

ACN 624 970 725

Notice of Annual General Meeting

The Annual General Meeting of the Company will be held at the offices of the Company, at Level 1, 3 Ord Street, West Perth, Western Australia on Monday, 30 November 2020 at 9.30 am (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 their accountant, solicitor or other professional advisor prior to voting.

Should you wish to discuss any matter, please do not hesitate to contact the Company Secretary by telephone on (08) 6142 0987.

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

Caprice Resources Limited ACN 624 970 725 (Company)

Notice of Annual General Meeting

Notice is hereby given that the annual general meeting of Shareholders of Caprice Resources Limited (**Company**) will be held at the offices of the Company at Level 1, 3 Ord Street, West Perth, Western Australia, on Monday, 30 November 2020 at 9.30 am (WST) (**Meeting**).

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

The Directors have determined pursuant to Regulation 7.11.37 of the *Corporations Regulations 2001* (Cth) that the persons eligible to vote at the Meeting are those who are registered Shareholders at 5.00pm WST on Saturday, 28 November 2020.

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.

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.'

Resolution 2 – Election of Director – Victor Michael (Mick) Caruso

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

'That, in accordance with article 6.3(j) of the Constitution, Listing Rule 14.4 and for all other purposes, Victor Michael Caruso, a Director who was appointed on 6 October 2020, retires

and, being eligible, is elected as a Director on the terms and conditions in the Explanatory Memorandum.'

Resolution 3 - Election of Director - Adam Miethke

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

'That, in accordance with article 6.3(j) of the Constitution, Listing Rule 14.4 and for all other purposes, Adam Miethke, a Director who was appointed on 6 October 2020, retires and, being eligible, is elected as a Director on the terms and conditions in the Explanatory Memorandum.'

Resolution 4 – Approval of 10% Placement Facility

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

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

Resolution 5 – Approval to amend terms of existing Director Options

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

'That for the purposes of Listing Rule 6.23.4 and for all other purposes, Shareholders approve the proposed amendment to the terms and conditions of the Director Options to allow the cashless exercise of such options on the terms and conditions in the Explanatory Memorandum.'

Resolution 6 – Approval to issue Incentive Options to Directors

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

'That, pursuant to and in accordance Listing Rule 10.11, sections 195(4) and 208 of the Corporations Act and for all other purposes, Shareholders approve the issue of Options to Directors (or their nominees) as follows:

- (a) up to 1,000,000 Options to David Church;
- (b) up to 1,000,000 Options to Scott Patrizi;
- (c) up to 1,000,000 Options to Victor Michael Caruso; and
- (d) up to 1,000,000 Options to Adam Miethke,

on the terms and conditions in the Explanatory Memorandum.'

Voting exclusions

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

- (a) Resolution 4 if at the time of the Meeting, the Company is proposing to make an issue of Equity Securities under the 10% Placement Facility, by or on behalf of any persons who are expected to participate in, or who will obtain a material benefit as a result of, the proposed issue (except a benefit solely by reason of being a Shareholder), or any associate of those persons:
- (b) Resolution 5 by or on behalf of any person who holds an Option that is the subject of the approval being sought under this Resolution or an associate of those persons; and
- (c) Resolution 6(a), (b), (c) and (d) by or on behalf of David Church, Scott Patrizi, Victor Michael Caruso and Adam Miethke (or their respective nominees) and any other person who will obtain a material benefit as a result of the issue of the Incentive Options (except a benefit solely by reason of being a Shareholder), or any of their respective associates.

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

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

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 5 and Resolution 6(a), (b), (c) and (d): 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 respect of Resolution 6(a), (b), (c) and (d), in accordance with section 224 of the Corporations Act, a vote on this Resolution 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.

BY ORDER OF THE BOARD

Oonagh Malone Company Secretary Caprice Resources Limited

Dated: 30 October 2020

Caprice Resources Limited ACN 624 970 725 (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 1, 3 Ord Street, West Perth, Western Australia, on Monday, 30 November 2020 at 9.30 am (WST) (Meeting).

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

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

Section 2	Action to be taken by Shareholders
Section 3	Annual Report
Section 4	Resolution 1 – Remuneration Report
Section 5	Resolution 2 – Election of Director – Victor Michael (Mick) Caruso
Section 6	Resolution 3 – Election of Director – Adam Miethke
Section 7	Resolution 4 – Approval of 10% Placement Facility
Section 8	Resolution 5 – Approval to amend terms of existing Director Options
Section 9	Resolution 6 – Approval to issue Incentive Options to Directors
Schedule 1	Definitions
Schedule 2	Terms and Conditions of Incentive Options
Schedule 3	Valuation of Incentive Options

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

2. Action to be taken by Shareholders

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

2.1 Impact of COVID-19 on the Meeting

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

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

If the situation in relation to COVID-19 were to change in a way that 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

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

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

2.3 Proxies

Shareholders are encouraged to vote by voting online or by completing a Proxy Form.

