IMAGE RESOURCES NL ABN 57 063 977 579

NOTICE OF ANNUAL GENERAL MEETING

AND

EXPLANATORY STATEMENT

AND

PROXY FORM

Date of Meeting 27 May 2021

Time of Meeting 10:00am (WST)

Place of Meeting
The Celtic Club
48 Ord Street
WEST PERTH WA 6005

This Notice of Meeting 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.

The 31 December 2020 Annual Report may be viewed on the Company's website at www.imageres.com.au

IMAGE RESOURCES NL ABN 57 063 977 579 NOTICE OF ANNUAL GENERAL MEETING

Notice is hereby given that the annual general meeting of Shareholders of Image Resources NL (**Company**) will be held at The Celtic Club, 48 Ord Street, West Perth WA 6005 on 27 May 2021 at 10:00am (WST) (**Meeting**) for the purpose of transacting the business contemplated by the Resolutions and Explanatory Statement below.

The Explanatory Statement to this Notice provides additional information on matters to be considered at the meeting. The Explanatory Statement and the Proxy Form are part of this Notice.

Terms used in this Notice will, unless the context otherwise requires, have the same meaning given to them in the glossary contained in the Explanatory Statement.

31 DECEMBER 2020 FINANCIAL STATEMENTS AND REPORTS

To receive and consider the financial statements of the Company for the year ended 31 December 2020, consisting of the Financial Report, the Directors' Report and the Auditor's Report.

RESOLUTION 1 – ADOPTION OF REMUNERATION REPORT

To consider and, if thought fit, to pass, with or without amendment, the following advisory only resolution:

"That, for the purposes of section 250R(2) of the Corporations Act, and for all other purposes, the Remuneration Report forming part of the Company's 31 December 2020 Annual Report be and is hereby adopted."

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

Voting Prohibition: In accordance with the Corporations Act, the Company will disregard any votes cast on Resolution 1:

- (a) by or on behalf of a member of the Key Management Personnel, details of whose remuneration are included in the Remuneration Report, or their Closely Related Parties, regardless of the capacity in which the votes are cast; or
- (b) by a person who is a member of the Key Management Personnel at the date of the Meeting, or their Closely Related Parties, as a proxy.

However, the Company will not disregard a vote if the vote is cast as a proxy for a person entitled to vote on Resolution 1:

- (a) in accordance with a direction as to how to vote on the proxy; or
- (b) by the Chair pursuant to an express authorisation to exercise the proxy even if Resolution 1 is connected directly or indirectly with the remuneration of a member of Key Management Personnel.

RESOLUTION 2 – RE-ELECTION OF FEI WU AS A DIRECTOR

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

"That, for the purposes of article 13.7 of the Constitution, Listing Rule 14.4 and for all other purposes, Fei Wu, having retired as a Director of the Company in accordance with the Constitution and, being eligible, having offered himself for re-election, is re-elected a Director of the Company."

RESOLUTION 3 – RE-ELECTION OF HUANG CHENG LI AS A DIRECTOR

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

"That, for the purposes of article 13.7 of the Constitution, Listing Rule 14.4 and for all other purposes, Huang Cheng Li, having retired as a Director of the Company in accordance with the Constitution and, being eligible, having offered himself for re-election, is re-elected a Director of the Company."

RESOLUTION 4 – APPROVAL OF MAXIMUM GRANT OF SHARES TO EXECUTIVE DIRECTOR MR MUTZ

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

"That, for the purposes of Listing Rule 10.14, and for all other purposes, the Company approves the grant under the Employee Share Plan to executive Director Mr Mutz (or his nominee) of a maximum of up to 1,400,000 Shares on the terms and conditions set out in the Explanatory Statement accompanying this Notice of Meeting."

Voting Exclusion: The Company will disregard any votes cast in favour of Resolution 4 by or on behalf of Mr Mutz, any other Director who becomes eligible to participate in the Plan prior to the AGM, any person notified by ASX pursuant to Listing Rule 10.14.3 and any of their Associates.

However, the Company need not disregard a vote if it is cast:

- (a) by a person as proxy or attorney for a person who is entitled to vote (in accordance with the directions on the Proxy Form);
- (b) by the Chair as proxy or attorney for a person who is entitled to vote (in accordance with a direction on the Proxy Form to vote 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 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 the holder votes in accordance with the directions on the Proxy Form

Voting Prohibition: In accordance with the Corporations Act, the Company will disregard any votes cast on Resolution 4 by a person who is a member of the Key Management Personnel, or their Closely Related Parties, as a proxy.

However, the Company will not disregard a vote if the vote is cast as a proxy for a person entitled to vote on Resolution 4:

- (a) in accordance with a direction as to how to vote on the Proxy Form; or
- (b) by the Chair pursuant to an express authorisation to exercise the proxy even if Resolution 4 is connected directly or indirectly with the remuneration of a member of Key Management Personnel.

RESOLUTION 5 - APPROVAL OF ISSUE OF OPTIONS TO MR BESLEY

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

"That, for the purpose of Listing Rule 10.11, sections 195(4) and 208 of the Corporations Act and for all other purposes, the issue to Mr Robert Besley, or his nominees, for nil consideration of 2,000,000 Options to acquire fully paid shares in the capital of the Company, at an exercise price that is the greater of \$0.32 and 135% of the VWAP of Shares for the 7 Trading Days prior to the AGM, expiring on 27 May 2023 and on the terms and conditions outlined in the Explanatory Statement and in Annexure C is hereby approved."

Voting Exclusion: The Company will disregard any votes cast in favour of Resolution 5 by or on behalf of Mr Besley, any other person who will obtain a material benefit as a result of the issue of the securities (except a benefit solely by reason of being a holder of Shares), and any of their Associates.

However, the Company need not disregard a vote if it is cast:

- (a) by a person as proxy or attorney for a person who is entitled to vote (in accordance with the directions on the Proxy Form); or
- (b) by the Chair as proxy or attorney for a person who is entitled to vote (in accordance with a direction on the Proxy Form to vote 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 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 the holder votes in accordance with the directions on the Proxy Form.

Voting Prohibition: In accordance with the Corporations Act, a vote may not be cast (in any capacity) by Mr Besley or any of his Associates. The Company will also disregard any votes cast on Resolution 5 by a person who is a member of the Key Management Personnel, or their Closely Related Parties, as a proxy.

However, the Company will not disregard a vote if the vote is cast as a proxy for a person entitled to vote on Resolution 5:

- (a) in accordance with a direction as to how to vote on the Proxy Form; or
- (b) by the Chair pursuant to an express authorisation to exercise the proxy even if Resolution 5 is connected directly or indirectly with the remuneration of a member of Key Management Personnel.

RESOLUTION 6 - APPROVAL OF ISSUE OF OPTIONS TO MR LI

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

"That, for the purpose of Listing Rule 10.11, sections 195(4) and 208 of the Corporations Act and for all other purposes, the issue to Mr Huang Cheng Li, or his nominees, for nil consideration of 2,000,000 Options to acquire fully paid shares in the capital of the Company, at an exercise price that is the greater of \$0.32 and 135% of the VWAP of Shares for the 7 Trading Days prior to the AGM, expiring on 27 May 2023 and on the terms and conditions outlined in the Explanatory Statement and in Annexure C is hereby approved."

Voting Exclusion: The Company will disregard any votes cast in favour of Resolution 6 by or on behalf of Mr Li, any other person who will obtain a material benefit as a result of the issue of the securities (except a benefit solely by reason of being a holder of Shares), and any of their Associates.

However, the Company need not disregard a vote if it is cast:

(a) by a person as proxy or attorney for a person who is entitled to vote (in accordance with the directions on the Proxy Form); or

- (b) by the Chair as proxy or attorney for a person who is entitled to vote (in accordance with a direction on the Proxy Form to vote 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 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 the holder votes in accordance with the directions on the Proxy Form

Voting Prohibition: In accordance with the Corporations Act, a vote may not be cast (in any capacity) by Mr Li or any of his Associates. The Company will also disregard any votes cast on Resolution 6 by a person who is a member of the Key Management Personnel, or their Closely Related Parties, as a proxy.

However, the Company will not disregard a vote if the vote is cast as a proxy for a person entitled to vote on Resolution 6:

- (a) in accordance with a direction as to how to vote on the Proxy Form; or
- (b) by the Chair pursuant to an express authorisation to exercise the proxy even if Resolution 6 is connected directly or indirectly with the remuneration of a member of Key Management Personnel.

