Meeting;
- (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 Resolution 10?

The effect of Resolution 10 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.

12.3 Specific information required by Listing Rule 7.3A

Under and for the purposes of Listing Rule 7.3A, the following information is provided in relation to the 10% Placement Facility:

(a) Final date for issue

The Company will only issue the Equity Securities under the 10% Placement Facility during the 10% Placement Period (refer to Section 12.2(e) above).

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.

(b) Minimum issue price

Where the Company issues Equity Securities under the 10% Placement Facility, it will only do so for cash consideration and the issue price will be not less than the Minimum Issue Price (refer to Section 12.2(d) above).

(c) Purposes of issues under 10% Placement Facility

The Company may seek to issue Equity Securities under the 10% Placement Facility for the purposes of raising funds to support the Company where unforeseen expenditure requirements arise in connection with the COVID-19 pandemic, for continued investment in the Company's current assets, the acquisition of new assets or investments (including expenses associated with such an acquisition) and/or for general working capital.

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

(d) Risk of economic and voting dilution

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 date of the issue of the Equity Securities than on the date of the Meeting; and
- (ii) the Equity Securities may be issued at a price that is at a discount to the market price for the Company's Equity Securities on the issue date,

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

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

The below table shows the dilution of existing Shareholders based on the current market price of Shares and the current number of Shares for 'A' calculated in accordance with the formula in Listing Rule 7.1A.2 (see Section 12.2(c)) as at the date of the Notice (**Variable A**), with:

- (i) two examples where Variable A has increased, by 50% and 100%; and
- (ii) two examples of where the issue price of Shares has decreased by 50% and increased by 100% as against the current market price.

Share on issue (Variable A in Listing Rule 7.1A.2)	Dilution			
	Issue price per Share	\$0.044 50% decrease in Current Market Price	\$0.088 Current Market Price	\$0.176 100% increase in Current Market Price
278,950,000 Shares Variable A	10% Voting Dilution	27,895,000 Shares	27,895,000 Shares	27,895,000 Shares
	Funds raised	\$1,227,380	\$2,454,760	\$4,909,520
418,425,000 Shares 50% increase in Variable A	10% Voting Dilution	41,842,500 Shares	41,842,500 Shares	41,842,500 Shares
	Funds raised	\$1,841,070	\$3,682,140	\$7,364,280
557,900,000 Shares 100% increase in Variable A	10% Voting Dilution	55,790,000 Shares	55,790,000 Shares	55,790,000 Shares
	Funds raised	\$2,454,760	\$4,909,520	\$9,819,040

Notes:

1. The table has been prepared on the following assumptions:
 - (a) the issue price is the current market price (\$0.088), being the closing price of the Shares on ASX on 22 October 2020, being the last day that the Company's Shares traded on the ASX before this Notice was submitted to ASX for review;
 - (b) Variable A is 278,950,000, comprising:

- (i) 275,950,000 existing Shares on issue as at the date of this Meeting, assuming the Company has not issued any Shares in the 12 months prior to the Meeting that were not issued under an exception in Listing Rule 7.2 or with Shareholder approval under Listing Rule 7.1 and 7.4 (assuming Resolution 6 is passed and the issue of a total of 25 million Shares is ratified at the Meeting); and
 - (ii) a total of 3 million Shares are issued if Resolution 9 is passed at the Meeting;
 - (c) the Company issues the maximum number of Equity Securities available under the 10% Placement Facility;
 - (d) no convertible securities (including any issued under the 10% Placement Facility) are exercised or converted into Shares before the date of the issue of the Equity Securities; and
 - (e) the issue of Equity Securities under the 10% Placement Facility consists only of Shares. If the issue of Equity Securities includes Quoted Options, it is assumed that those Quoted Options are exercised into Shares for the purpose of calculating the voting dilution effect on existing Shareholders.
2. The number of Shares on issue (ie Variable A) may increase as a result of issues of Shares that do not require Shareholder approval (for example, a pro rata entitlements issue, scrip issued under a takeover offer or upon exercise of convertible securities) or future specific placements under Listing Rule 7.1 that are approved at a future Shareholders' meeting.
 3. The 10% voting dilution reflects the aggregate percentage dilution against the issued share capital at the time of issue. This is why the voting dilution is shown in each example as 10%.
 4. The table does not show an example of dilution that may be caused to a particular Shareholder by reason of placements under the 10% Placement Facility, based on that Shareholder's holding at the date of the Meeting.
 5. The table shows only the effect of issues of Equity Securities under Listing Rule 7.1A, not under the 15% placement capacity under Listing Rule 7.1.

