



**ODYSSEY ENERGY LIMITED
(PROPOSED TO BE RENAMED "ODYSSEY GOLD LIMITED")
ACN 116 151 636**

**NOTICE OF GENERAL MEETING
(CAPITAL REDUCTION NOTICE OF MEETING)**

***To consider a Capital Reduction and In-Specie Distribution of
shares in Peregrine Gold Limited to Shareholders***



**A General Meeting of the Company to be held at the Conference
Room, Ground Floor, 28 The Esplanade, Perth, Western Australia on
Friday, 11 December 2020 at 11:00 am (WST)**

The Notice and the accompanying Explanatory Memorandum should be read in its entirety. If Shareholders are in doubt as to how they should vote, they should seek advice from their accountant, solicitor or other professional adviser prior to voting.

Should you wish to discuss any matter please do not hesitate to contact the Company Secretary by telephone on +61 9322 6322

Shareholders are urged to vote by lodging the Proxy Form attached to the Notice.

ODYSSEY ENERGY LIMITED

ACN 116 151 636

NOTICE OF GENERAL MEETING

Notice is hereby given that the general meeting of shareholders of Odyssey Energy Limited (**Company**) will be held at the Conference Room, Ground Floor, 28 The Esplanade, Perth, Western Australia on Friday, 11 December 2020 at 11:00 am (WST) (**Meeting**).

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

While the Board would like to host all Shareholders in person, in order to minimise the risk to Shareholders and to the Company and its ongoing operations, the Company suggests that Shareholders do not attend the Meeting in person.

Accordingly, the Directors strongly encourage all Shareholders to lodge Proxy Forms prior to the Meeting. The Company advises that a poll will be conducted for the Resolution.

The Board will continue to monitor Australian Government restrictions on public gatherings. If it becomes necessary or appropriate to make alternative arrangements to those set out in this Notice, the Company will notify Shareholders accordingly via the Company's website at www.odysseyenergy.com.au and the ASX announcements platform.

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 regulations 7.11.37 and 7.11.38 of the *Corporations Regulations 2001* (Cth) that the persons eligible to vote at the Meeting are those who are registered as Shareholders on Wednesday, 9 December 2020 at 5:00 pm (WST).

Terms and abbreviations used in the Notice and the Explanatory Memorandum will, unless the context requires otherwise, have the meaning given to them in Schedule 1.

AGENDA

1. Resolution 1 – Approval for Capital Reduction and Distributions

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

"That, subject to the Acquisition Resolutions being passed or the inter-conditionality being waived by the Board, Shareholders approve for the purposes of sections 256B and 256C of the Corporations Act, Listing Rule 11.4 and for all other purposes, the issued share capital of the Company to be reduced by approximately \$6,550,609, with the reduction to be effected and satisfied by returning to Shareholders on a pro-rata basis, a cash distribution of \$0.01 for each Share and an in-specie distribution of Peregrine Securities (equating to \$0.01) for each Share held as at the Record Date, on the terms and conditions set out in the Explanatory Memorandum."

Voting Exclusion

The Company will disregard any votes cast in favour of this Resolution by or on behalf of Peregrine Gold Limited (and/or its nominees) and any other person who will obtain a material benefit as a result of the transaction (except a benefit solely by reason of being a holder of ordinary securities in the entity) or an associate of that person (or those persons).

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

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

BY ORDER OF THE BOARD



Gregory Swan
Company Secretary
Dated: 11 November 2020

ODYSSEY ENERGY LIMITED

ABN 73 116 151 636

EXPLANATORY MEMORANDUM

1. Introduction

This Explanatory Memorandum has been prepared for the information of Shareholders in connection with the business to be conducted at the Meeting.

This Explanatory Memorandum should be read in conjunction with and forms part of the Notice. The purpose of this Explanatory Memorandum is to provide information to Shareholders in deciding whether or not to pass the Resolution.

This Explanatory Memorandum includes the following information to assist Shareholders in deciding how to vote on the Resolution:

| | |
|--------------|---|
| Section 2: | Action to be taken by Shareholders |
| Section 3: | Inter-Conditional Resolutions |
| Section 4: | Overview of Capital Reduction and Distributions |
| Section 5: | Resolution 1 – Approval for Capital Reduction and Distributions |
| Schedule 1: | Definitions and Interpretation |
| Schedule 2: | Risk Factors |
| Schedule 3: | Terms and Conditions of Peregrine Options |
| Schedule 4: | Peregrine Pro-Forma Statement of Financial Position as at In-Specie Distribution Date |
| Schedule 5 : | Odyssey Pro-Forma Statement of Financial Position |

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

1.1 Purpose of this document

The main purpose of this document is to:

- (a) explain the terms of the Distributions, and the manner in which the Distributions (or parts of the Distributions) will be implemented (if approved); and
- (b) to provide such information as is prescribed or otherwise material to the decision of Shareholders whether or not to approve the Resolution required to give effect to the Distributions.

This document includes a statement of all the information known to the Company that is material to Shareholders in deciding how to vote on Resolution 1, as required by Section 256C(4) of the Corporations Act.

2. Action to be taken by Shareholders

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

2.1 Proxies

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

Please note that:

- (a) a proxy need not be a Shareholder;
- (b) a Shareholder may appoint a body corporate or an individual as its proxy;
- (c) a body corporate appointed as a Shareholder's proxy may appoint an individual as its representative to exercise any of the powers that the body corporate may exercise as the Shareholder's proxy; and
- (d) Shareholders entitled to cast two or more votes may appoint two proxies and may specify the proportion or number of votes each proxy is appointed to exercise, but where the proportion or number is not specified, each proxy may exercise half of the votes.

Proxy Forms must be received by the Company no later than 11:00 am (WST) on, Wednesday, 9 December 2020, being at least 48 hours before the Meeting.

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

2.2 Attendance at Meeting

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

While the Board would like to host all Shareholders in person, in order to minimise the risk to Shareholders and to the Company and its ongoing operations, the Company suggests that Shareholders do not attend the Meeting in person.

Accordingly, the Directors strongly encourage all Shareholders to lodge Proxy Forms prior to the Meeting. The Company advises that a poll will be conducted for the Resolution.

The Board will continue to monitor Australian Government restrictions on public gatherings. If it becomes necessary or appropriate to make alternative arrangements to those set out in this Notice, the Company will notify Shareholders accordingly via the Company's website at www.odysseyenergy.com.au and the ASX announcements platform.

3. Inter-Conditional Resolutions

Resolution 1 is conditional on the Acquisition Resolutions as described in the Acquisition Notice of Meeting being passed, meaning Resolution 1 will only take effect if the Acquisition Resolutions are approved by the requisite majority of Shareholders' votes at the Acquisition Meeting or the Board decides to waive the inter-conditionality of Resolution 1. The Board may, at its absolute discretion and subject to the Listing Rules and the Corporations Act, elect to waive the inter-conditionality of Resolution 1 in the event a particular Acquisition Resolution is not passed and the Board considers that it is in the best interests of Shareholders that the Capital Reduction and Distributions proceed.

For the avoidance of doubt, Resolutions 1 (Change to Nature and Scale of Activities) and Resolution 3 (Creation of a New Class of Shares (Performance Shares)) of the Acquisition Notice of Meeting will not be waived by the Board. These Resolutions must be passed by the requisite majority of Shareholders for the Capital Reduction and Distributions to proceed.

If any of the Acquisition Resolutions are not approved at the Meeting and/or the inter-conditionality is not waived by the Board, Resolution 1 will not take effect and the Capital Reduction and Distributions contemplated by Resolution 1 will not be completed.

Resolution 1 is conditional on the Acquisition Resolutions being approved by the requisite majority of Shareholders or the Board deciding to waive the inter-conditionality with the Acquisition Resolutions.

Please refer to the Acquisition Notice of Meeting for further information.

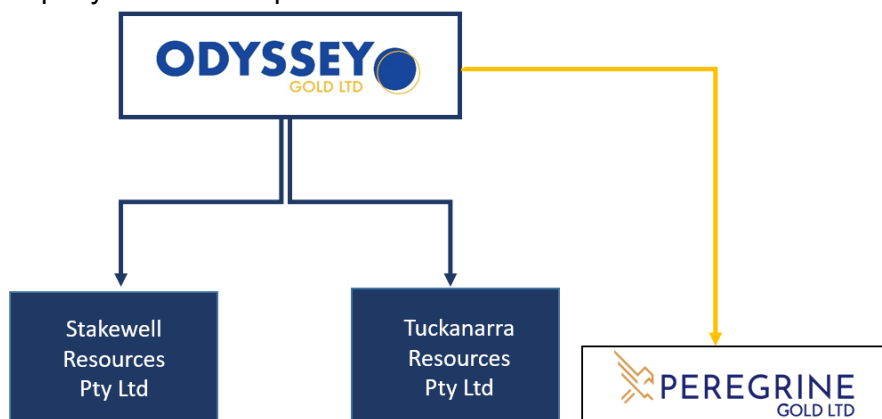
4. Overview of Capital Reduction and Distributions

4.1 Background to Odyssey

Odyssey Energy Limited (**Odyssey** or the **Company**) is an ASX listed, Australian based company that was previously in the oil and gas sector. However, as a result of its continued limited activities, ASX suspended the Company's Shares from trading with effect from 1 May 2019.

The Company has recently entered into binding agreements to acquire 80% interests in the Stakewell and Tuckanarra Projects in the Meekatharra-Cue region of Western Australia as it seeks to become an Australian based mineral resources company. Further information on the Stakewell and Tuckanarra Projects can be found in the Company's ASX Announcements dated 4 September 2020 and 22 October 2020 in addition to the Acquisition Notice of Meeting lodged on ASX on 11 November 2020.

The Company's current corporate structure is shown below:



4.2 Background to Acquisitions of Stakewell Project and Tuckanarra Project

(a) Stakewell Acquisition

On 4 September 2020, the Company announced that it had entered into a binding agreement to acquire an 80% interest in the Stakewell gold project (**Stakewell Project**) located in the Meekatharra-Cue region of Western Australia (**Stakewell Acquisition**).

In addition to the Stakewell Acquisition, the Company announced the following:

- the appointment of experienced mining executive, Mr Matthew Syme as an Executive Director of the Company;
- the appointments of Mr Levi Mochkin and Mr Robert Behets as Non-Executive Directors of the Company; and
- subject to Shareholder approval, a proposed change of name to Odyssey Gold Limited to be obtained at the Company's annual general meeting to be held on 24 November 2020.

The Stakewell Project consists of a mostly contiguous group of tenements situated approximately 50km north of Cue and 55km south of Meekatharra and is approximately 600km north-north east of Perth in the Murchison area of Western Australia. The tenement package comprises one exploration license, three miscellaneous licences and 10 prospecting licenses with an aggregate area of 88.6km². The Stakewell Project is adjacent to and accessed via the Great Northern Highway, which passes through the tenement package. The tenements also cover the historical Kohinoor gold mine (**Kohinoor**) which is situated only 1km from the highway and is in close proximity to several mills and a processing plant in the area.

Further information regarding the Stakewell Project is included in Schedule 2 to the Acquisition Notice of Meeting and in the ASX Announcement released on 4 September 2020, available on the Company's website and the ASX market announcements platform.

(b) Tuckanarra Acquisition

On 22 October 2020, the Company announced that it had entered into a binding agreement to acquire an 80% interest in the Tuckanarra gold project (**Tuckanarra Project**) located directly adjacent to the recently acquired Stakewell Project in the Murchison Goldfields of Western Australia (**Tuckanarra Acquisition**).

The Tuckanarra Project consists of one mining licence, two exploration licences and seven prospecting licences covering a total of 52km² located in the prolific Murchison district situated approximately 50km north of Cue and 55km south of Meekatharra and is approximately 600km north-north east of Perth in the Murchison area of Western Australia.

To complement and conditional on the Tuckanarra Acquisition, the Company has also agreed to increase its footprint in the area neighbouring the Tuckanarra Project by acquiring four adjacent tenement applications (**Tuckanarra Adjacent Tenements**) from a local prospector for \$10,000 payable in cash or Shares (at the Company's election). It is intended that once granted, these tenements will form part of the Tuckanarra Project.

Further information regarding the Tuckanarra Project is included in Schedule 2 to the Acquisition Notice of Meeting and in the ASX Announcement released on 22 October 2020, available on the Company's website and the ASX market announcements platform.

4.3 Background to Capital Reduction and Distributions

On 4 November 2020, the Company announced that it is proposing to acquire, through its wholly owned subsidiary Peregrine Gold Limited (**Peregrine**), 100% of the shares in Pilbara Gold Exploration Pty Ltd (**PGE**) and is proposing, subject to Shareholder approval, to conduct an equal capital reduction to Shareholders equivalent to A\$0.02 per Share (**Capital Reduction**) (approximately \$6,550,609), via a cash distribution of \$0.01 per Share (**Cash Distribution**) and a pro rata in-specie distribution, equating to \$0.01 per Share, of shares in the Company's wholly owned subsidiary, Peregrine, on the basis of one Peregrine Share for every 20 Shares as at the Record Date, together with one free attaching Peregrine Option for every three Peregrine Shares received (**In-Specie Distribution**) (together with the Cash Distribution, the **Distributions**).

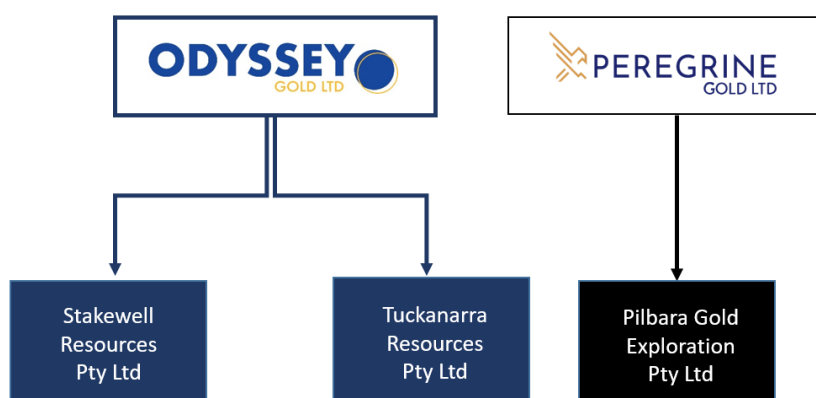
The Company's intention following recommencing trading on ASX and completion of the Capital Reduction and Distributions is to focus its efforts on developing the recently acquired Stakewell and Tuckanarra Projects in line with the Board's commitment to deliver value for Shareholders.

Peregrine will be a public unlisted company immediately following the Capital Reduction and Distributions. Peregrine will not be listed on ASX and will seek to satisfy the conditions to complete the acquisition of 100% of the shares in PGE and once acquired, focuses on the exploration and development of the Pilbara Gold Project.

Specifically, the Capital Reduction and Distributions are being undertaken to achieve the following objectives:

- (a) the Capital Reduction and Distributions will allow the Company to dedicate its efforts to its Stakewell and Tuckanarra Projects, in doing so remove the internal competition for valuable capital;
- (b) provide Shareholders with the opportunity to participate in the development of the Pilbara Gold Project (once acquired), whilst maintaining their investment exposure to the Stakewell and Tuckanarra Projects;
- (c) secure sufficient funding to allow the exploration warranted by the high prospectivity of the Pilbara Gold Project;
- (d) drive superior value for shareholders in both entities; and
- (e) enable both the Company and Peregrine to undertake more targeted marketing to investors as both companies have a clear and more easily understood investment proposition.

In the event that Resolution 1 is passed and the Conditions are satisfied, the restructure of Odyssey and Peregrine will result in the following structure:



Further information on the Pilbara Gold Project is included in Section 4.5.

(a) **Capital Reduction**

The Company seeks Shareholder approval under Resolution 1 to enable the Company to reduce its capital by approximately \$6,550,609, to be returned to Shareholders on a pro rata basis through the Cash Distribution and In-Specie Distribution of Peregrine Securities.

The Corporations Act and the Listing Rules set out the procedure and timing for a Capital Reduction. Refer to Section 4.15 for an indicative timetable in respect of the Capital Reduction.

The effect of the Capital Reduction

If the Capital Reduction is approved, the share capital and net assets of the Company will be reduced by approximately \$6,550,609.

A pro forma statement of financial position of the Company as at 30 June 2020 is contained in Schedule 5 which shows the financial impact of the Capital Reduction on the Company (assuming that no further Shares are issued).

The terms of the Capital Reduction are the same for each Eligible Shareholder. At the date of this Notice, the Company has 327,530,455 Shares on issue. No additional Shares will be issued as a result of the Capital Reduction. The Company will have 327,530,455 Shares on issue as at the Record Date.

The number of Shares held by Shareholders will not change, and Shareholders will retain their Shares in the Company following the Capital Reduction. However, if the Capital Reduction is implemented, the value of the Shares will be less than the value of the Shares held prior to the Capital Reduction because, after the Capital Reduction, the Company will not retain an interest in Peregrine and the cash held by Peregrine as described in Section 4.4. The decrease in book value is 2 cents per Share. The rights attaching to Shares will not be altered by the Capital Reduction.

Given the Capital Reduction is an equal reduction and the Company will still have positive net assets following the Capital Reduction, the Directors consider the Capital Reduction is fair and reasonable to Shareholders as a whole.

(b) **Distributions**

If Resolution 1 is passed and the Distributions are implemented, then:

- (i) **Cash Distribution:** Shareholders will receive a pro-rata cash distribution of \$0.01 per Share; and
- (ii) **In-Specie Distribution:** Eligible Shareholders will receive a pro rata distribution of one Peregrine Share for every 20 Shares held together with one free attaching Peregrine Option for every three Peregrine Shares transferred.