RESOLUTION 7 - APPROVAL OF ISSUE OF OPTIONS TO MR CHEN

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

"That, for the purpose of Listing Rule 10.11, sections 195(4) and 208 of the Corporations Act and for all other purposes, the issue to Mr Chaodian Chen, or his nominees, for nil consideration of 2,000,000 Options to acquire fully paid shares in the capital of the Company, at an exercise price that is the greater of \$0.32 and 135% of the VWAP of Shares for the 7 Trading Days prior to the AGM, expiring on 27 May 2023 and on the terms and conditions outlined in the Explanatory Statement and in Annexure C is hereby approved."

Voting Exclusion: The Company will disregard any votes cast in favour of Resolution 7 by or on behalf of Mr Chen, any other person who will obtain a material benefit as a result of the issue of the securities (except a benefit solely by reason of being a holder of Shares), and any of their Associates.

However, the Company need not disregard a vote if it is cast:

- (a) by a person as proxy or attorney for a person who is entitled to vote (in accordance with the directions on the Proxy Form);
- (b) by the Chair as proxy or attorney for a person who is entitled to vote (in accordance with a direction on the Proxy Form to vote 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 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 the holder votes in accordance with the directions on the Proxy Form

Voting Prohibition: In accordance with the Corporations Act, a vote may not be cast (in any capacity) by Mr Chen or any of his Associates. The Company will also disregard any votes cast on Resolution 7 by a person who is a member of the Key Management Personnel, or their Closely Related Parties, as a proxy.

However, the Company will not disregard a vote if the vote is cast as a proxy for a person entitled to vote on Resolution 7:

- (a) in accordance with a direction as to how to vote on the Proxy Form; or
- (b) by the Chair pursuant to an express authorisation to exercise the proxy even if Resolution 7 is connected directly or indirectly with the remuneration of a member of Key Management Personnel.

RESOLUTION 8 – APPROVAL OF ISSUE OF OPTIONS TO MR SOO

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

"That, for the purpose of Listing Rule 10.11, sections 195(4) and 208 of the Corporations Act and for all other purposes, the issue to Mr Aaron Chong Veoy Soo, or his nominees, for nil consideration of 2,000,000 Options to acquire fully paid shares in the capital of the Company, at an exercise price that is the greater of \$0.32 and 135% of the VWAP of Shares for the 7 Trading Days prior to the AGM, expiring on 27 May 2023 and on the terms and conditions outlined in the Explanatory Statement and in Annexure C is hereby approved."

Voting Exclusion: The Company will disregard any votes cast in favour of Resolution 8 by or on behalf of Mr Soo, any other person who will obtain a material benefit as a result of the issue of the securities (except a benefit solely by reason of being a holder of Shares), and any of their Associates.

However, the Company need not disregard a vote if it is cast:

- by a person as proxy or attorney for a person who is entitled to vote (in accordance with the directions on the Proxy Form);
- (b) by the Chair as proxy or attorney for a person who is entitled to vote (in accordance with a direction on the Proxy Form to vote 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 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 the holder votes in accordance with the directions on the Proxy Form

Voting Prohibition: In accordance with the Corporations Act, a vote may not be cast (in any capacity) by Mr Soo or any of his Associates. The Company will also disregard any votes cast on Resolution 8 by a person who is a member of the Key Management Personnel, or their Closely Related Parties, as a proxy.

However, the Company will not disregard a vote if the vote is cast as a proxy for a person entitled to vote on Resolution 8:

- (a) in accordance with a direction as to how to vote on the Proxy Form; or
- (b) by the Chair pursuant to an express authorisation to exercise the proxy even if Resolution 8 is connected directly or indirectly with the remuneration of a member of Key Management Personnel.

RESOLUTION 9 - APPROVAL OF ISSUE OF OPTIONS TO MR THOMAS

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

"That, for the purpose of Listing Rule 10.11, sections 195(4) and 208 of the Corporations Act and for all other purposes, the issue to Mr Peter Thomas, or his nominees, for nil consideration of 2,000,000 Options to acquire fully paid shares in the capital of the Company, at an exercise price that is the greater of \$0.32 and 135% of the VWAP of Shares for the 7 Trading Days prior to the AGM, expiring on 27 May 2023 and on the terms and conditions outlined in the Explanatory Statement and in Annexure C is hereby approved."

Voting Exclusion: The Company will disregard any votes cast in favour of Resolution 9 by or on behalf of Mr Thomas, any other person who will obtain a material benefit as a result of the issue of the securities (except a benefit solely by reason of being a holder of Shares), and any of their Associates.

However, the Company need not disregard a vote if it is cast:

- (a) by a person as proxy or attorney for a person who is entitled to vote (in accordance with the directions on the Proxy Form);
- (b) by the Chair as proxy or attorney for a person who is entitled to vote (in accordance with a direction on the Proxy Form to vote 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 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 the holder votes in accordance with the directions on the Proxy Form.

Voting Prohibition: In accordance with the Corporations Act, a vote may not be cast (in any capacity) by Mr Thomas or any of his Associates. The Company will also disregard any votes cast on Resolution 9 by a person who is a member of the Key Management Personnel, or their Closely Related Parties, as a proxy.

However, the Company will not disregard a vote if the vote is cast as a proxy for a person entitled to vote on Resolution 9:

- (a) in accordance with a direction as to how to vote on the Proxy Form; or
- (b) by the Chair pursuant to an express authorisation to exercise the proxy even if Resolution 9 is connected directly or indirectly with the remuneration of a member of Key Management Personnel.

RESOLUTION 10 - APPROVAL OF ISSUE OF OPTIONS TO MR WU

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

"That, for the purpose of Listing Rule 10.11, sections 195(4) and 208 of the Corporations Act and for all other purposes, the issue to Mr Fei Wu, or his nominees, for nil consideration of 2,000,000 Options to acquire fully paid shares in the capital of the Company, at an exercise price that is the greater of \$0.32 and 135% of the VWAP of Shares for the 7 Trading Days prior to the AGM, expiring on 27 May 2023 and on the terms and conditions outlined in the Explanatory Statement and in Annexure C is hereby approved."

Voting Exclusion: The Company will disregard any votes cast in favour of Resolution 10 by or on behalf of Mr Wu, any other person who will obtain a material benefit as a result of the issue of the securities (except a benefit solely by reason of being a holder of Shares), and any of their Associates.

However, the Company need not disregard a vote if it is cast:

- (a) by a person as proxy or attorney for a person who is entitled to vote (in accordance with the directions on the Proxy Form);
- (b) by the Chair as proxy or attorney for a person who is entitled to vote (in accordance with a direction on the Proxy Form to vote as the Chair decides); or

Notice of Annual General Meeting 27 May 2021

(c) a holder acting solely in a nominee, trustee, custodial or other fiduciary capacity on behalf of a beneficiary provided: 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 the holder votes in accordance with the directions on the Proxy Form

Voting Prohibition: In accordance with the Corporations Act, a vote may not be cast (in any capacity) by Mr Wu or any of his Associates. The Company will also disregard any votes cast on Resolution 10 by a person who is a member of the Key Management Personnel, or their Closely Related Parties, as a proxy.

However, the Company will not disregard a vote if the vote is cast as a proxy for a person entitled to vote on Resolution 10:

- (a) in accordance with a direction as to how to vote on the Proxy Form; or
- (b) by the Chair pursuant to an express authorisation to exercise the proxy even if Resolution 10 is connected directly or indirectly with the remuneration of a member of Key Management Personnel.

OTHER BUSINESS

To deal with any other business that may be brought forward in accordance with the Constitution and the Corporations

By order of the Board.

Dennis Wilkins
Company Secretary
Date: 31 March 2021

EXPLANATORY STATEMENT

The accompanying Explanatory Statement below forms part of this Notice and should be read in conjunction with it.

Shareholders are specifically referred to the glossary in the Explanatory Statement which contains definitions of capitalised terms used in this Notice and the Explanatory Statement.

VOTING

In accordance with the Company's policies and Listing Rule requirements, voting on all Resolutions will be conducted on a poll.

PROXIES

A Proxy Form is attached to the Notice. This is to be used by Shareholders if they wish to appoint a proxy to vote on their behalf. 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 on the form. Lodgement of a Proxy Form will not preclude a Shareholder from attending and voting at the Meeting in person.

