



RESOURCE MINING CORPORATION LIMITED
ABN 97 008 045 083

NOTICE OF ANNUAL GENERAL MEETING
AND EXPLANATORY MEMORANDUM TO SHAREHOLDERS

Notice is given that the Annual General Meeting of Shareholders of Resource Mining Corporation Limited ABN 97 008 045 083 (Company) will be held at:

PLACE: C/- BDO, 38 Station Street, Subiaco WA 6008

ON: Friday 11 December 2020 at 10.30am (WST)

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IMPORTANT INFORMATION

Your Vote is Important

The business of the Meeting affects your shareholding and your vote is important.

How to Vote

You may vote by attending the Meeting in person, by proxy or authorised representative.

Voting eligibility

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 9 December 2020.

Voting in Person

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

Voting by Proxy

To vote by proxy, please complete and sign the Proxy Form enclosed and return by the time and in accordance with the instructions set out on the Proxy Form.

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

- each member has a right to appoint a proxy;
- the proxy need not be a member of the Company; and
- a member who is entitled to cast 2 or more votes may appoint 2 proxies and may specify the proportion or number of votes each proxy is appointed to exercise. If the member appoints 2 proxies and the appointment does not specify the proportion or number of the member's votes, then in accordance with section 249X(3) of the Corporations Act, each proxy may exercise one-half of the votes.

Your proxy form is enclosed.

Please read this Notice and Explanatory Memorandum carefully.

If you are unable to attend the Annual General Meeting please complete and return the enclosed Proxy Form in accordance with the specified directions.

Sections 250BB and 250BC of the Corporations Act came into effect on 1 August 2011 and apply to voting by proxy on or after that date. Shareholders and their proxies should be aware of these changes to the Corporations Act, as they apply to this Annual General Meeting. Broadly, the sections mean that:

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

Further details are set out below.

Proxy vote if appointment specifies way to vote

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

- 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); and
- 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; and
- 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
- 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).

Transfer of non-chair proxy to chair in certain circumstances

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

- 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; and
- the appointed proxy is not the chair of the meeting; and
- at the meeting, a poll is duly demanded on the resolution; and
- either of the following applies:
 - the proxy is not recorded as attending the meeting;
 - 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.

BUSINESS OF THE MEETING

AGENDA

ORDINARY BUSINESS

1 Financial Reports

To receive and consider the financial report of the Company for the year ended 30 June 2020, together with the Directors' Report and the Auditor's Report as set out in the Annual Report.

2 Resolution 1 – Non Binding Resolution to adopt Remuneration Report

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

"That, for the purpose of section 250R(2) of the Corporations Act and for all other purposes, approval is given for the adoption of the Remuneration Report as contained in the Company's annual financial report for the financial year ended 30 June 2020."

Note: In accordance with section 250R(3) of the Corporations Act, this Resolution is advisory only and does not bind the Directors or the Company.

Voting Prohibition Statement:

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

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

However, a person (the **voter**) described above may cast a vote on this Resolution as a proxy if the vote is not cast on behalf of a person described above and either:

- (a) the voter is appointed as a proxy in 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:
 - (i) does not specify the way the proxy is to vote on this Resolution; and
 - (ii) expressly authorises the Chair to exercise the proxy even though this Resolution is connected directly or indirectly with the remuneration of a member of Key Management Personnel.

3 Resolution 2 – Re-election of William Mackenzie as a Director

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

"That, for the purposes of clause 13.2 of the Constitution, ASX Listing Rule 14.4 and for all other purposes, Mr William Mackenzie, a director, retires, and being eligible, is re-elected as a Director."

4 Resolution 3 – Approval to amend Convertible Notes held by Sinom (Hong Kong) Limited

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

"That, for the purposes of Listing Rule 10.11 and for all other purposes, the Convertible Notes held by Sinom (Hong Kong) Limited be amended on the terms set out the Explanatory Memorandum (including Annexure A)."

Voting exclusion statement:

The Company will disregard any votes cast in favour of resolution 3 by or on behalf of Sinom (Hong Kong) Limited and any associates of Sinom (Hong Kong) Limited. However, the Company need not disregard a vote if:

- it is cast by a person as proxy for a person who is entitled to vote, in accordance with the directions on the Proxy Form; or
- it is cast by the person chairing the meeting as proxy for a person who is entitled to vote, in accordance with the direction on the Proxy Form to vote as the proxy decides.

6 Resolution 4 – Approval of 7.1A Mandate

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

“That, pursuant to and in accordance with ASX Listing Rule 7.1A, and for all other purposes, Shareholders approve the future issue of the number of Equity Securities equal to 10% of the issued capital of the Company (at the time of issue) calculated in accordance with the formula prescribed in ASX Listing Rule 7.1A.2, and on the terms and conditions in the Explanatory Statement”.

7 Resolution 5 – Replacement of Constitution

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

“That, for the purposes of section 136(2) of the Corporations Act and for all other purposes, approval is given for the Company to repeal its existing Constitution and adopt a new constitution in its place in the form as signed by the chairman of the Meeting for identification purposes.”

8 Other Business

To transact any other business as may be brought before the Meeting in accordance with the Constitution of the Company, the Corporations Act, or otherwise.

Details of the definitions and abbreviations used in this Notice are set out in the Glossary to the Explanatory Memorandum.