Fractional entitlements will be rounded down to the nearest whole number. Based on there being 327,530,455 Shares on issue on the Record Date, approximately 16,376,523 Peregrine Shares and 5,458,841 Peregrine Options would be distributed to Eligible Shareholders.

Overseas Shareholders, being Shareholders with a registered address outside of Australia, New Zealand, Germany, Panama, the United Kingdom, the United States and any other jurisdiction determined by the Company which is not prohibited and unduly

onerous or impractical to distribute Peregrine Securities, will not receive Peregrine Securities as described in Section 4.17.

Each Eligible Shareholder's name will be entered on the register of members of Peregrine with each Eligible Shareholder having deemed to have consented to becoming a Peregrine shareholder and being bound by its constitution. Eligible Shareholders will not be required to pay any consideration for the Peregrine Securities.

An Eligible Shareholder's entitlement to Peregrine Securities will be based on the number of Shares held at the Record Date. Eligible Shareholders will thereby retain direct ownership of the Company and will also receive direct ownership of Peregrine. Peregrine will leave the Odyssey Group (as indicated in the Figure above), with the intention of completing the acquisition of the Pilbara Gold Project and, subject to market conditions, seeking a listing on ASX.

The Distributions will only proceed if the Company obtains shareholder approval under the Corporations Act for the proposed Distributions.

If the Distributions do not proceed, the Company will not undertake the Pilbara Gold Acquisition.

4.4 Background to Peregrine

Peregrine is a public unlisted company incorporated on 30 September 2020 in Western Australia for the specific purpose of holding the Pilbara Gold Project.

Peregrine will not be listed on ASX immediately following the Capital Reduction and the Distributions and ongoing disclosure of information to shareholders will mostly be by shareholder updates communicated directly to shareholders and by statutory returns. If Peregrine is admitted to ASX, Peregrine will be subject to the ASX disclosure requirements. See Section 4.11 for further information.

The Company will subscribe for approximately \$3,275,304 worth of Peregrine Shares (at an issue price of \$0.20 per share) together with free attaching Peregrine Options, the amount being equal to the In-Specie Distribution amount applicable to all Shareholders. Accordingly, immediately following implementation of the Capital Reduction and Distributions, Peregrine will have approximately \$3,275,304 of cash at hand which will be its main asset together with its rights to acquire PGE under the Pilbara Gold Acquisition Agreement. Peregrine will only hold the Pilbara Gold Project upon completion of the Pilbara Gold Acquisition – see Sections 4.5 and 4.6 for further information.

In particular, Shareholders should be aware that the Pilbara Gold Acquisition is subject to a number of conditions precedent, including Peregrine completing a capital raising of between \$1.5 million to \$2.5 million at an issue price of \$0.20 per Peregrine Share and Peregrine obtaining conditional approval from ASX to be admitted to the Official List (subject to conditions satisfactory to Peregrine). Until the conditions to the Pilbara Gold Acquisition are satisfied, Peregrine will not hold the Pilbara Gold Project and its main asset will be its cash at hand.

4.5 Background of the Pilbara Gold Project

Peregrine has entered into a share purchase agreement whereby it will acquire 100% of Pilbara Gold Exploration Pty Ltd (**PGE**), which is the holder of, or has the contractual right to acquire, a suite of prospective gold tenements in the Pilbara region of Western Australia (**Pilbara Gold Project**) (**Pilbara Gold Acquisition**). The seven tenements comprising the Pilbara Gold Project are outlined as follows (together, the **Tenements**):

| Permit Number | Area (km ²) | Percentage Interest | Status |
|---------------|-------------------------|---------------------|-------------|
| E52/3783 | 165 | 100% | Granted |
| E52/3785 | 15 | 100% | Granted |
| E52/3786 | 21 | 100% | Granted |
| E52/3826 | 132 | 100% | Application |
| E52/3828 | 54 | 100% | Application |
| E52/3841 | 210 | 100% | Application |
| E52/3850 | 39 | 100% | Application |

The Pilbara Gold Project consists of seven exploration licences (three granted, four applications) covering a total of 636km² located on the Sylvania Inlier in the south west of the Pilbara region situated approximately 30km south of Newman and approximately 1,000km north-north east of Perth at the southern edge of the Hamersley area of Western Australia (Figure 1). The tenements are nearby Capricorn Metal Limited's (**Capricorn**) Karlawinda Gold Project (**Karlawinda**).

The tenement package comprises a number of early stage tenements prospective for gold that historically have been underexplored and/or have had a focus on other metals such as iron ore. The Company considers that the tenements contain a number of anomalies that have been largely overlooked and warrant further investigation.

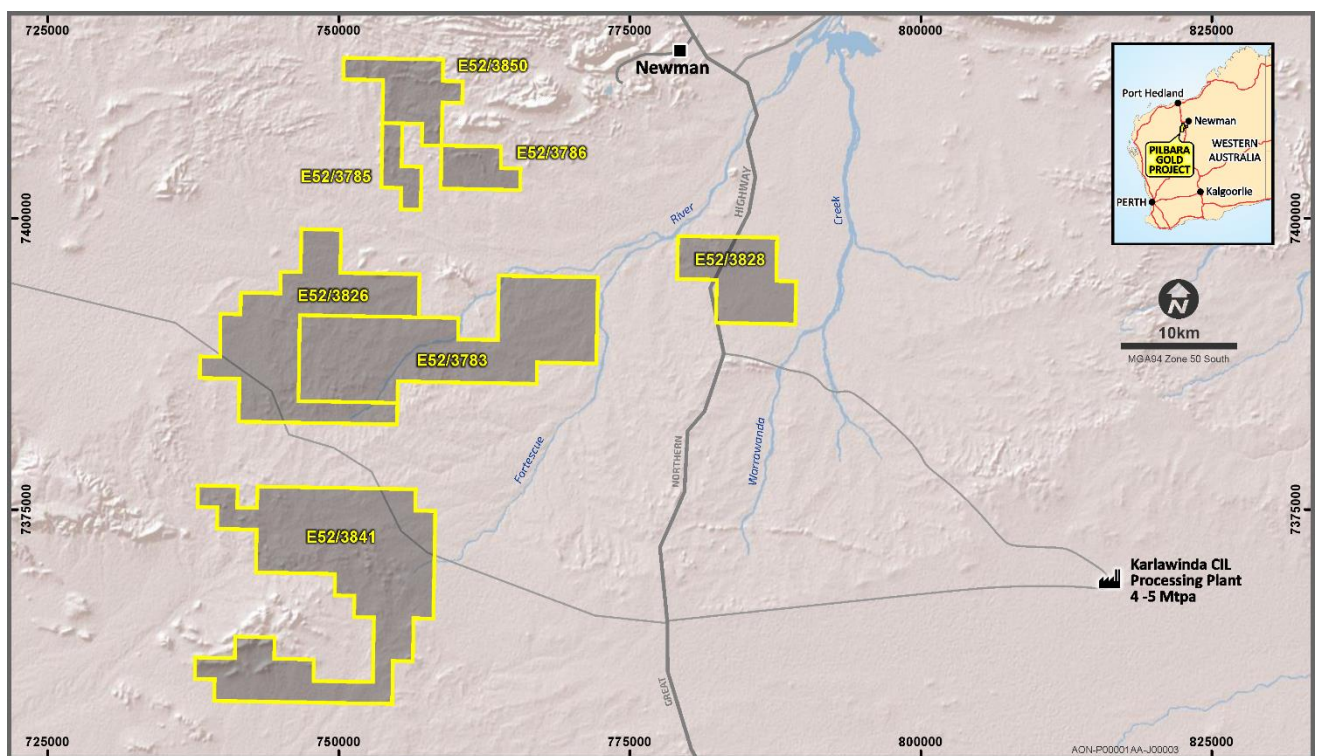


Figure 1: Location of Pilbara Gold Project Tenements.

Exploration History and Historical Production

The focus of previous exploration on the tenements and throughout the Pilbara dating back to the 1960's has been predominately for iron ore and to a lesser extent, base metals. There has been minimal exploration on the portfolio of tenements over the past decade with activities undertaken focusing on rock chip sampling, data compilation and desktop studies.

Deadman Flats in the southernmost area of the tenements which is host to a known in-situ gold occurrence has seen a number of early stage exploration programs however results remain to be followed up.

There has been no historical production on the tenements.

Local Geology and Mineralisation

The tenements partially overlap the southeast corner of the Pilbara Craton with Archaean granite and minor greenstone exposed in the Sylvania Inlier. The northern margin of this terrane is in tectonic contact with the Fortescue and Hamersley Groups that lie within the Hamersley Basin. In the south it is unconformably overlain by the Bresnahan and Bangemall basins that form the Bangemall Group. Gold deposits of significant scale occur in a variety of spatial and temporal settings.

The assembly of the Archaean to Proterozoic rock between the Pilbara and Yilgarn cratons is referred to as the Capricorn Orogen. Approximately 1,000km long and 500km wide, the damage zone of this orogen records this punctuated Proterozoic construction. It includes the deformed margins of these cratons as well as the continental margin rocks such as the Hamersley Basin, meta-igneous and metasedimentary rocks of the Gascoyne Complex and numerous low-grade sedimentary rocks such as the Bresnahan Basin.

Throughout the region there are numerous gold, base metal and rare earth element occurrences. Deposits of significance are observed within the boundaries of the Capricorn Orogen which include the nearby Bibra, Paulsons/Whyloo Dome, Plutonic, Ashburton Project and the DeGrussa copper gold-silver deposit.

Planned Exploration

Work planned to develop the targeting profile for the Pilbara Gold Project in the near term will include;

- (a) Reconnaissance stream sediment sampling in conjunction with soil and rock chip sampling across all tenements;
 - (i) focussing on all known greenstones and identifying additional greenstones and epithermal occurrences;
 - (ii) focusing on magnetic targets;
 - (iii) targeting silicified sandstone outcrop and testing persistence of sandstone unit along strike; targeting basal sedimentary units; and
- (b) If warranted, shallow air-core drilling on known areas of mineralisation.

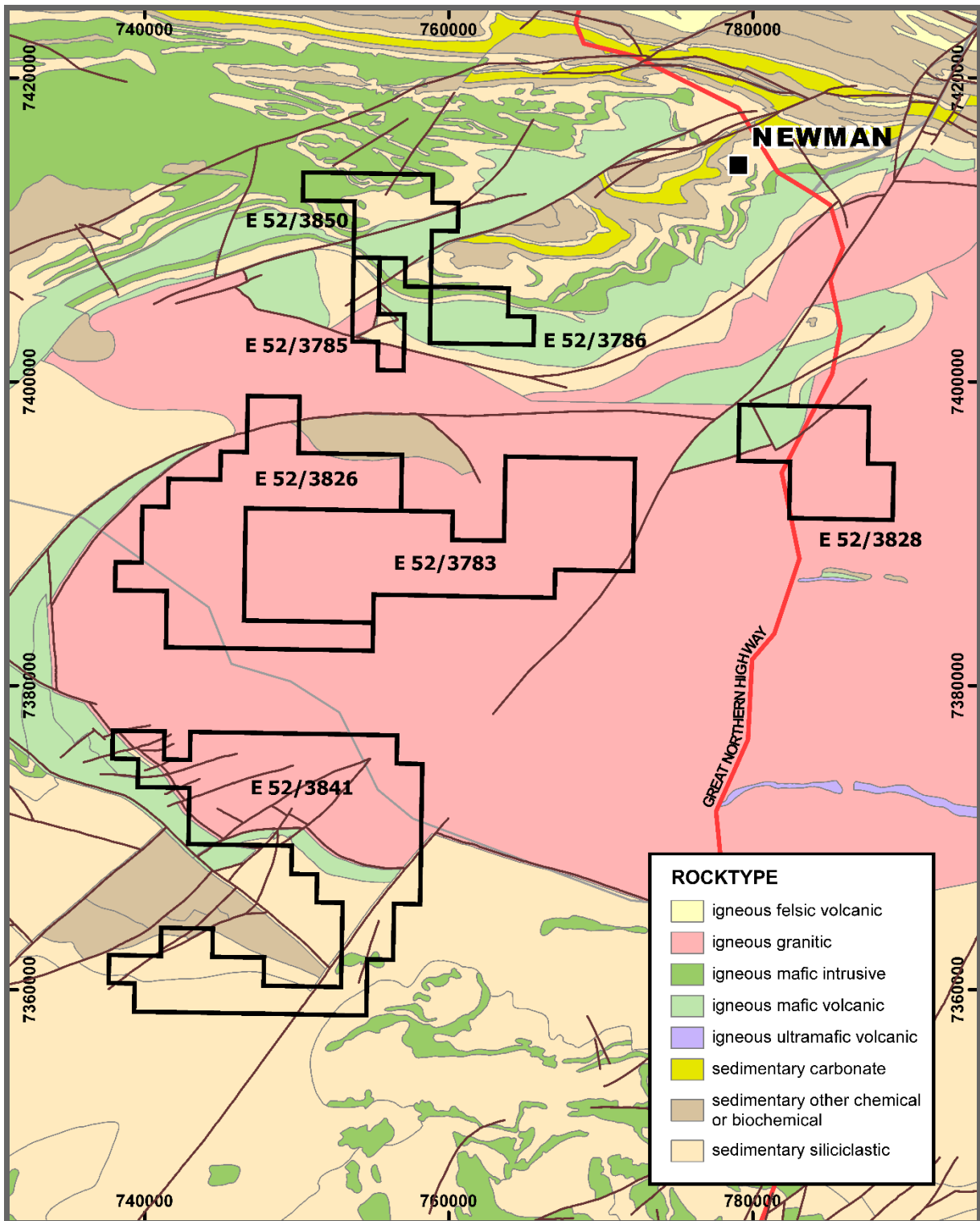


Figure 2: Pilbara Gold Project Tenements over background geology.

4.6 Material Contracts of Peregrine

A summary of Peregrine's material contracts is set out below:

(a) Pilbara Gold Acquisition Agreement

Peregrine has entered into a share purchase agreement whereby it will acquire 100% of Pilbara Gold Exploration Pty Ltd (**PGE**) which has a contractual right to acquire the Tenements. It is proposed that completion of Peregrine's acquisition of PGE and PGE's acquisition of the Tenements will occur on the same day so that Peregrine will own 100% of the shares in PGE which will in turn hold the Pilbara Gold Project.

The Pilbara Gold Acquisition is subject to condition precedents including (together, the **Conditions**):

- Regulatory Approval: the Company obtaining ASX and other regulatory approvals required in relation to the Pilbara Gold Acquisition;
- ASX Listing Approval: Peregrine obtaining conditional approval from ASX to be admitted to the Official List (subject to conditions satisfactory to Peregrine)
- Due Diligence: Peregrine completing due diligence on PGE subject to its satisfaction;
- Capital Raising: Peregrine successfully completing a capital raising of between \$1.5 million and \$2.5 million (inclusive) with an issue price of \$0.20 per share; and
- Shareholder Approval: Shareholders approving the Capital Reduction and In-Specie Distribution.

Consideration for the Pilbara Gold Acquisition is 8,500,000 Peregrine Shares which will be subject to a minimum 12 month voluntary escrow period, subject to any ASX imposed escrow requirements.

The share purchase agreement includes pre-completion obligations on PGE and standard representations and warranties.

Peregrine has agreed to issue Moore Australia (WA) Pty Ltd (or their nominees), who is an adviser for the Pilbara Acquisition, and not a related party to Odyssey or Peregrine, 1,000,000 incentive options in Peregrine, exercisable at \$0.20 per option and expiring 3 years from date of issue.

(b) Executive services agreement

Peregrine has entered into an executive services agreement with Bann Geological Services Pty (**Bann**), a company associated with proposed Director, Mr George Merhi (**Bann Agreement**).

Under the Bann Agreement, Mr Merhi is engaged by Peregrine to provide services to the Company as a Technical Director. Peregrine will remunerate Bann for its services with a remuneration package comprising the following:

- (i) an amount of AUD\$150 per hour plus GST or an amount of \$1,500 per day plus GST when field work services are provided;
- (ii) 1,000,000 unlisted Peregrine Incentive Options;
- (iii) An amount of AUD\$2,000 per month plus GST in respect of Bann's use of premises which it will provide including equipment and consumables; and

- (iv) reimbursement for reasonable expenses necessarily incurred by Bann in the performance of its services.

In addition, Mr Merhi is entitled to participate in Peregrine bonus and/or other incentive schemes that may be implemented in the future.

The Bann Agreement is for an indefinite term, and will continue until terminated by either Peregrine or Bann by the giving of one month's written notice of termination (or shorter period in limited circumstances).

(c) Non-Executive Director Letters of Appointment

Peregrine has entered into letters of appointment with the non-executive Chairman, Mr Ian Middlemas and non-executive Directors Mr Peter Woodman and Mr Mark Pearce.

Pursuant to these letter agreements, Peregrine has agreed to pay:

- (i) Mr Middlemas a director's fee of \$36,000 (plus statutory superannuation);
- (ii) Mr Woodman a director's fee of \$20,000 (plus statutory superannuation); and
- (iii) Mr Pearce a director's fee of \$20,000 (plus statutory superannuation).

(d) Deeds of indemnity, insurance and access

Peregrine has entered into deeds of indemnity, insurance and access with each of its directors and its company secretary. Under these deeds, Peregrine agrees to indemnify each officer to the extent permitted by the Corporations Act against any liability arising as a result of the officer acting as an officer of Peregrine or a related body corporate (subject to customary exceptions).

Peregrine is also required to maintain insurance policies for the benefit of the relevant officer and must also allow the officers to inspect board papers and other documents provided to the Peregrine Board in certain circumstances.