Please note that:

- a member of the Company entitled to attend and vote at the Meeting is entitled to appoint a proxy;
- a proxy need not be a member of the Company; and
- a member of the Company entitled to cast two or more votes may appoint one or two proxies and if appointing
 two may specify the proportion or number of votes each proxy is appointed to exercise, but where the proportion
 or number is not specified, each proxy may exercise half of the votes.

The enclosed Proxy Form provides further details on appointing proxies and lodging proxy forms. To be valid, properly completed Proxy Forms must be received by the Company's share registry no later than 10:00am (WST) on 25 May 2021 by:

- post to GPO Box 5193, Sydney NSW 2001;
- 2. email at meetings@automicgroup.com.au; or
- 3. online at https://investor.automic.com.au/#/loginsah.

If you are a beneficial Shareholder and receive these materials through your broker or through another intermediary, please complete and return the Proxy Form or voting instruction form in accordance with the instructions provided to you by your broker or by the other intermediary.

VOTING ENTITLEMENTS

For the purposes of Regulation 7.11.37 of the Corporations Regulations 2001 (Cth), the Board has determined that a person's entitlement to vote at the Meeting will be the entitlement of that person set out in the register of Shareholders as at 5:00pm (WST) on 25 May 2021. Accordingly, transactions registered after that time will be disregarded in determining Shareholders' entitlements to attend and vote at the Meeting.

CORPORATE REPRESENTATIVE

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 Meeting.

ELECTRONIC COMMUNICATION

All Shareholders may, and are encouraged to, elect to receive communications from the Company's share registry electronically. To provide or update your email address, please contact the Company's share registry.

REVOCATION OF PROXIES

A Shareholder executing and delivering a proxy has the power to revoke it in accordance with the provisions of the Corporations Act, which provides that every proxy may be revoked by an instrument in writing executed by the Shareholder or by his or her attorney authorised in writing and delivered either to the registered office of the Company at any time up to and including the last business day preceding the day of the Meeting, or any adjournment thereof at which the proxy is to be used, or to the Chair on the day of the Meeting or any adjournment thereof, or in any other manner permitted by law.

VOTING OF PROXIES

The Proxy Form accompanying this Explanatory Statement confers discretionary authority upon the proxy with respect to any amendments or variations to the matters identified in the Notice of Meeting and any other matters that may properly come before the Meeting. At the time of printing this Notice, management knows of no such amendment, variation or other matter.

Shareholders must mark the boxes directing its proxy how to vote. If no voting instructions are indicated on the Proxy Form, the proxy will be voted as recommended by management or as the proxyholder sees fit (in the latter case, if management is not appointed as proxy).

If the Chair is to act as your proxy (whether by appointment or by default) and you have not given directions on how to vote in the voting directions section of the proxy form for Resolutions 1, 4, 5, 6, 7, 8, 9 and 10 the Proxy Form expressly directs and authorises the Chair to cast your votes "for" the relevant Resolution. This express authorisation is included because without it the Chair would be precluded from casting your votes as these Resolutions are connected with the remuneration of Key Management Personnel. Subject to any voting prohibitions that may apply to the Chair in respect of Resolutions 1, 4, 5, 6, 7, 8, 9 and 10 to restrict the Chair from voting undirected proxies, the Chair intends to vote all undirected proxies in favour of Resolutions 1, 4, 5, 6, 7, 8, 9 and 10.

EXPLANATORY STATEMENT

This Explanatory Statement has been prepared for the Shareholders of Image Resources NL ABN 57 063 977 579 (**Company**) in connection with the business to be conducted at the annual general meeting of the Company to be held at The Celtic Club, 48 Ord Street, West Perth WA 6005 on 27 May 2021 commencing at 10:00am (WST).

The purpose of this Explanatory Statement is to provide Shareholders with all information known to the Company which is material to a decision on how to vote on the Resolutions in the accompanying Notice. This Explanatory Statement should be read in conjunction with, and forms part of, the accompanying Notice.

The Directors recommend that Shareholders read this Explanatory Statement in full before making any decision in relation to the Resolutions.

Terms used in this Explanatory Statement will, unless the context otherwise requires, have the same meaning given to them in the glossary as contained in this Explanatory Statement.

FINANCIAL STATEMENTS AND REPORTS

In accordance with section 317 of the Corporations Act, Shareholders will be offered the opportunity to discuss the Annual Report, including the Financial Report, the Directors' Report and the Auditor's Report, for the financial year ended 31 December 2020.

There is no requirement for Shareholders to approve the Annual Report.

At the Meeting, Shareholders will be offered a reasonable opportunity to:

- discuss the Annual Report, which is available online from the Company's website www.imageres.com.au;
- ask guestions about, or comment on, the management of the Company; and
- ask the auditor questions about the conduct of the audit, the preparation and content of the auditor's report, 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.

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

- the content of the auditor's report; and
- the conduct of the audit,

may be submitted no later than 5 business days before the Meeting to the Company Secretary at the Company's registered office.

1. RESOLUTION 1 – ADOPTION OF REMUNERATION REPORT

1.1 General

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

The Remuneration Report has been sent to Shareholders who have made an election to receive the Annual Report. Copies of the Annual Report are available by contacting the Company's share registry or visiting the Company's web site www.imageres.com.au.

In accordance with subsection 250R(3) of the Corporations Act, Resolution 1 is advisory only and does not bind the Directors. If Resolution 1 is not passed, the Directors will not be required to alter any of the arrangements in the Remuneration Report. However, Shareholders will have the opportunity to remove the whole Board (except the managing director) if the Remuneration Report receives a 'no' vote of 25% or more (**Strike**) at two consecutive AGM's.

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

The Company's Remuneration Report did not receive a Strike at the 2020 AGM. Accordingly, a Spill Resolution is not relevant for this AGM. If the Remuneration Report receives a Strike at this Meeting, Shareholders should be aware that if a second Strike is received at the 2022 AGM, this may result in the re-election of the Board.

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

Resolution 1 is an ordinary resolution, requiring it to be passed by a simple majority of votes cast by the Shareholders present and eligible to vote (in person, by proxy, by attorney or, in the case of a corporate Shareholder, by a corporate representative).

1.2 Voting on the Remuneration Report

Refer to the voting prohibition set out in the Notice for the persons who are not entitled to vote on Resolution 1.

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

If the Chair is appointed as your proxy and you have not specified the way the Chair is to vote on Resolution 1, by signing and returning the Proxy Form, you are considered to have provided the Chair with an express authorisation for the Chair to vote the proxy in accordance with the Chair's intention, even though the Resolution is connected directly or indirectly with the remuneration of a member of the Key Management Personnel of the Company.

2. RESOLUTION 2 – RE-ELECTION OF FEI WU AS A DIRECTOR

2.1 General

Mr Fei Wu was appointed as a Director on 8 June 2016. The Board does not consider Mr Wu to be an independent director as he is associated with the Company's major Shareholder, Murray Zircon Pty Ltd.

In accordance with Listing Rule 14.4, no Director may hold office (without re-election) past the third AGM following the Director's appointment or three years, whichever period is longer. The Company's Constitution also requires that no Director (other than the managing director) may retain office (without re-election) for more than three years or past the third annual general meeting following the director's appointment, whichever is the longer.

Accordingly, Mr Wu will retire by rotation and, being eligible, offers himself for re-election.

Resolution 2 is an ordinary resolution, requiring it to be passed by a simple majority of votes cast by the Shareholders present and eligible to vote (in person, by proxy, by attorney or, in the case of a corporate Shareholder, by a corporate representative).

2.2 Director's biography and experience

Mr Wu has solid operational experience in the Australian resource and mining industry. He specialises in combining the strengths of Australian upstream mining with Chinese downstream processing and end use to optimise the strategy for resource development and maximise the resource value. As the first CEO of Murray Zircon Pty Ltd, he built and led the team to complete the development and start-up at the Mindarie mineral sands project in late 2012. Mr Wu was appointed as a non-executive director of Murray Zircon in early 2013. He was the CEO of Queensland Mining Corporation Limited (QMC) from August 2013 until January 2018. He is currently the CEO of WIM Resources Pty Ltd. Mr Wu graduated from the University of Science and Technology, Beijing. He holds a master's degree in Commerce (Finance) from the Australian National University and a master's degree in Science from Cass Business School, City University London. He also serves on the Company's audit and remuneration committees as chair of both.

