

GULLEWA LIMITED

ACN 007 547 480

Notice of Annual General Meeting and Explanatory Memorandum

Date of Meeting

Friday, 11 December 2020

Time of Meeting

11am EDST

Place of Meeting

Gullewa Limited
Suite 1 Level 2
49-51 York Street
SYDNEY NSW 2000

This Notice of Annual General Meeting and 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 without delay.

GULLEWA LIMITED

ACN 007 547 480

NOTICE OF ANNUAL GENERAL MEETING

Notice is hereby given of the Annual General Meeting of Gullewa Limited ("**Company**" or "**Gullewa**") to be held at the Offices of Gullewa Limited, Suite 1 Level 2, 49-51 York Street, Sydney NSW 2000 on Friday, 11 December 2020 at 11am EDST, for the purpose of transacting the following business referred to in this Notice of Annual General Meeting.

An Explanatory Memorandum containing information in relation to the following Resolutions accompanies and forms part of this Notice of Annual General Meeting.

AGENDA

Accounts and Reports

To receive and consider the annual financial report of the Company for the year ended 30 June 2020 and accompanying reports of the Directors and auditor of the Company.

Resolution 1 – Adoption of Remuneration Report

To consider and put to a non-binding vote the following resolution as an **ordinary resolution**:

"That the Remuneration Report required by section 300A of the Corporations Act, as disclosed in the report of the Directors for the year ended 30 June 2020, be adopted."

Note: The vote on this Resolution is advisory only and does not bind the Directors or the Company.

Voting Prohibition Statement

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

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

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

- (c) the Voter is appointed as a proxy by writing that specifies the way the proxy is to vote on the Resolution; or
- (d) the Voter is the Chair and the appointment of the Chair as proxy:
 - (i) does not specify the way the proxy is to vote on this Resolution; and
 - (ii) expressly authorises the Chair to exercise the proxy even if the Resolution is connected directly or indirectly with the remuneration of a member of the Key Management Personnel for the Company, or if the Company is part of a consolidated entity, for the entity.

Resolution 2 –Re-election of Mr Eddie Lee as a Director

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

"That Mr Eddie Lee who retires in accordance with the Constitution and who offers himself for re-election and is eligible for re-election, be re-elected as a Director."

Resolution 3 – Approval of Issue of Options to Mr Anthony Howland-Rose, Director

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

"That the issue of up to 2,500,000 Options to Mr Anthony Howland-Rose (who is a Director) and/or his nominee(s) on the terms and conditions and in the manner described in the Explanatory Memorandum, is approved under and for the purposes of Listing Rule 10.11 and for all other purposes."

Voting Exclusion Statement

The Company will disregard any votes cast in favour of the Resolution by Mr Anthony Howland-Rose and/or his nominee(s), and any other person who will obtain a material benefit as a result of, the proposed issue (except a benefit solely by reason of being a holder of ordinary securities in the Company), or an associate of that person or those persons.

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

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

Voting Prohibition Statement:

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

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

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

- (c) the Voter is appointed as a proxy by writing that specifies the way the proxy is to vote on the Resolution; or
- (d) the Voter is the Chair and the appointment of the Chair as proxy:
 - (i) does not specify the way the proxy is to vote on this Resolution; and
 - (ii) expressly authorises the Chair to exercise the proxy even if the Resolution is connected directly or indirectly with the remuneration of a member of the Key Management Personnel for the Company, or if the Company is part of a consolidated entity, for the entity.

Resolution 4 – Approval of Issue of Options to Mr David Deitz, Director

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

"That the issue of up to 3,500,000 Options to Mr David Deitz (who is a Director) and/or his nominee(s), on the terms and conditions and in the manner described in the Explanatory Memorandum, is approved under and for the purposes of ASX Listing Rule 10.11 and for all other purposes."

Voting Exclusion Statement

The Company will disregard any votes cast in favour of the Resolution by Mr David Deitz and/or his nominee(s), and any other person who will obtain a material benefit as a result of, the proposed issue (except a benefit solely by reason of being a holder of ordinary securities in the Company), or an associate of that person or those persons.

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

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

Voting Prohibition Statement:

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

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

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

- (c) the Voter is appointed as a proxy by writing that specifies the way the proxy is to vote on the Resolution; or
- (d) the Voter is the Chair and the appointment of the Chair as proxy:
 - (i) does not specify the way the proxy is to vote on this Resolution; and
 - (ii) expressly authorises the Chair to exercise the proxy even if the Resolution is connected directly or indirectly with the remuneration of a member of the Key Management Personnel for the Company, or if the Company is part of a consolidated entity, for the entity.

Resolution 5 – Approval of Issue of Options to Mr Eddie Lee, Director

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

"That the issue of up to 400,000 Options to Mr Eddie Lee (who is a Director) and/or his nominee(s), on the terms and conditions and in the manner described in the Explanatory Memorandum, is approved under and for the purposes of ASX Listing Rule 10.11 and for all other purposes."

Voting Exclusion Statement

The Company will disregard any votes cast in favour of the Resolution by Mr Eddie Lee and/or his nominee(s), and any other person who will obtain a material benefit as a result of, the proposed issue (except a benefit solely by reason of being a holder of ordinary securities in the Company), or an associate of that person or those persons.