By order of the Board

Amanda Sparks

Company Secretary

Dated: 9 November 2020

EXPLANATORY MEMORANDUM

This Explanatory Memorandum is intended to provide Shareholders with sufficient information to assess the merits of the Resolutions contained in the accompanying Notice of Annual General Meeting of the Company.

Certain abbreviations and other defined terms are used throughout this Explanatory Memorandum. Defined terms are generally identifiable by the use of an upper case first letter. Details of the definitions and abbreviations are set out in the Glossary to the Explanatory Memorandum.

1. FINANCIAL REPORTS

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

No resolution is required to be moved in respect of this item.

The Company’s 2020 Annual Report is available on the Company’s website (<http://www.resmin.com.au>).

2. RESOLUTION 1 – ADOPTION OF REMUNERATION REPORT

The Corporations Act requires that at a listed company’s annual general meeting, a resolution to shareholders that the remuneration report be adopted must be put to shareholders. However, such a resolution is advisory only and does not bind the Directors or the Company.

A reasonable opportunity will be provided for discussion of the Remuneration Report at the meeting.

The Remuneration Report sets out the Company’s remuneration arrangements for the directors and other key management of the Company. The Remuneration Report is part of the directors’ report contained in the annual financial report of the Company.

The Remuneration Report is set out in the Company's Annual Report which:

- outlines the Board's policy for determining the nature and amount of remuneration of Directors and other Key Management Personnel of the Company;
- discusses the relationship between the Board's remuneration policy and the Company's performance;
- details and explains any performance condition applicable to the remuneration of a Director or other Key Management Personnel;
- details the remuneration (including options if any) of each Director and other Key Management Personnel of the Company for the period; and
- summarises the terms of any contract under which any Director or other Key Management Personnel is engaged, including the period of notice required to terminate the contract and any termination payments provided for under the contract.

The current amounts payable to the Directors are:

	Base remuneration exclusive of statutory superannuation
William Mackenzie	\$50,000 per annum. Note: Mr Mackenzie's fees for the period July 2016 to June 2020 are unpaid.
Zhang Chi (Andy)	\$nil
Warwick Davies	\$14,400 per calendar month based on a minimum of 216 business days per annum plus \$100 per hour there-after. However, to assist in reducing costs, Mr Davies has not invoiced the minimum monthly amount, and instead charged his time at \$100/hour, which has resulted in a significantly lower monthly amount. Note: Mr Davies' fees for the period May 2015 to June 2020 are unpaid.

Voting

A company is required to put to its shareholders a resolution proposing the calling of another meeting of shareholders to consider the appointment of directors of the company (Spill Resolution) if, at consecutive annual general meetings, at least 25% of the votes cast on a remuneration report resolution are voted against adoption of the remuneration report and at the first of those annual general meetings a Spill Resolution was not put to vote. If required, the Spill Resolution must be put to vote at the second of those annual general meetings.

If more than 50% of votes cast are in favour of the Spill Resolution, the company must convene a shareholder meeting (Spill Meeting) within 90 days of the second annual general meeting.

All of the directors of the company who were in office when the directors' report (as included in the company's annual financial report) for the previous financial year was approved, other than the managing director of the company, will cease to hold office immediately before the end of the Spill Meeting but may stand for re-election at the Spill Meeting.

Following the Spill Meeting those persons whose election or re-election as directors of the company is approved will be the directors of the company.

At the Company's previous annual general meeting the votes cast against the remuneration report considered at that annual general meeting were less than 25%. Accordingly, the Spill Resolution is not relevant for this Annual General Meeting.

3. RESOLUTION 2 – RE-ELECTION OF WILLIAM MACKENZIE AS A DIRECTOR

Pursuant to Clause 13.2 of the Company's Constitution, William Mackenzie, being a Director, retires by way of rotation and, being eligible, offers himself for re-election as a Director.

Mr Mackenzie was appointed as a director of the Company on 19 December 2008.

Mr Mackenzie is a mining engineer with over 35 years of experience in the resources sector with involvement in the assessment, development and operation of mineral projects both within Australia and overseas. Mr Mackenzie's experience has included direct operating, senior project management and executive roles with responsibility for business development, project and business unit management of various Australian and offshore ventures and from 2001 was Principal of a consulting group that provided specialised, independent technical and commercial advice to boards, banks and investors involved in the development of resources, energy and infrastructure projects worldwide. He served as a non-executive

Director of ASX listed OM Holdings Limited from 2005 till 2007 and as Managing Director of a privately owned diversified Australian resource development company from 2007 till 2013. Since 2015, he has been a director of the Australian subsidiary of a privately owned international investment group.

The Company advises the following:

- (a) the Board considers that Mr Mackenzie, who is a non-executive Director, is independent; and
- (b) the term of Mr Mackenzie's appointment will, in accordance with Clause 13.2 of the Company's Constitution, not exceed 3 years.

The Board of Directors recommend that Shareholders vote in favour of Resolution 2.

4. RESOLUTION 3 – APPROVAL TO AMEND CONVERTIBLE NOTES HELD BY SINOM (HONG KONG) LIMITED

Background:

Following receipt of Shareholder approval at the Company's 2014 annual general meeting (**2014 AGM**), the Company issued two Convertible Notes to Sinom (Hong Kong) Limited (**Sinom**)¹. At the time of issue of the Convertible Notes, the Company had an outstanding facility with Sinom, which was deemed to have been repaid upon issue of the Convertible Notes.