2.3 Directors' recommendation

Based on the information available, including the information contained in this Explanatory Statement, all the Directors consider that Resolution 2 is in the best interests of the Company, as Mr Wu has a wealth of experience and expertise which is valuable to the Company. All the Directors, except Mr Wu, recommend that Shareholders vote in favour of Resolution 2.

The Chair intends to vote all available proxies in favour of Resolution 2.

3. RESOLUTION 3 – RE-ELECTION OF HUANG CHENG LI AS A DIRECTOR

3.1 General

Mr Huang Cheng Li was appointed as a Director on 4 April 2018. The Board does not consider Mr Li to be an independent director as he is a substantial Shareholder of the Company.

In accordance with Listing Rule 14.4, no Director may hold office (without re-election) past the third AGM following the Director's appointment or 3 years, whichever period is longer. The Company's Constitution also requires that no Director (other than the managing director) may retain office (without re-election) for more than three years or past the third annual general meeting following the director's appointment, whichever is the longer.

Accordingly, Mr Li will retire by rotation and, being eligible, offers himself for re-election.

Resolution 3 is an ordinary resolution, requiring it to be passed by a simple majority of votes cast by the Shareholders present and eligible to vote (in person, by proxy, by attorney or, in the case of a corporate Shareholder, by a corporate representative).

3.2 Director's biography and experience

Mr Li is an investor from Taiwan, with more than 30 years of experience investing in various industries ranging from the general merchandising, precious stones and certification businesses. Mr Li graduated from Tamkang University and in 1981 founded Leecotex International Limited in Taiwan and Capital 88 International Limited in Hong Kong in 1993 where he served as the Managing Director. In 2015 Mr Li acquired a 49% ownership interest in Giochi Preziosi Group (**GP Group**) and served as the Vice President until July 2017. GP Group is a leading global toy company and has undergone a process of diversification and has expanded into new sectors and markets where it has successfully operated. Currently, Mr Li is the co-founder of Lee & Wu Company Limited, a company focusing support towards high-tech industries in the development of new material applications.

3.3 Directors' recommendation

Based on the information available, including the information contained in this Explanatory Statement, all the Directors consider that Resolution 3 is in the best interests of the Company, as Mr Li has a wealth of experience and expertise which is valuable to the Company. All the Directors, except Mr Li, recommend that Shareholders vote in favour of Resolution 3.

The Chair intends to vote all available proxies in favour of Resolution 3.

4. RESOLUTION 4 – APPROVAL OF MAXIMUM GRANT OF SHARES TO EXECUTIVE DIRECTOR MR MUTZ

4.1 General

Resolution 4 seeks Shareholder approval under Listing Rule 10.14 to permit the Board the flexibility to grant up to 1,400,000 Shares to the executive Director of the Company (being Mr Mutz) pursuant to the Employee Share Plan (**Plan Shares**). It is expected that any Plan Shares that are ultimately granted to Mr Mutz from time to time if Shareholder approval is received for Resolution 4 will be made no later than one year after the date of the 2021 AGM, but in any event within three years of the 2021 AGM.

Approval is being sought so as to provide the Board with the flexibility to appropriately reward the performance of the Company's executive Director (Mr Mutz) as he steers the Company in its goal of transitioning to a mid-cap mining company, including the various initiatives being undertaken to grow the Company by seeking to increase total Ore Reserves and extend mine life (from within the Company's current portfolio and/or externally), further optimise production from the Company's Boonanarring mineral sands project, and evaluate project development opportunities for a second production centre in parallel with current operations. In determining whether to exercise any such discretion, the Board will need to have regard to whether the proposed grant of Plan Shares is considered "reasonable remuneration" for the purposes of the related party provisions of the Corporations Act, having regard to the Company's position and the duties and responsibilities of Mr Mutz.

Plan Shares that are granted to Mr Mutz pursuant to this discretion will be issued at a price equal to the VWAP of the Company's ordinary shares on ASX over the five Trading Days prior to the relevant date of issue. To the extent that the Board exercises this discretion, a loan would also be provided to Mr Mutz to fund the issue of those Plan Shares in accordance with the rules of the Plan, with the Company taking security over the Shares issued until that loan is repaid in full. A summary of the terms of the proposed loan that would be provided to any employee who is granted such Plan Shares is set out in Annexure B.

Resolution 4 is an ordinary resolution, requiring it to be passed by a simple majority of votes cast by the Shareholders present and eligible to vote (in person, by proxy, by attorney or, in the case of a corporate Shareholder, by a corporate representative).

4.2 Requirement for Shareholder approval

Listing Rule 10.14 provides that a listed company must not permit any of the following persons to acquire equity securities under an employee incentive scheme:

- (a) a director of the company (Listing Rule 10.14.1);
- (b) an associate of a director of the company (Listing Rule 10.14.2); or
- (c) a person whose relationship with the company or a person referred to in Listing Rule 10.14.1 to Listing Rule 10.14.2 is such that, in ASX's opinion, the acquisition should be approved by its shareholders,

unless it obtains the approval of its shareholders.

The issue of the Plan Shares falls within Listing Rule 10.14.1 (as Mr Mutz is a Director) and therefore requires the approval of the Company's Shareholders under Listing Rule 10.14.

Resolution 4 seeks the required Shareholder approval to the proposed issue of Plan Shares to Mr Mutz under and for the purposes of Listing Rule 10.14.

If Resolution 4 is passed, the Board will have the flexibility to appropriately reward the performance of Mr Mutz by the issue of up to 1,400,000 Plan Shares to Mr Mutz.

If Resolution 4 is not passed, the Board will not have the flexibility to appropriately reward the performance of Mr Mutz by the issue of Plan Shares and the Company will negotiate with Mr Mutz an appropriate alternative payment, seeking further Shareholder approval if required.

Further, if Resolution 4 is approved for the purposes of Listing Rule 10.14, pursuant to Listing Rule 7.2 (Exception 14) a grant of Plan Shares will not reduce the Company's 15% placement capacity under Listing Rule 7.1 and separate approval of Resolution 4 is not required under Listing Rule 7.1. In addition, approval under Listing Rule 10.14 is an exception to the prohibition on a company issuing shares to related parties without member approval under Listing Rule 10.11.

4.3 Information required by Listing Rule 10.15

In accordance with the requirements of Listing Rule 10.15, the following information is provided for the purposes of Resolution 4.

- (a) The Plan Shares to be issued pursuant to Resolution 4 (if any) will be granted to Mr Mutz, the managing director of the Company, or his nominees. No other Directors are entitled to participate in the issue of Plan Shares under this approval.
- (b) The issue of Plan Shares under Resolution 4 falls under Listing Rule 10.14.1 as Mr Mutz is a Director.
- (c) The maximum number of Plan Shares that could be granted to Mr Mutz pursuant to this approval is 1,400,000 Plan Shares.
- (d) Details of the current total remuneration package for Mr Mutz is set out below:

Director	Director Cash remuneration Other remuner	
Mr Mutz		Participates in a Company-wide executive performance incentive scheme

(e) The following securities have previously been issued to Mr Mutz pursuant to the Employee Share Plan following Shareholder approvals received at the 2019 AGM (refer to the Company's notice of meeting dated 27 March 2019 for more information) and 2020 AGM (refer to the Company's notice of meeting dated 28 April 2020 for more information):

Director	Issue Date	Shares issued	Issue price per Share
Mr Mutz	17 May 2019 ¹	900,671	\$0.195
	27 September 2019 ²	740,672	\$0.267
	2 November 2020 ³	1,013,163	\$0.195
Total issued to Mr Mutz		2,654,506	

Notes:

- 1 Shares issued for performance for period 1 July 2017 through 30 June 2018 (FY2018), but issue delayed due to required shareholder approval.
- 2 Shares issued for performance for period 1 July 2018 through 30 June 2019 (FY2019).
- 3 Shares issued for performance for period 1 July 2019 through 30 June 2020 (FY2020).

The Company advanced the amount to be paid to acquire the Shares under the Plan under a loan agreement entered into with Mr Mutz. For more information on the terms of the loan agreement, refer to Annexure B.