(e) **Allocation policy**

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 the 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) 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 the Notice but may include existing substantial Shareholders and/or new investors who are not related parties of or associates of a related party of the Company.

(f) Issues in the past 12 months

The Company has previously obtained Shareholder approval under Listing Rule 7.1A at its annual general meeting held on 28 November 2019.

In the 12 months preceding the date of the Meeting and as at the date of this Notice, the Company has issued or agreed to issue 39,375,000 Equity Securities under Listing Rule 7.1A (of this amount, the issue of 17.5 million Equity Securities was ratified at the general meeting of the Company held on 8 April 2020). This represents 14.98% of the total number of Equity Securities on issue at the commencement of that 12 month period.

Details of each issue of Equity Securities under Listing Rule 7.1A by the Company during the 12 months preceding the date of the Meeting are set out in Schedule 6.

(g) Voting exclusion statement

At the date of the Notice, the Company is not proposing to make an issue of Equity Securities under Listing Rule 7.1A and has not approached any particular existing Shareholder or security holder or an identifiable class of existing security holder to participate in any such issue.

However, in the event that between the date of the Notice and the date of the Meeting, the Company proposes to make an issue of Equity Securities under Listing Rule 7.1A to one or more existing Shareholders, those Shareholders' votes will be excluded under the voting exclusion statement in the Notice.

12.4 Board recommendation

Resolution 10 is a special resolution and therefore requires approval of 75% of the votes cast by Shareholders present and eligible to vote (in person, by proxy, by attorney or, in the case of a corporate Shareholder, by a corporate representative).

The Board recommends that Shareholders vote in favour of Resolution 10.

Schedule 1 Definitions

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

10% Placement Facility	has the meaning given in Section 12.1.
10% Placement Period	has the meaning given in Section 12.2(e).
\$ 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 June 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.
Clause	means a clause of the Constitution.
Closely Related Party	means: <ul style="list-style-type: none">(a) a spouse or child of the member; or(b) has the meaning given in section 9 of the Corporations Act.
Company	means Krakatoa Resources Limited ACN 155 231 575.
Constitution	means the constitution of the Company as at the date of the Meeting.
Corporations Act	means the <i>Corporations Act 2001</i> (Cth).
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.
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.
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.
Material Investor	<p>means, in relation to the Company:</p> <ul style="list-style-type: none">(a) a related party;(b) Key Management Personnel;(c) a substantial Shareholder;(d) an adviser; or(e) an associate of the above, <p>who received or will receive Securities in the Company which constitute more than 1% of the Company's anticipated capital structure at the time of issue.</p>
Meeting	has the meaning given in the introductory paragraph of the Notice.
Minimum Issue Price	has the meaning given in Section 12.2(d).
Notice	means this notice of annual general meeting.
Option	means an option to acquire a Share.
Proxy Form	means the proxy form attached to the Notice.
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 Securities).
Share	means a fully paid ordinary share in the capital of the Company.
Share Appreciation Right	means a right to acquire a Share on the terms and conditions set out in Schedule 4.
Shareholder	means the holder of a Share.
Strike	means a 'no' vote of 25% or more on the resolution approving the Remuneration Report.

Trading Day	has the meaning given in the Listing Rules.
Vacating Directors	means the Directors who were directors of the Company when the resolution to make the Director's Report considered at the Meeting was passed, other than the managing director at that time (if any).
VWAP	means volume weighted average market price.
WST	means Western Standard Time, being the time in Perth, Western Australia.

Schedule 2 Summary of Employee Securities Incentive Plan

A summary of the key terms of the Plan is set out below:

1. **(Eligible Participant):** Eligible Participant means a person that:
 - (a) is an 'eligible participant' (as that term is defined in ASIC Class Order [CO 14/1000]) in relation to the Company or an Associated Body Corporate (as that term is defined in ASIC Class Order [14/1000]); and
 - (b) has been determined by the Board to be eligible to participate in the Plan from time to time.
2. **(Purpose):** The purpose of the Plan is to:
 - (a) assist in the reward, retention and motivation of Eligible Participants;
 - (b) link the reward of Eligible Participants to Shareholder value creation; and
 - (c) align the interests of Eligible Participants with shareholders of the Group (being the Company and each of its Associated Bodies Corporate), by providing an opportunity to Eligible Participants to receive an equity interest in the Company in the form of Securities.
3. **(Plan administration):** The Plan will be administered by the Board. The Board may exercise any power or discretion conferred on it by the Plan rules in its sole and absolute discretion. The Board may delegate its powers and discretion.
4. **(Eligibility, invitation and application):** The Board may from time to time determine that an Eligible Participant may participate in the Plan and make an invitation to that Eligible Participant to apply for Securities on such terms and conditions as the Board decides. On receipt of an Invitation, an Eligible Participant may apply for the Securities the subject of the invitation by sending a completed application form to the Company. The Board may accept an application from an Eligible Participant in whole or in part. If an Eligible Participant is permitted in the invitation, the Eligible Participant may, by notice in writing to the Board, nominate a party in whose favour the Eligible Participant wishes to renounce the invitation.
5. **(Grant of Securities):** The Company will, to the extent that it has accepted a duly completed application, grant the Participant the relevant number of Securities, subject to the terms and conditions set out in the invitation, the Plan rules and any ancillary documentation required.
6. **(Terms of Convertible Securities):** Each 'Convertible Security' represents a right to acquire one or more Shares (for example, under an option or performance right), subject to the terms and conditions of the Plan. Prior to a Convertible Security being exercised a Participant does not have any interest (legal, equitable or otherwise) in any Share the subject of the Convertible Security by virtue of holding the Convertible Security. A Participant may not sell, assign, transfer, grant a security interest over or otherwise deal with a Convertible Security that has been granted to them. A Participant must not enter into any arrangement for the purpose of hedging their economic exposure to a Convertible Security that has been granted to them.
7. **(Vesting of Convertible Securities):** Any vesting conditions applicable to the grant of Convertible Securities will be described in the invitation. If all the vesting conditions are

satisfied and/or otherwise waived by the Board, a vesting notice will be sent to the Participant by the Company informing them that the relevant Convertible Securities have vested. Unless and until the vesting notice is issued by the Company, the Convertible Securities will not be considered to have vested. For the avoidance of doubt, if the vesting conditions relevant to a Convertible Security are not satisfied and/or otherwise waived by the Board, that Convertible Security will lapse.

8. **(Exercise of Convertible Securities and cashless exercise):** To exercise a Convertible Security, the Participant must deliver a signed notice of exercise and, subject to a cashless exercise of Convertible Securities (see below), pay the exercise price (if any) to or as directed by the Company, at any time prior to the earlier of any date specified in the vesting notice and the expiry date as set out in the invitation. At the time of exercise of the Convertible Securities, subject to Board approval at that time, the Participant may elect not to be required to provide payment of the exercise price for the number of Convertible Securities specified in a notice of exercise, but that on exercise of those Convertible Securities the Company will transfer or issue to the Participant that number of Shares equal in value to the positive difference between the Market Value of the Shares at the time of exercise and the exercise price that would otherwise be payable to exercise those Convertible Securities.

'Market Value' means, at any given date, the volume weighted average price per Share traded on the ASX over the five trading days immediately preceding that given date, unless otherwise specified in an invitation.

A Convertible Security may not be exercised unless and until that Convertible Security has vested in accordance with the Plan rules, or such earlier date as set out in the Plan rules.

9. **(Delivery of Shares on exercise of Convertible Securities):** As soon as practicable after the valid exercise of a Convertible Security by a Participant, the Company will issue or cause to be transferred to that Participant the number of Shares to which the Participant is entitled under the Plan rules and issue a substitute certificate for any remaining unexercised Convertible Securities held by that Participant.
10. **(Forfeiture of Convertible Securities):** Where a Participant who holds Convertible Securities ceases to be an Eligible Participant or becomes insolvent, all unvested Convertible Securities will automatically be forfeited by the Participant, unless the Board otherwise determines in its discretion to permit some or all of the Convertible Securities to vest. Where the Board determines that a Participant has acted fraudulently or dishonestly, or wilfully breached his or her duties to the Group, the Board may in its discretion deem all unvested Convertible Securities held by that Participant to have been forfeited.

