
RINCON RESOURCES LIMITED**ACN 628 003 538****NOTICE OF GENERAL MEETING**

Notice is given that the Meeting will be held at:

TIME: 10:00am

DATE: 25 June 2021

PLACE: 31 Cliff Street
FREMANTLE WA 6160

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

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 professional advisers prior to voting.

The Directors have determined pursuant to Regulation 7.11.37 of the Corporations Regulations 2001 (Cth) that the persons eligible to vote at the Meeting are those who are registered Shareholders at 5:00pm (WST) on 23 June 2021.

BUSINESS OF THE MEETING

AGENDA

1. RESOLUTION 1 – ADOPTION OF PERFORMANCE RIGHTS PLAN

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

“That, for the purposes of Listing Rule 7.2 (Exception 13(b)) and for all other purposes, approval is given for the Company to adopt an employee incentive scheme titled Incentive Performance Rights Plan and for the issue of securities under that Plan, on the terms and conditions set out in the Explanatory Statement.”

A voting exclusion statement and voting prohibition statement applies to this Resolution. Please see below.

2. RESOLUTION 2 – ISSUE OF PERFORMANCE RIGHTS TO DIRECTOR – BLAIR SERGEANT

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

“That, subject to the passing of Resolution 1, for the purposes of section 195(4) and section 208 of the Corporations Act, Listing Rule 10.14 and for all other purposes, approval is given for the Company to issue 700,000 Performance Rights to Mr Blair Sergeant (or their nominee) under the Plan on the terms and conditions set out in the Explanatory Statement.”

A voting exclusion statement and voting prohibition statement applies to this Resolution. Please see below.

3. RESOLUTION 3 – ISSUE OF PERFORMANCE RIGHTS TO DIRECTOR – EDWARD MASON

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

“That, subject to the passing of Resolution 1, for the purposes of section 195(4) and section 208 of the Corporations Act, Listing Rule 10.14 and for all other purposes, approval is given for the Company to issue 700,000 Performance Rights to Mr Edward Mason (or their nominee) under the Plan on the terms and conditions set out in the Explanatory Statement.”

A voting exclusion statement and voting prohibition statement applies to this Resolution. Please see below.

4. RESOLUTION 4 – ISSUE OF PERFORMANCE RIGHTS TO DIRECTOR – ZEFFRON REEVES

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

“That, subject to the passing of Resolution 1, for the purposes of section 195(4) and section 208 of the Corporations Act, Listing Rule 10.14 and for all other purposes, approval is given for the Company to issue 700,000 Performance Rights to Mr Zeffron Reeves (or their nominee) under the Plan on the terms and conditions set out in the Explanatory Statement.”

A voting exclusion statement and voting prohibition statement applies to this Resolution. Please see below.

5. RESOLUTION 5 – ISSUE OF PERFORMANCE RIGHTS TO DIRECTOR – GEOFFREY MCNAMARA

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

"That, subject to the passing of Resolution 1, for the purposes of section 195(4) and section 208 of the Corporations Act, Listing Rule 10.14 and for all other purposes, approval is given for the Company to issue 700,000 Performance Rights to Mr Geoffrey McNamara (or their nominee) under the Plan on the terms and conditions set out in the Explanatory Statement."

A voting exclusion statement and voting prohibition statement applies to this Resolution. Please see below.