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

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

Voting Prohibition Statement:

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

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

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

- (c) the Voter is appointed as a proxy by writing that specifies the way the proxy is to vote on the Resolution; or
- (d) the Voter is the Chair and the appointment of the Chair as proxy:
 - (i) does not specify the way the proxy is to vote on this Resolution; and
 - (ii) expressly authorises the Chair to exercise the proxy even if the Resolution is connected directly or indirectly with the remuneration of a member of the Key Management Personnel for the Company, or if the Company is part of a consolidated entity, for the entity.

Resolution 6 – Approval of Amendments to Constitution

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

"That, for the purpose of section 136(2) of the Corporations Act and for all other purposes, approval is given for the Company to amend the Constitution in the manner set out in the accompanying Explanatory Memorandum, with effect from the close of the Meeting."

Resolution 7 – Approval of Termination Benefits

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

“That the giving of termination benefits to Director Mr David Deitz and/or his nominee(s), on the terms and conditions and in the manner described in the Explanatory Memorandum, is approved under and for the purposes of sections 200B and 200E of the Corporations Act, ASX Listing Rule 10.19 and for all other purposes.”

Voting Exclusion Statement

The Company will disregard any votes cast in favour of the Resolution by Mr David Deitz and/or his nominee(s) or an associate of Mr Deitz.

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

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

Voting Prohibition Statement:

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

- (a) Mr David Deitz; or
- (b) an associate of Mr David Deitz.

However, a person (the **Voter**) described above may cast a vote on this Resolution as a proxy if the Voter is appointed as a proxy by writing that specifies the way the proxy is to vote on the Resolution and if the vote is not cast on behalf of Mr David Deitz or an associate of Mr David Deitz.

OTHER BUSINESS

To deal with any other business which may be lawfully brought forward.

By Order of the Board of Directors

David Deitz

Director

Dated 28 October 2020

PROXIES

- Votes at the Annual General Meeting may be given personally or by proxy, attorney or representative.
- A Shareholder who is entitled to attend and vote at the Meeting has a right to appoint a proxy to attend and vote instead of the Shareholder. A proxy need not be (but may be) a Shareholder and can be either an individual or a body corporate. If a Shareholder appoints a body corporate as a proxy that body corporate will need to ensure that it:
 - appoints an individual as its corporate representative to exercise its powers at the Meeting, in accordance with section 250D of the Corporations Act; and
 - provides the Company with satisfactory evidence of the appointment of its corporate representative prior to commencement of the Meeting.
- If such evidence is not received before the Meeting, then the body corporate (through its representative) will not be permitted to act as proxy.
- Proxies given by corporate Shareholders must be executed in accordance with their constitutions, or signed by a duly authorised attorney. A proxy may decide whether to vote on any motion, except where the proxy is required by law or the Constitution to vote, or abstain from voting, in their capacity as proxy.
- A Shareholder entitled to cast 2 or more votes at the Meeting may appoint not more than two proxies to attend and vote at this Meeting. Where more than one proxy is appointed, each proxy must be appointed to represent a specified proportion of the Shareholder's voting rights. If no proportion or number is specified, each proxy may exercise half of the Shareholder's votes. Fractions will be disregarded.
- A proxy may, but need not be, a Shareholder.
- The instrument appointing the proxy must be in writing, executed by the appointor or his attorney duly authorised in writing or, if such appointor is a corporation, either under seal or under hand of an officer(s) or his attorney duly authorised.
- The instrument of proxy (and the power of attorney or other authority, if any, under which it is signed or certified copy of the same) must be lodged by person, post, courier or facsimile and reach the Registered Office of the Company at least 48 hours prior to the Meeting.
- Proxies appointing the Chair which do not specify the way in which the proxy is to vote on a particular Resolution will be recorded as voting in favour of the Resolutions (subject to the other provisions of these notes on Proxies and any required voting exclusions including those in the Notice) as this is the Chair's voting intention. If the Chair is your nominated proxy, or may be appointed by default, and you have not directed your proxy how to vote by ticking either the 'for', 'against' or 'abstain' box in relation to Resolutions 1, 3, 4, 5 and 7, you will be authorising the Chair to vote in accordance with the Chair's voting intentions on Resolutions 1, 3, 4, 5 and 7 even if Resolutions 1, 3, 4, 5 and 7 are connected directly or indirectly with the remuneration of the Chair and other Key Management Personnel. The Chair intends to vote all available proxies in favour of Resolutions 1, 3, 4, 5 and 7.
- A proxy form accompanies this Notice and to be effective the proxy form and the power of attorney or other authority (if any) under which it is signed (or a certified copy) must be received by the Company no later than 48 hours before the commencement of the Meeting, at:
 - the Company's registered office, Suite 1 Level 2, 49 – 51 York Street, Sydney, New South Wales 2000; or
 - by post to Gullewa Limited, Suite 1 Level 2, 49 – 51 York Street, Sydney, New South Wales 2000

Any proxy form received after that time will not be valid for the Meeting.

The **enclosed** proxy form provides further details on appointing proxies and lodging proxy forms.

Corporations

A corporation may elect to appoint a representative in accordance with the Corporations Act in which case the Company will require written proof of the representative's appointment which must be lodged with, or presented to the Company before the commencement of the Meeting.