- (f) Plan Shares issued under this Resolution are fully paid ordinary securities and will rank pari passu in all respects with the Company's existing Shares.
- (g) It is expected that any Plan Shares that are ultimately granted to Mr Mutz from time to time if Shareholder approval is received for Resolution 4 will be made no later than one year after the date of the 2021 AGM, but in any event within three years of the 2021 AGM. The Board (other than Mr Mutz) will determine in their absolute discretion whether any Plan Shares will ultimately be granted to Mr Mutz and may decide to issue all, some or none of the maximum number of Plan Shares approved under Resolution 4.
- (h) Any Plan Shares to be issued pursuant to this Resolution will be issued at a price equal to the VWAP of Shares on ASX over the five Trading Days prior to the date of issue.

- (i) A summary of the material terms of the Employee Share Plan is set out at Annexure A to this Explanatory Statement.
- (j) A summary of the material terms of the loan in connection with any Plan Shares to be issued pursuant to Resolution 4 are set out in Annexure B to this Explanatory Statement.
- (k) Details of any Shares issued under the Plan will be published in each annual report of the Company relating to a period in which they were issued, along with a statement that approval for the issue of the Shares was obtained under Listing Rule 10.14. Any additional persons covered by Listing Rule 10.14 who become entitled to participate in the Plan after Resolution 4 is approved and who are not named in this Notice will not participate in the Plan until approval is obtained under Listing Rule 10.14.
- (I) A voting exclusion statement in respect of Resolution 4 is included in the Notice of Meeting.

4.4 Directors' recommendation

Based on the information available, including the information contained in this Explanatory Statement, the Directors (other than Mr Mutz) consider that Resolution 4 will provide the Board with the flexibility to remunerate Mr Mutz through the grant of Plan Shares rather than, for example, a higher cash-based component of remuneration.

Accordingly, having considered these factors, the Board (other than Mr Mutz) believe that Resolution 4 is in the best interests of the Company and unanimously recommend that Shareholders vote in favour of Resolution 4.

The Chair intends to vote all available proxies in favour of Resolution 4.

5. RESOLUTIONS 5 TO 10 – APPROVAL OF ISSUE OF OPTIONS TO NON-EXECUTIVE DIRECTORS

5.1 General

The Company proposes to grant a total of 12,000,000 Options to the Company's non-executive Directors, or their nominees, for nil consideration at an exercise *price that is the greater of \$0.32 and 135% of the VWAP of Shares for the 7 Trading Days prior to the AGM*, expiring on 27 May 2023 (**NED Options**). The NED Options are proposed to be granted to:

- Mr Robert Besley 2,000,000;
- Mr Huang Cheng Li 2,000,000;
- Mr Chaodian Chen 2.000.000:
- Mr Aaron Chong Veoy Soo 2,000,000;
- Mr Peter Thomas 2,000,000; and
- Mr Fei Wu 2,000,000.

The full terms and conditions of the NED Options are set out in Annexure C to this Explanatory Statement.

The Directors consider that the grant of the NED Options is a cost effective and efficient means for the Company to provide a reward and incentive.

5.2 Listing Rule 10.11

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

- (a) a related party (Listing Rule 10.11.1);
- (b) a person who is, or was at any time in the 6 months before the issue or agreement, a substantial (30%+) holder in the company (Listing Rule 10.11.2);
- (c) a person who is, or was at any time in the 6 months before the issue or agreement, a substantial (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 (Listing Rule 10.11.3);
- (d) an associate of a person referred to in Listing Rule 10.11.1 to Listing Rule 10.11.3 (Listing Rule 10.11.4); or
- (e) a person whose relationship with the company or a person referred to in Listing Rule 10.11.1 to Listing Rule 10.11.4 is such that, in ASX's opinion, the issue or agreement should be approved by its shareholders.

unless it obtains the approval of its shareholders.

The issue of the NED Options falls within Listing Rule 10.11.1 (as the non-executive Directors are related parties of the Company) and does not fall within any of the exceptions in Listing Rule 10.12. It therefore requires the approval of Shareholders under Listing Rule 10.11.

Resolutions 5 to 10 seek the required Shareholder approval for the issue of the NED Options to related parties under and for the purposes of Listing Rule 10.11.

If Resolutions 5 to 10 are passed, the Company will be able to proceed with the issue of the NED Options to the non-executive Directors within one month after the date of the Meeting (or such later date as permitted by any ASX waiver or modification of the Listing Rules). As approval pursuant to Listing Rule 7.1 is not required for the issue of the NED Options (because approval is being obtained under Listing Rule 10.11), the issue of the NED Options will not use up any of the Company's 15% annual placement capacity.

If Resolutions 5 to 10 are not passed, the Company will not be able to proceed with the issue of the NED Options to the non-executive Directors and the Company will consider alternative incentive strategies, including potentially increasing cash remuneration to Directors.

Each of Resolutions 5 to 10 is an ordinary resolution, requiring it to be passed by a simple majority of votes cast by the Shareholders entitled to vote on it.

5.3 Chapter 2E of the Corporations Act – related party transactions

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:

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

For the purposes of Chapter 2E, Directors, persons the Company has reasonable grounds to believe will become Directors, and persons who were a related party in the previous six months are considered to be related parties of the Company.

Resolutions 5 to 10 provide for the grant of securities to related parties which is a financial benefit requiring Shareholder approval. The Board has considered whether the proposed grant of NED Options for the benefit of non-executive Directors constitutes reasonable remuneration, given that the NED Options will form part of the total remuneration package for non-executive Directors. In the circumstances, the Board considers it open to conclude that the proposed benefit will not constitute reasonable remuneration and thus it is prudent to seek Shareholder approval under Chapter 2E of the Corporations Act for the proposed grant of the NED Options.

For the purpose of obtaining Shareholder approval, and in accordance with the requirements of Chapter 2E of the Corporations Act, and in particular section 219, the following information is provided to Shareholders to allow them to assess whether or not to approve the grant of the NED Options to non-executive Directors under Resolutions 5 to 10.

The identity of the related party

Subject to Shareholder approval, the NED Options the subject of Resolutions 5 to 10 will be granted to Messrs Besley, Li, Chen, Soo, Thomas and Wu (together the **Non-Executive Directors**), or their nominees, within one month of the passing of this Resolution. The Non-Executive Directors are each individually a Director of the Company and therefore classified as a related party.

The nature of, reasons for and basis for the financial benefit

The proposed financial benefit is the grant of a total of 12,000,000 Options to the Non-Executive Directors, or their nominees, for no issue price. Each NED Option will allow the Non-Executive Directors to subscribe for one ordinary fully paid Share in the Company. The NED Options have an exercise price that is the greater of \$0.32 and 135% of the VWAP of Shares for the 7 Trading Days prior to the AGM, and expire on 27 May 2023. The NED Options are proposed to be issued for no consideration and there will be no funds raised on the issue of the NED Options. Funds will be raised on the exercise of the NED Options (if any).

Directors of public companies face considerable ongoing responsibilities and challenges in their roles. The grant of these NED Options serves to provide a mid-term incentive for each Non-Executive Director's continuing and future efforts as a director of the Company. The Directors consider that NED Options are the most cost effective and efficient means to reward and align the interests of the Company's Directors with the interests of all Shareholders. To that end, the NED Options have an exercise price which aligns with an objective of the Company's strategy, being to increase Shareholder value. Also, to that end, each unexercised NED Option will lapse prior to the expiry date if a Director ceases to be an officer or employee of the Company. The issue of NED Options to the Non-Executive Directors is subject to Resolutions 5 to 10 being passed.

If the Non-Executive Directors are to derive any value from the NED Options, the market Share price must be in excess of the exercise price at the time of exercise. As the exercise price of the NED Options will be at a premium to the most recent closing Share price prior to the date of this Notice, and the average Share price as traded over the previous three months,

the NED Options represent an incentive to the Non-Executive Directors to achieve this increase in the Share price, which would result in an increase in Shareholder value.

In summary Shareholders may consider that the issue of the NED Options proposed in Resolutions 5 to 10 could be beneficial to the Company for the following reasons:

- (a) the grant of the NED Options may incentivise the Non-Executive Directors to grow the value of the Company and assist the Company in retaining the services of the current Directors;
- (b) the payment of monetary fees alone may not be an adequate incentive to retain the Non-Executive Directors; and
- (c) the issue of the NED Options, and the subsequent potential for the acquisition of Shares, could be the most cost effective and efficient means to align the interests of the Company and its Directors, providing them with reward and incentive whilst not, for example, making cash payments which would deplete the Company's cash reserves.