Dated: 27 May 2021

By order of the Board



**Mr Zane Lewis
Company Secretary**

Voting Prohibition Statements

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|---|--|
| Resolution 1 – Adoption of Performance Rights Plan | <p>A person appointed as a proxy must not vote, on the basis of that appointment, on this Resolution if:</p> <ul style="list-style-type: none"> (a) the proxy is either: <ul style="list-style-type: none"> (i) a member of the Key Management Personnel; or (ii) a Closely Related Party of such a member; and (b) the appointment does not specify the way the proxy is to vote on this Resolution. <p>However, the above prohibition does not apply if:</p> <ul style="list-style-type: none"> (a) the proxy is the Chair; and (b) the appointment expressly authorises the Chair to exercise the proxy even though this Resolution is connected directly or indirectly with remuneration of a member of the Key Management Personnel. |
| Resolution 2– Issue of Performance Rights to Director – Blair Sergeant | <p>In accordance with section 224 of the Corporations Act, a vote on this Resolution must not be cast (in any capacity) by or on behalf of a related party of the Company to whom the Resolution would permit a financial benefit to be given, or an associate of such a related party (Resolution 2 Excluded Party). However, the above prohibition does not apply if the vote is cast by a person as proxy appointed by writing that specifies how the proxy is to vote on the Resolution and it is not cast on behalf of a Resolution 2 Excluded Party.</p> <p>In accordance with section 250BD of the Corporations Act, a person appointed as a proxy must not vote, on the basis of that appointment, on this Resolution if:</p> <ul style="list-style-type: none"> (a) the proxy is either: <ul style="list-style-type: none"> (i) a member of the Key Management Personnel; or (ii) a Closely Related Party of such a member; and (b) the appointment does not specify the way the proxy is to vote on this Resolution. <p>Provided the Chair is not a Resolution 2 Excluded Party, the above prohibition does not apply if:</p> <ul style="list-style-type: none"> (a) the proxy is the Chair; and (b) the appointment expressly authorises the Chair to exercise the proxy even though this Resolution is connected directly or indirectly with remuneration of a member of the Key Management Personnel. |
| Resolution 3 – Issue of Performance Rights to Director – Edward Mason | <p>In accordance with section 224 of the Corporations Act, a vote on this Resolution must not be cast (in any capacity) by or on behalf of a related party of the Company to whom the Resolution would permit a financial benefit to be given, or an associate of such a related party (Resolution 3 Excluded Party). However, the above prohibition does not apply if the vote is cast by a person as proxy appointed by writing that specifies how the proxy is to vote on the Resolution and it is not cast on behalf of a Resolution 3 Excluded Party.</p> <p>In accordance with section 250BD of the Corporations Act, a person appointed as a proxy must not vote, on the basis of that appointment, on this Resolution if:</p> <ul style="list-style-type: none"> (a) the proxy is either: <ul style="list-style-type: none"> (i) a member of the Key Management Personnel; or (ii) a Closely Related Party of such a member; and (b) the appointment does not specify the way the proxy is to vote |

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| | <p>on this Resolution.</p> <p>Provided the Chair is not a Resolution 3 Excluded Party, the above prohibition does not apply if:</p> <ul style="list-style-type: none"> (a) the proxy is the Chair; and (b) the appointment expressly authorises the Chair to exercise the proxy even though this Resolution is connected directly or indirectly with remuneration of a member of the Key Management Personnel. |
| Resolution 4 – Issue of Performance Rights to Director – Zeffron Reeves | <p>In accordance with section 224 of the Corporations Act, a vote on this Resolution must not be cast (in any capacity) by or on behalf of a related party of the Company to whom the Resolution would permit a financial benefit to be given, or an associate of such a related party (Resolution 4 Excluded Party). However, the above prohibition does not apply if the vote is cast by a person as proxy appointed by writing that specifies how the proxy is to vote on the Resolution and it is not cast on behalf of a Resolution 4 Excluded Party.</p> <p>In accordance with section 250BD of the Corporations Act, a person appointed as a proxy must not vote, on the basis of that appointment, on this Resolution if:</p> <ul style="list-style-type: none"> (a) the proxy is either: <ul style="list-style-type: none"> (i) a member of the Key Management Personnel; or (ii) a Closely Related Party of such a member; and (b) the appointment does not specify the way the proxy is to vote on this Resolution. <p>Provided the Chair is not a Resolution 4 Excluded Party, the above prohibition does not apply if:</p> <ul style="list-style-type: none"> (a) the proxy is the Chair; and (b) the appointment expressly authorises the Chair to exercise the proxy even though this Resolution is connected directly or indirectly with remuneration of a member of the Key Management Personnel. |
| Resolution 5 – Issue of Performance Rights to Director – Geoffrey McNamara | <p>In accordance with section 224 of the Corporations Act, a vote on this Resolution must not be cast (in any capacity) by or on behalf of a related party of the Company to whom the Resolution would permit a financial benefit to be given, or an associate of such a related party (Resolution 5 Excluded Party). However, the above prohibition does not apply if the vote is cast by a person as proxy appointed by writing that specifies how the proxy is to vote on the Resolution and it is not cast on behalf of a Resolution 5 Excluded Party.</p> <p>In accordance with section 250BD of the Corporations Act, a person appointed as a proxy must not vote, on the basis of that appointment, on this Resolution if:</p> <ul style="list-style-type: none"> (a) the proxy is either: <ul style="list-style-type: none"> (i) a member of the Key Management Personnel; or (ii) a Closely Related Party of such a member; and (b) the appointment does not specify the way the proxy is to vote on this Resolution. <p>Provided the Chair is not a Resolution 5 Excluded Party, the above prohibition does not apply if:</p> <ul style="list-style-type: none"> (a) the proxy is the Chair; and (b) the appointment expressly authorises the Chair to exercise the proxy even though this Resolution is connected directly or indirectly with remuneration of a member of the Key Management Personnel. |