NOTES

For the purpose of regulation 7.11.37 of the Corporations Regulations 2001 (Cth), the Directors have determined that Shares held at 11am EDST on Wednesday, 9 December 2020 will be taken, for the purposes of the Annual General Meeting, to be held by the persons who held them at that time. The entitlement of Shareholders to vote at the Meeting will be determined by reference to that time.

IMPORTANT INFORMATION FOR SHAREHOLDERS

In accordance with subsection 5(1)(f) of the *Corporations (Coronavirus Economic Response) Determination No. 3) 2020*, the Company will not dispatch physical copies of the Notice of Annual General Meeting. Instead a copy of the Notice is available to be viewed and/or downloaded on the ASX market announcements platform at <https://www.asx.com.au/asx/statistics/announcements.do>. or on the Company's website at <http://www.gullewa.com.au/index.php/2013-11-27-00-35-28/2013-11-27-00-36-16/2020-announcements>

The Company intends to hold a physical in-person Meeting. Due to public health measures mandated by various regulatory authorities as means of combating the COVID-19 pandemic, for the health and safety of all Shareholders and Company officers Gullewa Ltd encourages Shareholders to vote by proxy, rather than attending the Meeting in person.

EXPLANATORY MEMORANDUM

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

The Directors recommend Shareholders read this Explanatory Memorandum in conjunction with the Notice of Meeting (of which this Explanatory Memorandum forms a part) in full before making any decision in relation to the Resolutions.

ORDINARY BUSINESS

ANNUAL REPORT

As required under section 317 of the Corporations Act, the Annual Report (which includes the financial report, Directors' report and auditor's report) will be laid before the Annual General Meeting.

Shareholders at the Meeting will be given a reasonable opportunity to ask questions and make comments about the Annual Report or the Company generally, but there will be no formal resolution submitted to the Meeting.

Reasonable opportunity will also be given to Shareholders at the Meeting to ask the Company's auditor questions relevant to the conduct of the audit, the preparation and content of the auditor's report, the accounting policies adopted by the Company in relation to the preparation of the financial statements and the independence of the auditor in relation to the conduct of the audit.

RESOLUTION 1 – ADOPTION OF REMUNERATION REPORT (Non-binding vote)

Requirements of Corporations Act

Section 298 of the Corporations Act requires that the annual Directors' Report contain a Remuneration Report prepared in accordance with section 300A of the Corporations Act.

By way of summary, the Remuneration Report:

- (a) discusses the Company's policy and the process for determining the remuneration of its executive officers (there are no executives other than the Directors); and
- (b) sets out remuneration details for each Director named in the Remuneration Report for the financial year ended 30 June 2020.

Section 250R(2) of the Corporations Act requires companies to put a resolution to their members that the Remuneration Report be adopted. Pursuant to section 250R(3) of the Corporations Act, the vote on this resolution is advisory only and does not bind the Board or the Company.

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

Voting consequences

Under changes to the Corporations Act that came into effect on 1 July 2011, if at least 25% of the votes cast on a remuneration report resolution are voted against adoption of the remuneration report in two consecutive annual general meetings, a company will be required to put to its shareholders a resolution proposing the calling of a general meeting to consider the appointment of directors of the company (**Spill Resolution**) at the second annual general meeting.

If more than 50% of shareholders vote in favour of the Spill Resolution, the company must convene the general meeting (**Spill Meeting**) within 90 days of the second annual general meeting.

All of the directors of the company who were in office when the directors' report (as included in the company's annual financial report for the financial year ended immediately before the second annual general meeting) was approved, other than the managing director of the company, will cease to hold office immediately before the end of the Spill Meeting but may stand for election or re-election at the Spill Meeting. Following the Spill Meeting those persons whose election or re-election as directors is approved will be the directors of the company.

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

Directors' Recommendation

The Board unanimously recommends that Shareholders adopt the Remuneration Report.

RESOLUTION 2 –RE-ELECTION OF MR EDDIE LEE AS A DIRECTOR

Resolution 2 seeks approval for the re-election of Mr Eddie Lee as a Director with effect from the end of the Meeting.

The Constitution provides that at each annual general meeting of the Company one-third of the Directors or, if their number is not a multiple of three, then such number as is appropriate to ensure that no Director holds office for more than 3 years, shall retire from office.

Mr Lee retires from office in accordance with this requirement, being eligible, and submits himself for re-election. His profile is contained in the Annual Report.

Directors' Recommendation

The Directors (other than Mr Eddie Lee) recommend the election of Mr Eddie Lee.

RESOLUTIONS 3, 4 AND 5 - APPROVAL OF ISSUE OF OPTIONS TO DIRECTORS

Background

Resolutions 3, 4 and 5 seek Shareholder approval for the issue of a total of 6,400,000 Options to Messrs Anthony Howland-Rose, David Deitz and Eddie Lee who are Directors, and/or their nominee(s), as follows:

Name	Number of Options
Mr Anthony Howland-Rose and/or his nominee(s) (Resolution 3)	2,500,000
Mr David Deitz and/or his nominee(s) (Resolution 4)	3,500,000
Mr Eddie Lee and/or his nominee(s) (Resolution 5)	400,000

The terms of the Options are set out in Annexure A to this Explanatory Memorandum. The exercise price of the Options will be the price that is 20 % above the VWAP for the last 90 days traded up to and including the day preceding the issue of the Options. However, since the actual Share price is not known, for the purposes of the valuation, the Options have been valued as though granted on 27 October 2020. The Options have been valued using market data current at that time. Accordingly the actual exercise price (and also the value of the Options as at the date of issue) could vary having regard to the fluctuations in the market price of the Shares between the date of this Notice and the date upon which the Options are offered to Messrs Howland-Rose, Deitz and Lee following the Meeting in which case the valuation of the Options may vary.