Unless the Board otherwise determines, or as otherwise set out in the Plan rules:

- (a) any Convertible Securities which have not yet vested will be forfeited immediately on the date that the Board determines (acting reasonably and in good faith) that any applicable vesting conditions have not been met or cannot be met by the relevant date; and
 - (b) any Convertible Securities which have not yet vested will be automatically forfeited on the expiry date specified in the invitation.
11. **(Change of control):** If a change of control event occurs in relation to the Company, or the Board determines that such an event is likely to occur, the Board may in its discretion determine the manner in which any or all of the Participant's Convertible Securities will be

dealt with, including, without limitation, in a manner that allows the Participant to participate in and/or benefit from any transaction arising from or in connection with the change of control event.

12. **(Rights attaching to Plan Shares):** All Shares issued under the Plan, or issued or transferred to a Participant upon the valid exercise of a Convertible Security, **(Plan Shares)** will rank pari passu in all respects with the Shares of the same class. A Participant will be entitled to any dividends declared and distributed by the Company on the Plan Shares and may participate in any dividend reinvestment plan operated by the Company in respect of Plan Shares. A Participant may exercise any voting rights attaching to Plan Shares.
13. **(Disposal restrictions on Plan Shares):** If the invitation provides that any Plan Shares are subject to any restrictions as to the disposal or other dealing by a Participant for a period, the Board may implement any procedure it deems appropriate to ensure the compliance by the Participant with this restriction.

For so long as a Plan Share is subject to any disposal restrictions under the Plan, the Participant will not:

- (a) transfer, encumber or otherwise dispose of, or have a security interest granted over that Plan Share; or
 - (b) take any action or permit another person to take any action to remove or circumvent the disposal restrictions without the express written consent of the Company.
14. **(Adjustment of Convertible Securities):** If there is a reorganisation of the issued share capital of the Company (including any subdivision, consolidation, reduction, return or cancellation of such issued capital of the Company), the rights of each Participant holding Convertible Securities will be changed to the extent necessary to comply with the Listing Rules applicable to a reorganisation of capital at the time of the reorganisation. If Shares are issued by the Company by way of bonus issue (other than an issue in lieu of dividends or by way of dividend reinvestment), the holder of Convertible Securities is entitled, upon exercise of the Convertible Securities, to receive an allotment of as many additional Shares as would have been issued to the holder if the holder held Shares equal in number to the Shares in respect of which the Convertible Securities are exercised. Unless otherwise determined by the Board, a holder of Convertible Securities does not have the right to participate in a pro rata issue of Shares made by the Company or sell renounceable rights.
15. **(Participation in new issues):** There are no participation rights or entitlements inherent in the Convertible Securities and holders are not entitled to participate in any new issue of Shares of the Company during the currency of the Convertible Securities without exercising the Convertible Securities.
16. **(Amendment of Plan):** Subject to the following paragraph, the Board may at any time amend any provisions of the Plan rules, including (without limitation) the terms and conditions upon which any Securities have been granted under the Plan and determine that any amendments to the Plan rules be given retrospective effect, immediate effect or future effect.

No amendment to any provision of the Plan rules may be made if the amendment materially reduces the rights of any Participant as they existed before the date of the amendment, other than an amendment introduced primarily for the purpose of complying with legislation or to correct manifest error or mistake, amongst other things, or is agreed to in writing by all Participants.

17. **(Plan duration):** The Plan continues in operation until the Board decides to end it. The Board may from time to time suspend the operation of the Plan for a fixed period or indefinitely, and may end any suspension. If the Plan is terminated or suspended for any reason, that termination or suspension must not prejudice the accrued rights of the Participants.

If a Participant and the Company (acting by the Board) agree in writing that some or all of the Securities granted to that Participant are to be cancelled on a specified date or on the occurrence of a particular event, then those Securities may be cancelled in the manner agreed between the Company and the Participant.