Voting Exclusion Statements

In accordance with Listing Rule 14.11, the Company will disregard any votes cast in favour of the resolution set out below by or on behalf of the following persons:

| | |
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| Resolution 1 – Adoption of Performance Rights Plan | A person who is eligible to participate in the employee incentive scheme or an associate of that person or those persons. |
| Resolution 2 – Issue of Performance Rights to Director – Blair Sergeant | Any person referred to in Listing Rule 10.14.1, 10.14.2 or 10.14.3 who is eligible to participate in the employee incentive scheme in question (including Mr Blair Sergeant) or an associate of that person or those persons. |
| Resolution 3 – Issue of Performance Rights to Director – Edward Mason | Any person referred to in Listing Rule 10.14.1, 10.14.2 or 10.14.3 who is eligible to participate in the employee incentive scheme in question (including Mr Edward Mason) or an associate of that person or those persons. |
| Resolution 4 – Issue of Performance Rights to Director – Zeffron Reeves | Any person referred to in Listing Rule 10.14.1, 10.14.2 or 10.14.3 who is eligible to participate in the employee incentive scheme in question (including Mr Zeffron Reeves) or an associate of that person or those persons. |
| Resolution 5– Issue of Performance Rights to Director – Geoffrey McNamara | Any person referred to in Listing Rule 10.14.1, 10.14.2 or 10.14.3 who is eligible to participate in the employee incentive scheme in question (including Mr Geoffrey McNamara) or an associate of that person or those persons. |

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

- (a) a person as 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 attorney to vote on the Resolution in that way; or
- (b) the Chair 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 by proxy

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

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

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

Shareholders and their proxies should be aware that:

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

Voting in person

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

Should you wish to discuss the matters in this Notice of Meeting please do not hesitate to contact the Company Secretary on +61 8 6555 2950.

EXPLANATORY STATEMENT

This Explanatory Statement has been prepared to provide information which the Directors believe to be material to Shareholders in deciding whether or not to pass the Resolutions.

1. RESOLUTION 1 – ADOPTION OF PERFORMANCE RIGHTS PLAN

1.1 General

Resolution 1 seeks Shareholder approval for the adoption of the employee incentive scheme titled "Incentive Performance Rights Plan" (**Plan**) and for the issue of Performance Rights under the Plan in accordance with Listing Rule 7.2 (Exception 13(b)).

The objective of the Plan is to attract, motivate and retain key employees and the Company considers that the adoption of the Plan and the future issue of Performance Rights under the Plan will provide selected employees with the opportunity to participate in the future growth of the Company.