The Convertible Notes were each issued at an issue price of \$1,000,000 and each one convertible into 5,000,000 shares at a deemed conversion price of \$0.20 per Share. The Convertible Notes were issued on 3rd December 2014 and 23rd December 2014 respectively.

The Convertible Notes both matured on 14 October 2016. On 13 January 2017, Shareholders approved an extension of the period to redeem the notes to be 14 January 2019. On 29 November 2018, Shareholders approved an additional extension of the period to redeem the notes to be 14 January 2020. On 14 November 2019, Shareholders approved an additional extension of the period to redeem the notes to be 14 January 2021. The current terms of the Convertible Notes, after the amendments approved by Shareholders on 13 January 2017, 29 November 2018 and 14 November 2019 provide that:

- (a) subject to receipt of all necessary approvals (including any required Shareholder approval), the Convertible Notes are convertible within 51 months following the maturity date (ie: by 14 January 2021); and
- (b) if the approvals noted in (a) above are not obtained within 51 months following the maturity date (ie: by 14 January 2021), the Convertible Notes are redeemable on that date.

Sinom currently has voting power of 46.17%. Separate to the Convertible Notes, Sinom has made available to the Company interest free, unsecured advances with no fixed repayment date. As at the date of this Notice, \$1,221,087 is owing to Sinom. Sinom has confirmed to the Company that it will continue to provide financial support to the Group to meet its liabilities as and when they fall due and keep the Group's assets in good standing for the period to 30 September 2021.

Proposed amendments:

Subject to receipt of Shareholder approval, the Company and Sinom have agreed to extend the 51 month period noted in (a) and (b) above by another 12 months (ie: to 14 January 2022). Annexure A sets out the current terms of the Convertible Notes (sections 1 to 10) after amendments from prior years, with the proposed amendments shown in mark up (**Proposed Amendments**). Assuming Shareholders approve the Proposed Amendments, the Proposed Amendments will take effect at the close of the Meeting. The other terms of the Convertible Notes will remain unchanged, and include:

- (a) the Convertible Notes were issued at an issue price of \$1,000,000 for each note (two notes were issued);
- (b) no interest is payable on the Convertible Notes;
- (c) the Convertible Notes are unsecured; and
- (d) the Convertible Notes are convertible into 5,000,000 Shares each at a deemed conversion price of \$0.20 per Share.

¹ Sinom is controlled by Mr Zhang (Andy) Chi, a Director. Sinom is therefore a related party of the Company.

The Directors (in the absence of Mr Zhang Chi) consider the Proposed Amendments to be in the best interests of the Company as they will defer conversion or redemption of the Convertible Notes to a later date.

Listing Rule 14.7 and Listing Rule 10.11:

Listing Rule 14.7 provides that if a notice of meeting states something will be done in accordance with the Listing Rules then that thing must be done. The Convertible Notes were amended with Shareholder approval at the Company's General meeting on 13 January 2017, 29 November 2018 and 14 November 2019, which contemplated conversion or redemption of the Convertible Notes by 14 January 2021. The Proposed Amendments, if approved, mean the Convertible Notes may not be converted or redeemed until 14 January 2022.

Listing Rule 10.11 requires Shareholder approval by ordinary resolution for any issue of equity securities by a listed company to a related party. The Proposed Amendments to the Convertible Notes will not result in any new issue of securities.

The Company seeks Shareholder approval under Listing Rule 10.11 for the Proposed Amendments.

Pursuant to and in accordance with the requirements of ASX Listing Rule 10.13, the following information is provided:

- (e) the Convertible Notes were issued to Sinom. Sinom is controlled by Mr Zhang (Andy) Chi, a Director. Sinom is therefore a related party of the Company;
- (f) two Convertible Notes were issued to Sinom at an issue price of \$1,000,000 each. If the Convertible Notes are converted, up to a maximum of 5,000,000 Shares will be issued Sinom on conversion for each note;
- (g) the Convertible Notes were issued to Sinom on 3rd December 2014 and 23rd December 2014;
- (h) funds raised by the issue of the Convertible Notes were used to enable the Company to continue to develop the Wowo Gap Nickel Laterite Project; and
- (i) the key terms of the Convertible Notes are set out above and in Annexure A.

If approval is given under Listing Rule 10.11, approval is not required under Listing Rule 7.1.

Shareholders should note that the Chair intends to vote any undirected proxies in favour of Resolution 3. In exceptional circumstances, the Chair of the Meeting may change his voting intention on Resolution 3, in which case an ASX announcement will be made.

5. RESOLUTION 4 – APPROVAL OF 7.1A MANDATE

5.1 Introduction

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 securities it had on issue at the start of that period.

However, under Listing Rule 7.1A, an eligible entity may seek shareholder approval by way of a special resolution passed at its annual general meeting to increase this 15% limit by an extra 10% to 25% (7.1A Mandate).

An 'eligible entity' means an entity which is not included in the S&P/ASX 300 Index and has a market capitalisation of \$300,000,000 or less. The Company is an eligible entity for these purposes.

Resolution 4 seeks Shareholder approval by way of special resolution for the Company to have the additional 10% placement capacity provided for in Listing Rule 7.1A to issue Equity Securities without Shareholder approval.

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 under 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.

Resolution 4 is a special resolution. Accordingly, at least 75% of votes cast by Shareholders present and eligible to vote at the Meeting must be in favour of Resolution 7 for it to be passed.