Schedule 3 Terms and conditions of Options

The terms of the Options are as follows:

1. **(Entitlement)**: Each Option entitles the holder to subscribe for one Share upon exercise of the Option.
2. **(Issue Price)**: No cash consideration is payable for the issue of the Options.
3. **(Exercise Price)**: Each Option is exercisable at a price equal to a 33% premium to the Company's closing Share price on the date of the Meeting (being the date of the Company's 2020 Annual General Meeting) **(Exercise Price)**.
4. **(Expiry Date)**: The Options expire at 5.00 pm (WST) on the date which is 3 years minus 1 day after the date of the Meeting **(Expiry Date)**. An Option not exercised before the Expiry Date will automatically lapse on the Expiry Date.
5. **(Exercise Period)**: Options are exercisable at any time and from time to time on or prior to the Expiry Date (subject to any applicable vesting conditions, the details of which are contained in Section 10.1(i) of the Explanatory Memorandum).
6. **(Quotation of the Options)**: The Company will not apply for quotation of the Options on ASX.
7. **(Transferability of the Options)**: The Options are not transferable, except with the prior written approval of the Company.
8. **(Notice of Exercise)**:
 - 8.1 The Options may be exercised by notice in writing to the Company in the manner specified on the Option certificate **(Notice of Exercise)** and payment of the Exercise Price for each Option being exercised in Australian currency by electronic funds transfer or other means of payment acceptable to the Company.
 - 8.2 Any Notice of Exercise of an Option received by the Company will be deemed to be a notice of the exercise of that Option as at the date of receipt of the Notice of Exercise and the date of receipt of the payment of the Exercise Price for each Option being exercised in cleared funds **(Exercise Date)**.
9. **(Timing of issue of Shares on exercise)**: Within 5 Business Days after the later of the following:
 - (a) the Exercise Date; and
 - (b) when excluded information in respect to the Company (as defined in section 708A(7) of the Corporations Act) (if any) ceases to be excluded information,the Company will:
 - (c) allot and issue the number of Shares required under these terms and conditions in respect of the number of Options specified in the Notice of Exercise and for which cleared funds have been received by the Company;
 - (d) if required, give ASX a notice that complies with section 708A(5)(e) of the Corporations Act; and

- (e) if admitted to the official list of ASX at the time, apply for official quotation on ASX of Shares issued pursuant to the exercise of the Options.
10. **(Restrictions on transfer of Shares):** If the Company is required but unable to give ASX a notice under paragraph 9(d), or such a notice for any reason is not effective to ensure that an offer for sale of the Shares does not require disclosure to investors, Shares issued on exercise of Options may not be traded and will be subject to a holding lock until 12 months after their issue unless the Company, at its sole discretion, elects to issue a prospectus pursuant to section 708A(11) of the Corporations Act.
11. **(Shares issued on exercise):** Shares issued on exercise of the Options will rank equally with the then Shares of the Company.
12. **(Quotation of Shares on exercise):** If admitted to the official list of ASX at the time, application will be made by the Company to ASX for quotation of the Shares issued upon the exercise of the Options in accordance with the Listing Rules.
13. **(Reconstruction of capital):** If at any time the issued capital of the Company is reconstructed, all rights of an Option holder are to be changed in a manner consistent with the Corporations Act and the Listing Rules at the time of the reconstruction.
14. **(Participation in new issues):** There are no participation rights or entitlements inherent in the Options and holders will not be entitled to participate in new issues of capital offered to Shareholders during the currency of the Options without exercising the Options.
15. **(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):
- (a) the number of Shares which must be issued on the exercise of an Option will be increased by the number of Shares which the Option holder would have received if the Option holder had exercised the Option before the record date for the bonus issue; and
 - (b) no change will be made to the Exercise Price.
16. **(Change of Control):** Upon the occurrence of:
- (a) a takeover bid under Chapter 6 of the Corporations Act having been made in respect of the Company and:
 - (i) having received acceptances for greater than 50% of the Company's shares on issue; and
 - (ii) having been declared unconditional by the bidder;
 - (b) any person acquires a Relevant Interest (as defined in the Corporations Act) more than 50% of the Shares by any other means; or
 - (c) any merger transaction or scheme of arrangement is recommended by the Board and where such transaction would have the effect contemplated in paragraph 16(b) above,

(Change of Control Event) or the Board determines that such an event is likely to occur, the Board may in its discretion determine the manner in which any or all of the Options will be dealt with, including, without limitation, in a manner that allows the holder of the Options to participate in and/or benefit from any transaction arising from or in connection with the Change of Control Event.

Schedule 4 Terms and conditions of Share Appreciation Rights

1. **(Expiry Date)**

- 1.1 The Share Appreciation Rights will expire automatically at 5.00 pm WST on the date which is 3 years from the date of the Company's 2020 Annual General Meeting **(Expiry Date)**.