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

Listing Rule 7.2 (Exception 13(b)) provides that Listing Rule 7.1 does not apply to an issue of securities under an employee incentive scheme if, within three years before the date of issue of the securities, the holders of the entity's ordinary securities have approved the issue of equity securities under the scheme as exception to Listing Rule 7.1.

Exception 13(b) is only available if and to the extent that the number of equity securities issued under the scheme does not exceed the maximum number set out in the entity's notice of meeting dispatched to shareholders in respect of the meeting at which shareholder approval was obtained pursuant to Listing Rule 7.2 (Exception 13(b)). Exception 13(b) also ceases to be available if there is a material change to the terms of the scheme from those set out in the notice of meeting.

If Resolution 1 is passed, the Company will be able to issue Performance Rights under the Plan to eligible participants over a period of 3 years. The issue of any Performance Rights to eligible participants under the Plan (up to the maximum number of Performance Rights stated in Section 1.2(c) below) will be excluded from the calculation of the number of equity securities that the Company can issue without Shareholder approval under Listing Rule 7.1.

For the avoidance of doubt, the Company must seek Shareholder approval under Listing Rule 10.14 in respect of any future issues of Performance Rights under the Plan to a related party or a person whose relationship with the company or the related party is, in ASX's opinion, such that approval should be obtained.

If Resolution 1 is not passed, the Company will be able to proceed with the issue of Performance Rights under the Plan to eligible participants, but any issues of Performance Rights will reduce, to that extent, the Company's capacity to issue equity securities without Shareholder approval under Listing Rule 7.1 for the 12 month period following the issue of the Performance Rights.

1.2 Technical information required by Listing Rule 7.2 (Exception 13)

Pursuant to and in accordance with Listing Rule 7.2 (Exception 13), the following information is provided in relation to Resolution 1:

- (a) a summary of the key terms and conditions of the Plan is set out in Schedule 1;
- (b) the Company has not issued any Performance Rights under the Plan as this is the first time that Shareholder approval is being sought for the adoption of the Performance Rights Plan. However, the Company has agreed to issue 2,000,000 Performance Rights under the Plan to the Company's newly appointed Chief Executive Officer (**CEO**) Mr Gary Harvey, subject to Shareholder's approving the Plan (refer to ASX release dated 12 April 2021 for further details); and
- (c) the maximum number of Securities proposed to be issued under the Plan, following Shareholder approval, is 2,566,837 Performance Rights (being 5% of the number of Shares currently on issue). This number includes the 2,000,000 Performance Rights proposed to be issued to the Company's newly appointed CEO Mr Gary Harvey (refer to ASX release dated 12 April 2021 for further details), but excludes the Performance Rights proposed to be issued to the Directors (or their nominees) under Resolutions 2, 3, 4 and 5. It is not envisaged that the maximum number of Securities for which approval is sought will be issued immediately.

2. RESOLUTIONS 2, 3, 4 AND 5 – ISSUE OF PERFORMANCE RIGHTS TO DIRECTORS

2.1 General

The Company has agreed, subject to obtaining Shareholder approval and to the adoption of the Plan (refer Resolution 1), to issue 2,800,000 Performance Rights to Messrs Sergeant, Mason, Reeves and McNamara (or their nominees) (**Related Parties**) pursuant to the Plan and on the terms and conditions set out below (**Director Performance Rights**).