Lodgement of a Proxy Form will not preclude a Shareholder from attending and voting at the Meeting in person.

Lodgement instructions (which include the ability to lodge proxies electronically) are set out in the Proxy Form to the Notice of Meeting.

Proxy Forms can be lodged:

Online: At https://investor.automic.com.au/#/home

By mail: Automic Pty Ltd

Level 2, 267 St Georges Terrace

Perth WA 6000

By email: <u>meetings@automicgroup.com.au</u>

By mobile: investor.automic.com.au Or scan the QR Code

available on the proxy form.

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, Resolution 5 and Resolution 6(a) to (d) (inclusive) 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 Resolutions are connected directly or indirectly with the remuneration of a member of the Key Management Personnel of the Company.

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 www.capriceresources.com;
- (b) ask questions about, or comment on, the management of the Company; and
- (c) ask the auditor questions about the conduct of the audit and the preparation and content of the Auditor's Report.

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

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

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

4. Resolution 1 – Remuneration Report

4.1 General

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.

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.

4.2 Board recommendation

Resolution 1 is an ordinary resolution.

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

5. Resolution 2 – Election of Director – Victor Michael (Mick) Caruso

5.1 General

Pursuant to the binding terms sheet between the Company, Goldview Metals Pty Ltd (ACN 079 580 055) (**Goldview Metals**) and Mr Victor Michael (Mick) Caruso (a majority shareholder of Goldview Metals), the Company has agreed to grant Mr Caruso the right to appointed to the Board of Directors upon completion of the Company's acquisition of 100% of the issued capital of Goldview Metals.

Article 6.2(b) of the Constitution allows the Board to appoint at any time a person to be a Director either to fill a casual vacancy or as an addition to the existing Directors, but only where the total number of Directors does not at any time exceed the maximum number specified by the Constitution.

Pursuant to article 6.3(j) of the Constitution, any Director so appointed holds office until the conclusion of the next annual general meeting of the Company but is eligible for election by Shareholders at that meeting.

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

On 6 October 2020, Mr Caruso was appointed as a Non-Executive Director of the Company.

Accordingly, Mr Caruso resigns as a Director at the Meeting and, being eligible, seeks approval to be elected as a Director pursuant to Resolution 2.

If elected, the Board does not consider Mr Caruso to be an independent Director as he is a substantial shareholder of the Company.

5.2 Victor Michael (Mick) Caruso

Mr Caruso has 40 years of practical and administrative experience in the operations of remotely located civil, mining, earthmoving and mineral exploration throughout Australia.

For ten years Mick owned and profitably operated a 100 ton/hour wet gravity alluvial gold mining operation at Peak Hill in the Murchison Goldfield, Western Australia. During 1998, he was instrumental in the identification of Banded Iron Formation primary gold mineralisation associated with shear zones at the Island Gold Project.

Mr Caruso has acknowledged to the Company that he will have sufficient time to fulfil his responsibilities as a Director.

5.3 Board recommendation

Resolution 2 is an ordinary resolution.

The Board (other than Mr Caruso) recommends that Shareholders vote in favour of Resolution 2 because his experience, particularly with the recently acquired Island Gold Project, and qualifications will assist the Company achieving its strategic objectives in the short and medium-term.

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

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

6. Resolution 3 – Election of Director – Adam Miethke

6.1 General

Summaries of articles 6.2(b) and 6.3(j) of the Constitution and Listing Rule 14.4 are in Section 5.1.

On 6 October 2020, Adam Miethke was appointed as a Non-Executive Director of the Company.

Accordingly, Mr Miethke resigns as a Director at the Meeting and, being eligible, seeks approval to be elected as a Director pursuant to Resolution 3.

If elected, the Board does not consider Mr Miethke to be an independent Director by virtue of his relationship with the Company's corporate advisor, Discovery Capital.

6.2 Adam Miethke

Mr Miethke is a geologist with extensive experience in the metals and mining sector. Adam worked at Rio Tinto, Snowden and Regent Pacific Group where he was involved in assets globally before joining Argonaut as Director of Corporate Finance, where he led the group's metals and mining division. He was a former Director of Calidus Resources Limited (ASX CAI) and serves as a Director and Treasurer of the CoRE Learning Foundation.

Adam holds a Bachelor of Applied Science (First Class Honours) from the Queensland University of Technology, an MBA from Curtin University and is a Member of the Australasian Institute of Mining and Metallurgy and Society of Economic Geologists.

Mr Miethke has acknowledged to the Company that he will have sufficient time to fulfil his responsibilities as a Director.

6.3 Board recommendation

Resolution 3 is an ordinary resolution.