(e) Services Agreement with Apollo Group Pty Ltd

Apollo Group Pty Ltd (ACN 091 844 692) (**Apollo Group**), a company controlled by Mr Mark Pearce, Director of Peregrine, will provide corporate administration and company secretarial services, and serviced office facilities, to Peregrine under a services agreement (**Apollo Group Services Agreement**). Either party can terminate the Apollo Group Services Agreement at any time for any reason by giving one month's written notice.

Effective from the Distribution Date, Apollo Group will receive a monthly retainer of A\$15,000 (plus GST) for the provision of corporate administration and company secretarial services, and serviced office facilities, to Peregrine. The monthly retainer will be reviewed every six months and is based on Apollo Group's budgeted cost of providing the services to Peregrine (and other companies utilising same or similar services from Apollo Group) for the next six-month period, with minimal mark-up. From time to time, Apollo Group may also receive additional fees (as agreed with Peregrine) in respect of services provided by Apollo Group to Peregrine that are not included in the agreed administration and company secretarial services covered by the monthly retainer. Peregrine considers that the services provided by Apollo Group are provided on arm's length or better terms and Mr Pearce receives minimal to no financial benefit from the Apollo Group Services Agreement.

4.7 Advantages and disadvantages of the Distributions

Advantages

- (a) Provides the Company with a clearer focus and corporate strategy on the Stakewell and Tuckanarra Projects following recommencing of trading on ASX.
- (b) The In-Specie Distribution provides Shareholders with scrip in two companies – Odyssey and Peregrine – which the Board believes has a better prospect of delivering greater value to Shareholders than the projects being owned by one company.
- (c) Shareholders may elect to retain exposure to either one or both companies as dictated by their investment preferences and objectives:
 - (i) Shareholders will retain an interest in Peregrine through the In-Specie Distribution and thereby have an opportunity to benefit from the potential development of the Pilbara Gold Project; and
 - (ii) all Shareholders will retain their interest in the capital of Odyssey and exposure to the Stakewell and Tuckanarra Projects.
- (d) The In-Specie Distribution will deliver a structure that allows for Peregrine to focus specifically on advancing the Pilbara Gold Project (once acquired) and for Odyssey to focus its efforts on its Stakewell and Tuckanarra Projects, with neither Peregrine nor Odyssey affected by events or occurrences relating to the other's projects.
- (e) The Board sees considerable underlying value in the Pilbara Gold Project that requires a dedicated, fully funded vehicle.
- (f) Future capital raisings are expected to be more readily achieved by each individual entity as the focus of the funding will be on their specific projects. In addition, the In-Specie Distribution is expected to provide greater flexibility to both Odyssey and Peregrine to attract strategic investors; and
- (g) After a full and proper assessment of all available information, the Directors believe that the Distributions are in the best interests of Shareholders.

Disadvantages

- (a) The Company will incur costs associated with the In-Specie Distribution, including, but not limited to legal, accounting and advisory fees incurred in the preparation of documentation required to give effect to the Distributions and tax advice obtained in relation to any taxation consequences of the Distributions.
- (b) Shareholders may incur additional transaction costs if they wish to dispose of their Peregrine Securities (e.g. brokerage costs).
- (c) Shareholders may have adverse tax consequences and may need to seek their own tax advice (refer to Section 4.22 for further information).
- (d) There are a number of potential disadvantages arising from Peregrine seeking further funding. These include, but are not limited to:
 - (i) dilution of Peregrine Shareholders' shareholdings via an initial public offer; and

- (ii) uncertainty regarding Peregrine's ability to raise required funding,
- (e) Assuming completion of the In-Specie Distribution, there will be two separate companies that will require funding and will incur ongoing administrative costs which in some instances may lead to duplication; and
- (f) Some but not a significant amount of time will be spent during coming months by the Board and by Odyssey management in giving effect to the Distributions.

4.8 Impact on Shareholders of proposed Capital Reduction and Distributions

What will you receive?

If the Distributions are implemented, Shareholders will receive a cash distribution of \$0.01 per Share and Eligible Shareholders will receive an in-specie distribution, equating to \$0.01 per Share, of Peregrine Shares on the basis of 1 Peregrine Share for every 20 Shares held by them at the Record Date together with 1 free attaching Peregrine Option for every 3 Peregrine Shares received. Shareholders are not required to contribute any payment for the Peregrine Securities which they are entitled to receive under the In-Specie Distribution.

What is the impact on your shareholding in the Company?

The number of Shares in the Company that you hold will not change as a result of the Distributions.

If the Distributions are implemented, the value of your Shares in the Company may be less than the value held prior to the Distributions being implemented due to the removal of the cash and cash equivalents currently held by the Company. The size of any decrease cannot be predicted and will be dependent on the value ascribed to the Stakewell and Tuckanarra Projects which will continue to be held by the Company following recommencing of trading on ASX.

Do you have to do anything to receive your Distributions?

You must hold Shares on the Record Date in order to receive your entitlement to the Distributions. If the Distributions proceed, you will automatically receive the Cash Distribution and Peregrine Securities you are entitled to receive (unless you are an Overseas Shareholder - see Section 4.17 for more information), even if you vote against the Distributions or do not vote at all.

Will I be able to trade my Peregrine Shares?

If the Distributions are approved by Shareholders and are implemented, Peregrine will be an unlisted public company and there will not be a liquid market for Peregrine Shares. Peregrine Shares will not be quoted on ASX or any other securities exchange. However, Shareholders will be permitted to sell or transfer their Peregrine Shares, at their own risk, during this period.

What are the taxation implications of the Distributions?

A general guide to the taxation implications of the Distributions for Shareholders is set out in Section 4.22. The description is expressed in terms of the Distributions and is not intended to provide taxation advice in respect of particular circumstances of any Shareholder. Shareholders should obtain professional advice as to the taxation implications of the Distributions in their specific circumstances.

What will happen if Resolution 1 is not approved?

In the event that Shareholder approval of Resolution 1 is not obtained, the Capital Reduction and Distributions will not proceed and the distribution of the \$0.01 cash and Peregrine Securities to Shareholders will not occur.

4.9 Plans for Odyssey following completion of the Capital Reduction and Distributions

(a) Stakewell and Tuckanarra Projects

The Company intends to focus on the exploration and development of its recently announced acquisitions of the Stakewell and Tuckanarra Projects.

(b) Board changes

The Company's current Directors are Ian Middlemas as Non-Executive Chairman, Matthew Syme as an Executive Director and Mr Levi Mochkin and Mr Robert Behets as Non-Executive Directors. There are no proposed changes to the Board and senior executive team of the Company as part of the Distributions. Please refer to Section 4.12 for details of the proposed directors of Peregrine.

4.10 Plans for Odyssey if Resolution 1 is not passed

In the event that Resolution 1 is not passed and the Capital Reduction and Distributions do not proceed, the Company will not conduct the equal capital reduction and may not proceed with the Pilbara Gold Acquisition.

The Board has considered all the alternatives currently available and believes that the Distributions are expected to result in the most advantageous result for existing Shareholders.

4.11 Plans for Peregrine if Resolution 1 is approved

Following completion of the Capital Reduction and Distributions, the ongoing activities of Peregrine will be to:

- (a) progress with satisfying the conditions to complete the acquisition of Pilbara Gold Project;
- (b) once acquired, develop the Pilbara Gold Project;
- (c) pursue other opportunities in the resources sector including pursuing any acquisition opportunities that may arise; and
- (d) raise capital and pursue a listing on ASX.

Peregrine will not be listed on ASX at the time of the Capital Reduction and Distributions.

Peregrine Shares and Peregrine Options will not be quoted securities on ASX or any other securities exchange when received by Shareholders.

Subsequent to the Distributions occurring and subject to overall market conditions, Peregrine is proposing to seek admission to the Official List of ASX and undertake an initial public offering (**Public Offer**) under a prospectus to raise A\$2.0 million (before costs) by way of an offer of 10,000,000 new shares at a price of A\$0.20 per share. Subscribers will also receive one free attaching listed option with an exercise price of

A\$0.20 expiring 3 years from issue for every three shares subscribed under the Public Offer. The Public Offer will not be underwritten. Peregrine does not currently have an intention that the prospectus will include a Priority Offer available to Shareholders.

Detailed information of the Public Offer, the capital structure and an indicative timetable will be included in a prospectus that will be made available after lodgement with ASIC. Investors should consider the prospectus (when available) in deciding whether to acquire Peregrine securities under the Public Offer. Applications for Peregrine's securities can only be made by completing the application form which will accompany the Prospectus.

4.12 Peregrine Board and Key Management Personnel

The current and proposed Directors of Peregrine (**Peregrine Board**) are set out below and is comprised of:

Mr Ian Middlemas – Non-Executive Chairman

B.Com, CA

Mr Middlemas is a Chartered Accountant and holds a Bachelor of Commerce degree. He worked for a large international Chartered Accounting firm before joining the Normandy Mining Group where he was a senior group executive for approximately 10 years. He has had extensive corporate and management experience, and is currently a director of a number of publicly listed companies in the resources sector.

Mr Middlemas currently holds directorships in Odyssey Energy Limited (September 2005 – present), Constellation Resources Limited (November 2017 – present), Apollo Minerals Limited (July 2016 – present), Paringa Resources Limited (October 2013 – present), Berkeley Energia Limited (April 2012 – present), Prairie Mining Limited (August 2011 – present), Salt Lake Potash Limited (January 2010 – present), Equatorial Resources Limited (November 2009 – present), Piedmont Lithium Limited (September 2009 – present) and Sovereign Metals Limited (July 2006 – present). Mr Middlemas was previously a Director of Cradle Resources Limited (May 2016 – July 2019).

Mr George Merhi – Proposed Technical Director

B.AppSc, DipEd, Cert 4 (Workplace Training & Assessment), MAusIMM

As part of the acquisition of the Pilbara Gold Project, it is proposed that Mr George Merhi, a vendor of the Pilbara Gold Project will be appointed as a Technical Director of Peregrine. Mr Merhi is a geologist with over 35 years' of extensive experience and knowledge spent working in the Pilbara region. Mr Merhi previously held the position of Exploration Manager for both the Creasy Group and Novo Resources Limited and was responsible for identifying significant gold and iron ore occurrences throughout his time with both companies across their Pilbara tenements. Most recently, Mr Merhi has been involved in a number of junior exploration mining companies including Thor Mining PLC and Kairos Minerals Limited.

Mr Merhi currently does not hold any other ASX directorships.

Mr Peter Woodman – Non-Executive Director

B.Sc. (Geology), MAusIMM

Mr Woodman is a geologist with over 25 years' experience in exploration, development and operations in the resource sector. He is a graduate of the Australian National University and is a corporate member of the Australian Institute of Mining and Metallurgy. Mr Woodman has worked for a number of mining companies during his extensive career in the resources sector and has been influential in major project acquisition and

discovery. He has a strong background in management, exploration planning and execution, resource development and mining operations both in Australia and overseas.

Mr Woodman previously held the position of Chief Geologist at Regis Resources Limited where he oversaw exploration and resource development activities for its WA and NSW Projects. Prior to his role with Regis Resources Limited, he held positions with Papillon Resources Limited, Sovereign Metals Limited, WCP Resources Limited (now named Piedmont Lithium Limited), Samantha Gold NL, Ranger Minerals NL, Hellman & Schofield Pty Ltd, Centamin Egypt Limited and Kingsgate Consolidated Limited.

Mr Woodman is currently the Managing Director of Constellation Resources Limited (April 2018 – present).

Mr Mark Pearce – Non-Executive Director

B.Bus, CA, FCIS, FFin

Mr Pearce is a Chartered Accountant and is currently a director of several listed companies that operate in the resources sector. He has had considerable experience in the formation and development of listed resource companies and has worked for several large international Chartered Accounting firms. Mr Pearce is also a Fellow of the Governance Institute of Australia and a Fellow of the Financial Services Institute of Australasia.

Mr Pearce currently holds directorships in Apollo Minerals Limited (July 2016 – present), Constellation Resources Limited (July 2016 – present), Prairie Mining Limited (August 2011 – present), Equatorial Resources Limited (November 2009 – present) and Sovereign Metals Limited (July 2006 – present). Mr Pearce was previously a Director of Salt Lake Potash Limited (August 2014 – October 2020) and Odyssey Energy Limited (September 2005 – August 2020).

Key Management Personnel

Lachlan Lynch – Company Secretary
B.Com, CA

Mr Lynch is a Chartered Accountant who commenced his career at a large international Chartered Accounting firm, before moving to commerce in the role of financial controller and company secretary. Mr Lynch now works in the corporate office of a number of public listed companies focussed on the resources sector.

4.13 Risks

On successful completion of the Capital Reduction and Distributions, Shareholders will become shareholders in Peregrine and should be aware of the general and specific risk factors which may affect Peregrine and the value of its securities. These risks are outlined in Schedule 2.

4.14 Pro forma financial position of Odyssey and Peregrine upon completion of the Distributions

A pro forma statement of financial position for Peregrine, reflecting the indicative balance sheet of Peregrine following completion of the Distributions is set out in Schedule 4.

A pro-forma statement of financial position of Odyssey is contained in Schedule 5, which shows the financial impact of the Capital Reduction and the Distributions on the Company. Furthermore, the Company, being an ASX listed entity, is subject to the continuous disclosure requirements set out in Chapter 3 of the Listing Rules. As such, the Company is required to lodge quarterly reports detailing the Company's current cash position. Any

use of funds by the Company will be detailed in these quarterly reports and any significant transactions will be disclosed to Shareholders.

4.15 Indicative Timetable

| Event | Indicative Date |
|---|----------------------------|
| Meeting and Acquisition Meeting | Friday, 11 December 2020 |
| Effective date of Distributions | Monday, 14 December 2020 |
| Record Date | Thursday, 17 December 2020 |
| Date for Distributions to Shareholders (Distribution Date) | Thursday, 24 December 2020 |

The above timetable is indicative only and subject to change. The Directors reserve the right to amend the timetable without notice and will keep Shareholders updated (via ASX announcements) on the timing of the completion of the Capital Reduction and Distributions as they progress.

4.16 Capital structure of Odyssey and indicative capital structure of Peregrine

The indicative capital structure of Odyssey post completion of the Acquisitions and the Distributions will be:

| | Ordinary Shares | Performance Shares | Options |
|---|--------------------|--------------------|--------------------|
| Existing Securities ¹ | 327,530,455 | - | - |
| Issue of Stakewell Acquisition consideration | 75,000,000 | 50,000,000 | 75,000,000 |
| Issue of adviser Shares and adviser Options | 5,000,000 | - | 2,500,000 |
| Capital raising shares (assuming \$3.125 million) | 125,000,000 | - | - |
| Issue of incentive Options to directors | - | - | 27,000,000 |
| Issue of incentive Options to consultants | - | - | 12,000,000 |
| Total | 532,530,455 | 50,000,000 | 116,500,000 |

Notes:

1. The In-Specie Distribution of Peregrine Securities will be undertaken on the balance of Odyssey Shares currently on issue of 327,530,455.

The indicative capital structure of Peregrine post-completion of the Distributions, Pilbara Gold Acquisition and Public Offer will be:

| | Peregrine Shares | Peregrine Options |
|---|------------------|-------------------|
| Peregrine Shares and Peregrine Options transferred to Odyssey Shareholders ¹ | 16,376,523 | 5,458,841 |
| Issue of Pilbara Gold Acquisition consideration | 8,500,000 | - |
| Issue of adviser Peregrine Options ² | - | 1,000,000 |

| | Peregrine Shares | Peregrine Options |
|--|-------------------|-------------------|
| Public Offer shares (assuming \$2.0 million) ³ | 10,000,000 | 3,333,333 |
| Issue of incentive Peregrine Options to directors and consultants ⁴ | - | 2,400,000 |
| Total | 34,876,523 | 12,192,174 |

Notes:

1. In-Specie Distribution to existing Odyssey Shareholders whereby Shareholders will receive 1 Peregrine Share for every 20 Odyssey Shares held (approximate numbers included in table above, subject to rounding). Existing Odyssey Shareholders will also receive 1 \$0.20 Peregrine Option for every 3 Peregrine Shares distributed, expiring 3 years from date of issue.
2. Issue of 1,000,000 \$0.20 Peregrine Options to Moore Australia Pty Ltd.
3. A Public Offer will be made by the Company to raise at least \$1,500,000 by the issue of 7,500,000 shares at \$0.20 each (with 2,500,000 free attaching \$0.20 Peregrine Options on a one for three basis expiring 3 years from date of issue) and no more than \$2,500,000 by issuing 12,500,000 shares at \$0.20 each (with 4,166,666 free attaching \$0.20 Peregrine Options on a one for three basis expiring 3 years from date of issue).
4. Incentive Options to be issued to directors and consultants (and/or their nominees) as follows:

| Holder | \$0.25 each, expiring 3 years from issue, vesting upfront | \$0.30 each, expiring 3.5 years from issue, vesting after 1.5 years | \$0.40 each, expiring 4 years from issue, vesting after 2 years |
|---------------|---|---|---|
| George Merhi | 300,000 | 300,000 | 400,000 |
| Peter Woodman | 200,000 | 200,000 | 200,000 |
| Mark Pearce | 200,000 | 200,000 | - |
| Lachlan Lynch | 200,000 | 200,000 | - |
| Total | 900,000 | 900,000 | 600,000 |

Shareholders should note this structure is indicative only as at the date of this Notice and that Peregrine retains discretion to amend the structure and issue more or less shares or other forms of securities, such as options.