The Director Performance Rights will be subject to the following Vesting Conditions:

| | Vesting Condition |
|---------|--|
| Class A | upon twelve months continuous service as a Director or employee of the Company (as applicable) and on the Company announcing a JORC compliant Inferred Resource of $\geq 200,000$ oz's of gold or gold equivalent at its Laverton and/or South Telfer projects, within 3 years from the date of issue |
| Class B | upon twenty-four months continuous service as a Director or employee of the Company (as applicable) and on the Company announcing a JORC compliant Inferred Resource of $\geq 500,000$ oz's of gold or gold equivalent at its Laverton and/or South Telfer projects, within 3 years from the date of issue |
| Class C | upon thirty-six months continuous service as a Director or employee of the Company (as applicable) and on the Company announcing a JORC compliant Inferred Resource of ≥ 1 million oz's of gold or gold equivalent at its Laverton and/or South Telfer projects, within 5 years |

| | Vesting Condition |
|---------|--|
| | from the date of issue |
| Class D | upon twenty-four months continuous service as a Director or employee of the Company (as applicable) and on the Company announcing completion of a positive Scoping and/or Feasibility Study at its Laverton and/or South Telfer projects within 5 years from the date of issue |

Each of the Related Parties will receive:

- (a) 100,000 Class A Performance Rights;
- (b) 200,000 Class B Performance Rights;
- (c) 200,000 Class C Performance Rights; and
- (d) 200,000 Class D Performance Rights.

A summary of the material terms and conditions of the Director Performance Rights is set out in Schedule 2.

2.2 Chapter 2E of the Corporations Act

Chapter 2E of the Corporations Act requires that for a public company, or an entity that the public company controls, to give a financial benefit to a related party of the public company, the public company or entity must:

- (a) obtain the approval of the public company's members in the manner set out in sections 217 to 227 of the Corporations Act; and
- (b) give the benefit within 15 months following such approval,

unless the giving of the financial benefit falls within an exception set out in sections 210 to 216 of the Corporations Act.

The issue of the Director Performance Rights to the Related Parties constitutes giving a financial benefit and each of the Related Parties is a related party of the Company by virtue of being a Director.

As the Director Performance Rights are proposed to be issued to all of the Directors, the Directors are unable to form a quorum to consider whether one of the exceptions set out in sections 210 to 216 of the Corporations Act applies to the issue of the Director Performance Rights. Accordingly, Shareholder approval for the issue of Director Performance Rights to the Related Parties is sought in accordance with Chapter 2E of the Corporations Act.

2.3 Listing Rule 10.14

Listing Rule 10.14 provides that an entity must not permit any of the following persons to acquire equity securities under an employee incentive scheme without the approval of the holders of its ordinary securities:

- 10.14.1 a director of the entity;

- 10.14.2 an associate of a director of the entity; or
- 10.14.3 a person whose relationship with the entity or a person referred to in Listing Rules 10.14.1 to 10.14.2 is such that, in ASX's opinion, the acquisition should be approved by security holders.

The issue of Director Performance Rights to the Related Parties falls within Listing Rule 10.14.1 and therefore requires the approval of Shareholders under Listing Rule 10.14.

Resolutions 2 to 5 seek the required Shareholder approval for the issue of the Director Performance Rights under and for the purposes of Chapter 2E of the Corporations Act and Listing Rule 10.14.

2.4 Technical information required by Listing Rule 14.1A

If Resolutions 2 to 5 are passed, the Company will be able to proceed with the issue of the Director Performance Rights to the Related Parties under the Plan within three years 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 Director Performance Rights (because approval is being obtained under Listing Rule 10.14), the issue of the Director Performance Rights will not use up any of the Company's 15% annual placement capacity.

If Resolutions 2 to 5 are not passed, the Company will not be able to proceed with the issue of the Director Performance Rights to the Related Parties under the Plan and the Company will need to consider other potential incentive packages to link the performance of the Company with the incentives offered to the Related Parties to align the interests of the Related Parties with those of Shareholders which may not be as cost effective for the Company as the proposed issue of the Director Performance Rights (for example, the Company may be required to consider incentive packages which would require the Company to spend a greater proportion of its cash reserves on alternative cash forms of performance based remuneration)..