The Board (other than Mr Miethke) recommends that Shareholders vote in favour of Resolution 3 as his strong technical and corporate experience will assist the Company achieving its strategic objectives in the short and medium-term.

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

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

7. Resolution 4 – Approval of 10% Placement Facility

7.1 General

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

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 issue Equity Securities up to 10% of its issued share capital through placements over a 12 month period after the annual general meeting (10% Placement Facility). The 10% Placement Facility is in addition to the Company's 15% annual placement capacity under Listing Rule 7.1.

Resolution 4 seeks Shareholder approval by way of a special resolution to provide the Company the ability to issue Equity Securities under the 10% Placement Facility during the 10% Placement Period (refer to Section 7.2(f) below). The number of Equity Securities to be issued under the 10% Placement Facility will be determined in accordance with the formula prescribed in Listing Rule 7.1A.2 (refer to Section 7.2(c) below).

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

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

7.2 Listing Rule 7.1A

(a) Is the Company an eligible entity?

An eligible entity for the purposes of Listing Rule 7.1A is an entity that is not included in the S&P/ASX 300 Index and has a market capitalisation of \$300 million or less.

The Company is an eligible entity as it is not included in the S&P/ASX 300 Index and has a market capitalisation of approximately \$26.4 million, based on the closing price of Shares \$0.40 on 30 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 one quoted class of Equity Securities; 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 at the commencement of the relevant period:
 - (A) plus the number of fully paid Shares issued in the relevant period under an exception in Listing Rule 7.2 other than exception 9, 16 or 17;
 - (B) plus the number of fully paid Shares issued in the relevant period on the conversion of convertible securities within Listing Rule 7.2 exception 9 where:
 - (1) the convertible securities were issued or agreed to be issued before the commencement of the relevant period; or
 - (2) the issue of, or agreement to issue, the convertible securities was approved, or taken under these rules to have been approved, under Listing Rule 7.1 or Listing Rule 7.4;
 - (C) plus the number of fully paid Shares issued in the relevant period under an agreement to issue securities within Listing Rule 7.2 exception 16 where:
 - (1) the agreement was entered into before the commencement of the relevant period; or

- (2) the agreement or issue was approved, or taken under these rules to have been approved, under Listing Rule 7.1 or Listing Rule 7.4;
- (D) plus the number of partly paid Shares that became fully paid in the relevant period:
- (E) plus the number of fully paid Shares issued in the relevant period with approval under Listing Rules 7.1 and 7.4; and
- (F) less the number of fully paid Shares cancelled in the relevant period.

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

- **D** is 10%.
- 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) What is the interaction with Listing Rule 7.1?

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

(e) 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).

(f) 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 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 time and 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).

(g) What is the effect of Resolution 4?

The effect of Resolution 4 will be to allow the Directors of the Company 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.

If Resolution 4 is passed, the Company will be able to issue Equity Securities up to the combined 25% limit in the Listing Rules 7.1 and 7.1A during the 10% Placement Period without any further Shareholder approval.

If Resolution 4 is not passed, the Company will not be able to access the 10% Placement Facility to issue Equity Securities without Shareholder approval provided for in Listing Rule 7.1A. The Company will therefore remain subject to the 15% limit on issuing Equity Securities without Shareholder approval set out in Listing Rule 7.1.

7.3 Specific information required by Listing Rule 7.3A

Pursuant to and in accordance with 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 7.2(f) above).

(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 7.2(e) above).

(c) Purposes of issues under 10% Placement Facility

The Company may seek to issue Equity Securities under the 10% Placement Facility for cash consideration in order to raise funds 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.

(d) Risk of economic and voting dilution

Shareholders should note that there is a risk that:

- 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 Resolution 4 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 7.2(c) above) 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	Dilution			
(Variable A in Listing Rule 7.1A.2)	Issue price per Share	\$0.20 50% decrease in Current Market Price	\$0.40 Current Market Price	\$0.80 100% increase in Current Market Price
66,088,337 Shares Variable A	10% Voting Dilution	6,608,834 Shares	6,608,834 Shares	6,608,834 Shares
	Funds raised	\$1,321,766	\$2,643,533	\$5,287,066
99,132,506 Shares 50% increase in Variable A	10% Voting Dilution	9,913,251 Shares	9,913,251 Shares	9,913,251 Shares
	Funds raised	\$1,982,650	\$3,965,300	\$7,930,600
132,176,674 Shares 100% increase in Variable A	10% Voting Dilution	13,217,667 Shares	13,217,667 Shares	13,217,667 Shares
	Funds raised	\$2,643,533	\$5,287,066	\$10,574,133

Notes:

- 1. The table has been prepared on the following assumptions:
 - (a) the issue price is the current market price \$0.40, being the closing price of the Shares on ASX on 30 October 2020, being the latest practicable date before finalising this Notice;
 - (b) Variable A comprises of 66,088,337 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;
 - (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.
- 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.
- 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 following factors including but not limited to:

- 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) Issue of Equity Securities in the past 12 months

The Company obtained Shareholder approval under Listing Rule 7.1A at its previous 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 not issued or agreed to issue Equity Securities under Listing Rule 7.1A.