Shareholders may consider that the issue of the NED Options proposed in Resolutions 5 to 10 could be adverse to the Company for the following reasons:

- (a) the issue of the Shares following any exercise of the NED Options will be dilutive to Shareholders; or
- (b) it may be perceived that the Directors receive adequate reasonable remuneration already under their respective contracts with the Company commensurate with the time commitment and responsibilities of the role; or
- (c) it may be perceived that the exercise price of the NED Options may lead to bias in the decision making of the Non-Executive Directors and compromise their objectivity.

The number of NED Options to be offered to each of the Non-Executive Directors has been determined based upon a consideration of:

- (a) their total remuneration;
- (b) each Director's contribution to the progression of the Company's strategic objectives;
- (c) a review of peer companies' equity-based remuneration to non-executive directors; and
- (d) the incentives which are generally perceived to be required to attract and ensure continuity of service of directors who have appropriate knowledge and expertise for a mineral sands producer.

Directors' interests and recommendation

As the only Executive Director of the Company, Mr Mutz recommends Shareholder's vote in favour of Resolutions 5 to 10.

If Resolutions 5 to 10 are passed, the Non-Executive Directors will become entitled to the NED Options set out in Table 1 below together with the rights and entitlements associated with being a holder of such NED Options.

In line with best practice identified by ASIC Regulatory Guide 76, none of the Non-Executive Directors make any recommendation in relation to Resolutions 5 to 10 because they may all have a conflict of interest. All of the Non-Executive Directors have therefore declared a material personal interest in Resolutions 5 to 10 at Board meetings and the Board has exercised its right under section 195(4) of the Corporations Act to put the issue to Shareholders to resolve – refer to Section 5.5 of this Explanatory Statement.

The Chair intends to vote all undirected proxies in favour of the Resolution.

Any other information that is reasonably required by members to make a decision and that is known to the Company or any of its officers

- (a) The proposed Resolutions would have the effect of giving power to the Directors to grant a total of 2,000,000 NED Options to each of Messrs Besley, Li, Chen, Soo, Thomas and Wu, or their nominees.
- (b) The exercise of the NED Options is subject to the terms and conditions as set out in Annexure C to this Explanatory Statement and as otherwise mentioned above.
- (c) The Directors, in conjunction with the Company's advisers, have provided an indicative value to the Options by reference to the Black-Scholes valuation method.
- (d) The total value of the Options to be issued is outlined in Table 1 below. If Options granted to the Non-Executive Directors, or their nominees, are exercised, the effect would be to dilute the Shareholdings of the existing Shareholders.

Table 1 - Details of Director Options

Name	Relationship	Number of NED Options	Exercise price	Expiry date	Vesting	Value as determined by Black-Scholes valuation
Robert Besley	Director	2,000,000	The greater of \$0.32 and	27 May 2023	At date of allotment	\$24,000 (i)
Huang Cheng Li	Director	2,000,000	135% of the VWAP of Shares for the	27 May 2023	At date of allotment	\$24,000 (i)
Chaodian Chen	Director	2,000,000	7 Trading Days prior to	27 May 2023	At date of allotment	\$24,000 (i)
Aaron Chong Veoy Soo	Director	2,000,000	the AGM	27 May 2023	At date of allotment	\$24,000 (i)
Peter Thomas	Director	2,000,000		27 May 2023	At date of allotment	\$24,000 (i)
Fei Wu	Director	2,000,000	_	27 May 2023	At date of allotment	\$24,000 (i)

Option Valuation details

Details	Input
Share Price as at 30 March 2021	\$0.18
Estimated Share Price at Grant Date*	\$0.16
Exercise Price	\$0.32
Risk Free Rate	0.07%
Volatility (Annualised)	60%
Start Date	27 May 2021
Expiry Date	27 May 2023
Dividend Yield	11.1%
Value per Option	\$0.012 (i)

^{*}Note: Estimated Share price at grant date is the Share price as at 30 March 2021 of \$0.18 less dividend of \$0.02 due for payment prior to grant date.

- (e) The Black-Scholes Option Pricing Model is an industry accepted method of valuing equity instruments, at the date of grant. However, the Directors do not consider the resultant value as determined by the Black-Scholes Option Pricing Model is in anyway representative of the market value of the share options issued. The theoretical fair value of the options will be influenced by the terms and conditions upon which the options were granted, the effects of non-transferability, exercise restrictions and behavioural considerations of buyers and sellers of such instruments, the impact of which are ignored in the Black-Scholes Option Pricing Model.
- (f) As at the date of this Notice, the issued capital of the Company comprised 992,139,693 Shares. If all NED Options granted as proposed above are exercised, and assuming all existing Options on issue have been exercised, and assuming no other Share issues proceed, the effect would be to dilute the Shareholding of existing Shareholders as per the table below:

	Existing Shares and Warrants
Shares and Options	1,027,950,407
Options to be granted	12,000,000
New Total	1,039,950,407
Dilutionary effect	1.17%

(g) The current relevant interests in securities of the Company for each of the Non-Executive Directors is set out in the table below:

Director	Shareholding
Robert Besley	666,667
Huang Cheng Li	136,445,311
Chaodian Chen	-
Aaron Chong Veoy Soo	-
Peter Thomas	2,100,306
Fei Wu	-

(h) The current remuneration for each of the Non-Executive Directors is set out in the table below:

Director	Annual Director Fees	Committee Fees
Robert Besley	\$100,000 inclusive of superannuation	Nil
Huang Cheng Li	\$60,000 ¹	Nil
Chaodian Chen	\$60,000 ¹	Nil
Aaron Chong Veoy Soo	\$60,000 ¹	\$6,000 ¹
Peter Thomas	\$60,000 inclusive of superannuation	\$6,000 inclusive of superannuation
Fei Wu	\$60,000 inclusive of superannuation	\$12,000 inclusive of superannuation

- 1. No superannuation required to be paid as the Director is a permanent foreign resident.
- (i) The market price of the Company's Shares during the term of the NED Options will normally determine whether or not the Option holder exercises the Options. At the time any NED Options are exercised, and Shares are issued pursuant to the exercise of the NED Options, the Company's Shares may be trading at a price which is higher than the exercise price of the NED Options.
 - The NED Options will not be quoted on ASX and as such have no actual market value. The fully paid ordinary Shares of the Company have been traded on ASX since July 2002. During the twelve months prior to the date of this notice the Shares have traded in the range of 12.5 cents to 22 cents, the most recent closing price prior to the date of this Notice was 18 cents. The NED Options are capable of being converted to Shares by payment of the exercise price.
- (j) Under the Australian equivalent of IFRS, the Company is required to expense the value of the NED Options in its profit or loss for the current financial year. Other than as disclosed in this Explanatory Statement, the Directors do not consider that from an economic and commercial point of view there are any material costs or detriments, including opportunity costs or taxation consequences for the Company or benefits foregone by the Company, in granting the NED Options to the Non-Executive Directors or their nominees pursuant to Resolutions 5 to 10.
- (k) 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 this Resolution.

5.4 Specific information required by Listing Rule 10.13

The following information is provided in accordance with Listing Rule 10.13.

- (a) The NED Options will be issued to the Non-Executive Directors, being Messrs Besley, Li, Chen, Soo, Thomas and Wu (or their nominees) as set out in Section 5.1 of this Explanatory Statement.
- (b) The Non-Executive Directors fall within the category set out in Listing Rule 10.11.1 by virtue of being Directors of the Company.
- (c) The maximum number of NED Options to be issued to the Non-Executive Directors (or their nominees) is 12,000,000 (2,000,000 to each Non-Executive Director).

- (d) The NED Options have an exercise price that is the greater of \$0.32 and 135% of the VWAP of Shares for the 7 Trading Days prior to the AGM, expiring on 27 May 2023 and otherwise have the terms and conditions as set out in Annexure C.
- (e) The NED Options will be issued no later than one month after the date of the Meeting (or such longer period of time as ASX may in its discretion allow).
- (f) No funds will be raised from the issue of the NED Options.
- (g) The purpose of the issue of the NED Options is to provide an incentive for continuing as a Non-Executive Director and to motivate future efforts and align the interests of the Non-Executive Directors with those of Shareholders and to provide a cost-effective way for the Company to remunerate the Non-Executive Directors, which will allow the Company to spend a greater proportion of its cash reserves on its operations than it would if cash forms of remuneration were given.
- (h) The Non-Executive Directors' current remuneration is shown in Section 5.3 of this Explanatory Statement.
- (i) A voting exclusion statement is included in the Notice of Meeting.