5.2 Technical Information required by ASX Listing Rule 7.1A

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

(a) Period for which the 7.1A Mandate is valid

The 7.1A Mandate will commence on the date of the Meeting and expiring on the first to occur of the following:

- i. the date that is 12 months after the date of this Meeting;
- ii. the time and date of the Company's next annual general meeting; and
- iii. the time and date of approval by Shareholders of any transaction under Listing Rule 11.1.2 (a significant change in the nature or scale of activities) or Listing Rule 11.2 (disposal of the main undertaking).

(b) Minimum Issue Price

Any Equity Securities issued under the 7.1A Mandate must be in an existing quoted class of Equity Securities and be issued at a minimum price of 75% of the volume weighted average price of Equity Securities in that class, calculated over the 15 trading days on which trades in that class were recorded before:

- i. the date on which the price at which the Equity Securities are to be issued is agreed by the entity and the recipient of the Equity Securities; or
- ii. if the Equity Securities are not issued within 10 trading days of the date in Section 5.2(b)(i), the date on which the Equity Securities are issued.

(c) Use of funds raised under the 7.1A Mandate

The Company would use funds raised from issues of Equity Securities under the 7.1A Mandate towards exploration activities, the acquisition of new assets and general working capital.

(d) Risk of economic and voting dilution

Any issue of Equity Securities under the 10% Placement Capacity will have a dilutive effect on the interests of existing Shareholders who do not receive any Shares under the issue.

If this Resolution is approved by Shareholders and the Company issues the maximum number of Equity Securities available under the 10% Placement Capacity, the economic and voting dilution of existing Shares would be as shown in the table below.

The table below shows the dilution of existing Shareholders calculated in accordance with the formula outlined in ASX Listing Rule 7.1A(2), on the basis of the current market price of Shares and the current number of Equity Securities on issue as at 23 October 2020.

The table below also shows:

- (i) the hypothetical voting dilution impact where the number of Shares on issue (variable 'A' in the formula) changes. Specifically, the table shows three examples where variable 'A' has increased by 25%, 50% and 100%. These examples of a 25%, 50% and 100% increase in variable 'A' are provided as required under Listing Rule 7.3A.2. We note however that, even in the event Resolution 4 is passed, it is not possible for the Company to issue additional Shares in excess of 25% of its current issued capital without Shareholder approval, unless the Share issue is as a result of an issue that falls within an exemption within Listing Rule 7.2 (such as a pro rata entitlements issue or a share purchase plan); and
- (ii) the hypothetical economic dilution where there are changes in the issue price of Shares issued under the 10% Placement Capacity.

Table

Issued Share Capital (Number of Shares on issue – variable ‘A’ in Listing Rule 7.1A2)	50% decrease in current 50% decrease in current Market Price \$0.008		Current Market Price Current Market Price \$0.016		100% increase in 100% increase in current Market Price \$0.032	
	10% Voting Dilution	Capital Raised \$	10% Voting Dilution	Capital Raised \$	10% Voting Dilution	Capital Raised \$
Present Share Capital 296,267,347	29,626,735	237,014	29,626,735	474,028	29,626,735	948,056
50% Increase in Share Capital 444,401,021	44,440,102	355,521	44,440,102	711,042	44,440,102	1,422,083
100% Increase in share capital 592,534,694	59,253,469	474,028	59,253,469	948,056	59,253,469	1,896,111

Assumptions and explanations

- The current shares on issue are the Shares on issue as at the date of this Notice of Meeting.
- The issue price set out above is the closing price of the Shares on the ASX on 23 October 2020.
- The Company has not issued any Equity Securities in the 12 months prior to the Meeting that were not issued either under an exception in ASX Listing Rule 7.2 or with approval under ASX Listing Rule 7.1.
- 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 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%.
- The Company issues the maximum possible number of Equity Securities under the 10% Placement Capacity.
- The calculations above do not show the dilution that any one particular Shareholder will be subject to. All Shareholders should consider the dilution caused to their own shareholding depending on their specific circumstances.
- This table does not set out any dilution pursuant to approvals under ASX Listing Rule 7.1.
- 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 Capacity, based on that Shareholder’s holding at the date of the Meeting.

Shareholders should note that there is a specific risk that:

- (1) the market price for the Company’s Shares may be significantly lower on the date of the issue than it is on the date of the Meeting; and
- (2) the Shares may be issued at a price that is at a discount to the market price for those Shares on the issue date.

(e) Allocation under the 7.1A Mandate

The recipients of the Equity Securities to be issued under the 7.1A Mandate have not yet been determined. However, the recipients of Equity Securities could consist of current Shareholders or new investors (or both), none of whom will be related parties of the Company.

The Company will determine the recipients at the time of the issue under the 7.1A Mandate, having regard to the following factors:

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

(f) Previous approval under ASX Listing Rule 7.1A.

The Company has previously obtained Shareholder approval under ASX Listing Rule 7.1A at its annual general meeting held on 14 November 2019.

During the 12 month period preceding the date of this Meeting, the Company has not issued any securities.

(g) Compliance with ASX Listing Rules 7.1A.4 and 3.10.5A

When the Company issues Equity Securities pursuant to the 10% Placement Capacity, it must give to ASX a list of the recipients of the Equity Securities and the number of Equity Securities issued to each (not for release to the market), in accordance with ASX Listing Rule 7.1A.4.