2. **(Vesting Terms and Exercise)**

- 2.1 The Share Appreciation Rights will vest as follows:

- (a) **(Tranche One)**: One third will vest if the 10-day volume weighted average price (**VWAP**) of Shares is \$0.20 or more, calculated over any period of 10 consecutive days in which trades in the Shares were made during the period commencing on issue and ending on the Expiry Date **(Vesting Period)**;
- (b) **(Tranche 2)**: One third will vest if the 10-day VWAP of Shares is \$0.30 or more, calculated over any period of 10 consecutive days in which trades in the Shares were made during the Vesting Period; and
- (c) **(Tranche 3)**: One third will vest if the 10-day VWAP of Shares is \$0.40 or more, calculated over any period of 10 consecutive days in which trades in the Shares were made during the Vesting Period

- 2.2 The holder may exercise vested Share Appreciation Rights at any time after the date of issue and before the Expiry Date by submitting an exercise notice identifying the number of Share Appreciation Rights that the holder wishes to exercise to the Company.

3. **(Timing of issue of Shares and quotation of Shares on exercise)**

- 3.1 As soon as practicable after the valid exercise of a vested Share Appreciation Right, the Company will:

- (a) issue, allocate or cause to be transferred to the holder the number of Shares to which the holder is entitled;
- (b) if required, give ASX a notice that complies with section 708A(5)(e) of the Corporations Act; and
- (c) in the event the Company is admitted to the official list of ASX at the time, do all such acts, matters and things to obtain the grant of quotation of the Shares by ASX in accordance with the Listing Rules.

- 3.2 All Shares issued upon the exercise of Share Appreciation Rights will upon issue rank equally in all respects with the then issued Shares.

4. **(Restrictions on transfer or disposal of Shares)**

- 4.1 If the Company is unable to give ASX a notice that complies with section 708A(5)(e) of the Corporations Act, Shares issued on exercise of the Share Appreciation Rights may not be traded until 12 months after their issue unless the Company, at its sole discretion, elects to issue a prospectus pursuant to section 708A(11) of the Corporations Act.

- 4.2 Except as set out in the Company's share trading policy and applicable laws, no other specific disposal restrictions apply to any Shares that are issued or transferred as a result of the exercise of the Share Appreciation Rights.
5. **(Reorganisation of capital)**
- 5.1 In the event that the issued capital of the Company is reconstructed, all the holder's rights as a holder of Share Appreciation Rights will be changed to the extent necessary to comply with the Listing Rules at the time of reorganisation provided that, subject to compliance with the Listing Rules, following such reorganisation the holder's economic and other rights are not diminished or terminated.
6. **(Participation in entitlements and bonus issues)**
- 6.1 Subject always to the rights under items 5 (Reorganisation of capital) and 7 (Adjustment for bonus issue), a holder of Share Appreciation Rights will not be entitled to participate in new issues of capital offered to holders of Shares such as bonus issues and entitlement issues.
7. **(Adjustment for bonus issue)**
- 7.1 If securities are issued pro-rata to Shareholders generally by way of bonus issue (other than an issue in lieu of dividends by way of dividend reinvestment), the number of Share Appreciation Rights to which the holder is entitled will be increased by that number of securities which the holder would have been entitled if the Share Appreciation Rights held by the holder were exercised immediately prior to the record date of the bonus issue, and in any event in a manner consistent with the Listing Rules at the time of the bonus issue.
8. **(Dividend and voting rights)**
- 8.1 The Share Appreciation Rights do not confer on the holder an entitlement to vote at general meetings of the Company or to receive dividends.
9. **(Cessation of employment)**
- 9.1 If the holder becomes a Leaver after the date of issue of the Share Appreciation Rights, the Share Appreciation Rights must be exercised by the holder within 90 days after the date the holder becomes a Leaver.
- 9.2 This condition is at all times subject to the discretion of the Board.
10. **(Lapsing conditions)**
- 10.1 Where a Share Appreciation Rights is not exercised before the Expiry Date, it will automatically lapse.