(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.

7.4 Additional information

Resolution 4 is a special resolution and therefore requires approval of 75% of the votes cast by Shareholders present and eligible to vote (in person, by proxy, by attorney or, in the case of a corporate Shareholder, by a corporate representative).

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

8. Resolution 5 – Approval to amend terms of existing Director Options

8.1 General

The Company has on issue 2,650,000 Options (CRSAF) with an exercise price of \$0.25 each and expiring on 28 November 2022 held by Directors (**Director Options**), the terms of which contemplate exercise in a traditional manner, being the payment of the exercise price in cash with receipt of one new Share per Director Option exercised.

The Company is proposing to vary the terms of the Director Options on issue, which remain unexercised (as of the date of this Notice), to include a cashless exercise mechanism (**Cashless Exercise Facility**) to provide the Directors the option to use the Cashless Exercise Facility. To amend the terms of these Director Options to include this Cashless Exercise Facility, the Company is required to seek Shareholder approval under Listing Rule 6.23.4.

The Cashless Exercise Facility will enable the Directors to set-off the exercise cost of their Director Options against the number of Shares which they are entitled to receive upon the exercise of their Director Options. The Director Options may still be exercised in the traditional manner.

The Director Options, the subject of this Resolution 5, were all issued under the Company's initial public offering in December 2018, which did not allow or contemplate for cashless exercise.

If a Director elects to use the Cashless Exercise Facility, the Director will only be entitled to that number of Shares (rounded down to the nearest whole number) as are equal in value to the difference between the exercise price otherwise payable for the Director Options and the market value of the Shares at the time of exercise. The market value will be based on the 5-

day VWAP of the Company's Shares prior to the notice of exercise being given by the Director, unless otherwise determined by the Board at its sole discretion.

Expressed as formula, the number of Shares that a Director is entitled to when using the Cashless Exercise Facility will be determined in the following manner:

Shares received = A x Number of Director Options Exercised

Where:

A = B - Exercise price per Director Option

В

B = VWAP of Shares on the ASX over the 5 trading days prior to notice of exercise, unless otherwise determined by the Board.

8.2 Worked example

The example below has been provided to demonstrate the difference between the traditional exercise and the Cashless Exercise Facility:

- (i) 500,000 Director Options to be exercised;
- (ii) Exercise price of \$0.25 per Director Option; and
- (iii) Market value of each Share ("B") = \$0.40.

	Traditional Exercise Cashless Exercise I	
Total exercise price	\$125,000 (500,000 x \$0.25)	-
"A"	- (0.40 – 0.25)/0.40 =	
Shares received	500,000	187,500 (0.375 x 500,000)
Value of Shares	\$200,000 (500,000 x \$0.35)	\$75,000 (187,500 x \$0.40)
Net position	\$75,000 (\$200,000 - \$125,000)	\$75,000

8.3 Effect of proposed amendment to Director Option terms

The proposed Cashless Exercise Facility will only affect the manner in which the Director Options are exercised. It will not change the entitlements of the Directors.

In addition, as demonstrated by the worked example above, the net position of an optionholder is the same irrespective of whether their Director Options are exercised in a traditional manner or by using the Cashless Exercise Facility.

There are a number of benefits in offering a cashless exercise alternative including, for example:

- it limits dilution to existing Shareholders as fewer Shares are issued under the Cashless Exercise Facility;
- (ii) it makes exercising the Director Options a more attractive prospect for the Director, who may otherwise not have the necessary funds available to fund the exercise in a traditional manner; and
- (iii) it makes retention of the Shares issued on exercise more attractive as the Director would not need to sell all or part of the Shares to recoup the monies paid to exercise the Director Options.

Whilst less cash would be received by the Company where the Cashless Exercise Facility is used, this is not seen as a material consideration as the Director Options were issued principally to provide reasonable remuneration for the Director, and also to assist in attracting, incentivising and rewarding the Company's Directors. For completeness, the Company wishes to advise Shareholders that if all the affected Director Options were exercised in traditional manner, the Company would raise approximately \$662,500.

Whilst there is no certainty that any or all of the Director Options will vest or otherwise be exercised, if Shareholders approve this Resolution 5 and all of the Directors elect to exercise their Director Options via the Cashless Exercise Facility, the Company will not be raising any funds up to the maximum potential amount noted above. The Company notes that at the date of this Notice, the Share price is above the exercise price of all Director Options currently on issue.