The primary purpose of the grant of Options to Messrs Howland-Rose, Deitz and Lee is to provide a market linked incentive package in their capacity as Directors and to encourage future performance by them. The Directors believe that the future success of the Company will depend in large measure on the skills and motivation of the people engaged in and overseeing the management of the Company's operations. It is therefore important that the Company is able to attract and retain people of the highest calibre.

The Directors consider that the most appropriate means of achieving this is to reward Directors and employees for their performance, to provide Directors and employees with an opportunity to participate in the Company's future growth and give them an incentive to contribute to that growth. The Board considered the extensive corporate, exploration and property industry experience of Messrs Howland-Rose, Deitz and Lee and the current market price of Shares when determining the number and exercise price of the Options to be put before Shareholders for their approval.

The Options will be issued on a single occasion as soon as possible and, in any event, within one month of the date of the Annual General Meeting.

As the Options will be issued for no cash consideration, no cash funds will be raised by the Company from their issue. Any funds received on the exercise of the Options will be used for working capital purposes.

The issue of options as part of the remuneration packages of directors and employees is a well established practice of public listed companies and, in the case of the Company, has the benefit of conserving cash whilst properly rewarding their directors and employees.

The number of Options to be granted to Messrs Howland-Rose, Deitz and Lee and their exercise price and expiry date has been determined based upon the Directors' wish to ensure that the remuneration offered is competitive with market standards and where appropriate, based upon performance hurdles.

The Board considers the packages, including the proposed grant of Options, are comparable to other remuneration packages for directors and employees of comparable companies. The exercise of the Options will provide working capital for the Company at no significant cost. Based on the Share price as at 27 October 2020, if all Options proposed to be issued pursuant to Resolutions 3, 4 and 5 are ultimately exercised, an amount of \$768,000 would be raised.

The Board considers the proposed grant of the Options pursuant to Resolutions 3, 4 and 5 to be put before the Shareholders to be reasonable and commercial in light of the circumstances of the Company given its size and stage of development, market practice of other companies in the mineral exploration and development industry and given the necessity to attract and retain the highest calibre of skilled professionals to the Company whilst maintaining the Company's cash reserves. Accounting standards require that granted options be valued and expensed.

Part 2E Corporations Act

Chapter 2E of the Corporations Act prohibits a public company from giving a financial benefit to a related party of the public company unless either:

- the giving of the financial benefit falls within one of the nominated exceptions to the provision; or
- shareholder approval is obtained prior to the giving of the financial benefit and the benefit is given within 15 months after obtaining such approval.

It is the view of the Directors that the proposed grant of Options to Messrs Howland-Rose, Deitz and Lee pursuant to Resolutions 3, 4 and 5 respectively falls within the exception under section 211 of the Corporations Act (reasonable remuneration) given the circumstances of the Company and the positions held by Messrs Howland-Rose, Deitz and Lee. Accordingly, the Directors have determined not to seek Shareholder approval under section 208 of the Corporations Act for the grant of the Options to Messrs Howland-Rose, Deitz and Lee pursuant to Resolutions 3, 4 and 5 respectively.

The Board's view concluded that the totality of Messrs Howland-Rose, Deitz and Lee's remuneration packages, including the equity component of the 6,400,000 Options now to be considered for approval by Shareholders, is fair and reasonable in the circumstances of the Company given its size and stage of development, market practice of other comparable companies and given the necessity to attract and retain the highest calibre of skilled professionals to the Company whilst maintaining the Company's cash reserves, and in light of Messrs Howland-Rose, Deitz and Lee's experience and knowledge.

For the purposes of Chapter 2E, the Directors are each a related party of the Company.

The following information is provided to Shareholders:

- (a) The related parties to whom the proposed resolution would permit the financial benefit to be given are as follows:

Name	Number of Options
Anthony Howland-Rose and/or his nominee(s)	2,500,000
David Deitz and/or his nominee(s)	3,500,000
Eddie Lee and/or his nominee(s)	400,000

- (b) The nature of the financial benefit proposed to be given is the grant of the Options for no consideration on the terms and conditions set out in Resolutions 3, 4 and 5 and Annexure A to this Explanatory Memorandum.

On the basis of the Option value, as detailed in paragraph (d)(ii) below, the value of the Options proposed to be issued to each of the Directors is as follows:

Name	Role	Value of Options (\$)
Anthony Howland-Rose	Executive Chairman	\$125,000
David Deitz	CEO & Director	\$175,000
Eddie Lee	Director	\$20,000

- (c) As all Directors and/or their respective nominee(s) are participating in the proposed issue of Options, each of the Directors expresses no opinion and makes no recommendation in respect of the grant of the Options proposed by Resolutions 3, 4 and 5 as they consider that they have a material personal interest in the outcome of these Resolutions.
- (d) Other information (apart from that as set out throughout this Notice of Meeting) that is reasonably required by Shareholders to make a decision whether it is in the interests of the Company to pass Resolutions 3, 4 and 5 that is known to the Company or any of its Directors is as follows:
- (i) The proposed Resolutions 3, 4 and 5 would have the effect of giving power to the Directors to grant up to 6,400,000 Options on the terms and conditions as set out in Annexure A to this Explanatory Memorandum and as otherwise mentioned above. The Company presently has 162,373,100 Shares and 57,650,000 Options on issue.