6. RESOLUTION 5 – REPLACEMENT OF CONSTITUTION

6.1 General

A company may modify or repeal its constitution or a provision of its constitution by special resolution of Shareholders. Resolution 5 is a special resolution which will enable the Company to repeal its existing Constitution and adopt a new constitution (**Proposed Constitution**) which is of the type required for a listed public company limited by shares updated to ensure it reflects the current provisions of the Corporations Act and ASX Listing Rules.

This will incorporate any amendments to the Corporations Act and ASX Listing Rules since the current Constitution was last adopted in November 2006. The Directors believe that it is preferable in the circumstances to replace the existing Constitution with the Proposed Constitution rather than to amend a multitude of specific provisions. The Proposed Constitution is broadly consistent with the provisions of the existing Constitution. Many of the proposed changes are administrative or minor in nature. The Directors believe these amendments are not material nor will they have any significant impact on Shareholders. It is not practicable to list all of the changes to the Constitution in detail in this Explanatory Statement, however, a summary of the proposed material changes is set out below. A copy of the Proposed Constitution is available for review by Shareholders at the Company's website www.resmin.com.au and at the office of the Company. A copy of the Proposed Constitution can also be sent to Shareholders upon request to the Company Secretary (+61 8 6494 0025 or email: rmc@resmin.com.au). Shareholders are invited to contact the Company if they have any queries or concerns.

6.2 Summary of Material Proposed Changes

Restricted Securities (clause 2.12)

The Proposed Constitution complies with the recent changes to Listing Rule 15.12 which took effect from 1 December 2019. As a result of these changes, ASX will require certain more significant holders of restricted securities and their controllers (such as related parties, promoters, substantial holders, service providers and their associates) to execute a formal escrow agreement in the form Appendix 9A, as is currently the case. However, for less significant holdings (such as non-related parties and non-promoters), ASX will permit the Company to issue restriction notices to holders of restricted securities in the form of the new Appendix 9C advising them of the restriction rather than requiring signed restriction agreements.

Direct Voting (clause 13, specifically clauses 13.35 – 13.40)

The Proposed Constitution includes a new provision which allows Shareholders to exercise their voting rights through direct voting (in addition to exercising their existing rights to appoint a proxy). Direct voting is a mechanism by which Shareholders can vote directly on resolutions which are to be determined by poll. Votes cast by direct vote by a Shareholder are taken to have been cast on the poll as if the Shareholder had cast the votes on the poll at the meeting. In order for direct voting to be available, Directors must elect that votes can be cast via direct vote for all or any resolutions and determine the manner appropriate for the casting of direct votes. If such a determination is made by the Directors, the notice of meeting will include information on the application of direct voting.

Partial Takeover Plebiscites (clause 36)

A proportional takeover bid is a takeover bid where the offer made to each shareholder is only for a proportion of that shareholder's shares.

Pursuant to section 648G of the Corporations Act, the Company has included in the Proposed Constitution a provision whereby a proportional takeover bid for Shares may only proceed after the bid has been approved by a meeting of Shareholders held in accordance with the terms set out in the Corporations Act.

This clause of the Proposed Constitution will cease to have effect on the third anniversary of the date of the adoption of last renewal of the clause.

Information required by section 648G of the Corporations Act

- Effect of proposed proportional takeover provisions

Where offers have been made under a proportional off-market bid in respect of a class of securities in a company, the registration of a transfer giving effect to a contract resulting from the acceptance of an offer made under such a proportional off-market bid is prohibited unless and until a resolution to approve the proportional off-market bid is passed.

- Reasons for proportional takeover provisions

A proportional takeover bid may result in control of the Company changing without Shareholders having the opportunity to dispose of all their Shares. By making a partial bid, a bidder can obtain practical control of the Company by acquiring less than a majority interest. Shareholders are exposed to the risk of being left as a minority in the Company and the risk of the bidder being able to acquire control of the Company without payment of an adequate control premium. These amended provisions allow Shareholders to decide whether a proportional takeover bid is acceptable in principle, and assist in ensuring that any partial bid is appropriately priced.

- Knowledge of any acquisition proposals

As at the date of this Notice of Meeting, no Director is aware of any proposal by any person to acquire, or to increase the extent of, a substantial interest in the Company.

Potential advantages and disadvantages of proportional takeover provisions

The Directors consider that the proportional takeover provisions have no potential advantages or disadvantages for them and that they remain free to make a recommendation on whether an offer under a proportional takeover bid should be accepted.

The potential advantages of the proportional takeover provisions for Shareholders include:

- (a) the right to decide by majority vote whether an offer under a proportional takeover bid should proceed;
- (b) assisting in preventing Shareholders from being locked in as a minority;
- (c) increasing the bargaining power of Shareholders which may assist in ensuring that any proportional takeover bid is adequately priced; and
- (d) each individual Shareholder may better assess the likely outcome of the proportional takeover bid by knowing the view of the majority of Shareholders which may assist in deciding whether to accept or reject an offer under the takeover bid.

The potential disadvantages of the proportional takeover provisions for Shareholders include:

- (a) proportional takeover bids may be discouraged;
- (b) lost opportunity to sell a portion of their Shares at a premium; and

(c) the likelihood of a proportional takeover bid succeeding may be reduced.

- Recommendation of the Board

The Directors do not believe the potential disadvantages outweigh the potential advantages of adopting the proportional takeover provisions and as a result consider that the proportional takeover provision in the Proposed Constitution is in the interest of Shareholders and unanimously recommend that Shareholders vote in favour of Resolution 5.