4.17 Overseas Shareholders

The In-Specie Distribution of the Peregrine Securities to Overseas Shareholders under the Capital Reduction will be subject to legal and regulatory requirements in their relevant overseas jurisdictions. If the requirements of any jurisdiction where an Overseas Shareholder is resident are held to restrict or prohibit the distribution of securities as proposed or would impose on the Company an obligation to prepare a prospectus or other similar disclosure document or otherwise impose on the Company an undue burden, the Peregrine Securities to which the relevant Overseas Shareholder is entitled will not in fact be distributed to such Shareholders and instead will be held by the Company, pending a liquidity opportunity. Such an opportunity may arise prior to Peregrine listing on ASX and the Board will consider whether it is in the interests of Overseas Shareholders to sell the relevant Peregrine Securities at that time. In any event, the Board will make arrangements to sell the relevant Peregrine Securities on ASX following any ASX listing of Peregrine.

Following the sale of the relevant Peregrine Securities on behalf of Overseas Shareholders, the Company will pay the net proceeds from the sale to the Overseas Shareholders (net of fees and brokerage). Peregrine will deal with the Peregrine Securities of Overseas Shareholders on a best efforts only basis with a view to delivering value to the Overseas Shareholders. The Company does not accept any liability to the Overseas Shareholders for any loss that may be suffered as a result of the sale of their Peregrine Securities. There is no guarantee as to the value that may be obtained for Peregrine Securities and the net proceeds of sale to Overseas Shareholders may be more or less than the value of the In-Specie Distribution as part of the Capital Reduction.

4.18 Directors' Interests

The table below sets out the number of securities in the Company held by Directors and proposed directors of Peregrine at the date of this Notice:

| Director | Odyssey Shares | % |
|--------------------------------------|--------------------|------|
| Ian Middlemas | 17,312,500 | 5.29 |
| Matthew Syme | 800,000 | 0.24 |
| Levi Mochkin | - | - |
| Robert Behets | 1,725,000 | 0.53 |
| George Merhi | - | - |
| Peter Woodman | 900,000 | 0.27 |
| Mark Pearce | 6,768,000 | 2.07 |
| Total Odyssey Shares on issue | 327,530,455 | |

The table below sets out the number of Peregrine Shares and Peregrine Options held by Directors and proposed directors of Peregrine following implementation of the Capital Reduction and Distributions:

| Director | Number of Peregrine Shares | Number of Peregrine Options |
|-----------------------|----------------------------|-----------------------------|
| Ian Middlemas | 865,625 | 288,541 |
| Matthew Syme | 40,000 | 13,333 |
| Levi Mochkin | - | - |
| Robert Behets | 86,250 | 28,750 |
| George Merhi | - ¹ | - ¹ |
| Peter Woodman | 45,000 | 15,000 |
| Mark Pearce | 338,400 | 112,800 |
| Total on issue | 16,376,523 | 5,458,841 |

Notes:

1. Subject to completion of the Pilbara Gold Acquisition, Mr Merhi will hold 3,959,300 Peregrine Shares and 1,000,000 Peregrine Incentive Options.

Other than as shareholders of Odyssey or as otherwise set out in this Explanatory Memorandum, none of the Directors have any interest in Resolution 1.

4.19 Rights attaching to Peregrine Shares

A summary of the more significant rights that will attach to the Peregrine Shares is set out below. This summary is not exhaustive and does not constitute a definitive statement of the rights and liabilities of the Peregrine Shareholders. Full details of the rights attaching to the Peregrine Shares are set out in Peregrine's constitution, a copy of which is available on request.

(a) General Meetings

Shareholders are entitled to be present in person, or by proxy, attorney or representative to attend and vote at general meetings of the company.

Shareholders may requisition meetings in accordance with Section 249D of the Corporations Act and the Peregrine constitution.

(b) Voting Rights

Subject to any rights or restrictions for the time being attached to any class or classes of shares, at general meetings of shareholders or classes of shareholders:

- (i) each shareholder entitled to vote may vote in person or by proxy, attorney or representative;
- (ii) on a show of hands, every person present who is a shareholder or a proxy, attorney or representative of a shareholder has one vote; and
- (iii) on a poll, every person present who is a shareholder or a proxy, attorney or representative of a shareholder shall, in respect of each fully paid share held by him, or in respect of which he is appointed a proxy, attorney or representative, have one vote for the share, but in respect of partly paid shares shall have such number of votes as bears the same proportion to the total of such shares registered in the shareholder's name as the amount paid (not credited) bears to the total amounts paid and payable (excluding amounts credited).

(c) Dividend Rights

Subject to the rights of persons (if any) entitled to shares with special rights to dividends, the directors may declare a dividend in accordance with the Corporations Act and may authorise the payment or crediting by the company to the shareholders of such a dividend. The directors may from time to time pay to shareholders any interim dividend that they may determine. Subject to the rights of any preference shareholders and to the rights of the holders of any shares credited or raised under any special arrangement as to the dividend, the dividend as declared shall be payable proportionately according to the amounts paid up or credited as paid up, on the shares, and otherwise in accordance with Part 2H.5 of the Corporations Act. Interest may not be paid by the company in respect of any dividend, whether final or interim.

(d) Winding-Up

If the company is wound up, the liquidator may, with the authority of a special resolution of the company, divide among the shareholders in kind the whole or any part of the property of the company, and may for that purpose set such value as he considers fair upon any property to be so divided, and may determine how the division is to be carried out as between the shareholders or different classes of shareholders. The liquidator may, with the authority of a special resolution of the company, vest the whole or any part of any such property in trustees upon such trusts for the benefit of the contributories as the liquidator thinks fit, but so that no shareholder is compelled to accept any shares or other securities in respect of which there is any liability.

(e) Shareholder liability

As the shares to be offered are fully paid shares, they are not subject to any calls for money by the directors and will therefore not become liable for forfeiture.

(f) Transfer of Shares

Generally, shares in the company are freely transferable, subject to formal requirements, the registration of the transfer not resulting in a contravention of or failure to observe the provisions of a law of Australia and the transfer not being in breach of the Corporations Act or the Listing Rules.

(g) Variation of Rights

Pursuant to Section 246B of the Corporations Act, the company may, with the sanction of a special resolution passed at a meeting of shareholders vary or abrogate the rights attaching to shares.

If at any time the share capital is divided into different classes of shares, the rights attached to any class (unless otherwise provided by the terms of issue of the shares of that class), whether or not the company is being wound up may be varied or abrogated with the consent in writing of the holders of three- quarters of the issued shares of that class, or if authorised by a special resolution passed at a separate meeting of the holders of the shares of that class.

(h) **Alteration of Constitution**

The constitution can only be amended by a special resolution passed by at least three quarters of shareholders present and voting at the general meeting. In addition, at least 28 days' written notice specifying the intention to propose the resolution as a special resolution must be given.

4.20 Rights attaching to Peregrine Options

The terms and conditions of the Peregrine Options is described in Schedule 3.

4.21 Tax consequences for the Company

The Company has received preliminary tax advice which indicates that when Odyssey distributes (i.e. disposes) the Peregrine Shares, it will need to determine the tax cost base of the shares by way of an exit allocable cost amount calculation ("exit ACA"). The exit ACA is broadly calculated based on the tax values of the leaving entity's assets less its liabilities when it leaves the tax consolidated group. The "deemed proceeds" on disposal will then be the value of the Peregrine Shares at the distribution date and to the extent this exceeds the exit ACA amount, a taxable gain may arise for Odyssey (which may be able to be offset by tax losses in any event). As Peregrine will leave the Odyssey group with cash of approximately \$3,275,305 and that this amount will closely align with the value of the Peregrine Shares being distributed to Odyssey shareholders, it is expected that the capital gain from Odyssey's perspective will be minimal (if any).

4.22 Tax consequences for Shareholders

The Company has received preliminary tax advice that has indicated that the Distributions should not be a taxable dividend for Shareholders to the extent that Shareholders have not acquired shares in Odyssey at a price below \$0.02 per share. The Company may seek in the future to obtain a private taxation ruling from the ATO indicating that the Distributions are non-taxable for income tax purposes.

The description is expressed in terms of the Distributions and is not intended to provide taxation advice in respect of particular circumstances of any Shareholder. Shareholders should consult their own professional advisors to confirm these implications as they may vary depending on individual circumstances and taxation positions.

4.23 Information concerning Odyssey Shares

The rights attaching to the Odyssey Shares will not alter.

The Company was notified by ASX that its expenditure levels may not be sufficient to satisfy the requirements of Listing Rule 12.1 which require the Company's level of operations to be sufficient to warrant the continued quotation of its securities and its continued listing. As a result of the Company not being able to demonstrate compliance with this rule to ASX's satisfaction by close of business on 1 May 2019, ASX suspended the Company's securities from official quotation. Prior to the suspension in trading of the Company's Securities listed on ASX, Shares last traded at 4.3 cents per share.

4.24 Disclosure to ASX

As an entity with Shares quoted on the Official List of ASX, Odyssey is a disclosing entity and, as such, is subject to regular reporting and disclosure obligations. Copies of documents lodged in relation to Odyssey may be obtained for a fee from, or inspected at, an office of ASIC or can be accessed at either the ASX announcements platform or the Company's website.

4.25 Foreign Jurisdiction Restrictions

No action has been taken to register or qualify the Peregrine Securities or otherwise permit a public offer of such securities in any jurisdiction outside Australia.

Based on the information available to the Company, Shareholders whose addresses are shown in the register on the Record Date for the Distributions as being in the following jurisdictions will be entitled to have Peregrine Securities offered to them under the Distribution subject to any qualifications set out below in respect of that jurisdiction:

- Germany;
- New Zealand;
- Panama;
- United Kingdom;
- United States; and
- any other person or jurisdiction in respect of which Odyssey reasonably believes that it is not prohibited and not unduly onerous or impractical to offer Peregrine Securities to a shareholder with a registered address in such jurisdiction.

Nominees, custodians and other Shareholders who hold Peregrine Securities on behalf of a beneficial owner resident outside Australia or any of the above referred to jurisdictions may not forward this Notice (or any accompanying document) to anyone outside Australia or any of the above referred to jurisdictions without the consent of the Company.

Germany

This document has not been, and will not be, registered with or approved by any securities regulator in Germany or elsewhere in the European Union. Accordingly, this document may not be made available, nor may the Peregrine Securities be offered, in Germany except in circumstances that do not require a prospectus under Article 1(4) of Regulation (EU) 2017/1129 of the European Parliament and the Council of the European Union (the "Prospectus Regulation").

In accordance with Article 1(4) of the Prospectus Regulation, an offer of Peregrine Securities in Germany is limited:

- to persons who are "qualified investors" (as defined in Article 2(e) of the Prospectus Regulation);
- to fewer than 150 natural or legal persons (other than qualified investors); or
- in any other circumstance falling within Article 1(4) of the Prospectus Regulation.

New Zealand

Warning

You are being offered ordinary shares of Peregrine Gold Limited via an in-specie distribution by Odyssey Energy Limited to its shareholders.

New Zealand law normally requires people who offer financial products to give information to investors before they invest. This requires those offering financial products to have disclosed information that is important for investors to make an informed decision.

The usual rules do not apply to this offer because it is a small offer. As a result, you may not be given all the information usually required. You will also have fewer other legal protections for this investment.

Ask questions, read all documents carefully and seek independent financial advice before committing yourself.

Panama

The Peregrine Securities have not been registered with, and are not under the supervision of, the Superintendent of the Securities Market. Odyssey is offering the Peregrine Securities in Panama only to its shareholders with a registered address in Panama. The Peregrine Securities are not being offered to the public in Panama.

United Kingdom

Neither this document nor any other document relating to the Distribution has been delivered for approval to the Financial Conduct Authority in the United Kingdom and no prospectus (within the meaning of section 85 of the Financial Services and Markets Act 2000, as amended ("FSMA")) has been published or is intended to be published in respect of the Peregrine Securities.

The Peregrine Securities may not be offered or sold in the United Kingdom by means of this document or any other document, except in circumstances that do not require the publication of a prospectus under section 86(1) of the FSMA. This document is issued on a confidential basis in the United Kingdom to fewer than 150 persons who are existing shareholders of the Company. This document may not be distributed or reproduced, in whole or in part, nor may its contents be disclosed by recipients, to any other person in the United Kingdom.

Any invitation or inducement to engage in investment activity (within the meaning of section 21 of the FSMA) received in connection with the issue or sale of the Peregrine Securities has only been communicated or caused to be communicated and will only be communicated or caused to be communicated in the United Kingdom in circumstances in which section 21(1) of the FSMA does not apply to the Company.

In the United Kingdom, this document is being distributed only to, and is directed at, persons (i) who have professional experience in matters relating to investments falling within Article 19(5) (investment professionals) of the Financial Services and Markets Act 2000 (Financial Promotions) Order 2005 ("FPO"), (ii) who fall within the categories of persons referred to in Article 49(2)(a) to (d) (high net worth companies, unincorporated associations, etc.) of the FPO or (iii) to whom it may otherwise be lawfully communicated (together "relevant persons"). The investment to which this document relates is available only to relevant persons. Any person who is not a relevant person should not act or rely on this document.

United States

This document has not been filed with, or reviewed by, the US Securities and Exchange Commission or any state securities authority and none of them has passed upon or endorsed the merits of the offer of Peregrine Securities or the accuracy, adequacy or completeness of this document. Any representation to the contrary is a criminal offence.

The Peregrine Securities have not been, and will not be, registered under the US Securities Act 1933 or the securities laws of any US state or other jurisdiction. The Peregrine Securities are not being offered in any US state or other jurisdiction where it is not legally permitted to do so.

Odyssey shareholders should note that the Distribution is made in accordance with the laws of Australia and the listing rules of the Australian Securities Exchange. The Distribution is subject to the disclosure requirements of Australia that are different from those of the United States. Any financial statements included in this document have been prepared in accordance with Australian accounting standards and may not be comparable to the financial statements of US companies.

It may be difficult for you to enforce your rights and any claim you may have arising under US federal securities laws, since each of Odyssey and Peregrine is incorporated in Australia and most of their officers and directors are residents of Australia. You may not be able to sue either company or their respective officers or directors in Australia for violations of the US securities laws. It may be difficult to compel them to subject themselves to a US court's judgment.

Any pro forma historical financial information included in the Australian prospectus of Peregrine does not purport to be in compliance with Article 11 of the SEC's Regulation S-X. The pro forma adjustments made in arriving at the pro forma historical financial information included in Australian prospectus may not be permissible under the SEC's rules and regulations on pro forma financial presentations

4.26 JORC Competent Persons Statement

The information in this document that relates to exploration results for the Pilbara Gold Project is based on, and fairly represents, information compiled by Mr Peter Woodman, a Competent Person who is a Member of the Australian Institute of Mining and Metallurgy. Mr Woodman is a holder of shares in Odyssey Energy Limited and a Director of Peregrine Gold Limited. Mr Woodman has sufficient experience which is relevant to the style mineralisation and type of deposit under consideration and to the activity which he is undertaking to qualify as a Competent Person as defined in the 2012 Edition of the "Australasian Code for Reporting of Exploration Results, Mineral Resources and Ore Reserves" (JORC Code). Mr Woodman consents to the inclusion in the announcement of the matters based on his information in the form and context in which it appears.

4.27 Forward looking statements

Some of the statements appearing in this document may be in the nature of forward-looking statements. The words 'anticipate', 'believe', 'expect', 'project', 'forecast', 'estimate', 'likely', 'intend', 'should', 'could', 'may', 'target', 'plan', 'consider', 'foresee', 'aim', 'will' and similar expressions are intended to identify forward-looking statements. Indications of guidance on future production, resources, reserves, sales, capital expenditure, earnings and financial position and performance are also forward-looking statements.

You should be aware that such statements are only predictions and are subject to inherent risks and uncertainties, many of which are outside the Company's control. Those

risks and uncertainties include factors and risks specific to the Company and Peregrine. For more information on the risk factors facing Peregrine, please refer to Schedule 2.

Actual events or results may differ materially from the events or results expressed or implied in any forward-looking statement and such deviations are both normal and to be expected.

None of the Company, Peregrine, any of their respective officers or any person named in this document or involved in the preparation of this document make any representation or warranty (either express or implied) as to the accuracy or likelihood of fulfilment of any forward looking statement, or any events or results expressed or implied in any forward looking statement, and you are cautioned not to place undue reliance on those statements.

The forward-looking statements in this document reflect views held only as at the date of this document.

4.28 No financial product advice

This document does not constitute financial product, taxation or investment advice nor a recommendation in respect of the Peregrine Securities. It has been prepared without taking into account the objectives, financial situation or needs of Shareholders or other persons. Before deciding how to vote or act, Shareholders should consider the appropriateness of the information, having regard to their own objectives, financial situation and needs and seek legal, taxation and financial advice appropriate to their circumstances.

Neither the Company nor Peregrine is licensed to provide financial product advice. No cooling-off regime applies in respect of the acquisition of Peregrine Securities under the In-specie Distribution (whether the regime is provided for by law or otherwise).

4.29 No internet site is part of this document

No internet site is part of this Notice of Meeting and Explanatory Memorandum. The Company maintains an internet site (www.odysseyenergy.com.au). Any reference in this document to this internet site is a textual reference only and does not form part of this document.

4.30 Lodgement with ASIC

A final copy of this Notice of Meeting and Explanatory Memorandum has been lodged with ASIC and ASX. Neither ASIC, ASX nor any of their respective officers takes any responsibility for the contents of this document.

The Company has lodged with ASIC a copy of this Notice and Explanatory Memorandum in accordance with Section 256C(5) of the Corporations Act. ASIC and its officers take no responsibility for the contents of this Notice or the merits of the transaction to which this Notice relates.