(ii) The Company has valued the Options using the Black-Scholes Option Pricing Model (“BSModel”), which is the most widely used and recognised model for pricing options, and which ASIC has indicated as acceptable. The value of an option calculated by the BSModel is a function of a number of variables and is rounded to the nearest one hundredth of a cent. Their assessment of the value of the Options has been prepared using the following variables:

- the price of the underlying Share is \$0.10 based on the volume weighted average price of the Shares recorded on the stock exchange of the ASX over the last 90 days traded up to and including 27 October 2020;
- the exercise price is \$0.12 being a 20% premium to the VWAP for the last 90 days traded up to and including to the date preceding the day of the issue of the Options;
- the Option term is 5 years;
- a price volatility factor of 64%; and
- the average risk free interest rate of 2.1%, as at 27 October 2020.

In deriving the valuation the BSModel relies upon the following assumptions:

- that the Options are American call options (ie. they can be exercised at any time during the period);
- there are no transaction costs, options and shares are infinitely divisible, and information is available to all without cost;
- short selling is allowed without restriction or penalty;
- the risk free interest rate is known and constant throughout the duration of the option contract;
- the underlying shares do not pay a dividend; and
- share prices behave in a manner consistent with a random walk in continuous time.

Using the abovementioned variables the BSModel indicates the value of each Option to be \$0.05. Any change in the variables applied in the BSModel between the date of the valuation and the date the Options are granted would either increase or decrease their value.

(iii) The exercise price of the Options will be the price that is 20% above the VWAP for the last 90 days traded up to and including the date preceding the issue of the Options. However, since the actual Share price is not known, for the purposes of the valuation, the Options have been valued as though granted on 27 October 2020. The Options have been valued using market data current at that time. Accordingly the actual exercise price (and also the value of the Options as at the date of issue) could vary having regard to the fluctuations in the market price of the Shares between the date of this Notice and the date upon which the Options are offered to Messrs Howland-Rose, Deitz and Lee following the Meeting in which case the valuation of the Options may vary.

(iv) If any Options granted as proposed are exercised, the effect would be to dilute the shareholding of existing Shareholders. Based on the securities of the Company on issue as at 27 October 2020, and assuming that no other Options are exercised and no other Shares are issued except Shares issued upon exercise of the Options) the effect of the exercise of the Options will be that the shareholding of existing Shareholders would be diluted by 3.7% . The market price of the Shares during the period of the Options will normally determine whether or not Option holders exercise the Options. At the time any Options are exercised and Shares are issued pursuant to the exercise of the Options, the Shares may be trading on ASX at a price which is higher than the exercise price of the Options. If the Options are exercised at a time at which the Shares are trading on ASX at a price that is higher than the exercise price of the Options, there may be a perceived cost to the Company.

The following table gives details of the highest, lowest and latest price of Shares trading on ASX over the past 12 months ending on 30 October 2020:

Security	Highest Price on 12/06/2020	Lowest Price on 29/10/2020	Latest Price on 27/10/2020
Ordinary Shares	\$0.125	\$0.027	\$0.12

(v) As at the date of this Notice, the Directors and their associates have relevant interests in securities in the Company as follows:

Name	Shares	Options		
		Number of options	Exercise Price	Expiry Date
Anthony Howland-Rose	20,221,540	6,000,000	\$0.035	29/12/2024
		6,000,000	\$0.0287	30/12/2023
		5,000,000	\$0.027	23/12/2021
		6,000,000	\$0.026	23/12/2022
David Deitz	31,211,858	8,000,000	\$0.035	29/12/2024
		8,000,000	\$0.02875	23/12/2023
		6,000,000	\$0.027	23/12/2021
		8,000,000	\$0.026	23/12/2022
Eddie Lee	1,492,378	1,000,000	\$0.035	24/12/2024
		1,000,000	\$0.0287	23/12/2023
		1,000,000	\$0.027	23/12/2021
		1,000,000	\$0.026	23/12/2022

- (vi) Based on the Option values set out in paragraph (d)(ii) above the Directors will be receiving the following remuneration for their roles as Directors, plus compulsory superannuation contributions in accordance with the Superannuation Guarantee legislation in the next financial year if Resolutions 3, 4 and 5 are passed:

Name	Role	Cash salary and fees (\$)	Value of Options (\$)	Total Remuneration (p.a) (\$)
Anthony Howland-Rose	Executive Chairman	\$83,000	\$125,000	\$208,000
David Deitz	CEO & Director	\$228,310	\$175,000	\$403,310
Eddie Lee	Director	\$35,045	\$20,000	\$55,045