RECOMMENDATIONS FOR ALL RESOLUTIONS

The Board believes that the Resolutions to be proposed at the Company's Annual General Meeting are in the best interests of the Company and unanimously recommends that Shareholders vote in favour of each Resolution.

ENQUIRIES

Shareholders are invited to contact the Company Secretary, Ms Amanda Sparks, on (08) 6494 0025 or rnc@resmin.com.au if they have any queries in respect of the matters set out in these documents.

GLOSSARY

\$ means Australian dollars.

7.1A Mandate has the meaning given in section 5 of the Explanatory Statement which accompanies the Notice.

Annual General Meeting or Meeting means the meeting convened by the Notice.

ASIC means the Australian Securities and Investments Commission.

ASX means ASX Limited (ACN 008 624 691) or the Australian Securities Exchange, as the context requires.

ASX Listing Rules means the Listing Rules of ASX.

Board means the current board of directors of the Company.

Business Day means Monday to Friday inclusive, except New Year's Day, Good Friday, Easter Monday, Christmas Day, Boxing Day, and any other day that ASX declares is not a business day.

Chair means the chair of the Meeting.

Closely Related Party of a member of the Key Management Personnel means:

- (a) a spouse or child of the member;
- (b) a child of the member's spouse;
- (c) a dependent of the member or the member's spouse;
- (d) anyone else who is one of the member's family and may be expected to influence the member, or be influenced by the member, in the member's dealing with the entity;
- (e) a company the member controls; or
- (f) a person prescribed by the *Corporations Regulations 2001 (Cth)*.

Company means Resource Mining Corporation Limited ABN 97 008 045 083.

Constitution means the Company's constitution.

Corporations Act means the Corporations Act 2001 (Cth).

Directors means the current directors of the Company.

Eligible Entity means an entity that, at the date of the relevant general meeting is not included in the S&P/ASX 300 Index; and has a maximum market capitalisation (excluding restricted securities and securities quoted on a deferred settlement basis) of \$300,000,000.

Equity Securities includes a Share, a right to a Share or Option, an Option, a convertible security and any security that ASX decides to classify as an Equity Security.

Explanatory Statement means the explanatory statement accompanying the Notice.

Key Management Personnel has the same meaning as in the accounting standards and broadly includes those persons having authority and responsibility for planning, directing and controlling the activities of the Company, directly or indirectly, including any director (whether executive or otherwise) of the Company.

Notice or Notice of Meeting means this notice of meeting including the Explanatory Statement and the Proxy Form.

Option means an option which enables the holder to subscribe for one Share.

Ordinary Securities has the meaning set out in the ASX Listing Rules.

Proxy Form means the proxy form accompanying the Notice.

Remuneration Report means the remuneration report set out in the Directors' Report of the Company's annual financial report for the period ended 30 June 2020.

Resolutions means the resolutions set out in the Notice, or any one of them, as the context requires.

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

Shareholder means a holder of a Share.

Variable A means "A" means as set out in the formula in Listing Rule 7.1A.2.

WST means Western Standard Time as observed in Perth, Western Australia.

ANNEXURE A

Facility and Note Deed: Schedule 2 - Note Terms

1 Form of note

1.1 Form

- (a) A Note is a direct unsubordinated unsecured debt obligation of the Company in certificated form, and will at all times rank pari passu in right of payment with all other existing and future unsecured and unsubordinated obligations of the Company (other than unsecured obligations preferred by mandatory provision of law), and senior in right of payment to all existing and future subordinated obligations of the Company.
- (b) A Certificate will be issued to the Lender in respect of a Note on receipt of the Subscription Amount.

1.2 Issue price and face value

A Note:

- (a) will be issued on the terms and conditions of the Deed including these Note Terms at an issue price of \$1,000,000;
- (b) has a face value of \$1,000,000; and
- (c) must be fully paid for on application.

2 Register

2.1 Establishment of Register

The Company will establish and maintain a Register of holders of Notes at a place determined by the Company.

2.2 Company to maintain Register

The Company must enter on the Register:

- (a) the name and address of the Lender;
- (b) the fact the Lender holds a Note;
- (c) the date the Note was issued; and
- (d) the face value and Maturity Date of the Note.

2.3 Register conclusive evidence

Entries in the Register in relation to a Note constitute conclusive evidence that the person entered as the Lender is the absolute owner of the Note, subject to correction for fraud or error. Except as required or permitted by law, the Company must treat the person entered on the Register as the absolute owner of the Note.

2.4 Certificate

Without affecting paragraph 2.3, the Company shall issue to the Lender a Certificate in relation to the Lender's holding.

2.5 Notices

Any notice regarding a Note will be sent to the registered address of the Lender as recorded in the Register.

2.6 Notice by Lender

The Lender may by notice to the Company appoint, and remove the appointment of, the Lender or another person to give notices on behalf of the Lender to the Company.

3 Status as creditors and subordination

- (a) Prior to Conversion, a Note:
 - (i) confers rights on the Lender as an unsecured creditor of the Company; and
 - (ii) does not confer on the Lender any right to attend or vote at general meetings of the Company (other than by reason of pre-existing rights to do so).
- (b) By accepting the issue of a Note the Lender:
 - (i) agrees to be bound by the Deed; and
 - (ii) acknowledges that it is an unsecured creditor of the Company and that the Note does not confer rights as a member of the Company.