8.4 Listing Rule 6.23.4

Shareholder approval is being sought to approve the amendment to the terms and conditions of the Director Options already on issue as at the date of this Notice in accordance with the requirements of Listing Rule 6.23.4.

Listing Rule 6.23.4 provides that a change to the terms of existing Director Options, which is not prohibited under Listing Rule 6.23.3, can only be made if Shareholders approve the change. The proposed amendments to the terms and conditions of the Director Options, would not have the effect of reducing the exercise price, increasing the period for exercise or increasing the number of securities received on exercise, which are prohibited by Listing Rule 6.23.3.

If Resolution 5 is passed, the Company will be able to proceed with the amendments to the terms and conditions of the Director Options.

If Resolution 5 is not passed, the Company will not be able to proceed with the amendments to the terms and conditions of the Director Options and the Directors will be required to make payment of the exercise price to exercise the Director Options.

8.5 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 proposed amendment to the terms of the Director Options will result in the giving of a financial benefit and the Directors are related parties of the Company by virtue of being Directors.

The Board considers that approval pursuant to Chapter 2E of the Corporations Act is not required in respect of the proposed amendment to the terms of the Director Options, as the amendment falls within the arm's length exception on the basis that the proposed variation to the terms does not offer any more of an economic benefit to a related party than any other Option holder of the Company, as there is no difference to the net benefit obtained from the exercise of the Director Options by accepting the offer to use the Cashless Exercise Facility.

For the reasons set out above, the Company will not seek Shareholder approval pursuant to section 208 of the Corporations Act and Shareholders are being asked to approve the variation of the terms of the Options to permit the Cashless Exercise Facility in accordance with Listing Rule 6.23.4.

8.6 Board Recommendation

Resolution 5 is an ordinary resolution.

The Board (other than Messrs Church and Patrizi who have a personal interest in Resolution 5) recommends that Shareholders should vote in favour Resolution 5.

9. Resolution 6 – Approval to issue Incentive Options to Directors

9.1 General

The Company is seeking Shareholder approval pursuant to Listing Rule 10.11 for the issue of Options to Directors (or their nominees) as follows:

- (a) up to 1,000,000 Options to David Church;
- (b) up to 1,000,000 Options to Scott Patrizi;
- (c) up to 1,000,000 Options to Victor Michael Caruso; and
- (d) up to 1,000,000 Options to Adam Miethke,

(collectively, the Incentive Options)

The Company is in an important stage of development with significant opportunities and challenges in both the near and long-term, and the proposed issue seeks to align 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 Incentive Options is a prudent means of conserving the Company's available cash reserves. The Board believes it is important to offer these Incentive Options to continue to attract and maintain highly experienced and gualified Board members in a competitive market.

The resolutions which form part of Resolution 6 seek the approval of Shareholders pursuant to Listing Rule 10.11 for the issue of Incentive Options to David Church, Scott Patrizi, Victor Michael Caruso and Adam Miethke (or their respective nominees).

9.2 **Listing Rule 10.11**

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

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

unless it obtains the approval of its shareholders.

Messrs Church, Patrizi, Caruso and Miethke are related parties of the Company by virtue of being Directors. As the issue involves the issue of Options to a related party of the Company, Shareholder approval pursuant to Listing Rule 10.11 is required unless an exception applies. It is the view of the Board that the exceptions in Listing Rule 10.12 do not apply in the current circumstances.

Approval pursuant to Listing Rule 7.1 is not required for the issue of Incentive Options as approval is being obtained under Listing Rule 10.11. Accordingly, the issue of the Incentive Options will not be included in the use of the Company's 15% annual placement capacity pursuant to Listing Rule 7.1.

If Resolution 6(a), (b), (c) and (d) is passed, the Company will be able to proceed with the issue of Incentive Options to Messrs Church, Patrizi, Caruso and Miethke (or their respective nominees) in the proportions set out in Section 9.1.

If Resolution 6(a), (b), (c) and (d) is not passed, the Company will not be able to proceed with the issue of Incentive Options to Messrs Church, Patrizi, Caruso and Miethke (or their respective nominees) and the Company will consider other forms of performance-based remuneration.