The Directors receive no other remuneration for their roles as Directors

- (vii) The Directors do not consider that from an economic and commercial point of view, there are any costs or detriments including opportunity costs or taxation consequences for the Company or benefits foregone by the Company in granting the Options pursuant to Resolutions 3, 4 and 5 other than:
- (A) the potential dilution of Shareholding of Shareholders set out in paragraph (d)(iv) above,
 - (B) the possibility that, if the Options are exercised at a time when the market price of Shares is greater than the exercise price of the Options, there will be a detriment insofar as the Company will be required to issue Shares at a price lower than it might otherwise have been able to, with the result that less funds will be raised; and
 - (C) accounting standards require that granted options be valued and expensed.
- (viii) The Board acknowledges the grant of Options to Mr Eddie Lee is contrary to Recommendation 8.2 of the ASX Corporate Governance Principles and Recommendations as Mr Eddie Lee is a non-executive Director. However the Board considers the grant to Mr Eddie Lee reasonable in the circumstances for the reasons set out above.
- (ix) Neither the Directors nor the Company are aware of any other information that would be reasonably required by Shareholders to make a decision in relation to the financial benefits contemplated by the proposed Resolutions 3, 4 and 5, other than as set out throughout this Notice of Meeting.

ASX Listing Rule 10.11

The Company is proposing to issue Options to Directors Messrs Howland-Rose, Deitz and Lee pursuant to Resolutions 3, 4 and 5 respectively.

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

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

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

Resolutions 3, 4 and 5 seek the required Shareholder approval to the issue of Options to Directors Messrs Howland-Rose, Deitz and Lee under and for the purposes of ASX Listing Rule 10.11.

If Resolutions 3, 4 and 5 are passed, the Company will be able to proceed with the issue of Options to Messrs Howland-Rose, Deitz and Lee.

If Resolutions 3, 4 and 5 are not passed, the Company will not be able to proceed with the issue of Options to Messrs Howland-Rose, Deitz and Lee.

ASX Listing Rule 10.13 Disclosure Requirements

Pursuant to and in accordance with ASX Listing Rule 10.14 the following information is provided in relation to Resolutions 3, 4 and 5:

- (a) Options are proposed to be granted to Messrs Howland-Rose, Deitz and Lee, who are all Directors, and/or their respective nominee(s);
- (b) as Directors Messrs Howland-Rose, Deitz and Lee are related parties of the Company for the purposes of ASX Listing Rule 10.11.1;
- (c) the maximum number of Options to be granted is 15,000,000 and the maximum number of Options which could be issued to each Director, and/or their respective nominee(s), is as follows:

<u>Name</u>	<u>Options</u>
Anthony Howland-Rose, and/or his nominee(s)	2,500,000 (Resolution 3)
David Deitz, and/or his nominee(s)	3,500,000 (Resolution 4)
Eddie Lee, and/or his nominee(s)	400,000 (Resolution 5)

- (d) the Options will be issued no later than one (1) month from the date of approval of the Resolutions (or such later date as approved by ASX);
- (e) the terms and conditions of the Options are set out in Annexure A;

- (f) the Shares issued upon exercise of the Options will rank equally in all respects with the Company's existing issued Shares;
- (g) the Options are being issued for nil consideration as part consideration for the services provided to the Company by Messrs Howland-Rose, Deitz and Lee in their roles as Directors, and for the purpose set out above, and accordingly no funds will be raised; and
- (h) details of the total current remuneration packages for Messrs Howland-Rose, Deitz and Lee are set out above.

RESOLUTION 6 - APPROVAL OF AMENDMENTS TO CONSTITUTION

Background

On 1 December 2019, a number of amendments to the Listing Rules came into effect. These amendments included the introduction of a modified escrow regime, which is designed to make ongoing compliance with the Listing Rules more efficient. The amendments to ASX Listing Rule 9.1(a) require an ASX listed entity to include in its constitution the provisions set out in Listing Rule 15.12.

Proposed Amendments to the Constitution

Clause 2.13 of the Company's current Constitution deals with Restricted Securities but does not meet the requirements of ASX's modified escrow regime.

While the Company does not currently have any Restricted Securities on issue, it is considered prudent to make these changes now, to ensure compliance with the Listing Rules if Restricted Securities are issued in the future.

An amendment of the Constitution is therefore sought by deleting the current clause 2.13 and inserting a new clause 2.13 in its place which will read as follows:

2.13 Restricted Securities

- (a) The Company shall comply in all respects with the requirements of the Listing Rules with respect to Restricted Securities. Without limiting the generality of the above, if any securities of the Company are classified as Restricted Securities under the Listing Rules:
 - (i) a holder of Restricted Securities must not Dispose of, or agree or offer to Dispose of, the Securities during the escrow period applicable to those Securities except as permitted by the Listing Rules or the ASX;
 - (ii) if the Restricted Securities are in the same class as quoted Securities, the holder will be taken to have agreed in writing that the Restricted Securities are to be kept on the Company's issuer sponsored subregister and are to have a Holding Lock applied for the duration of the escrow period applicable to those Securities;
 - (iii) the Company will refuse to acknowledge any Disposal (including, without limitation, to register any transfer) of Restricted Securities during the escrow period applicable to those Securities except as permitted by the Listing Rules or the ASX;
 - (iv) a holder of Restricted Securities will not be entitled to participate in any return of capital on those Securities during the escrow period applicable to those Securities except as permitted by the Listing Rules or the ASX; and
 - (v) if a holder of Restricted Securities breaches a Restriction Deed or a provision of this Constitution restricting a Disposal of those Securities, the holder will not be entitled to any dividend or distribution, or to exercise any voting rights, in respect of those Securities for so long as the breach continues.
- (b) In this clause, the expressions 'Disposed of', 'Disposal', 'Escrow Period', 'Holding Lock' and 'Restricted Securities' have the same meaning as in the Listing Rules.