5.5 Section 195 approval

In accordance with section 195 of the Corporations Act, a director of a public company may not vote or be present during meetings of directors when matters in which that director holds a "material personal interest" are being considered.

Since all the Non-Executive Directors are proposed recipients of NED Options, and each has a conflict of interest in relation to considering the Resolutions relating to the other Non-Executive Directors, the Board is not able to form a quorum at Board meetings necessary to carry out the terms of Resolutions 5, 6, 7, 8, 9 and 10.

The Directors accordingly exercise their right under section 195(4) of the Corporations Act to put the issue to Shareholders to resolve.

GLOSSARY

In this Explanatory Statement and the Notice, the following terms have the following meanings unless the context otherwise requires:

AGM means an annual general meeting.

Annual Report means the Directors' Report, the Financial Report and Auditor's Report in respect

of the financial year ended 31 December 2020.

Associate has the same meaning as the meaning prescribed by Listing Rule 19.12.

ASX means ASX Ltd ABN 98 008 624 691 and, where the context requires, the

Australian Securities Exchange operated by ASX Ltd.

Auditor's Report means the auditor's report on the Financial Report.

Board means the board of Directors.

Chair means the chair of the Meeting.

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

• 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 dealing with the entity;

dealing with the entity;

a company the member controls; or

a person prescribed by the Corporations Regulations 2001 (Cth).

Company means Image Resources NL ABN 57 063 977 579.

Constitution means the Company's constitution, as amended from time to time.

Corporations Act means Corporations Act 2001 (Cth).

Director means a director of the Company.

Directors' Report means the annual directors' report prepared under Chapter 2M of the

Corporations Act for the Company.

Employee Share Plan or **Plan** means the employee share plan approved by Company Shareholders at the

annual general meeting on 29 May 2020. A summary of the details of the Plan is

set out in Annexure A.

Explanatory Statement means this information attached to the Notice, which provides information to

Shareholders about the Resolutions contained in the Notice.

Financial Report means the annual financial report prepared under Chapter 2M of the Corporations

Act for the Company.

Key Management Personnel has the same meaning as in the accounting standards. Broadly speaking this

includes those persons with the authority and responsibility for planning, directing and controlling the activities of the Company (whether directly or indirectly), and

includes any directors of the Company.

Listing Rules means the listing rules of the ASX.

Meeting means the annual general meeting of Shareholders convened for the purpose of

considering the Resolutions, as defined in the opening paragraph of the Notice.

NED Options means the 12,000,000 Options proposed to be issued to the Company's non-

executive Directors, or their nominees, for nil consideration at an exercise price that is the greater of \$0.32 and 135% of the VWAP of Shares for the 7 Trading

Days prior to the AGM, expiring on 27 May 2023.

Non-Executive Directors means Messrs Besley, Li, Chen, Soo, Thomas and Wu, being all the non-

executive Directors of the Company.

Notice or Notice of Meeting means the notice of annual general meeting accompanying this Explanatory

Statement.

Plan Shares means up to 1,400,000 Shares proposed for approval to be issued to the

executive Director of the Company (being Mr Mutz) pursuant to the Employee

Share Plan.

Proxy Form means the proxy form attached to this Notice.

Remuneration Report means the remuneration report of the Company contained in the Annual Report.

Resolution means a resolution contained in the Notice.

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

Shareholder means the holder of a Share.

Spill Resolution has the meaning set out in section 1.1 of the Explanatory Statement.

Strike has the meaning set out in section 1.1 of the Explanatory Statement.

Trading Day has the meaning prescribed by Listing Rule 19.12.

VWAP has the meaning prescribed to the term "volume weighted average market price"

by Listing Rule 19.12.

WST means Australian Western Standard Time.

ANNEXURE A

TERMS AND CONDITIONS OF EMPLOYEE SHARE PLAN

The principal terms of the Employee Share Plan are summarised below.

1. Background

Under the Employee Share Plan, an Eligible Employee (see condition 3) of the Company and its related bodies corporate (**Group**) may be offered the opportunity to acquire shares in the Company (**Shares**) on the basis the Company loans the participant an amount equal to the purchase price for those Shares.

2. Purpose

The purpose of the Employee Share Plan is to (among other things):

- (a) provide Eligible Employees with an opportunity to share in the growth in value of the Company and to encourage them to improve the performance of the Group and the Company's return to Shareholders; and
- (b) enable the Group to retain and attract skilled and experienced employees and provide them with the motivation to make the Group more successful.

3. Eligibility

- Employees of the Group will be selected by the Company's board or a committee of the Company's board (**Board**) as entitled to participate in the Employee Share Plan (**Eligible Employees**).
- 3.2 Each Eligible Employee will be individually invited to participate in the Employee Share Plan.

4. Acceptance

In order to accept an invitation to participate in the Employee Share Plan, an Eligible Employee must complete, sign and return the application form accompanying their invitation.

5. Maximum number of Shares to be acquired

The maximum number of Shares that an Eligible Employee may be issued with under the Employee Share Plan will be set out in the invitation. The Board may not issue Shares under the Employee Share Plan if the total number of securities that would be issued under the Employee Share Plan during the previous 3 years exceeds 5% of the total number of issued securities in that class as at the date of the offer.

6. Issue price of Shares and Loan

- 6.1 The price at which Shares will be issued to an Eligible Employee under the Employee Share Plan will be determined by the Board and set out in the invitation.
- The Company will advance (**Loan**) to the Eligible Employee the amount to be paid to acquire Shares under the Employee Share Plan under a loan agreement (**Loan Agreement**) to be entered by the Eligible Employee.

7. Interest payable on the Loan

There will be no interest or fees payable on the Loan.

8. Repayment of Loan

- 8.1 If any dividends are declared and paid on the Shares, or an Eligible Employee disposes of any Shares, the dividend or proceeds of sale must, to the extent necessary, be applied to repay the balance of the Loan.
- 8.2 An Eligible Employee must immediately repay the balance of the Loan on the earlier of the date:
 - (a) they cease to be employed by the Group:
 - (b) they fail to pay when due any money they are liable to pay under or in connection with the Loan;
 - (c) they fail to comply with any of their other obligations under the Employee Share Plan or the Loan Agreement;
 - (d) they commit an act of bankruptcy; or
 - (e) they die or become incapable of managing their affairs.

9. Limited Recourse

Subject to condition 8.1, the only recourse that the Company has is against the Shares issued to the Eligible Participant under the Employee Share Plan. That is, the Company has no other right to make a claim against the Eligible Participant for failure to repay the Loan. It may only buyback the Shares and the consideration for the buyback will be used to repay the Loan.

10. Rights as a Shareholder

Once the Shares are issued to an Eligible Participant, they will have the same rights as other Shareholders (such as voting or dividend rights, subject to condition 8.1 above).

11. Dealings with Shares

An Eligible Employee must not sell or transfer any Share acquired by them under the Employee Share Plan, unless:

- (a) the Board gives its prior written approval for the sale; and
- (b) the sale is made in accordance with the Loan Agreement.

The Company may enter into arrangements with its share registry to enforce these transfer restrictions, including imposing a holding lock on the Shares.

12. Conditions

The Shares may be issued subject to certain conditions determined by the Board and set out in the invitation to participate in the Employee Share Plan.

13. Employment

- 13.1 The Loan Agreement, the Employee Share Plan, the invitation and any other relevant documents, and the Eligible Employee's participation in the Plan, does not form part of any employment contract.
- Participation in the Employee Share Plan will not in any way affect an Eligible Employee's rights and obligations under the terms under which they are employed.

14. Tax

- 14.1 An Eligible Employee should seek independent advice as to the taxation implications arising from participating in the Employee Share Plan. Due to the complex nature of the taxation laws and the fact that the consequences will depend on an Eligible Employee's particular circumstances, the Company is unable to provide individual advice as to the taxation implications of participation.
- 14.2 Any advice given by or on behalf of the Company in connection with the Employee Share Plan (if any) is and shall be general in nature only. An Eligible Employee should consider obtaining financial advice from an independent person licensed by the Australian Securities and Investments Commission to give that advice. In addition, an Eligible Employee should consult a tax adviser about the consequences of participation in the Employee Share Plan.