9.3 Specific information required by Listing Rule 10.13

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

- (a) The Incentive Options will be issued to David Church, Scott Patrizi, Victor Michael Caruso and Adam Miethke (or their respective nominees).
- (b) Messrs Church, Patrizi, Caruso and Miethke are related parties of the Company by virtue of being Directors and fall into the category stipulated by Listing Rule 10.11.1.
- (c) Up to a total of 4,000,000 Incentive Options are proposed to be issued, as follows:
 - (i) up to 1,000,000 Options to David Church (or his nominees);
 - (ii) up to 1,000,000 Options to Scott Patrizi (or his nominees);
 - (iii) up to 1,000,000 Options to Victor Michael Caruso (or his nominees); and
 - (iv) up to 1,000,000 Options to Adam Miethke (or his nominees).
- (d) The Incentive Options will have an exercise price calculated at 143% of the Share price on the day prior to the date of issue with an expiry date of 3 years from the date of issue and otherwise will be issued on the terms and conditions as set out in Schedule 2.
- (e) The Incentive Options will be issued no later than one month after the date of the Meeting.
- (f) The issue is intended to incentivise the Directors. As such, the Incentive Options will be issued for nil consideration as they will be issued as part of the Directors' remuneration package. Accordingly no funds will be raised as a result of the issue.
- (g) The Directors' current total remuneration package is as follows:

Director	Annual salary and fees exclusive of superannuation
David Church	\$60,000
Scott Patrizi	\$120,000
Victor Michael Caruso	\$40,000
Adam Miethke	\$40,000

- (h) The Incentive Options will not be issued pursuant to an agreement.
- (i) A voting exclusion statement is included in this Notice.

9.4 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 issue of Incentive Options will result in the giving of a financial benefit and the Directors 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 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 Options proposed to be issued to the Directors pursuant to each of the resolutions which form part of Resolution 6.

9.5 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 Options:

(a) Identity of the related parties to whom Resolution 6(a) to (d) (inclusive) permit financial benefits to be given

The Incentive Options will be issued to Messrs Church, Patrizi, Caruso and Miethke or their respective nominees.

(b) Nature of the financial benefit

Resolution 6(a) to (d) (inclusive) seek approval from Shareholders to allow the Company to issue the Incentive Options in the amounts specified in Section 9.1 above to the Directors or their nominees. The Incentive Options are to be issued on the terms and conditions in Schedule 2.

The Shares to be issued upon conversion of the Incentive Options 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

Using a Black Scholes valuation model, the Company's valuation of the Incentive Options is in Schedule 3, with a summary for each Director below:

Directors	Value of Incentive Options
David Church	\$299,500
Scott Patrizi	\$299,500
Victor Michael Caruso	\$299,500
Adam Miethke	\$299,500

(d) Remuneration of Directors

The total annual remuneration arrangements current for each Director as at the date of this Notice is in Section 9.3(g) above.

(e) Existing relevant interests

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

Directors	Shares	Unquoted Options
David Church ¹	662,267	325,000
Scott Patrizi ¹	363,141	2,000,000
Victor Michael Caruso	11,557,543	325,000
Adam Miethke	1,894,445	Nil

Note:

1. Options exercisable at \$0.25 each and expiring on or before 28 November 2022.

Assuming that each of the resolutions which form part of Resolution 6 are approved by Shareholders, all of the Incentive Options are issued 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 Church's interest would represent approximately 2.37% of the Company's expanded capital;
- (ii) Mr Patrizi's interest would represent approximately 1.94% of the Company's expanded capital;
- (iii) Mr Caruso's interest would represent approximately 17.92% of the Company's expanded capital; and

(iv) Mr Miethke interest would represent approximately 4.13% 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: \$0.505 per Share on 21 and 23 October 2020

Lowest: \$0.10 per Share on 8, 14 and 20 April 2020

The latest available closing market sale price of the Shares on ASX prior to the date of this Notice was \$0.40 per Share on 30 October 2020.

(g) Dilution

The issue of the Incentive Options will have a diluting effect on the percentage interest of existing Shareholders' holdings if the Incentive Options vest and are exercised. The potential dilution effect is 5.71%, assuming the current Share capital structure as at the date of this Notice (being 66,088,337 Shares on 30 October 2020) and that no Shares are issued other than the Shares issued on exercise of the Incentive Options. The exercise of all of the Incentive Options will result in a total dilution of all other Shareholders' holdings of 5.32% on a fully diluted basis (assuming that all Options are exercised). The actual dilution will depend on the extent that additional Shares are issued by the Company.

(h) Corporate governance

Scott Patrizi is an executive director of the Company and therefore the Board believes that the grant of the Incentive Options is in line with Recommendation 8.2 of the 3rd and 4th editions of the ASX Corporate Governance Council's Corporate Governance Principles and Recommendations.

The Board acknowledges the grant of the Incentive Options to the non-executive Directors, Messrs Church, Caruso and Miethke is contrary to Recommendation 8.2 of the 3rd and 4th editions of the ASX Corporate Governance Council's Corporate Governance Principles and Recommendations. However, the Board considers the grant of Incentive Options to the non-executive Directors reasonable in the circumstances.

(i) Taxation consequences

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

(j) Director recommendations

The Directors decline to make a recommendation to Shareholders in relation to Resolution 6(a) to (d) (inclusive) due to their material personal interests in the outcome of the Resolutions.

(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 6(a) to (d) (inclusive).