Directors' Recommendation

The Directors recommend that Shareholders vote in favour of Resolution 6.

RESOLUTION 7 – APPROVAL OF TERMINATION BENEFITS

Background

The Company proposes to enter into a new executive employment agreement with Director and Chief Executive Officer Mr David Deitz (**Agreement**) under which Mr Deitz will be employed as the Chief Executive Officer and Executive Director of the Company (**Employment**). Under the terms and conditions of the proposed Agreement to replace Mr Deitz' current employment agreement, it is proposed that Mr Deitz be entitled to receive a termination payment equal to two (2) years of his Total Compensation (as that term is defined below), which will be calculated on the basis of the aggregate of his base salary, together with the value of any additional benefits granted or afforded by the Company to Mr Deitz, the value of all equity based compensation granted or afforded by the Company to Mr Deitz and the value of any bonus (accrued and/or paid) or incentive arrangement granted or afforded by the Company to Mr Deitz (**Total Compensation**). The Company or Mr Deitz can terminate the Employment at will on six (6) months' notice to the other, or payment in lieu of such notice, in which case a severance payment of two (2) years Total Compensation (**Severance Payment**) must be paid to Mr Deitz.

In the event that Mr Deitz' employment is terminated at will by either Mr Deitz or the Company, 6 months' notice of that termination must be provided to the other party. The Company may at its option, in lieu of part or all of the notice period, pay Mr Deitz an amount equal to a proportion or multiple (as the case may be) of his Total Compensation at the time at which notice is given and which corresponds to the period for which notice is not given and which will be in addition to the Severance Payment (if applicable) (**Notice Payment**).

For the purposes of this section, the aggregate of the Severance Payment and any Notice Payment that may become payable to Mr Deitz (if any) are together referred to as the **Termination Payments**.

Section 200B of the Corporations Act

The Corporations Act restricts the benefits which can be given to certain persons (those who hold a managerial or executive office, as defined in the Corporations Act) on leaving their employment or office with the Company or any of its related bodies corporate. Under section 200B of the Corporations Act, a company may only give a person a benefit in connection with their ceasing to hold a managerial or executive office in the company or its related bodies corporate if it is approved by shareholders or an exemption applies.

As no exemption applies, Resolution 7 seeks approval of the grant of the Termination Payments, as that term is defined above, which are termination benefits for the purposes of section 200B of the Corporations Act, to Mr Deitz.

Section 200E of the Corporations Act

Section 200E of the Corporations Act requires certain information to be provided to shareholders in approving a termination benefit. For example, the value of the Termination Payments, calculated on the basis of (1) Mr Deitz' proposed remuneration of a total fixed amount of \$250,000 per annum including superannuation (2) an assumed value of further benefits (inclusive of equity based compensation) of say, \$100,000; and (3) assuming the Company elects to make the Notice Payment to Mr Deitz in lieu of 6 months', would be \$875,000. In the event that Mr Deitz' remuneration and/or Total Compensation (including further benefits) is increased from the amounts stated above, the value of the Termination Payments will also increase accordingly.

Part 2E Corporations Act

Chapter 2E of the Corporations Act prohibits a public company from giving a financial benefit to a related party of the public company unless either:

- the giving of the financial benefit falls within one of the nominated exceptions to the provision; or
- shareholder approval is obtained prior to the giving of the financial benefit and the benefit is given within 15 months after obtaining such approval.

It is the view of the Directors that the proposed grant of termination benefits to Mr Deitz pursuant to Resolution 7 falls within the exception under section 211 of the Corporations Act (reasonable remuneration) given the circumstances of the Company and the position held by Mr Deitz. Accordingly, the Directors have determined not to seek Shareholder approval under section 208 of the Corporations Act for the proposed grant of Termination Payments to Mr Deitz pursuant to Resolution 7 for the purposes of Chapter 2E of the Corporations Act.

ASX Listing Rule 10.19

ASX Listing Rule 10.19 provides that a listed company must ensure that no officer of that company or its child entities will be or may be entitled to termination benefits other than with the prior approval of Shareholders if the value of those benefits and the termination benefits which are or may become payable to all officers together exceeds 5% of the equity interests of the company as set out in the latest annual accounts given to ASX. As at the date of this Notice the termination benefits the subject of Resolution 7 would exceed 5% of the equity interests of the Company set out in the latest annual accounts given to ASX (5% of \$10,581,029 is \$529,052)). Accordingly approval for the potential grant of the termination benefits the subject of Resolution 7 is sought for the purposes of ASX Listing Rule 10.19.

Directors' Recommendation

The Directors (other than Mr David Deitz) recommend that Shareholders vote in favour of Resolution 7.