If Resolution 1 is passed, the equal capital reduction is required to take effect in accordance with the relevant timetable in the Listing Rules. Please refer to Section 4.15 for the proposed indicative timetable for completion of the Distributions, which is subject to change by the Company and any requirements of the Listing Rules and the Corporations Act.

4.31 Other Material Information

There is no other information material to the making of a decision by a Shareholder in the Company whether or not to approve Resolution 1 (being information that is known to any of the Directors and which has not been previously disclosed to Shareholders in the Company) other than as disclosed in this Explanatory Memorandum and all relevant Schedules.

4.32 Short Form Prospectus

On 11 November 2020, being the date of the Capital Reduction Notice of Meeting, Odyssey lodged a short form prospectus issued in accordance with section 712 of the Corporations Act for the offer to transfer Peregrine Securities to Shareholders of Odyssey pursuant to the Capital Reduction and Distributions and to facilitate secondary trading of those shares (**Short Form Prospectus**). The Short Form Prospectus alone does not contain all the information that is generally required to satisfy the disclosure requirements of the Corporations Act. Rather, it incorporates all other necessary information by reference to information contained in the Capital Reduction Notice of Meeting. The Short Form Prospectus accompanies this Capital Reduction Notice of Meeting.

5. Resolution 1 – Approval for Capital Reduction and Distributions

5.1 General

Resolution 1 seeks the approval of Shareholders for the purposes of sections 256B and 256C of the Corporations Act, Listing Rule 11.4 and for all other purposes, to reduce the issued share capital of the Company by approximately \$6,550,609, with the reduction to be effected by an equal capital reduction and satisfied by returning to Shareholders on a pro-rata basis, a cash distribution of \$0.01 and an in-specie distribution of Peregrine Shares and Peregrine Options (equating to \$0.01) for each Share held as at the Record Date.

A detailed description of the proposed Capital Reduction and Distributions is outlined in Section 4 above.

Resolution 1 is an ordinary resolution.

Resolution 1 is subject to approval of the Acquisition Resolutions in the Acquisition Notice of Meeting.

The Chairperson intends to exercise all available proxies in favour of Resolution 1.

5.2 Requirements under section 256C

The proposed reduction of capital by way of the Distributions is an equal capital reduction.

Under Section 256B of the Corporations Act, the Company may only reduce its capital if it:

- (a) is fair and reasonable to Shareholders as a whole;
- (b) does not materially prejudice the Company's ability to pay its creditors; and

- (c) is approved by Shareholders in accordance with Section 256C of the Corporations Act.

For the reasons set out in this Explanatory Memorandum, the Directors believe that the Capital Reduction is fair and reasonable to Shareholders as a whole and does not materially prejudice the Company's ability to pay its creditors. Under the proposed Capital Reduction, each Shareholder is treated equally and in the same manner since the terms of the Capital Reduction are the same for each Shareholder. The Capital Reduction and Distributions are on a pro rata basis, and the proportionate ownership interest of each Shareholder remains the same before and after the Distributions. Further, the Directors consider that the Distributions will not result in the Company being insolvent at the time or after the Distributions.

In accordance with the Corporations Act:

- (a) the proposed reduction is an equal reduction and requires approval by an ordinary resolution passed at a general meeting of Shareholders;
- (b) this Explanatory Memorandum and previous ASX announcements set out all information known to the Company that is material to the decision on how to vote on Resolution 1; and
- (c) the Company has lodged with ASIC a copy of this Notice of Meeting and accompanying documentation.

Under the Corporations Act, an offer of securities generally requires disclosure to investors through a disclosure document, typically in the form of a prospectus.

5.3 Listing Rule 11.4

As outlined in Section 4 of the Explanatory Memorandum, Odyssey is proposing to conduct the Capital Reduction and Distributions.

Listing Rule 11.4 provides that a company may not dispose of a major asset without the approval of shareholders if, at the time of the disposal, it is aware that the person acquiring the asset intends to issue securities with a view to becoming listed.

Under Listing Rules 11.4 and 11.4.1, a listed company can only spin out a major asset if:

- (a) the securities in the spin-out vehicle (other than those being retained by the company/trust itself) are being offered, issued or transferred pro rata to the holders of the ordinary shares in the company or in another way that, in ASX's opinion, is fair in all the circumstances; or
- (b) the company's shareholder approve the spin out.

Immediately following implementation of the Capital Reduction and Distributions, Peregrine will have approximately \$3,275,304 of cash at hand (**Cash Amount**). The Cash Amount will be the main asset of Peregrine initially until it is able to complete the acquisition of the Pilbara Gold Project (see Sections 4.5 and 4.6 for further information). The Company does not necessarily consider that the Cash Amount constitutes a 'major asset' for the purposes of Listing Rule 11.4, for the purposes of good corporate governance, the Company has decided to seek Shareholder approval under paragraph (b) above in any event, due to the likelihood of Peregrine seeking a listing on ASX in the near term following completion of the Capital Reduction.

Resolution 1 therefore seeks Shareholder approval for the Capital Reduction and Distributions under and for the purposes of Listing Rule 11.4.1(b).

If Resolution 1 is passed, the Company will be able to proceed with the Capital Reduction and Distributions.

If Resolution 1 is not passed, the Company will not be able to proceed with the Capital Reduction and Distributions.

For the purposes of the requirements of Listing Rule 11.4 and paragraph 6.3 of ASX Guidance Note 13, the following information is provided:

- (a) the name of the spin-out vehicle is Peregrine Gold Limited;
- (b) details of how the spin-out is intended to be effected are included in Section 4 of the Notice, specifically:
 - (i) the consideration Peregrine is providing to Odyssey for the Cash Amount is the transfer of the relevant Peregrine Shares and Peregrine Options which will be distributed to Shareholders pursuant to the In-Specie Distribution;
 - (ii) Peregrine currently has 1 share on issue, and the number of securities proposed to be issued in connection with Peregrine's intended listing and the proposed issue price for those securities has yet to be determined by Peregrine;
 - (iii) the proposed Public Offer will be open to all investors, including Shareholders;
 - (iv) the timetable for completing the proposed listing of Peregrine has yet to be determined;
- (c) information about the Cash Amount being demerged is outlined in Section 4.4, specifically:
 - (i) a description of the Cash Amount is included in Section 4.4;
 - (ii) the value of the asset or assets reflected in the listed entity's latest financial statements lodged with ASX is detailed in the pro-forma statement of financial position in Schedule 5;
 - (iii) the value of the Cash Amount is \$3,275,304;
- (d) the financial impact of the Cash Amount being demerged with Peregrine on the Company, including on the following measures, is:
 - (i) 22.94% on consolidated total assets; and
 - (ii) 23.02% on consolidated total equity interests;

The Company is not able to quantify the financial impact on consolidated annual expenditure, EBITDA and annual profit before tax as a direct result of the Cash Amount being demerged;
- (e) the impact the Capital Reduction and Distributions will have on Shareholders is outlined in Section 4.8 and the taxation ramifications are outlined in Section 4.22;
- (f) the Directors consider that both the Capital Reduction and the Distributions are fair and reasonable in all the circumstances and are in the interests of the entity

and its security holders. However, whilst the Company does not necessarily consider that the Cash Amount constitutes a 'major asset' for the purposes of Listing Rule 11.4, for the purposes of good corporate governance, the Company has decided to seek Shareholder approval under Listing Rule 11.4.1(b) in any event, due to the likelihood of Peregrine seeking a listing on ASX in the near term following completion of the Capital Reduction and Distributions; and

- (g) the Capital Reduction and Distributions is occurring pursuant to Resolution 1. Peregrine is acquiring the Pilbara Gold Project pursuant to the Pilbara Gold Acquisition Agreement, a summary of which is contained in Section 4.6(a).

5.4 Listing Rule 7.17

Listing Rule 7.17 provides in part that a listed entity, in offering shareholders an entitlement to securities in another entity, must offer those securities pro rata or in such other way as, in ASX's opinion, is fair in all the circumstances. In addition, there must be no restriction on the number of securities which a shareholder holds before this entitlement accrues. The Distributions satisfies the requirements of Listing Rule 7.17, as the transfer of Peregrine Securities is being made to Shareholders on a pro rata basis, and there is no restriction on the number of Shares a Shareholder must hold before the entitlement to the Peregrine Securities accrues.

5.5 Peregrine not immediately listed

Peregrine is an unlisted Australian public company. The Peregrine Shares will not be listed on ASX or any other securities exchange at the time of the Distributions. In the near term, following the Capital Reduction and Distributions, Peregrine is proposing to pursue a capital raising with a view to listing on ASX. There is no guarantee that this proposal will be successful. Please refer to Section 4.4 for the potential parameters and impact of an ASX listing.

5.6 Board discretion to proceed with Capital Reduction

The Board retains absolute discretion whether to proceed with the proposed Capital Reduction. Even if the Shareholders approve Resolution 1, the Board may still resolve not to proceed with the Distributions should market conditions and other factors impacting on the Distributions cause the Board to believe that proceeding with the Capital Reduction and Distributions would not be in the best interests of Shareholders.

5.7 Directors' Recommendations

The Directors' interests in the Company are outlined in Section 4.18 of this Notice.

After considering all relevant factors, the Directors recommend that Shareholders vote in favour of Resolution 1 for the reasons summarised in Section 4.7 of this Notice.

Schedule 1 – Definitions and Interpretation

1. Definitions

In the Notice and this Explanatory Memorandum, unless the context otherwise requires:

Apollo Group means Apollo Group Pty Ltd (ACN 091 844 692).

Apollo Group Services Agreement has the meaning given in Section 4.6.

ASIC means the Australian Securities and Investments Commission.

ASX means ASX Limited ABN 98 008 624 691 and, where the context requires, the Australian Securities Exchange operated by ASX Limited.

Acquisition Meeting means the general meeting to consider the Acquisition Resolution, amongst others, as described in the Acquisition Notice of Meeting.

Acquisition Notice of Meeting means the means the notice of meeting lodged by the Company on ASX on 11 November 2020 convening the meeting of the Company on 11 December 2020 seeking Shareholder approval for, amongst other matters, the acquisition of the Stakewell Project and Tuckanarra Project.

Acquisition Resolutions means Resolutions 1 to 3 (inclusive) of the Acquisition Notice of Meeting.

ATO means the Australian Taxation Office.

Board means the board of Directors from time to time.

Capital Reduction has the meaning given in Section 4.3

Cash Distribution has the meaning given in Section 4.3.

Chairperson means the person appointed to chair the Meeting 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 or **Odyssey** means Odyssey Energy Limited ACN 116 151 636.

Conditions has the meaning given in Section 4.6.

Constitution means the constitution of the Company.

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

Director means any director of the Company and **Directors** means all of them.

Distribution Date means the date in the indicative timetable in Section 4.15.

Distributions means the Cash Distribution and/or the In-Specie Distribution.

Eligible Shareholder means a Shareholder on the Record Date, other than an Overseas Shareholder.

Executive Director means an executive director of the Company.

Explanatory Memorandum means this explanatory memorandum.

In-Specie Distribution has the meaning given in Section 4.3.

Key Management Personnel means 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).

Listing Rules means the official listing rules of ASX (as amended from time to time).

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

Notice or **Capital Reduction Notice of Meeting** means the notice convening the Meeting and includes the agenda, Explanatory Memorandum and the Proxy Form.

Odyssey Group means Odyssey and its Subsidiaries.

Office means an office as an Officer.

Officer has the same meaning, as the context requires, given in paragraphs (a) and (b) of the definition of 'officer' of a corporation, or in paragraphs (a) and (b) of the definition of 'officer' of an entity that is neither an individual nor a corporation, in each case in section 9 of the Corporations Act.

Official List means the official list of ASX.

Option means an option to acquire a Share.

Overseas Shareholder means a Shareholder with a registered address outside of Australia, New Zealand, Germany, Panama, the United Kingdom, the United States and any other jurisdiction determined by the Company which is not prohibited and unduly onerous or impractical to distribute Peregrine Securities.

Peregrine means Peregrine Gold Limited ACN 644 734 921.

Peregrine Director means any director of Peregrine and **Peregrine Directors** means all of them.

Peregrine Board means the board of Peregrine Directors from time to time.

Peregrine Option means an option to acquire a Peregrine Share with an exercise price of \$0.20 per option, expiring 3 years from the date of issue and on the terms and conditions in Schedule 3.

Peregrine Securities means Peregrine Shares and Peregrine Options issued by Peregrine.

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

Peregrine Shareholder means a registered holder of a Peregrine Share.

PGE means Pilbara Gold Exploration Pty Ltd.

Pilbara Gold Acquisition has the meaning given in Section 4.5.

Pilbara Gold Acquisition Agreement means the acquisition agreement described in Section 4.6(a).

Pilbara Gold Project has the meaning given in Section 4.5.

Public Offer has the meaning given in Section 4.11.

Proxy Form means the proxy form attached to the Notice.

Record Date means the date in the indicative timetable in Section 4.15.

Resolution means any resolution detailed in the Notice as the context requires.

Schedule means a schedule to this Explanatory Memorandum.

Section means a section of this Explanatory Memorandum.

Securities means any Shares, Options or Performance Shares issued by the Company.

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

Shareholder means a registered holder of a Share.

Stakewell Acquisition has the meaning given in Section 4.2.

Stakewell Project has the meaning given in Section 4.2.

Subsidiary has the meaning given in the Corporations Act.

Tenements has the meaning given in Section 4.5.

Tuckanarra Acquisition has the meaning given in Section 4.2.

Tuckanarra Project has the meaning given in Section 4.2.

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

2. Interpretation

In the Notice and this Explanatory Memorandum, headings and words in bold are for convenience only and do not affect the interpretation of the Notice and this Explanatory Memorandum and, unless the context otherwise requires:

- (a) words importing the singular include the plural and vice versa;
- (b) words importing a gender include any gender;
- (c) other parts of speech and grammatical forms of a word or phrase defined in the Notice or this Explanatory Memorandum have a corresponding meaning;
- (d) a term not specifically defined has the meaning given to it (if any) in the Corporations Act;
- (e) a reference to a statute, regulation, proclamation, ordinance or by-law includes all statutes, regulations, proclamations, ordinances or by-laws amending,

consolidating or replacing it, and a reference to a statute includes all regulations, proclamations, ordinances and by-laws issued under that statute;

(f) a reference to a document includes all amendments or supplements to, or replacements or novations of, that document;

(g) a reference to a body (including, without limitation, an institute, association or authority), whether statutory or not:

(i) which ceases to exist; or

(ii) whose powers or functions are transferred to another body,

is a reference to the body which replaces it or which substantially succeeds to its powers or functions;

(h) “**include**” and “**including**” are not words of limitation; and

(i) “**\$**” is a reference to Australian currency.

Schedule 2 – Risk Factors

Peregrine Shares are considered highly speculative. An investment in the Company is not risk free. The proposed future activities of the Company are subject to a number of risks and other factors which may impact its future performance. Some of these risks can be mitigated by the use of safeguards and appropriate controls. However, many of the risks are outside the control of the Directors and management of the Company and cannot be mitigated.

The risks described in this Schedule 2 are not an exhaustive list of the risks faced by the Company or by investors in the Company. It should be considered in conjunction with other information in this Notice. The risk described, and others not specifically referred to, in this Schedule 2 may in the future materially affect the financial performance and position of the Company and the value of the Peregrine Shares. The Peregrine Shares carry no guarantee with respect to the payment of dividends, return of capital or the market value of those Securities. The risks described in this Schedule 2 also necessarily include forward looking statements. Actual events may be materially different to those described and may therefore affect the Company in a different way.

Investors should be aware that the performance of the Company may be affected and the value of the Peregrine Shares may rise or fall over any given period. None of the Directors or any person associated with the Company guarantee the Company's performance, the performance of the Peregrine Shares, the subject of the Distribution or the market price at which the Peregrine Shares will trade. The Directors strongly recommend that potential investors consider the risks detailed in this Schedule 2, together with information contained elsewhere in this Notice, and consult their professional advisers, before they decide to take action.

Risks Specific to Peregrine

(a) Non-completion of Pilbara Gold Acquisition

Completion of the Pilbara Gold Acquisition is subject to a number of conditions. There can be no certainty, nor can Peregrine provide any assurance, that these conditions will be satisfied or waived (where applicable), or if satisfied or waived (where applicable), when that will occur. In addition, there are a number of other conditions precedent to the Pilbara Gold Acquisition which are outside the control of Peregrine, including, but not limited to, all ASX and other regulatory approval required in relation to the Pilbara Gold Acquisition having been obtained, Peregrine obtaining conditional approval from ASX to be admitted to the Official List (subject to conditions satisfactory to Peregrine), Peregrine successfully completing a capital raising of between \$1.5 million and \$2.5 million at \$0.20 per share or Shareholder approval of the Capital Reduction and Distributions by Shareholders at the Meeting.

If for any reason the conditions to the Pilbara Gold Acquisition are not satisfied or waived (where applicable) and the Pilbara Gold Acquisition is not completed, Peregrine's main asset will be the cash demerged with the company as described in Section 4.4 and it will not hold the Pilbara Gold Project.

(b) Currently no market for Peregrine Shares

Peregrine is presently an unlisted public company and there is currently no public market for Peregrine Shares, and there can be no assurance that an active market for Peregrine Shares will develop.

Peregrine Shares are not quoted securities and will not be able to be traded on ASX. Peregrine Shareholders will continue to hold shares in a public unlisted company, unless and until such time as Peregrine seeks to be admitted to the Official List of ASX (including satisfying the requirements for listing on ASX, if capable of being met). Listing is at ASX's discretion, and there is a risk that Peregrine may not meet the requirements or any conditions imposed by ASX for admission to the official list of ASX to enable quotation of Peregrine Shares.