2.5 Technical information required by Listing Rule 10.15 and section 219 of the Corporations Act

Pursuant to and in accordance with the requirements of Listing Rule 10.15 and section 219 of the Corporations Act, the following information is provided in relation to Resolutions 2 to 5:

- (a) the Director Performance Rights will be issued to the following persons:
- (i) Mr Blair Sergeant (or their nominee) pursuant to Resolution 2;
 - (ii) Mr Edward Mason (or their nominee) pursuant to Resolution 3;
 - (iii) Mr Zeffron Reeves (or their nominee) pursuant to Resolution 4; and
 - (iv) Mr Geoffrey McNamara (or their nominee) pursuant to Resolution 5,

each of whom falls within the category set out in Listing Rule 10.14.1 by virtue of being a Director;

- (b) the maximum number of Performance Rights to be issued to the Related Parties (being the nature of the financial benefit proposed to be given) is 2,800,000 comprising:
- (i) 700,000 Performance Rights to Mr Blair Sergeant (or his nominee) pursuant to Resolution 2;
 - (ii) 700,000 Performance Rights to Mr Edward Mason (or his nominee) pursuant to Resolution 3;
 - (iii) 700,000 Performance Rights to Mr Zeffron Reeves (or his nominee) pursuant to Resolution 4; and
 - (iv) 700,000 Performance Rights to Mr Geoffrey McNamara (or his nominee) pursuant to Resolution 5,
- in each case comprising:
- (v) 100,000 Class A Performance Rights;
 - (vi) 200,000 Class B Performance Rights;
 - (vii) 200,000 Class C Performance Rights; and
 - (viii) 200,000 Class D Performance Rights;
- (c) as this is the first time that the Shareholder approval is being sought for the adoption of the Plan, no Performance Rights have been previously issued under the Plan. However, the Company has agreed to issue 2,000,000 Performance Rights under the Plan to the Company's newly appointed CEO Mr Gary Harvey, subject to Shareholder's approving the Plan (refer to ASX release dated 12 April 2021 for further details);
- (d) a summary of the material terms and conditions of the Director Performance Rights is set out in Schedule 2;
- (e) the Director Performance Rights are unquoted securities. The Company has chosen to issue Director Performance Rights to the Related Parties for the following reasons:
- (i) the Director Performance Rights are unquoted; therefore, the issue of the Director Performance Rights has no immediate dilutionary impact on Shareholders;
 - (ii) the milestones attaching to the Director Performance Rights will align the interests of the Related Parties with those of Shareholders; and
 - (iii) it is not considered that there are any significant opportunity costs to the Company or benefits foregone by the Company in issuing the Director Performance Rights on the terms proposed;
- (f) the number of Director Performance Rights to be issued to each of the Related Parties has been determined based upon a consideration of:
- (i) current market standards and/or practices of other ASX listed companies of a similar size and stage of development to the Company;

- (ii) the remuneration of the Related Parties; and
- (iii) incentives to attract and ensure continuity of service/retain the service of the Related Parties who have appropriate knowledge and expertise, while maintaining the Company's cash reserves.

The Company does not consider that there are any significant opportunity costs to the Company or benefits foregone by the Company in issuing the Director Performance Rights upon the terms proposed;

- (g) the total remuneration package for each of the Related Parties for the previous financial year and the proposed total remuneration package for the current financial year are set out below:

| Related Party | Current Financial Year | Previous Financial Year |
|--------------------------------|------------------------|-------------------------|
| Blair Sergeant ² | \$36,250 | Nil |
| Edward Mason ¹ | \$30,000 | Nil |
| Zeffron Reeves ³ | \$40,000 | \$30,000 |
| Geoffrey McNamara ³ | \$170,000 | \$30,000 |

Notes:

1. Appointed on 1 November 2020.
 2. Appointed on Appointed on 18 August 2020.
 3. Appointed on 7 August 2018.
- (h) the value of the Director Performance Rights and the pricing methodology is set out in Schedule 3;
 - (i) the Director Performance Rights will be issued to the Related Parties no later than 3 years after the date of the Meeting (or such later date as permitted by any ASX waiver or modification of the Listing Rules) and it is anticipated the Director Performance Rights will be issued on one date;
 - (j) the issue price of the Director Performance Rights will be nil, as such no funds will be raised from the issue of the Director Performance Rights;
 - (k) the purpose of the issue of the Director Performance Rights is to provide a performance linked incentive component in the remuneration package for the Related Parties to align the interests of the Related Parties with those of Shareholders, to motivate and reward the performance of the Related Parties in their roles as Directors and to provide a cost effective way from the Company to remunerate the Related Parties, which will allow the Company to spend a greater proportion of its cash reserves on its operations than it would if alternative cash forms of remuneration were given to the Related Parties;
 - (l) a summary of the material terms and conditions of the Plan is set out in Schedule 1;

- (m) no loans are being made to the Related Parties in connection with the acquisition of the Director Performance Rights;
- (n) details of any Performance Rights issued under the Plan will be published in the annual report of the Company relating to the period in which they were issued, along with a statement that approval for the issue was obtained under Listing Rule 10.14;
- (o) any additional persons covered by Listing Rule 10.14 who become entitled to participate in an issue of Performance Rights under the Plan after Resolution 1 is approved and who were not named in this Notice will not participate until approval is obtained under Listing Rule 10.14;
- (p) the relevant interests of the Related Parties in securities of the Company as at the date of this Notice are set out below:

| Related Party | Shares ¹ | Options | Performance Rights |
|-------------------|---------------------|---------|--------------------|
| Blair Sergeant | 562,797 | Nil | Nil |
| Edward Mason | Nil | Nil | Nil |
| Zeffron Reeves | 1,381,526 | Nil | Nil |
| Geoffrey McNamara | 2,901,820 | Nil | Nil |

Notes:

- 1. Fully paid ordinary shares in the capital of the Company (ASX: RCR).

- (q) if the milestones attaching to the Director Performance Rights issued to the Related Parties are met and the Director Performance Rights are converted, a total of 2,800,000 Shares would be issued. This will increase the number of Shares on issue from 51,336,756 (being the total number of Shares on issue as at the date of this Notice) to 54,136,756 (assuming that no Shares are issued and no convertible securities vest or are exercised) with the effect that the shareholding of existing Shareholders would be diluted by an aggregate of 5.17%, comprising 1.29% by each of the Related Parties;
- (r) the trading history of the Shares on ASX in the 12 months before the date of this Notice is set out below:

| | Price | Date |
|---------|---------|----------------|
| Highest | \$0.46 | 5 January 2021 |
| Lowest | \$0.20 | 29 March 2021 |
| Last | \$0.315 | 14 May 2021 |

- (s) each Director has a material personal interest in the outcome of Resolutions 2 to 5 on the basis that all of the Directors (or their nominees) are to be issued Director Performance Rights should Resolutions 2 to 5 be passed. For this reason, the Directors do not believe that it is appropriate to make a recommendation on Resolutions 2 to 5 of this Notice; and

- (t) the Board is not aware of any other information that is reasonably required by Shareholders to allow them to decide whether it is in the best interests of the Company to pass Resolutions 2 to 5.

GLOSSARY

\$ means Australian dollars.

ASIC means the Australian Securities & Investments Commission.

ASX means ASX Limited (ACN 008 624 691) or the financial market operated by ASX Limited, as the context requires.

Board means the current board of directors of the Company.

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

Chair means the chair of the Meeting.

Company means Rincon Resources Limited (ACN 628 003 538).

Constitution means the Company's constitution.

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

Director Performance Rights has the meaning in Section 2.1.

Directors means the current directors of the Company.

Explanatory Statement means the explanatory statement accompanying the Notice.

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

Listing Rules means the Listing Rules of ASX.

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

Plan means the Company's Performance Rights Plan for which Shareholder approval is sought for adoption pursuant to Resolution 1.

Performance Right means a right to be issued or transferred a Share (or paid a Cash Payment), upon and subject to the terms of the rules of the Plan and the terms of any applicable offer under the Plan.