GLOSSARY

In the Notice of Meeting and the proxy form which accompanies this Notice of Meeting, the following terms have the following meanings unless the context otherwise requires:

Annual Report	means the Company's annual report including the reports of the Directors and auditor of the Company and the financial statement of the Company for the year ended 30 June 2020.
ASIC	means the Australian Securities and Investments Commission.
ASX	means ASX Limited (ACN 008 624 691) and the market operated by it, as the context requires.
Board	means the board of Directors.
Chair	means the chairperson of the Meeting.
Closely Related Party	is defined in respect of a member of Key Management Personnel as: ▪ a spouse or child of the member; ▪ a child of the member's spouse; ▪ a dependent of the member or the member's spouse; ▪ anyone else who is one of the member's family and may be expected to influence the member, or be influenced by the member, in the member's dealings with the Company; ▪ a company the member controls; or ▪ a person prescribed by the <i>Corporations Regulations 2001</i> (Cth) that may be made for this purpose.
Company or Gullewa	means Gullewa Limited (ACN 007 547 480).
Constitution	means the constitution of the Company.
Corporations Act	means the <i>Corporations Act 2001</i> (Cth).
Director	means a director of the Company.
EDST	means Eastern Daylight Savings Time.
Key Management Personnel	has the meaning given in the accounting standards and broadly means those persons with the authority and responsibility for planning, directing and controlling the activities of the Company, directly or indirectly, and includes any Director (whether executive or otherwise).
Listing Rules	means the Listing Rules of ASX and any other rules of ASX which are applicable while the Company is admitted to the official list of ASX, each as amended or replaced from time to time, except to the extent of any express written waiver by ASX.
Meeting or Annual General Meeting	means the annual general meeting of the Company to be held on Friday, 11 December 2020 at 11.00am (EDST), convened by this Notice.
Notice of Meeting or Notice	means the notice of annual general meeting which accompanies and includes this Explanatory Memorandum.
Option	means an option to acquire a Share on the terms and conditions set out in Annexure A to this Explanatory Memorandum.
Remuneration Report	means that section of the Directors' report under the heading "Remuneration Report" set out in the Annual Report.
Share	means a fully paid ordinary share in the capital of the Company.
Trading Day	means a day determined by ASX to be a trading day and notified to market participants being: (a) a day other than: (i) a Saturday, Sunday, New Year's Day, Good Friday, Easter Monday, Christmas Day, Boxing Day; and (ii) any other day which ASX declares and publishes is not a trading day; and (b) notwithstanding (a), a day which for the purposes of settlement, ASX declares is a trading day notwithstanding that dealings between market participants are suspended on that day.
VWAP	means of the volume weighted average price of Shares trading on the ASX.

ANNEXURE A – TERMS AND CONDITIONS OF OPTIONS

The terms and conditions of the Options that are the subject of Resolutions 3, 4 and 5 are:

1. Each Option shall be issued for no consideration.
2. Each Option entitles the holder to subscribe for one Share upon the payment of the price, which is 20% of the VWAP for the last 90 days traded up to and including immediately preceding the day of the issue of the Options, per Share subscribed for.
3. The Options will lapse at 5:00 pm, Eastern Standard Time on the date that is 5 years from their issue less 7 days ("**Expiry Date**").
4. The Options are not transferable and will not be listed for official quotation on the ASX.
5. There are no participating rights or entitlements inherent in these Options and holders of the Options will not be entitled to participate in new issues of capital that may be offered to shareholders during the currency of the Option.
6. Option holders have the right to exercise their Options prior to the date of determining entitlements to any capital issues to the then existing shareholders of the Company made during the currency of the Options, and will be granted a period of at least 10 business days before books closing date to exercise the Options.
7. In the event that a pro rata issue (except a bonus issue) is made to the holders of the underlying securities in the Company, the exercise price of the Options may be reduced according to the following formula:

$$O' = O - \frac{E[P - (S + D)]}{N + 1}$$

where:

- O' = the new exercise price of the Option.
 - O = the old exercise price of the Option.
 - E = the number of underlying securities in the Company into which one Option is exercisable.
 - P = the average market price per security (weighted by reference to volume) of the underlying securities in the Company during the 5 Trading Days ending on the day before the ex rights date or ex entitlements date.
 - S = the subscription price for a security under the pro rata issue.
 - D = the dividend due but not yet paid on the existing underlying securities (except those to be issued under the pro rata issue).
 - N = the number of securities with rights or entitlements that must be held to receive a right to one new security in the Company.
8. In the event of any re-organisation (including reconstruction, consolidation, subdivision, reduction or return of capital) of the issued capital of the Company, the Options will be re-organised as required by the Listing Rules, but in all other respects the terms of exercise will remain unchanged.
 9. The Options shall be exercisable at any time before the Expiry Date ("**Exercise Period**") by the delivery to the registered office of the Company of a notice in writing ("**Notice**") stating the intention of the Option holder to exercise all or a specified number of Options held by them accompanied by an Option Certificate and a cheque made payable to the Company for the subscription monies for the shares. The Notice and cheque must be received by the Company during the Exercise Period. An exercise of only some options shall not affect the rights of the Option holder to the balance of the Options held by him.
 10. The Company shall allot the resultant shares and deliver a statement of shareholdings with a holder's identification number within 5 business days of exercise of the Options.
 11. The shares allotted shall rank, from the date of allotment, equally with the existing ordinary shares of the Company in all respects.