If Peregrine lists on ASX at all, the price at which Peregrine Shares trade on ASX after listing will be subject to fluctuations in response to variations in operating performance and general operations and business risk, as well as external operating factors beyond Peregrine's control, such as movements in mineral prices and exchange rates, changes to government policy, legislation or regulation and other events or factors. There can be no guarantee that an active market in Peregrine Shares will develop.

(c) Tenure and access

Mining and exploration tenements (assuming all are granted) are subject to periodic renewal. There is no guarantee that current or future tenements and/or applications for tenements will be approved (the Pilbara Gold Project currently includes four applications for tenements).

Once acquired, the Pilbara Gold Project will be subject to the applicable mining laws. The renewal of the term of a granted tenement is also subject to the discretion of the relevant department of mines, Peregrine's ability to meet the conditions imposed by relevant authorities including compliance with Peregrine's work program requirements which, in turn, is dependent on Peregrine being sufficiently funded to meet those expenditure requirements. Renewal conditions may include increased expenditure and work commitments or compulsory relinquishment of areas of the tenements comprising the Pilbara Gold Project. The imposition of new conditions or the inability to meet those conditions may adversely affect the operations, financial position and/or performance of Peregrine.

Although Peregrine has no reason to think that the Pilbara Gold Project Tenements, once acquired by Peregrine, will not be renewed or granted (in the case of applications), there is no assurance that such renewals will be given as a matter of course and there is no assurance that new conditions will not be imposed by the relevant granting authority. Peregrine considers the likelihood of tenure forfeiture to be low given the laws and regulations governing exploration in Western Australia and the ongoing expenditure budgeted for by Peregrine. However, the consequence of forfeiture or involuntary surrender of a granted tenement for reasons beyond the control of Peregrine could be significant.

(d) New Assets

Peregrine is acquiring the Pilbara Gold Project to establish a new business. Peregrine's ability to generate revenue will depend on Peregrine being successful in exploring and developing those assets. Whilst the proposed board and management of Peregrine have extensive industry experience, there is no guarantee that Peregrine will be successful in exploring and developing the Pilbara Gold Project.

(e) Peregrine has no history of earnings and no production revenues

Peregrine was incorporated on 30 September 2020. Peregrine is a mineral exploration company, has limited operational history, no history of earnings and does not have any producing mining operations. Peregrine will likely experience losses from exploration activities and until such time as Peregrine commences mining production activities. If the Pilbara Gold Project is acquired, no assurance can be given that Peregrine will identify a mineral deposit which is capable of being exploited economically or which is capable of supporting production activities.

Peregrine expects to continue to incur losses from exploration activities in the foreseeable future.

(f) Future capital requirements

Peregrine's capital requirements depend on numerous factors. Peregrine may require further financing in addition to amounts raised under the Public Offer. Any additional equity financing will dilute shareholdings, and debt financing, if available, may involve restrictions on financing and operating activities. If Peregrine is unable to obtain additional financing as needed, it may be required to reduce the scope of its operations and scale back its exploration programmes as the case may be. There is no guarantee that Peregrine will be able to secure any additional funding or be able to secure funding on terms favourable to Peregrine.

(g) New projects and acquisitions

Peregrine may make acquisitions in the future as part of future growth plans. In this regard, the directors of Peregrine will use their expertise and experience in the resources sector to assess the value of potential projects that have characteristics that are likely to provide returns to Peregrine Shareholders.

There can be no guarantee that any new project acquisition or investment will eventuate from these pursuits, or that any acquisitions will result in a return for Peregrine Shareholders. Such acquisitions

may result in use of Peregrine's cash resources and/or the issuance of equity securities, which will dilute shareholdings.

(h) **Native Title**

The Native Title Act 1993 (Cth) (**Native Title Act**) recognises and protects the rights and interests in Australia of Aboriginal and Torres Strait Islander people in land and waters, according to their traditional laws and customs. There is significant uncertainty associated with Native Title in Australia and this may impact on the Peregrine's operations and future plans.

Native Title can be extinguished by valid grants of land (such as freehold title) or waters to people other than the Native Title holders or by valid use of land or waters. It can also be extinguished if the indigenous group has lost its connection with the relevant land or waters. Native Title is not necessarily extinguished by the grant of mining leases, although a valid mining lease prevails over Native Title to the extent of any inconsistency for the duration of the title.

Tenements granted before 1 January 1994 are valid or validated by the Native Title Act.

For tenements to be validly granted (or renewed) after 1 January 1994, the future act regime established by the Native Title Act must be complied with.

The existence of a Native Title claim is not an indication that Native Title in fact exists on the land covered by the claim, as this is a matter ultimately determined by the Federal Court. The lack of a Native Title claim is not an indication that Native Title does not exist on the land which is not currently the subject of a claim.

Native Title has been determined to exist in the majority of the land the subject of the tenements comprising the Peregrine Gold Project. If the Pilbara Gold Project is acquired, Peregrine's activities will take priority over Native Title for the duration of the tenements but will give rise to a compensation liability, the value of which will ultimately be determined by the Federal Court if not settled by agreement between Peregrine and the relevant Native Title body corporate.

Peregrine must also comply with Aboriginal heritage legislation requirements, which require certain due diligence investigations to be undertaken ahead of the commencement of exploration and mining. This due diligence may include, in certain circumstances, the conduct of Aboriginal heritage surveys.

Industry Specific Risks

(a) **Nature of mineral exploration and mining**

The business of mineral exploration, development and production is subject to risk by its nature. The Pilbara Gold Project Tenements are at an early stage of exploration and potential investors should understand that mineral exploration, development and mining are high-risk enterprises, only occasionally providing high rewards.

The success of Peregrine depends, among other things, on successful exploration and/or acquisition of reserves, securing and maintaining title to tenements and consents, successful design, construction, commissioning and operating of mining and processing facilities, successful development and production in accordance with forecasts and successful management of the operations. Exploration and mining activities may also be hampered by force majeure circumstances, land claims and unforeseen mining problems.

There is no assurance that exploration and development of the mineral interests to be acquired by Peregrine, or any other projects that may be acquired in the future, will result in the discovery of mineral deposits which are capable of being exploited economically. Even if an apparently viable deposit is identified, there is no guarantee that it can be profitably exploited. If such commercial viability is never attained, Peregrine may seek to transfer its property interests or otherwise realise value, or Peregrine may even be required to abandon its business and fail as a "going concern".

Whether a mineral deposit will be commercially viable depends on a number of factors, which include, without limitation, the particular attributes of the deposit, such as size, grade and proximity to infrastructure, metal prices, which fluctuate widely, and government regulations, including, without limitation, regulations relating to prices, taxes, royalties, land tenure, land use, exporting of minerals and environmental protection. The combination of these factors may result in Peregrine expending significant resources (financial and otherwise) on tenements without receiving a return. If the Pilbara Gold Project is acquired by Peregrine, there is no certainty that expenditures made by Peregrine towards the search and evaluation of mineral deposits at the Pilbara Gold Project will result in discoveries of an economically viable mineral deposit.

Peregrine has relied on and may continue to rely on consultants and others for mineral exploration and exploitation expertise. Peregrine believes that those consultants and others are competent and that they have carried out their work in accordance with internationally recognised industry standards. However, if the work conducted by those consultants or others is ultimately found to be incorrect or inadequate in any material respect, Peregrine may experience delays or increased costs in exploring or developing its tenements.

(b) Results of studies

If the Pilbara Gold Project is acquired and subject to the results of any future exploration and testing programs on the Pilbara Gold Project, Peregrine may progressively undertake a number of studies in respect to the Pilbara Gold Project or any new projects. These studies may include scoping studies, pre-feasibility studies and bankable feasibility studies.

These studies will be completed within certain parameters designed to determine the economic feasibility of the relevant project within certain limits. There can be no guarantee that any of the studies will confirm the economic viability of the Pilbara Gold Project or the results of other studies undertaken by Peregrine (e.g. the results of a feasibility study may materially differ to the results of a scoping study).

Further, even if a study determines the economics of Peregrine's projects, there can be no guarantee that the projects will be successfully brought into production as assumed or within the estimated parameters in the feasibility study, once production commences including but not limited to operating costs, mineral recoveries and commodity prices. In addition, the ability of Peregrine complete a study may be dependent on Peregrine's ability to raise further funds to complete the study if required.

(c) Resource and Reserve estimates

Ore Reserve and Mineral Resource estimates are expressions of judgment based on drilling results, past experience with mining properties, knowledge, experience, industry practice and many other factors. Estimates which are valid when made may change substantially when new information becomes available. Mineral Resource and Ore Reserve estimation is an interpretive process based on available data and interpretations and thus estimations may prove to be inaccurate.

The actual quality and characteristics of ore deposits cannot be known until mining takes place and will almost always differ from the assumptions used to develop resources. Further, Ore Reserves are valued based on future costs and future prices and, consequently, the actual Ore Reserves and Mineral Resources may differ from those estimated, which may result in either a positive or negative effect on operations.

Should Peregrine encounter mineralisation or formations different from those predicted by past drilling, sampling and similar examinations, resource estimates may have to be adjusted and mining plans may have to be altered in a way which could adversely affect the Company's operations.

(d) Operational risks

The operations of Peregrine may be affected by various factors which are beyond the control of Peregrine, including failure to locate or identify mineral deposits, failure to achieve predicted grades in exploration or mining, operational and technical difficulties encountered in mining, difficulties in commissioning and operating plant and equipment, mechanical failure or plant breakdown, unanticipated metallurgical problems which may affect extraction costs, adverse weather conditions,

industrial and environmental accidents, industrial disputes and unexpected shortages, delays in procuring, or increases in the costs of consumables, spare parts, plant and equipment, fire, explosions and other incidents beyond the control of Peregrine.

These risks and hazards could also result in damage to, or destruction of, production facilities, personal injury, environmental damage, business interruption, monetary losses and possible legal liability. While Peregrine currently intends to maintain insurance within ranges of coverage consistent with industry practice, no assurance can be given that Peregrine will be able to obtain such insurance coverage at reasonable rates (or at all), or that any coverage it obtains will be adequate and available to cover any such claims.

(e) Mine development

Possible future development of mining operations at the Pilbara Gold Project, if acquired, or other tenements applied for or acquired by Peregrine is dependent on a number of factors including, but not limited to, the acquisition and/or delineation of economically recoverable mineralisation, favourable geological conditions, receiving the necessary approvals from all relevant authorities and parties, seasonal weather patterns, unanticipated technical and operational difficulties encountered in extraction and production activities, mechanical failure of operating plant and equipment, shortages or increases in the price of consumables, spare parts and plant and equipment, cost overruns, access to the required level of funding and contracting risk from third parties providing essential services.

If Peregrine commences production on any existing or future projects, its operations may be disrupted by a variety of risks and hazards which are beyond the control of Peregrine. No assurance can be given that Peregrine will achieve commercial viability through the development of existing or future projects.

(f) Environmental risk

If acquired, the Pilbara Gold Project will be subject to State and Federal laws and regulations regarding environmental matters. The Governments and other authorities that administer and enforce environmental laws and regulations determine these requirements. As with all exploration projects and mining operations, Peregrine's activities are expected to have an impact on the environment, particularly, if Peregrine's activities result in mine development. Peregrine intends to conduct its activities in an environmentally responsible manner and in accordance with applicable laws.

The cost and complexity of complying with the applicable environmental laws and regulations may prevent Peregrine from being able to develop potentially economically viable mineral deposits.

Further, Peregrine may require additional approvals from the relevant authorities before it can undertake activities that are likely to impact the environment. Failure to obtain such approvals will prevent Peregrine from undertaking its desired activities. Peregrine is unable to predict the effect of additional environmental laws and regulations which may be adopted in the future, including whether any such laws or regulations would materially increase Peregrine's cost of doing business or affect its operations in any area.

There can be no assurances that new environmental laws, regulations or stricter enforcement policies, once implemented, will not oblige Peregrine to incur significant expenses and undertake significant investments which could have a material adverse effect on Peregrine's business, financial condition and results of operations.

(g) Occupational Health and Safety Risk

Peregrine is committed to providing a healthy and safe environment for its personnel, contractors and visitors. However, mining activities have inherent risks and hazards. While Peregrine provides appropriate instructions, equipment, preventative measures, first aid information and training to all stakeholders through its occupational, health and safety management systems, health and safety incidents may nevertheless occur. Any illness, personal injury, death or damage to property resulting from Peregrine's activities may lead to a claim against Peregrine.

(h) **COVID-19**

The global economic outlook is facing uncertainty due to the current COVID-19 pandemic which is impacting global capital markets and companies abilities to conduct business operations. Peregrine will seek to monitor and assess its ability to conduct its proposed operations in light of the COVID-19 pandemic. However, as the situation with respect to COVID-19 continues to develop (and various government restrictions may be implemented), there can be no assurance that Peregrine will be able to mitigate any adverse effects of COVID-19 on its proposed operations and planned business activities.

Further, Peregrine is ultimately exposed to general economic conditions globally which could have an adverse effect on the operating and financial performance of Peregrine. A prolonged economic contraction as a result of COVID-19 and/or other factors could impact on Peregrine's ability to conduct its proposed operations.

General Risks

(a) **Securities investments**

Applicants should be aware that there are risks associated with any securities investment.

There is no public market for the Peregrine Securities. There is no guarantee that an active trading market in Peregrine Securities will develop or that the price of Peregrine Securities will increase. The prices at which Peregrine Securities trade may fluctuate in response to a number of factors.

(b) **Economic risk and share market conditions**

Changes in the general economic climate in which Peregrine operates may adversely affect the financial performance of Peregrine. Similarly, share market conditions may affect the value of Peregrine's quoted securities regardless of Peregrine's operating performance. Factors that may contribute to that general economic climate and the market price of Peregrine securities include, but are not limited to:

- (i) changes in Government policies, taxation and other laws;
- (ii) the strength of the equity and share markets in Australia and throughout the world;
- (iii) movement in, or outlook on, exchange rates, interest rates and inflation rates;
- (iv) industrial disputes in Australia and overseas;
- (v) changes in investor sentiment toward particular market sectors or commodities;
- (vi) financial failure or default by an entity with which Peregrine may become involved in a contractual relationship; and
- (vii) natural disasters, social upheaval, war or acts of terrorism.

(c) **Commodity price volatility and exchange rate risks**

If Peregrine achieves success leading to mineral production, the revenue it will derive through the sale of product will expose the potential income of Peregrine to commodity price and exchange rate risks.

Commodity prices fluctuate and are affected by numerous factors beyond the control of Peregrine. These factors include supply and demand fluctuations for precious and base metals, forward selling activities, technological advancement and other macro-economic factors.

International prices of various commodities are denominated in United States dollars, whereas the income and expenditure of Peregrine will be taken into account in Australian currency, exposing Peregrine to the fluctuations and volatility of the rate of exchange between the United States dollar and the Australian dollar as determined in international markets.

(d) **Dilution**

In certain circumstances, the Peregrine Directors may issue equity securities without any vote or action by Shareholders. If Peregrine were to issue any equity securities the percentage ownership of Shareholders may be reduced and diluted.

(e) **Competition**

Like many industries, the resources industry is subject to domestic and global competition. While Peregrine undertakes all reasonable due diligence in its business decisions and operations, Peregrine has no influence or control over the activities or actions of its competitors and these activities or actions may positively or negatively affect the operating and financial performance of Peregrine's projects and business.

Some of these companies have greater financial and other resources than Peregrine and, as a result, may be in a better position to compete for future business opportunities. Many of Peregrine's competitors not only explore for and produce minerals, but also carry out refining operations and produce other products on a worldwide basis. There can be no assurance that Peregrine can compete effectively with these companies.

(f) **Reliance on key personnel**

Peregrine is reliant on a number of key personnel and consultants. The loss of one or more of these key contributors could have an adverse impact on the business of Peregrine.

It may be difficult for Peregrine to attract and retain suitably qualified and experienced people, due to the relatively small size of Peregrine, compared with other industry participants.

(g) **Litigation risk**

Legal proceedings may arise from time to time in the course of Peregrine's activities. Legal proceedings brought by third parties including but not limited to joint venture partners or employees could negatively impact Peregrine in the case where the impact of such litigation is greater than or outside the scope of the Peregrine's insurance. As at the date of this Prospectus, there are no material legal proceedings affecting Peregrine and the Directors are not aware of any legal proceedings pending or threatened against or affecting Peregrine.

(h) **Unforeseen expenses**

While Peregrine is not aware of any expenses that may need to be incurred that have not been taken into account, if such expenses were subsequently incurred, the expenditure proposals of Peregrine may be adversely affected.

(i) **Force Majeure**

Peregrine's projects now or in the future may be adversely affected by risks outside the control of Peregrine including labour unrest, civil disorder, war, subversive activities or sabotage, fires, floods, explosions or other catastrophes, epidemics or quarantine restrictions.

(j) **Insurance**

Peregrine intends to insure its operations in accordance with industry practice. However, insurance of all risks associated with exploration is not always available and, where it is available, the cost may be prohibitively high. Peregrine will have insurance in place considered appropriate for Peregrine's needs.

The occurrence of an event that is not covered or fully covered by insurance could have a material adverse effect on the business, financial condition and results of Peregrine.

(k) Change in regulations and regulatory risk

Any material adverse changes in government policies, legislation or shifts in political attitude in Australia that affect mineral mining and exploration activities, tax laws, royalty regulations, government subsidies and environmental issues may affect the viability of a project or Peregrine.

No assurance can be given that amendments to current laws and regulations or new rules and regulations will not be enacted, or that existing rules and regulations will not be applied in a manner which could substantially limit or affect Peregrine's exploration.