Schedule 5 Valuation of Director Options and Share Appreciation Rights

The Director Options and Share Appreciate Rights to be issued to the Related Parties pursuant to the Resolutions which form part of Resolution 8(a)-(c) have been valued according to the Black & Scholes valuation model on the following assumptions:

Director Options			
Related Party	Colin Locke	Tim Hogan	David Palumbo
Assumed Share price at grant date	\$0.088	\$0.088	\$0.088
Assumed Exercise price	\$0.118	\$0.118	\$0.118
Exercise price premium to market value	33%	33%	33%
Expiry	2 years, 364 days	2 years, 364 days	2 years, 364 days
Expected volatility	100%	100%	100%
Risk free interest rate	0.3%	0.3%	0.3%
Annualised dividend yield	Nil	Nil	Nil
Value of each Director Option	\$0.049	\$0.049	\$0.049
Aggregate value of Director Options	\$196,000	\$147,000	\$147,000

Share Appreciation Rights (Colin Locke)			
Tranche	Tranche 1	Tranche 2	Tranche 3
Number	2,500,000	2,500,000	2,500,000
Assumed Share price at grant date	\$0.088	\$0.088	\$0.088
Barrier Price (10-day VWAP)	\$0.20	\$0.30	\$0.40
Expiry	3 years	3 years	3 years
Expected volatility	100%	100%	100%
Risk free interest rate	0.14%	0.14%	0.14%
Annualised dividend yield	Nil	Nil	Nil
Value of each Director Share Appreciation Right	\$0.0739	\$0.0650	\$0.0581
Aggregate value of Director Share Appreciation Rights	\$184,750	\$162,500	\$145,250

Notes:

The valuations took into account the following matters:

1. The applicable vesting conditions detailed in Schedule 4 in respect of the Share Appreciation Rights.
2. Securities with non-market based vesting conditions can only be exercised following the satisfaction of the vesting condition, a change of control or winding up occurring, or a takeover bid becoming unconditional.
3. The valuation of the Director Options and Director Share Appreciation Rights assumes that the exercise of a right does not affect the value of the underlying asset.
4. Given that the Director Options and Director Share Appreciation Rights are to be issued for no cash consideration, the value of the Director Options and Director Share Appreciation Rights is reflected in the underlying Share price at the valuation date. The Share price used is based on the closing price on 22 October 2020, being \$0.088.

Schedule 6 Securities issued or agreed to be issued in the previous 12 months under Listing Rule 7.1A

Details of each issue of Equity Securities by the Company under Listing Rule 7.1A during the 12 months preceding the date of the Meeting are set out in the table below:

Date of Issue	Number of Securities	Type of Security	Recipient of Security	Issue Price and details of any discount to Market Price ¹	Cash consideration and use of funds
14.7.2020	21,875,000	Shares	Sophisticated and professional investors under the Placement	\$0.08 per Share, representing a discount of 20.0% to the Market Price on the date of issue	\$1,750,000 (before costs) was raised, of which \$nil has been expended, with the remainder intended to also be spent on advancing the Company's three projects in New South Wales' Lachlan Fold Belt, including drill programs at Turon and Belgravia (Sugarloaf Target Area), an IP Program at Belgravia (Bell Valley Target Area) and target generation including geophysical surveys across the Rand Project. Funds will also be used to pursue other project opportunities as well as covering costs of the issue and working capital requirements.
5.2.2020	17,500,000	Shares	Sophisticated and professional investors under the Placement, as ratified at the Shareholders' meeting on 8 April 2020	\$0.03 per Share, representing a discount of 6.2% to the Market Price on the date of issue	\$525,000 (before costs) was raised, of which \$525,000 has been expended on advancing the Belgravia Project in New South Wales' Lachlan Fold Belt through drilling at the Bell Valley target area and generation of additional drill targets, exploration at the Turon Project and the Mt Clare Rare Earth Project, as well as for costs of the placement.

Notes:

1. 'Market Price' means the closing price on ASX (excluding special crossings, overnight sales and exchange traded option exercises). For the purposes of this table the discount is calculated on the Market Price on the last trading day on which a sale was recorded prior to the date of issue (or agreement to issue, as applicable) of the relevant Equity Securities.

Krakatoa Resources Limited

ABN 39 155 231 575



KTA

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SAMPLEVILLE VIC 3030

Need assistance?



Phone:

1300 850 505 (within Australia)
+61 3 9415 4000 (outside Australia)



Online:

www.investorcentre.com/contact



YOUR VOTE IS IMPORTANT

For your proxy appointment to be effective it must be received by **1:00 PM (AWST) on Saturday, 28 November 2020.**

Proxy Form

How to Vote on Items of Business

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

APPOINTMENT OF PROXY

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

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

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

A proxy need not be a securityholder of the Company.