ANNEXURE B

TERMS AND CONDITIONS OF THE PLAN LOAN

The principal terms of the Loan related to the acquisition of Shares under the Employee Share Plan are set out below.

1. Background

- 1.1 Under the Employee Share Plan approved by Company Shareholders on 13 February 2018 and proposed for approval under Resolution 5 of this Notice of Meeting, an Eligible Employee (see section 2) of the Company and its related bodies corporate (**Group**) may be offered the opportunity to acquire Shares on the basis the Company loans the participant an amount equal to the purchase price for those Shares.
- 1.2 Employees of the Group will be selected by the Company's board or a committee of the Company's board (**Board**) as entitled to participate in the Plan (**Eligible Employees**).
- 1.3 Each Eligible Employee will be individually invited to participate in the Plan.

2. Loan Agreement

The Company will advance (**Loan**) to the Eligible Employee the amount to be paid to acquire Shares under the Plan under a loan agreement (**Loan Agreement**) to be entered by the Eligible Employee.

3. Interest payable on the Loan

There will be no interest payable on the Loan.

4. Direction to apply funds

The Eligible Employee directs the Company to apply the Loan advanced on behalf of the Eligible Employee to pay the aggregate issue price for the Shares and hold the funds on trust for the Eligible Employee until such payment is made.

5. Repayment of Loan

- 5.1 If any dividends are declared and paid on the Shares, or an Eligible Employee disposes of any Shares, the dividend or proceeds of sale must, to the extent necessary, be applied to repay the balance of the Loan.
- 5.2 An Eligible Employee must immediately repay the balance of the loan on the earlier of the date:
 - (a) that is three years after the issue date;
 - (b) they cease to be employed by the Group;
 - (c) they fail to pay when due any money they are liable to pay under or in connection with the Loan;
 - (d) they fail to comply with any of their other obligations under the Plan or the Loan Agreement;
 - (e) they commit an act of bankruptcy;
 - (f) that a vesting condition applicable to the Shares becomes incapable of being satisfied; or
 - (g) they die or become incapable of managing their affairs, or an order is made to place their assets and affairs under administration under any law relating to mental health.
- If the balance of the Loan becomes repayable, the Company must accept in full and final satisfaction of the Eligible Employee's obligations under the Loan Agreement:
 - (a) if the vesting conditions applicable to the Shares have been satisfied or waived, the relevant Loan balance in cash or by other means agreed between the Eligible Employee and the Company; or
 - (b) in any case the Company may buy-back or transfer the Shares.
- 5.4 If the Eligible Employee fails to repay the full Loan balance on the date that is three years after the issue date, or has not satisfied the vesting conditions, the Company may transfer the Shares.

6. Early Repayment

- An Eligible Employee may apply to the Company to repay the Loan balance in respect of all or some of the Shares before the date on which the Loan balance would otherwise be payable.
- 6.2 In approving an application for early repayment, the Company may, in its discretion, agree to procure the sale of the Shares on the Eligible Employee's behalf in accordance with the power of attorney provided for by the Plan, and apply the proceeds of that sale to the Loan balance.

7. Limited Recourse

Subject to section 5 above, the only recourse that the Company has is against the Shares issued to the Eligible Employee under the Plan. That is, the Company has no other right to make a claim against the Eligible Employee for failure to repay the Loan. It may only buyback the Shares and the consideration for the buyback will be used to repay the Loan.

8. Restrictions

To the extent permitted by law, the Eligible Employee grants a first ranking security interest in favour of the Company over each Plan Share issued to the Eligible Employee to secure the obligations of the Eligible Employee under the Loan Agreement.

A holding lock will be placed on the Plan Shares until the Loan is repaid and any vesting conditions applicable to the Plan Shares being satisfied or waived.

ANNEXURE C

TERMS AND CONDITIONS

NON-EXECUTIVE DIRECTOR OPTIONS EXPIRING 27 MAY 2023

The Options are to be issued on the following terms:

- 1. Each Option shall be issued for no consideration.
- 2. The exercise price of each Option is the price that is the greater of \$0.32 and 135% of the volume weighted average price of Shares for the 7 ASX trading days prior to the 2021 annual general meeting ("Exercise Price").
- 3. Each Option entitles the holder to subscribe for one Share in Image Resources NL ABN 57 063 977 579 ("Company") upon the payment of the Exercise Price per Share subscribed for.
- 4. The Options will lapse on either the date of cessation of the Option holder being an employee or officer of the Company or at 5:00pm, AWST on 27 May 2023, whichever is the earlier ("Expiry Date").
- 5. The Options are not transferable.
- 6. 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.
- 7. 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 closing date to exercise the Options.
- 8. In the event the Company proceeds with a pro rata issue (except a bonus issue) of securities to the holders of Shares after the date of issue of the Options, the exercise price of the Options will be adjusted in accordance with the formula set out in ASX Listing Rule 6.22.2.
- 9. 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.
- 10. The Options shall be exercisable at any time until 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 it.
- 11. The Company shall allot the resultant Shares and deliver a statement of shareholdings with a holders' identification number within 5 business days of exercise of the Options.
- 12. The Shares allotted shall rank, from the date of allotment, equally with the existing ordinary shares of the Company in all respects.
- 13. Subdivision 83A-C (deferred inclusion of gain in assessable income) of the Income Tax Assessment Act 1997 (Cth) applies to the Options granted.



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 10.00am (WST) on Tuesday, 25 May 2021, 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)

STEP 1 - How to vote			
APPOINT A PROXY: I/We being a Shareholder entitled to attend and vote at the Annual General Meeting of Image Resources NL, on Thursday, 27 May 2021 at The Celtic Club, 48 Ord Street, WEST PERTH WA 6005 hereby:	, to be he	eld at 10.00	am (WST)
Appoint the Chair of the Meeting (Chair) OR if you are not appointing the Chair of the Meeting as your provided below the name of the person or body corporate you are appointing as your proxy or failing the person is named, the Chair, or the Chair's nominee, to vote in accordance with the following directions, or, if rand subject to the relevant laws as the proxy sees fit and at any adjournment thereof.	ne perso	n so name	d or, if no
The Chair intends to vote undirected proxies in favour of all Resolutions in which the Chair is entitled to voluless indicated otherwise by ticking the "for"," against" or "abstain" box you will be authorising the Chair to Chair's voting intention. AUTHORITY FOR CHAIR TO VOTE UNDIRECTED PROXIES ON REMUNERATION RELATED RESOLUTIONS Where I/we have appointed the Chair as my/our proxy (or where the Chair becomes my/our proxy by default Chair to exercise my/our proxy on Resolutions 1, 4 and 5-10 (except where I/we have indicated a different though Resolutions 1, 4 and 5-10 are connected directly or indirectly with the remuneration of a memi Personnel, which includes the Chair.	o vote in i), I/we ex t voting in	pressly aut	horise the
STEP 2 – Your voting direction			
Resolutions	For	Against	Abstain
ADOPTION OF REMUNERATION REPORT			
2. RE-ELECTION OF FEI WU AS A DIRECTOR			
RE-ELECTION OF HUANG CHENG LI AS A DIRECTOR			
4. APPROVAL OF MAXIMUM GRANT OF SHARES TO EXECUTIVE DIRECTOR MR MUTZ			
5. APPROVAL OF ISSUE OF OPTIONS TO MR BESLEY			
6. APPROVAL OF ISSUE OF OPTIONS TO MR LI			
7. APPROVAL OF ISSUE OF OPTIONS TO MR CHEN			
APPROVAL OF ISSUE OF OPTIONS TO MR SOO			
APPROVAL OF ISSUE OF OPTIONS TO MR THOMAS			
O. APPROVAL OF ISSUE OF OPTIONS TO MR WU			
STEP 3 — Signatures and contact details			
Individual or Securityholder 1 Securityholder 2 Securityholder 3			
Sole Director and Sole Company Secretary Director Director Contact Name:	cretary		
Email Address:		, ,	

Date (DD/MM/YY) Contact Daytime Telephone By providing your email address, you elect to receive all of your communications despatched by the Company electronically (where legally permissible).