Peregrine's proposed exploration and development activities are subject to extensive laws and regulations relating to numerous matters including resource licence consent, conditions including environmental compliance and rehabilitation, taxation, employee relations, health and worker safety, waste disposal, protection of the environment, Native Title and heritage matters, protection of endangered and protected species and other matters. Peregrine will require permits from regulatory authorities to authorise Peregrine's operations. These permits relate to exploration, development, production and rehabilitation activities.

Obtaining necessary permits can be a time consuming process and there is a risk that Peregrine will not obtain these permits on acceptable terms, in a timely manner or at all. The costs and delays associated with obtaining necessary permits and complying with these permits and applicable laws and regulations could materially delay or restrict Peregrine from proceeding with the development of a project or the operation or development of a mine. Any failure to comply with applicable laws and regulations or permits, even if inadvertent, could result in material fines, penalties or other liabilities. In extreme cases, failure could result in suspension of Peregrine's activities or forfeiture of one or more of the Pilbara Gold Project Tenements.

(l) Taxation risk

The acquisition and disposal of Peregrine Securities will have tax consequences which will differ for each investor depending on their individual financial circumstances. All potential investors in Peregrine are urged to obtain independent financial advice regarding the tax and other consequences of acquiring Peregrine Securities. To the maximum extent permitted by law, Peregrine Directors, its officers and each of their respective advisers accept no liability or responsibility with respect to any tax consequences of applying for Peregrine Securities under the Prospectus.

(m) Accounting standards

Changes to any applicable accounting standards or to any assumptions, estimates or judgments applied by management in connection with complex accounting matters may adversely impact Peregrine's financial statements, results or condition.

Schedule 3 – Terms and Conditions of Peregrine Options

1 ENTITLEMENT

- 1.1 Each Option entitles the holder of the Option (**Holder**) to subscribe for one (1) Share upon exercise.

1 EXERCISE PRICE AND EXPIRY DATE

| Option Class | Exercise Price per Option | Expiry Date |
|-------------------|---------------------------|--------------------------------|
| Peregrine Options | A\$0.20 | 3 years from the date of issue |

2 EXERCISE PERIOD

- 2.1 Each Option is exercisable at any time prior to the Expiry Date. After this time, any unexercised Options will automatically lapse.

3 NOTICE OF EXERCISE

- 3.1 The Options may be exercised by notice in writing to Peregrine Limited (**Peregrine**) and payment of the applicable Exercise Price for each Option being exercised. Any Option Exercise Form for an Option received by Peregrine will be deemed to be a notice of the exercise of that Option as at the date of receipt.

4 MINIMUM EXERCISE

- 4.1 Options must be exercised in multiples of one thousand (1,000) unless fewer than one thousand (1,000) Options are held by a Holder.

5 SHARES ISSUED ON EXERCISE

- 5.1 Shares issued on exercise of the Options rank equally with the then Shares of Peregrine and are free of all encumbrances, liens and third party interests.

6 QUOTATION OF SHARES

- 6.1 If admitted to the official list of ASX at the time, Peregrine will apply to ASX for official quotation of the Shares issued upon the exercise of the Options.

7 TIMING OF ISSUE OF SHARES AND QUOTATION OF SHARES ON EXERCISE

- 7.1 Within 15 Business Days after receipt of an Option Exercise Form given in accordance with these terms and conditions and payment of the applicable Exercise Price for each Option being exercised, Peregrine will allot and issue the number of Shares required under these terms and conditions in respect of the number of Options specified in the Option Exercise Form and for which cleared funds have been received by Peregrine.

8 PARTICIPATION IN NEW ISSUES

- 8.1 A Holder who holds Options is not entitled to:

- 8.1.1 notice of, or to vote or attend at, a meeting of the shareholders;
- 8.1.2 receive any dividends declared by Peregrine; or
- 8.1.3 participate in any new issues of securities offered to shareholders during the term of the Options,

unless and until the Options are exercised and the Holder holds Shares.

9 ADJUSTMENT FOR BONUS ISSUES OF SHARES

- 9.1 If Peregrine 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):

- 9.1.1 the number of Shares which must be issued on the exercise of an Option will be increased by the number of Shares which the Holder would have received if the Holder of an Option had exercised the Option before the record date for the bonus issue; and

9.1.2 no change will be made to the Exercise Price.

10 ADJUSTMENT FOR RIGHTS ISSUE

10.1 If Peregrine makes an issue of Shares pro rata to existing shareholders (other than an issue in lieu of or in satisfaction of dividends or by way of dividend reinvestment) there will be no adjustment to the Exercise Price of an Option.

11 ADJUSTMENT FOR REORGANISATION

11.1 If there is any reconstruction of the issued share capital of Peregrine, the rights of the Holder will be varied to comply with the Listing Rules (if applicable) that apply to the reconstruction at the time of the reconstruction.

12 QUOTATION OF OPTIONS

12.1 Peregrine will not seek official quotation of any Options.

13 OPTIONS TRANSFERABLE

13.1 The Options are transferrable.

14 LODGEMENT REQUIREMENTS

14.1 Cheques shall be in Australian currency made payable to Peregrine and crossed 'Not Negotiable' for the application for Shares on the exercise of the Options.

Schedule 4 - Peregrine Pro-Forma Statement of Financial Position as at In-Specie Distribution Date

| | Pre-Distribution | In-Specie Distribution | Unaudited Proforma on completion of Distributions AUD |
|----------------------------------|------------------|------------------------|---|
| Current Assets | | | |
| Cash and cash equivalents | - | 3,275,305 | 3,275,305 |
| Total Current Assets | - | 3,275,305 | 3,275,305 |
| TOTAL ASSETS | - | 3,275,305 | 3,275,305 |
| LIABILITIES | | | |
| Current Liabilities | | | |
| Total Current Liabilities | - | - | - |
| TOTAL LIABILITIES | - | - | - |
| NET ASSETS | - | 3,275,305 | 3,275,305 |
| EQUITY | | | |
| Contributed equity | - | 3,275,305 | 3,275,305 |
| Reserves | - | - | - |
| Accumulated losses | - | - | - |
| TOTAL EQUITY | - | 3,275,305 | 3,275,305 |

Schedule 5 – Odyssey Pro-Forma Statement of Financial Position

| | 30 June 2020 Pre- Acquisition | Issue of Vendor Consideration (Stakewell) | Issue of Advisor Consideration (Stakewell) | Tuckanarra Acquisition | Stamp Duty | Capital Return | Capital Raising | Issue of Incentive Options to Directors | Transaction Costs | Unaudited Proforma on completion of transaction AUD |
|--------------------------------------|-------------------------------------|--|---|---------------------------|------------------|--------------------|--------------------|--|----------------------|---|
| Current Assets | | | | | | | | | | |
| Cash and cash equivalents | 14,245,043 | (250,000) | - | (2,000,000) | (392,363) | (6,550,609) | 3,125,000 | - | (400,000) | 7,777,071 |
| Trade and other receivables | 31,070 | - | - | - | - | - | - | - | - | 31,070 |
| Total Current Assets | 14,276,113 | (250,000) | - | (2,000,000) | (392,363) | (6,550,609) | 3,125,000 | - | (400,000) | 7,808,141 |
| Non-Current Assets | | | | | | | | | | |
| Exploration and Evaluation Assets | - | 3,225,000 | 157,500 | 4,982,975 | 392,363 | - | - | - | - | 8,757,838 |
| Total Non-Current Assets | - | 3,225,000 | 157,500 | 4,982,975 | 392,363 | - | - | - | - | 8,757,838 |
| TOTAL ASSETS | 14,276,113 | 2,975,000 | 157,500 | 2,982,975 | - | (6,550,609) | 3,125,000 | - | (400,000) | 16,565,979 |
| LIABILITIES | | | | | | | | | | |
| Current Liabilities | | | | | | | | | | |
| Trade and other payables | 45,856 | - | - | - | - | - | - | - | - | 45,856 |
| Deferred Consideration | - | - | - | 2,000,000 | - | - | - | - | - | 2,000,000 |
| Total Current Liabilities | 45,856 | - | - | 2,000,000 | - | - | - | - | - | 2,045,856 |
| Non-Current Liabilities | | | | | | | | | | |
| Deferred Consideration | - | - | - | 982,975 | - | - | - | - | - | 982,975 |
| Total Non-Current Liabilities | - | - | - | 982,975 | - | - | - | - | - | 982,975 |
| TOTAL LIABILITIES | 45,856 | - | - | 2,982,975 | - | - | - | - | - | 3,028,831 |
| NET ASSETS | 14,230,257 | 2,975,000 | 157,500 | - | - | (6,550,609) | 3,125,000 | - | (400,000) | 13,537,148 |
| EQUITY | | | | | | | | | | |
| Contributed equity | 39,932,389 | 1,875,000 | 125,000 | - | - | (6,550,609) | 3,125,000 | - | (400,000) | 38,106,780 |
| Reserves | - | 1,100,000 | 32,500 | - | - | - | - | 124,000 | - | 1,256,500 |
| Accumulated losses | (25,702,132) | - | - | - | - | - | - | (124,000) | - | (25,826,132) |
| TOTAL EQUITY | 14,230,257 | 2,975,000 | 157,500 | - | - | (6,550,609) | 3,125,000 | - | (400,000) | 13,537,148 |



**ODYSSEY ENERGY LIMITED (PROPOSED TO BE RENAMED
"ODYSSEY GOLD LIMITED")**

ACN 116 151 636

SHORT FORM PROSPECTUS

For an offer to transfer up to 16,376,523 Peregrine Shares together with one (1) free attaching Peregrine Option for every three (3) Peregrine Shares transferred to Eligible Shareholders of Odyssey Energy Limited pursuant to the Capital Reduction and in specie distribution contemplated in the Capital Reduction and Distributions Resolution in the Notice of Meeting dated 11 November 2020.

IMPORTANT NOTICE

This Prospectus is important and requires your immediate attention. You should read this Prospectus in its entirety and consult your professional adviser in respect of the contents of this Prospectus.

This Prospectus is a short form prospectus prepared in accordance with section 712 of the Corporations Act. This Prospectus does not of itself contain all the information that is generally required to be set out in a document of this type, but refers to parts of other documents lodged with ASIC, the contents of which are therefore taken to be included in this Prospectus.

The Directors consider an investment in the Peregrine Shares and Peregrine Options offered under this Prospectus to be speculative.

CONTENTS

| | |
|--|-----------|
| Important Information | 1 |
| General | 1 |
| Independent advice | 1 |
| No ASX listing | 1 |
| Defined terms..... | 1 |
| Short Form Prospectus | 1 |
| Exposure period..... | 2 |
| Forward-looking statements..... | 2 |
| 1 Offer | 3 |
| 1.1 Terms and conditions of the Offer | 3 |
| 1.2 Effect of the Offer on the Company | 3 |
| 1.3 Effect of the Offer on Peregrine | 3 |
| 1.4 Action required by Shareholders..... | 4 |
| 2 Information deemed to be incorporated in this Prospectus..... | 4 |
| 2.1 Short form prospectus..... | 4 |
| 2.2 Summary of material provisions of Notice of Meeting..... | 4 |
| 3 Additional information | 7 |
| 3.1 Interests of Peregrine Directors | 7 |
| 3.2 Interests of advisors..... | 7 |
| 3.3 Substantial Peregrine Shareholders | 8 |
| 3.4 Litigation..... | 8 |
| 3.5 Dividend policy | 8 |
| 3.6 Forecast financial information | 8 |
| 4 Consents..... | 8 |
| 5 Directors' authorisation | 9 |
| 6 Definitions | 10 |

Important Information

General

This Prospectus is dated 11 November 2020 and a copy of this Prospectus was lodged with ASIC on that date. ASIC and ASX take no responsibility for the content of this Prospectus, or the merits of the investment to which this Prospectus relates.

No Peregrine Securities may be offered or transferred on the basis of this Prospectus later than 13 months after the date of this Prospectus, being the expiry date of this Prospectus.

No person is authorised to give information or to make any representation in connection with this Prospectus which is not contained in this Prospectus. Any information or representation not contained in this Prospectus may not be relied on as having been authorised by the Company in connection with this Prospectus.

This Prospectus, including the Notice of Meeting which is incorporated by reference into this Prospectus, is important and should be read in its entirety. If you do not fully understand this Prospectus or are in any doubt as to how to deal with it, you should consult your professional adviser.

The Peregrine Securities which are the subject of this Prospectus should be considered speculative. This Prospectus does not constitute an offer in any place in which, or to any person to whom, it would not be lawful to make such an offer. No action has been taken to lodge or register this Prospectus in any jurisdiction other than Australia.

In making representations in this Prospectus, regard has been given to the fact that the Company is a disclosing entity for the purposes of the Corporations Act and certain matters may reasonably be expected to be known to Shareholders and professional advisers whom Shareholders may consult.

Independent advice

If you are uncertain about the terms and conditions of the Offer, you should seek the advice of an appropriately qualified financial adviser.

No ASX listing

Peregrine is an unlisted public company. Peregrine Shares and Peregrine Options will not be listed on the ASX or any other securities exchange upon issue.

Defined terms

Terms not defined in this Prospectus have the same meanings as used in the Notice of Meeting.

Short Form Prospectus

This Prospectus is a short form prospectus issued in accordance with section 712 of the Corporations Act. This means this Prospectus alone does not contain all the information that is generally required to satisfy the disclosure requirements of the Corporations Act. Rather, it incorporates all other necessary information by reference to information contained in the Notice of Meeting lodged with ASIC on 11 November 2020.

In referring to the Notice of Meeting, the Company:

- (a) identifies the Notice of Meeting as being relevant to the offer of Peregrine Securities under this Prospectus and contains information that will assist Shareholders and their professional advisers in making an informed assessment of:

- (i) the rights and liabilities attaching to the Peregrine Shares and Peregrine Options; and
 - (ii) the assets and liabilities, financial position and performance, profits and losses and prospects of Peregrine;
- (b) refers Shareholders and their professional advisers to this Prospectus which summarises the material information in the Notice of Meeting deemed to be incorporated in this Prospectus;
- (c) informs Shareholders and their professional advisers that they are able to obtain, free of charge, a copy of the Notice of Meeting by contacting the Company at its registered office during normal business hours during the offer period; and
- (d) advises that the information in the Notice of Meeting will be primarily of interest to Shareholders and their professional advisers or analysts.

Exposure period

The Corporations Act prohibits the Company from transferring Peregrine Securities in the seven day period after the date of lodgement of this Prospectus. This period may be extended by ASIC by up to a further seven days. This period is an exposure period to enable this Prospectus to be examined by market participants prior to the transfer of the Peregrine Securities.

Given the Meeting will be held on 11 December 2020 and the In-Specie Distribution will occur sometime after that date, the exposure period will be expired by the time any Peregrine Securities are transferred pursuant to the In-Specie Distribution.

Forward-looking statements

This Prospectus may contain forward-looking statements which are identified by words such as 'may', 'should', 'will', 'expect', 'anticipate', 'believes', 'estimate', 'intend', 'scheduled' or 'continue' or other similar words. Such statements and information are subject to risks and uncertainties and a number of assumptions, which may cause the actual results or events to differ materially from the expectations described in the forward looking statements or information.

Whilst the Company considers the expectations reflected in any forward-looking statements or information in this Prospectus are reasonable, no assurance can be given that such expectations will prove to be correct. The risk factors outlined Schedule 2 of the Notice of Meeting, as well as other matters not yet known to the Company or not currently considered material to Peregrine, may cause actual events to be materially different from those expressed, implied or projected in any forward looking statements or information. Any-forward looking statement or information contained in this Prospectus is qualified by this cautionary statement.

1 Offer

1.1 Terms and conditions of the Offer

The terms and conditions of the Offer are set out in the Notice of Meeting accompanying this Prospectus.

The Capital Reduction and Distributions Resolution of the Notice of Meeting is as follows:

"That, subject to the Acquisition Resolutions being passed or the inter-conditionality being waived by the Board, Shareholders approve for the purposes of sections 256B and 256C of the Corporations Act, Listing Rule 11.4 and for all other purposes, the issued share capital of the Company to be reduced by \$6,550,609, with the reduction to be effected and satisfied by returning to Shareholders on a pro-rata basis, a cash distribution of \$0.01 for each Share and an in-specie distribution of Peregrine Securities (equating to \$0.01) for each Share held as at the Record Date, on the terms and conditions set out in the Explanatory Memorandum."

Pursuant to the Capital Reduction and Distributions Resolution, the Company is inviting Shareholders to vote on an equal capital reduction by way of the In-Specie Distribution of Peregrine Securities to Eligible Shareholders.

The In-Specie Distribution will only proceed if the Capital Reduction and Distributions Resolution is passed by Shareholders.

Based on ASIC Regulatory Guide 188, the invitation to vote on the Capital Reduction and Distributions Resolution of the Notice of Meeting constitutes an offer to transfer the Peregrine Securities for the purposes of section 707(3) of the Corporations Act. Accordingly, the Company has prepared this Prospectus.

Each Eligible Shareholder's name will be entered on the register of members of Peregrine with each Shareholder having deemed to have consented to becoming a Peregrine shareholder and being bound by its constitution.

The distribution of Peregrine Securities under the reduction of capital to Eligible Shareholders with registered addresses overseas is subject to legal and regulatory requirements in those relevant overseas jurisdictions. Eligible Shareholders should refer to the Foreign Jurisdiction Restrictions in Section 4.25 of the Notice of Meeting.

The Company has determined that it would be unreasonable to transfer Peregrine Securities under the In-Specie Distribution to Overseas Shareholders on the Record Date. Accordingly, Overseas Shareholders on the Record Date will not be transferred any Peregrine Securities to which they would otherwise be entitled and instead their Peregrine Securities will be issued to the Company to be held on their behalf, pending a liquidity event in the form of a sale opportunity. Overseas Shareholders should refer to Section 4.17 of the Notice of Meeting for further information.