SIGNING INSTRUCTIONS FOR POSTAL FORMS

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

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

Power of Attorney: If you have not already lodged the Power of Attorney with the registry, please attach a certified photocopy of the Power of Attorney to this form when you return it.

Companies: Where the company has a Sole Director who is also the Sole Company Secretary, this form must be signed by that person. If the company (pursuant to section 204A of the Corporations Act 2001) does not have a Company Secretary, a Sole Director can also sign alone. Otherwise this form must be signed by a Director jointly with either another Director or a Company Secretary. Please sign in the appropriate place to indicate the office held. Delete titles as applicable.

PARTICIPATING IN THE MEETING

Corporate Representative

If a representative of a corporate securityholder or proxy is to participate in the meeting you will need to provide the appropriate "Appointment of Corporate Representative". A form may be obtained from Computershare or online at www.investorcentre.com under the help tab, "Printable Forms".

Lodge your Proxy Form:

XX

Online:

Lodge your vote online at www.investorvote.com.au using your secure access information or use your mobile device to scan the personalised QR code.

Your secure access information is



Control Number: 999999

SRN/HIN: I9999999999

PIN: 99999

For Intermediary Online subscribers (custodians) go to www.intermediaryonline.com

By Mail:

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

By Fax:

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



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

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

☐

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



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Proxy Form

Please mark ☒ to indicate your directions

Step 1 Appoint a Proxy to Vote on Your Behalf

XX

I/we being a member/s of Krakatoa Resources Limited hereby appoint

☐ the Chairman of the Meeting **OR**

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

or failing the individual or body corporate named, or if no individual or body corporate is named, the Chairman of the Meeting, as my/our proxy to act generally at the meeting on my/our behalf and to vote in accordance with the following directions (or if no directions have been given, and to the extent permitted by law, as the proxy sees fit) at the Annual General Meeting of Krakatoa Resources Limited to be held at the offices of the Company at Level 11, London House, 216 St Georges Terrace, Perth, WA 6000 on Monday, 30 November 2020 at 1:00 PM (AWST) and at any adjournment or postponement of that meeting.

Chairman authorised to exercise undirected proxies on remuneration related resolutions: Where I/we have appointed the Chairman of the Meeting as my/our proxy (or the Chairman becomes my/our proxy by default), I/we expressly authorise the Chairman to exercise my/our proxy on Resolutions 1, 3, 4, 7, 8(a), 8(b), 8(c) and 9 (except where I/we have indicated a different voting intention in step 2) even though Resolutions 1, 3, 4, 7, 8(a), 8(b), 8(c) and 9 are connected directly or indirectly with the remuneration of a member of key management personnel, which includes the Chairman.

Important Note: If the Chairman of the Meeting is (or becomes) your proxy you can direct the Chairman to vote for or against or abstain from voting on Resolutions 1, 3, 4, 7, 8(a), 8(b), 8(c) and 9 by marking the appropriate box in step 2.

Step 2 Items of Business

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

		For	Against	Abstain			For	Against	Abstain
Resolution 1	Remuneration Report	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	Resolution 7	Approval to issue Securities to CEO, Mr Mark Major	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Resolution 2	Re-election of Director – Mr David Palumbo	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	Resolution 8(a)	Approval to issue Incentive Securities to Mr Colin Locke (or his nominees)	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Resolution 3	Approval of Employee Securities Incentive Plan	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	Resolution 8(b)	Approval to issue Incentive Securities to Mr Tim Hogan (or his nominees)	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Resolution 4	Approval of potential termination benefits under the Plan	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	Resolution 8(c)	Approval to issue Incentive Securities Mr David Palumbo	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Resolution 5	Ratification of prior issue of Placement Shares (July 2020)	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	Resolution 9	Approval to issue Bonus Shares to Director, David Palumbo	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Resolution 6	Ratification of prior issue of Placement Shares (October 2020)	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	Resolution 10	Approval of 10% Placement Facility	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>

The Chairman of the Meeting intends to vote undirected proxies in favour of each item of business. In exceptional circumstances, the Chairman of the Meeting may change his/her voting intention on any resolution, in which case an ASX announcement will be made.

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

Individual or Securityholder 1

Sole Director & Sole Company Secretary

Securityholder 2

Director

Securityholder 3

Director/Company Secretary

/ /

Date

Update your communication details (Optional)

Mobile Number

Email Address

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

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Computershare