9.6 Board Recommendation

Each of the resolutions comprising Resolution 6 are ordinary resolutions.

The Board declines to make a recommendation as to how Shareholders should vote in relation to Resolution 6 as each of the Directors have a personal interest in the resolutions which form part of Resolution 6.

Schedule 1 Definitions

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

\$ or A\$ means Australian Dollars.

10% Placement Facility has the meaning given in Section 7.1.

10% Placement Period has the meaning given in Section 7.2(f).

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.

Cashless Exercise

Facility

has the meaning given in Section 8.1.

Chair means the person appointed to chair the Meeting of the Company

convened by the Notice.

Closely Related Party means:

(a) a spouse or child of the member; or

(b) has the meaning given in section 9 of the Corporations Act.

Company means Caprice Resources Limited (ACN 624 970 725).

Constitution means the constitution of the Company as at the date of the Meeting.

Corporations Act means the Corporations Act 2001 (Cth) as amended or modified from

time to time.

Director means a director of the Company.

Director Options means the 2,650,000 Options issued to Directors under the Company's

initial public offer, the subject of Resolution 5.

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.

Incentive Options means the issue of up to 4,000,000 Options to Messrs Church, Patrizi,

Caruso and Miethke (or their respective nominees), the subject of

Resolution 6(a) to (d) (inclusive).

Key Management Personnel has the same meaning as in the accounting standards issued by the Australian Accounting Standards Board and means those persons having authority and responsibility for planning, directing and controlling the activities of the Company, or if the Company is part of a consolidated entity, of the consolidated entity, directly or indirectly, including any Director (whether executive or otherwise) of the Company, or if the Company is part of a consolidated entity, of an entity within the

consolidated group.

Listing Rules means the listing rules of ASX.

Meeting has the meaning given in the introductory paragraph of the Notice.

Minimum Issue Price has the meaning given in Section 7.2(e).

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 and

Options).

Shareholder means the holder of a Share.

Strike means a 'no' vote of 25% or more on the resolution approving the

Remuneration Report.

VWAP means volume weighted average market price.

WST means Western Standard Time, being the time in Perth, Western

Australia.

Schedule 2 Terms and Conditions of Incentive Options

The terms of the Incentive 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): The Options have an exercise price calculated at 143% of the Company's share price on the day prior to issue of the Options (Exercise Price).
- 4. (**Expiry Date**): The Options expire at 5.00 pm (WST) on the date that is 3 years from the date of issue (**Expiry Date**). An Option not exercised before the Expiry Date will automatically lapse on the Expiry Date.
- 5. **(Exercise Period)**: The Options are exercisable at any time and from time to time on or prior to the Expiry Date.
- 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**): The Options may be exercised by notice in writing to the Company in the manner specified on the Option certificate (**Notice of Exercise**) and, subject to clause 9, 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.

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. (Cashless Exercise Facility):

If a holder elects to use the Cashless Exercise Facility, the holder will only be entitled to that number of Shares (rounded down to the nearest whole number) as are equal in value to the difference between the exercise price otherwise payable for the Options and the market value of the Shares at the time of exercise. The market value will be based on the 5-day VWAP of the Company's Shares prior to the notice of exercise being given by the holder, unless otherwise determined by the Board at its sole discretion.

Expressed as formula, the number of Shares that a holder is entitled to when using the Cashless Exercise Facility will be determined in the following manner:

Shares received = A x Number of Options Exercised

Where:

A = B - Exercise price per Option

В

- B = VWAP of Shares on the ASX over the 5 trading days prior to notice of exercise, unless otherwise determined by the Board.
- 10. (**Timing of issue of Shares on exercise**): Within 5 Business Days after the Exercise Date the Company will:
 - 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;
 - (b) if required, give ASX a notice that complies with section 708A(5)(e) of the Corporations Act; and
 - (c) 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.
- 11. (Restrictions on transfer of Shares): If the Company is required but unable to give ASX a notice under paragraph 9(b) above, 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.
- 12. **(Shares issued on exercise)**: Shares issued on exercise of the Options will rank equally with the then Shares of the Company.
- 13. (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.
- 14. (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.
- 15. (**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.
- 16. (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.