1.2 Effect of the Offer on the Company

The effect of the Offer on the Company will be:

- (a) the Company ceasing to own all Peregrine Shares (being those Peregrine Shares that it currently holds); and
- (b) Eligible Shareholders that are registered on the Record Date will receive one (1) Peregrine Share for every 20 Shares held together with one (1) free attaching Peregrine Options for every three (3) Peregrine Shares received.

1.3 Effect of the Offer on Peregrine

The effect of the Offer on Peregrine will be that 100% of the issued capital of Peregrine will no

longer be held by the Company and instead will be held by Eligible Shareholders that are registered on the Record Date.

1.4 Action required by Shareholders

No action is required by Shareholders under this Prospectus.

Should Shareholder approval be obtained for the Capital Reduction and Distributions Resolution, the Peregrine Securities will be transferred to Eligible Shareholders in accordance with the terms of the In-Specie Distribution described in the Notice of Meeting.

A prospectus is normally required to include an application form for shares. ASIC has granted relief from this requirement in *ASIC Corporations (Application Form Requirements) Instrument 2017/241* so that an application form is not required to be included in this Prospectus.

In due course, Eligible Shareholders will receive a share certificate for the Peregrine Shares and option certificate for the Peregrine Options to which they are entitled.

If you have any queries regarding this Prospectus, please contact the Company Secretary by telephone on +61 9322 6322.

2 Information deemed to be incorporated in this Prospectus

2.1 Short form prospectus

This Prospectus is a short form prospectus issued in accordance with section 712 of the Corporations Act. This means that this Prospectus does not of itself contain all the information that is generally required to be set out in a document of this type. However, it incorporates by reference information contained in a document that has been lodged with ASIC.

The Notice of Meeting contains all the information that Shareholders require in relation to the In-Specie Distribution and the Notice of Meeting in its entirety is deemed to be incorporated in this Prospectus.

The material provisions of the Notice of Meeting are summarised below in Section 2.2 of this Prospectus and will primarily be of interest to Shareholders and their professional advisers.

A copy of the Notice of Meeting has been sent to Shareholders with this Prospectus. However, Shareholders and their professional advisers may also obtain, free of charge, a copy of the Notice of Meeting by contacting the Company at its registered office during normal business hours.

2.2 Summary of material provisions of Notice of Meeting

The material provisions of the Notice of Meeting are summarised below. The Sections and Schedules referred to below are a reference to Sections and Schedules respectively in the Explanatory Memorandum to the Notice of Meeting:

(a) Section 4.1 – Introduction and Background to Odyssey

This Section provides an introduction to the nature of businesses carried on by Odyssey.

(b) Section 4.3 – Background to Capital Reduction and Distributions

This Section provides an overview of Resolution 1 on the Capital Reduction and Distributions Resolution including the background, rationale and events leading to the proposed Capital Reduction. It provides a diagram of the restructure of Odyssey and Peregrine and an outline of the effect of the Capital Reduction and Distributions.

(c) Section 4.4 – Background to Peregrine

This Section provides an overview of Peregrine.

(d) Section 4.5 – Background of the Pilbara Gold Project

This Section provides an overview of the Pilbara Gold Project.

(e) Section 4.6 – Material Contracts of Peregrine

This Section provides a summary of the material contracts of Peregrine.

(f) Section 4.7 – Advantages and disadvantages of the Distributions

This Section outlines the principal advantages and disadvantages to Shareholders of the Distributions.

(g) Section 4.8 – Impact on Shareholders of proposed Capital Reduction and Distributions

This Section outlines the effect of the proposed Capital Reduction and Distributions on Shareholders which is that Eligible Shareholders registered on the Record Date will receive a pro rata in-specie distribution of Peregrine Shares on the basis of one (1) Peregrine Share for every 20 Shares held together with one (1) free attaching Peregrine Options for every three (3) Peregrine Shares received

(h) Section 4.9 – Plans for Odyssey following completion of the Capital Reduction and Distributions

This Section outlines Odyssey's anticipated future plans if the Capital Reduction and Distributions are completed. This includes details of the Stakewell and Tuckanarra Gold Projects and Board changes.

(i) Section 4.10 – Plans for Odyssey if Resolution 1 is not passed

This Section outlines Odyssey's anticipated future plans if the Capital Reduction and Distributions are not completed.

(j) Section 4.11 – Plans for Peregrine if Resolution 1 is approved

This Section outlines Peregrine's anticipated future plans if the Capital Reduction and Distributions are completed.

(k) Section 4.12 – Peregrine Board and Key Management Personnel

This Section outlines Peregrine's current and proposed Directors of Peregrine.

(l) Section 4.13 and Schedule 2 – Risks

This Section and Schedule lists a number of specific and general risks that may have a material effect on the financial position and performance of Peregrine and the value of its shares.

(m) Section 4.14 and Schedules 4 and 5 – Pro forma financial position of Odyssey and Peregrine

This Section and the relevant Schedules provide the pro forma financial position of Peregrine and Odyssey following completion of the Capital Reduction and Distributions.

(n) Section 4.15 – Indicative Timetable

This Section sets out the indicative timetable for the Capital Reduction and Distributions.

(o) Section 4.16 – Capital structure of Odyssey and indicative capital structure of Peregrine

This Section provides an overview of the capital structure of Odyssey and the indicative capital structure of Peregrine after completion of the Capital Reduction and Distributions.

(p) Section 4.17 – Overseas Shareholders

This Section provides information to Overseas Shareholders relating to their entitlement to Peregrine Securities in relation to the In-Specie Distribution.

(q) Section 4.18 – Directors' Interests

This Section provides information on the Directors' interest as a result of the Capital Reduction and Distributions.

(r) Section 4.19 – Rights attaching to Peregrine Shares

This Section contains a summary of the more significant rights and liabilities attaching to Peregrine Shares.

(s) Section 4.20 and Schedule 3– Rights attaching to Peregrine Options

This Section and Schedule contains the terms and conditions of the Peregrine Options.

(t) Section 4.21 and 4.22 – Taxation consequences for the Company and Shareholders

These Sections outline the potential Australian tax consequences relating to the Capital Reduction and Distributions for both the Company and Shareholders.

To the maximum extent permitted by law, the Company, its officers and each of their respective advisors accept no liability and responsibility with respect to the taxation consequences for Shareholders.

(u) Section 4.23 – Information concerning Odyssey Shares

This Section contains information relating to Odyssey Shares.

(v) Section 4.24 – Disclosure to ASX

This Section describes that as an ASX listed company, copies of documents lodged in relation to the Odyssey may be obtained for a fee from, or inspected at, the office of ASIC or access at either the ASX announcements platform or Odyssey's website.

(w) Section 4.25 – Foreign Jurisdiction Restrictions

This Section provides information to Eligible Shareholders relating to the foreign jurisdictions restrictions applicable to the distribution of Peregrine Securities to them pursuant to the Capital Reduction and Distributions.

(x) Section 5.2 – Requirements under section 256C

This Section includes a statement that the Directors believe that the Capital Reduction is fair and reasonable to Shareholders and that the Capital Reduction will not prejudice the Company's ability to pay its creditors.

(y) Section 5.5 – Peregrine not immediately listed

This Section outlines that the market for Peregrine Shares will be illiquid.

(z) Sections 5.6 and 5.7 – Board discretion and Directors’ Recommendations

This Section outlines the Board discretion in relation to proceeding with the Capital Reduction and Distributions and the recommendation by the Board on the Capital Reduction and Distributions.

(aa) Schedule 4 - Peregrine Pro-Forma Statement of Financial Position as at In-Specie Distribution Date

This Section provides information on the Peregrine Pro-Forma Statement of Financial Position after the Capital Reduction and Distributions.

(bb) Schedule 5 – Odyssey Pro-Forma Statement of Financial Position

This Section provides information on the Odyssey Pro-Forma Statement of Financial Position after the Capital Reduction and Distributions.

3 Additional information

3.1 Interests of Peregrine Directors

Other than as set out below or elsewhere in this Prospectus or the Notice of Meeting:

- (a) no Peregrine Director holds, or during the last two years before lodgement of this Prospectus with ASIC, held, an interest in:
 - (i) the formation or promotion of Peregrine;
 - (ii) any property acquired or proposed to be acquired by Peregrine in connection with its formation or promotion or the Offer; or
 - (iii) the Offer; and
- (b) and no amount has been paid or agreed to be paid and no value or other benefit has been given or agreed to be given to any Peregrine Director either to induce them to become, or to qualify, as a Peregrine Director or otherwise for services rendered by them in connection with the formation or promotion of Peregrine or the Offer.

3.2 Interests of advisors

Other than as set out below or elsewhere in this Prospectus or the Notice of Meeting, no promoter of Peregrine or person named in this Prospectus as performing a function in a professional advisory or other capacity in connection with the preparation or distribution of this Prospectus has, or had within two years before lodgement of this Prospectus with ASIC, any interest in:

- (a) the formation or promotion of Peregrine;
- (b) any property acquired or proposed to be acquired by Peregrine in connection with its formation or promotion or the Offer; or
- (c) the Offer,

any no amounts have been paid or agreed to be paid and no benefits have been given or agreed to be given to any of those persons for services rendered in connection with the formation or promotion of Peregrine or the Offer.

Thomson Geer has acted as the solicitors to the Company in relation to the Offer. The Company estimates it will pay Thomson Geer approximately \$15,000 for these services. Subsequently, fees will be charged in accordance with normal charge out rates.

3.3 Substantial Peregrine Shareholders

At the date of this Prospectus, Odyssey holds all the Peregrine Shares on issue.

On completion of the Capital Reduction and Distributions the substantial Peregrine Shareholders (being the Peregrine Shareholders with a voting power in 5% or more of the Peregrine Shares on issue) will be as set out below:

| Name of Peregrine Shareholder | Number of Odyssey Shares (as last notified to Odyssey) | Number of Peregrine Shares in which the Peregrine Shareholder will have a relevant interest (1 Peregrine share for every 20 Odyssey shares) | Interest (%) |
|--|--|---|--------------|
| N&J Mitchell Holdings Pty Ltd, Croseus Mining Pty Ltd, Elizabeth Louise Steinepreis and Mark David Steinepreis | 22,095,000 | 1,104,750 | 6.75 |
| Arredo Pty Ltd (Ian Middlemas) | 17,312,500 | 865,625 | 5.29 |

3.4 Litigation

To the knowledge of the Directors, other than as disclosed in the Notice of Meeting or in this Prospectus, as at the date of this Prospectus, Peregrine is not involved in any legal proceedings, and the Directors are not aware of any legal proceedings pending or threatened against Peregrine or any of the entities that will become subsidiaries of Peregrine.

3.5 Dividend policy

The Company does not expect Peregrine to declare any dividends in the near future as it is not yet profit-making and its focus will primarily be on using cash reserves and profits (if any) to continue to build and scale the business.

Any future determination as to the payment of dividends by Peregrine will be at the discretion of the Peregrine Directors and will depend on matters such as the availability of distributable earnings, the operating results and financial condition of Peregrine, future capital requirements and general business and other factors considered relevant by the Peregrine Directors. No assurances can be given by the Directors in relation to the payment of dividends by Peregrine.

3.6 Forecast financial information

Given the nature of the Peregrine business and the fact that it is the early stages of commercialisation, there are significant uncertainties associated with forecasting future revenues and expenses of Peregrine. In light of uncertainty as to timing and outcome of Peregrine growth strategies, Peregrine's performance in any future period cannot be reliably estimated. On this basis and after considering Regulatory Guide 170, the Directors believe that reliable financial forecasts for Peregrine cannot be prepared and accordingly have not included financial forecasts in this Prospectus.

4 Consents

Each of the parties referred to in this Section:

- (a) does not make, or purport to make, any statement in this Prospectus, or any statement on which a statement in this Prospectus is based, other than those referred to in this section;
- (b) has not authorised or caused the issue of this Prospectus or the making of the Offer; and

- (c) makes no representations regarding, and to the maximum extent permitted by law, expressly disclaims and takes no responsibility for any statements in, or omissions from, any part of this Prospectus other than a reference to its name and a statement and/or any report (if any) included in this Prospectus with the consent of that party as specified in this section.

Thomson Geer has given and has not, before lodgement of this Prospectus with ASIC, withdrawn its consent to be named in this Prospectus as solicitors to the Company in relation to the Offer in the form and context in which it is named.

5 Directors' authorisation

This Prospectus is issued by the Company and its issue has been authorised by a resolution of the Directors.

In accordance with section 720 of the Corporations Act, each Director has consented to the lodgement of this Prospectus with ASIC and has not withdrawn that consent.

This Prospectus is signed for and on behalf of the Company by:

A handwritten signature in black ink, appearing to read 'M. Syme', enclosed within a large, loopy oval stroke.

Matthew Syme
Executive Director

Dated: 11 November 2020

6 Definitions

ASIC means Australian Securities and Investments Commission.

ASX means ASX Limited (ABN 98 008 624 691) and, where the context permits, the Australian Securities Exchange operated by ASX Limited.

Board means the board of Directors from time to time.

Capital Reduction means the equal capital reduction to Shareholders equivalent to A\$0.02 per Share.

Capital Reduction and Distributions Resolution means the Resolution in the Notice of Meeting to be put to Shareholders at the Meeting.

Cash Distribution means the cash distribution of \$0.01 per Share.

Company or **Odyssey** means Odyssey Energy Limited ACN 116 151 636.

Corporations Act means the Corporations Act 2001(Cth).

Director means any director of the Company and **Directors** means all of them.

Distributions means the Cash Distribution and In-Specie Distribution.

Eligible Shareholder means a Shareholder on the Record Date, other than an Overseas Shareholder.

Explanatory Memorandum means the explanatory memorandum accompanying and forming part of the Notice of Meeting.

In-Specie Distribution means the pro rata in-specie distribution, equating to \$0.01 per Share, of Peregrine Shares, on the basis of one Peregrine Share for every 20 Shares as at the Record Date, together with one free attaching Peregrine Option for every three Peregrine Shares.

Meeting means the general meeting of Shareholders convened pursuant to the Notice of Meeting.

Notice of Meeting means the Notice of General Meeting of the Company dated 11 November 2020 in which the Capital Reduction and Distributions Resolution is to be considered (which includes the Explanatory Memorandum).

Offer means the offer of Peregrine Securities pursuant to the Notice of Meeting.

Overseas Shareholder means a Shareholder with a registered address outside of Australia, New Zealand, Germany, Panama, the United Kingdom, the United States and any other jurisdiction determined by the Company which is not prohibited and unduly onerous or impractical to distribute Peregrine Shares.

Peregrine means Peregrine Gold Limited ACN 644 734 921.

Peregrine Director means any director of Peregrine and **Peregrine Directors** means all of them.

Peregrine Option means an option to acquire a Peregrine Share with an exercise price of \$0.20 per option, expiring 3 years from the date of issue and on the terms and conditions in Schedule 3 of the Notice of Meeting.

Peregrine Securities means Peregrine Shares and Peregrine Options issued by Peregrine.

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

Prospectus means this short form prospectus prepared in accordance with section 712 of the Corporations Act and dated 11 November 2020.

Record Date means the date specified in the indicative timetable in Section 4.15 of the Notice of Meeting.

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

Shareholder means a registered holder of a Share.

Schedule means a schedule to the Notice of Meeting.

Section means section of this Prospectus or the Notice of Meeting, as the context requires.

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 **11.00am (WST) on Wednesday, 9 December 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:

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)

APPOINT A PROXY:
 (We being a Shareholder entitled to attend and vote at the General Meeting of Odyssey Energy Limited, to be held at 11.00am (WST) on

I/we being a shareholder entitled to attend and vote at the General Meeting of Odyssey Energy Limited, to be held at 11.00am (WST) on Friday, 11 December 2020 at the Conference Room, Ground Floor, 28 The Esplanade, Perth, Western Australia hereby:

Appoint the Chair of the Meeting (Chair) OR if you are not appointing the Chair of the Meeting as your proxy, please write in the box provided below the name of the person or body corporate you are appointing as your proxy or failing the person so named or, if no person is named, the Chair, or the Chair's nominee, to vote in accordance with the following directions, or, if no directions have been given, and subject to the relevant laws as the proxy sees fit and at any adjournment thereof.

[illegible]

The Chair intends to vote undirected proxies in favour of all Resolutions in which the Chair is entitled to vote. Unless indicated otherwise by ticking the “for,” “against” or “abstain” box you will be authorizing the Chair to vote in accordance with the

Unless indicated otherwise by ticking the 'for', 'against' or 'abstain' box you will be authorising the Chair to vote in accordance with the Chair's voting intention.

| Resolutions | For | Against | Abstain |
|-------------|-----|---------|---------|
|-------------|-----|---------|---------|

| For | Against | Abstain |
|-----|---------|---------|
|-----|---------|---------|

| | | | | |
|----|--|--------------------------|--------------------------|--------------------------|
| 1. | Approval for Capital Reduction and Distributions | <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.

Individual or Securityholder 1

Securityholder 2

Securituholder 3

| | |
|--|--|
| | |
|--|--|

| | |
|--|--|
| | |
|--|--|

| | |
|--|--|
| | |
|--|--|

Sole Director and Sole Company Secretary

Director

Director / Company Secretary

| | | |
|--|----------|------------------------------|
| Sole Director and Sole Company Secretary | Director | Director / Company Secretary |
| Contact Name: | | |

[illegible]

Email Address:

[illegible]

Contact Dautime Telephone

[illegible]

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).