4 Payments

4.1 Payment

All payments to be made by the Company in relation to a Note will be made:

- (a) after deduction of all withholdings and deductions required by law; and
- (b) by either:
 - (i) cheque mailed to the Lender at the address appearing in the Register; or
 - (ii) if the Lender nominates a bank account to the Company, by electronic bank transfer of cleared funds into that bank account.

4.2 Withholdings and deductions

If the Company or another person is required by law to make a deduction or withholding from a payment to the Lender, the Company must notify the Lender of such and pay the full amount of the deduction or withholding to the appropriate Government Agency under applicable law, and deliver the original receipts to the Lender promptly after receipt.

5 Replacement of Certificate

- (a) If any Certificate is lost, stolen, mutilated, defaced or destroyed it may be replaced at the registered office of the Company upon payment by the claimant of the expenses incurred in connection therewith and on such terms as to evidence, indemnity and security as the Company may reasonably require.
- (b) Mutilated or defaced Certificates must be surrendered before replacements will be issued.

6 Transfer of Notes

A Note may not be transferred.

7 Interest

No interest will be payable on a Note.

8 Redemption and Conversion

8.1 Early Conversion

- (a) The Lender may at any time after the issue of a Note and prior to the date 5 Business Days prior to the Maturity Date, provide the Company with a Conversion notice substantially in the form set out in Attachment E electing to Convert a Note.
- (b) If the Company receives a Conversion notice from the Lender under paragraph 8.1(a), the Company must use reasonable endeavours to procure any approvals required for Conversion or the issue of Shares on Conversion (including, without limitation, under the Corporations Act (including under item 7 section 611 of the Corporations Act) as soon as practicable, and in any event no later than 3 months after the date of receiving a Conversion notice from the Lender under clause 8.1(a).
- (c) Subject to receiving all approvals referred to in paragraph 8.1(b), or, if the Company determines that no approvals are required, the Company must, as soon as reasonably practicable after receipt of all approvals or making the determination (as the case may be):
 - (i) Convert the Note and allot to the Lender 5,000,000 Shares;
 - (ii) procure the entry of the Lender into the Company's register of members as the holder of 5,000,000 Shares;
 - (iii) procure the delivery to the Lender a holding statement showing the Lender as the holder of 5,000,000 Shares; and
 - (iv) release on ASX a disclosure document or a notice under sub-section 708A(5)(e) of the Corporations Act to enable the Shares to be freely tradable.
- (d) The Shares issued under this paragraph 8.1 will rank pari passu with the Shares on issue at Conversion.
- (e) If the approvals referred to in paragraph 8.1(b) have not been obtained by the date 3 months after the Lender provides a Conversion Notice to the Company under paragraph 8.1(a), the Note shall become incapable of being converted into Shares, and the Company shall redeem the Note by paying the Redemption Amount to the Lender in immediately available funds on the date 3 months after the Maturity Date.

8.2 Early redemption

- (a) The Company may, at any time after the issue of a Note and prior to the Maturity Date, redeem a Note by giving the Lender at least 3 Business Days' prior written notice and paying the Redemption Amount to the Lender in immediately available funds.
- (b) For the avoidance of doubt, the Lender may not elect to redeem a Note early and the Company is not required to redeem a Note early.

8.3 Redemption and Conversion at maturity

- (a) Unless a Note has been Converted or redeemed early in accordance with paragraph 8.1 or 8.2, the Company must use reasonable endeavours to obtain any approvals (including, without limitation, under the Corporations Act (including under item 7 section 611 of the Corporations Act), the ASX Listing Rules, the FATA or FIRB's foreign investment policy) for Conversion or the issue of Shares on Conversion, within ~~54 months~~ 63 months following the Maturity Date.
- (b) The Lender must provide reasonable assistance to the Company in relation to the preparation of any document which the Company is required to prepare or lodge for the purposes of obtaining all necessary approvals in accordance with paragraph 8.3(a).
- (c) Subject to receiving all approvals referred to in paragraph 8.3(a), or, if the Company determines that no approvals are required, the Company must, as soon as practicable after the approvals are obtained or after the determination that no approvals are required (as applicable):

- (i) Convert the Note and allot to the Lender 5,000,000 Shares;
 - (ii) procure the entry of the Lender into the Company's register of members as the holder of 5,000,000 Shares;
 - (iii) procure the delivery to the Lender a holding statement showing the Lender as the holder of 5,000,000 Shares; and
 - (iv) release on ASX a disclosure document or a notice under sub-section 708A(5)(e) of the Corporations Act to enable the Shares to be freely tradable.
- (d) The Shares issued under this paragraph 8.3 will rank pari passu with the Shares on issue at Conversion. Upon issue of the Shares, the Lender agrees to become a member of the Company and be bound by the terms of the Company's constitution.
- (e) If the approvals referred to in paragraph 8.3(a) have not been obtained by the date ~~54 months~~ 63 months after the Maturity Date, the Note shall become incapable of being converted into Shares, and the Company shall redeem the Note by paying the Redemption Amount to the Lender in immediately available funds on the date that is ~~54 months~~ 63 months following the Maturity Date.
- (f) Despite anything to the contrary contained in or implied by these Note Terms, it is a condition precedent to any right of the Lender to receive payment of any funds in respect of a Note or to obtain Shares on Conversion that all necessary authorisations (if any) and any other statutory requirements of the jurisdiction in which the Lender is resident which may then be in existence are obtained and satisfied at the cost of the Lender.
- (g) Unless:
- (i) Shareholders have approved Conversion of a Note in accordance with paragraph 8.3(a) and after all other approvals; or
 - (ii) a Note has been Converted,
- the Company may, at any time after the Maturity Date and prior to the date that is ~~54 months~~ 63 months following the Maturity Date, redeem a Note by paying the Redemption Amount to the Lender in immediately available funds.