Schedule 3 Valuation of Incentive Options

The Incentive Options to be issued to the Directors pursuant to Resolution 6(a) to (d) (inclusive) have been valued according to the Black Scholes valuation model on the following assumptions:

Director	David Church	Scott Patrizi	Victor Michael Caruso	Adam Miethke
Incentive Options	1,000,000	1,0000,000	1,000,000	1,000,000
Assumed Share price at grant date	\$0.48	\$0.48	\$0.48	\$0.48
Exercise price	\$0.6864	\$0.6864	\$0.6864	\$0.6864
Market value on ASX of underlying Shares at time of setting exercise price	\$0.48	\$0.48	\$0.48	\$0.48
Exercise price premium to market value	\$0.2064	\$0.2064	\$0.2064	\$0.2064
Expiry period	3 years from the date of issue			
Expected volatility	115.37%	115.37%	115.37%	115.37%
Risk free interest rate	0.14%	0.14%	0.14%	0.14%
Annualised dividend yield	Nil	Nil	Nil	Nil
Value of each Incentive Options	\$0.2995	\$0.2995	\$0.2995	\$0.2995
Aggregate value of Incentive Options	\$299,500	\$299,500	\$299,500	\$299,500

Notes:

The valuations took into account the following matters:

- 1. The valuation of Incentive Options assumes that the exercise of a right does not affect the value of the underlying asset.
- 2. Given that the Incentive Options are to be issued for no cash consideration, the value of the Performance 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 \$0.48.
- 3. No consideration is to be paid upon exercising the Incentive Option



Caprice Resources Limited | ACN 624 970 725

Proxy Voting Form

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

Holder Number:

Your proxy voting instruction must be received by **9.30am (WST) on Saturday 28 November 2020,** being **not later than 48 hours** before the commencement of the Meeting. Any Proxy Voting instructions received after that time will not be valid for the scheduled Meeting.

SUBMIT YOUR PROXY

Complete the form overleaf in accordance with the instructions set out below. YOUR NAME AND ADDRESS

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

STEP 1 - APPOINT A PROXY

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

DEFAULT TO THE CHAIR OF THE MEETING

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

STEP 2 - VOTES ON ITEMS OF BUSINESS

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

APPOINTMENT OF SECOND PROXY

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

SIGNING INSTRUCTIONS

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

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

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

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

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

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

CORPORATE REPRESENTATIVES

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

Lodging your Proxy Voting Form:

Online:

Use your computer or smartphone to appoint a proxy at

https://investor.automic.com.au/#/loginsah or scan the QR code below using your smartphone

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



BY MAIL:

Automic GPO Box 5193 Sydney NSW 2001

IN PERSON:

Automic Level 5, 126 Phillip Street Sydney NSW 2000

BY EMAIL:

 $\underline{meetings@automicgroup.com.au}$

BY FACSIMILE:

+61 2 8583 3040

All enquiries to Automic:

WEBCHAT: https://automicgroup.com.au/

PHONE: 1300 288 664 (Within Australia) +61 2 9698 5414 (Overseas)

STEP 1 - How to vote	
APPOINT A PROXY: I/We being a Shareholder entitled to attend and vote at the Annual General Meeting of Caprice Resources (WST) on Monday 30 November 2020 at the offices of the Company, at Level 1, 3 Ord Street, West Perth,	*
Appoint the Chair of the Meeting (Chair) OR if you are not appointing the Chair of the Meeting as your provided below the name of the person or body corporate you are appointing as your proxy or failing t person is named, the Chair, or the Chair's nominee, to vote in accordance with the following directions, or, if and subject to the relevant laws as the proxy sees fit and at any adjournment thereof.	the person so named or, if no
The Chair intends to vote undirected proxies in favour of all Resolutions in which the Chair is entitled to volumess indicated otherwise by ticking the "for"," against" or "abstain" box you will be authorising the Chair is Chair's voting intention. AUTHORITY FOR CHAIR TO VOTE UNDIRECTED PROXIES ON REMUNERATION RELATED RESOLUTIONS: Where I/we have appointed the Chair as my/our proxy (or where the Chair becomes my/our proxy by default Chair to exercise my/our proxy on Resolutions 1, 5 and 6a-d (inclusive) (except where I/we have indicate below) even though Resolutions 1, 5 and 6a-d (inclusive) are connected directly or indirectly with the remune Management Personnel, which includes the Chair.	to vote in accordance with the IS It), I/we expressly authorise the ted a different voting intention
STEP 2 – Your voting direction	
Resolutions	For Against Abstain
1. Remuneration Report	
2. Election of Director – Victor Michael (Mick) Caruso	
3. Election of Director – Adam Miethke	
4. Approval of 10% Placement Facility	
5. Approval to amend terms of existing Director Options	
6a. Approval to issue Incentive Options to Directors — David Church	
6b. Approval to issue Incentive Options to Directors – Scott Patrizi	
6c. Approval to issue Incentive Options to Directors — Victor Michael Caruso	
6d. Approval to issue Incentive Options to Directors — Adam Miethke	
STEP 3 – Signatures and contact details	
Individual or Securityholder 1 Securityholder 2 Securityholder 3 Sole Director and Sole Company Secretary Contact Name: Director Director Director Director / Company Secretary	
Email Address: Contact Daytime Telephone Date (DD/MM/YY)]/

By providing your email address, you elect to receive all of your communications despatched by the Company electronically (where legally permissible).