9 Adjustments

Notwithstanding anything else in these Note Terms, if the Company reorganises its capital in any way while a Note is on issue, in respect of a Note, the number of Shares to be issued on Conversion to the Lender will be reorganised so that the Lender will not receive a benefit the holders of Shares do not receive and vice versa.

10 Voting Rights

The Note shall not provide for any voting rights at Shareholder meetings of the Company.

For the purposes of this Annexure A

ASX means ASX Limited ACN 008 624 691 or the Australian Securities Exchange operated by it (as the context requires).

ASX Listing Rules means the official listing rules of ASX.

Business Day means a day on which banks are open for business in Perth, Western Australia, excluding a Saturday, Sunday or public holiday.

Certificate means a convertible note.

Conversion means the conversion of a Note into Shares pursuant to paragraph 8 of the Note Terms and **Convert** and **Converted** has a corresponding meaning.

Conversion Price means \$0.20.

Corporations Act means *Corporations Act 2001* (Cth).

Deed means this facility and note Deed including the Note Terms.

Dollars, A\$ and \$ means the lawful currency of Australia.

FATA means the Foreign Acquisitions and Takeovers Act 1975.

FIRB means the Foreign Investment Review Board.

Government Agency means a government or any governmental, semi-governmental, legislative, administrative, fiscal, quasi-judicial or judicial entity, authority, department or other body, whether foreign, federal, State, Territorial or local (including any self-regulatory organisation established under statute or any stock exchange).

Lender means Sinom (Hong Kong) Limited.

Maturity Date means 14 October 2016.

Note means an unsecured convertible loan note to be issued by the Company under this Deed with the rights described in the Note Terms, title to which is recorded in and evidenced by an inscription in the Register.

Note Terms means the terms of the Notes described in Annexure A.

Redemption Amount means \$1,000,000 per Note.

Register means the register of noteholders to be kept under paragraph 2.1 of the Note Terms.

Shares means ordinary shares in the capital of the Company or any Successor Company (as the context requires).

Shareholders means the shareholders of the Company from time to time.

Subscription Amount means \$1,000,000 per Note.

Successor Company means a company that results from, or follows an acquisition, consolidation, amalgamation, merger or transfer of all or substantially all of the Shares, undertaking or assets of the Company to another corporation.

Resource Mining Corporation Limited

ABN 97 008 045 083

PROXY FORM

LODGE YOUR VOTE:

By Email: rmc@resmin.com.au

By Mail: PO Box 1404,
Kalamunda, 6926,
Western Australia

ANNUAL GENERAL MEETING

I/We

Address

being a Member of Resource Mining Corporation Limited entitled to attend and vote at the Annual General Meeting, hereby

Appoint

☐

OR

The
Chairman of
the Meeting

Name of proxy (**Please note:** Leave blank if you have selected the Chairman of the Annual General Meeting as your proxy.)

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 Resource Mining Corporation Limited to be held at BDO, 38 Station Street, Subiaco, Western Australia on **Friday 11 December 2020** at 10.30am (WST) 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 Resolution 1 (except where I/we have indicated a different voting intention below) even though Resolution 1 is 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 Resolution 1 by marking the appropriate box below.

The Chair intends to vote undirected proxies in favour of all Resolutions in which the Chairman is entitled to vote.

Voting on Business of the Annual General Meeting

	FOR	AGAINST	ABSTAIN
Ordinary Resolution 1- Adoption of Remuneration Report	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Ordinary Resolution 2- Re-election of William Mackenzie as a Director	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Ordinary Resolution 3- Approval to Amend Convertible Notes Held by Sinom (Hong Kong) Limited	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Special Resolution 4 - Approval of 7.1A Mandate	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Special Resolution 5 – Replacement of Constitution	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>

Please note: If you mark the abstain box for a particular Resolution, you are directing your proxy not to vote on that Resolution on a show of hands or on a poll and your votes will not be counted in computing the required majority on a poll.

If two proxies are being appointed, the proportion of voting rights this proxy represents is %.

Signature of Member(s) _____ Date: _____

Individual or Member 1

Sole Director/Company Secretary

Member 2

Director

Member 3

Director/Company Secretary

Contact Email: _____

Contact Ph (daytime): _____

Date: _____

VOTING INSTRUCTIONS

How to Vote on Items of Business

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

For your vote to be effective it must be received by 10.30am (WST) Wednesday, 9 December 2020

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.

A proxy need not be a securityholder of the Company.

Signing Instructions

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.

Attending the Meeting

Bring this form to assist registration. If a representative of a corporate securityholder or proxy is to attend the meeting you will need to provide the appropriate "Certificate of Appointment of Corporate Representative" prior to admission. A form of the certificate may be obtained from Computershare or online at www.investorcentre.com under the help tab, "Printable Forms".

Comments & Questions: If you have any comments or questions for the company, please write them on a separate sheet of paper and return with this form.