Proxy Form means the proxy form accompanying the Notice.

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

Related Parties has the meaning in Section 2.1.

Section means a section of the Explanatory Statement.

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

Shareholder means a registered holder of a Share.

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

SCHEDULE 1 – SUMMARY OF KEY TERMS AND CONDITIONS OF PLAN

The following is a summary of the key terms and conditions of the Plan to be adopted by Shareholders pursuant to Agenda Item 1:

- (a) **Entitlement to Participate:** the Plan is open to Directors (whether executive or non-executive) of any Group Company, full time or part time employees of any Group Company, a casual employee or contractor of a Group Company to the extent permitted by the Class Order or a prospective participant who has entered into an arrangement that will result in the person becoming an eligible participant, who is declared by the Board to be eligible to receive grants or Performance Rights under the Plan.
- (b) **Rights:** each Performance Right issued under the Plan is a right to be issued with or transferred a single Share, free of encumbrances.
- (c) **Consideration:** Performance Rights granted under the Plan will be issued for nil cash consideration.
- (d) **Expiry Date:** means the date on which a Performance Right lapses (if it has not already lapsed in accordance with the Plan) as specified in the offer made to the participant.
- (e) **Vesting Conditions:** the Board will determine the Vesting Conditions that must be satisfied by a participant before the Performance Right vests in the holder. The Vesting Conditions will be outlined in the Offer.
- (f) **Vesting:** a Performance Right will vest in a participant where the Vesting Conditions are satisfied or waived by the Board.
- (g) **Lapse of Performance Right:** A Performance Right will lapse upon the earlier to occur of:
 - (i) a failure to meet the Performance Right's Vesting Conditions by due date;
 - (ii) the Expiry Date;
 - (iii) in respect of unvested Performance Rights, the Relevant Person ceasing to be an Eligible Participant (employee, director or contractor)
 - (iv) in respect of vested Performance Rights only, a Relevant Person ceases to be an Eligible Participant and the Performance Right is not exercised within one (1) month (or such later date as the Board determines) of the date the Relevant Person ceases to be an Eligible Participant
 - (v) the Company undergoes a Change of Control or a winding up resolution or order is made,
 - (vi) an unauthorised transfer, assign, mortgage or hedging of, the Performance Right occurring; or
 - (vii) a determination of the Board that the Performance Right is to lapse due to fraud or dishonesty.
- (h) **Exercise of Performance Right:** A participant may exercise a Performance Right that is entitled to be exercised by lodging with the Company a notice of

exercise of the Performance Right in the form (if any) prescribed by the Company, and the certificate for the Performance Right.

- (i) **Quotation:** If Shares of the same class as those allotted under the Plan are listed on the ASX the Company will apply to the ASX within a reasonable time after they are allotted for those Shares to be listed.
- (j) **New Issues:** Other than adjustments for reorganisation of the issued capital of the Company, participants are not entitled to participate in any new issue of securities of the Company as a result of their holding Performance Rights during the currency of any Performance Rights and prior to vesting. In addition, participants are not entitled to vote nor receive dividends as a result of their holding Performance Right.
- (k) **Transfer:** The Performance Rights are not transferable, but for special circumstances as set out in the Plan.
- (l) **Voting:** Performance Rights do not give holders any right to vote.
- (m) **Dividends:** Performance Rights will not entitle the holder to dividends made in favour of Shareholders.
- (n) **Returns of Capital:** Performance Rights will not entitle the holder to a return of capital, whether on winding up of the Company, upon a reduction of capital or otherwise.
- (o) **Cleansing:** the Company will issue, where required to enable Shares issued on exercise of Performance Rights to be freely tradeable on the ASX (subject to any Restriction Period), a cleansing statement under Section 708A(5) of the Corporations Act at the time Shares are issued. Where a cleansing statement is required, but cannot be issued, the Company will either delay the issue or have a prospectus available in relation to the Shares which complies with the requirements of the Corporations Act.
- (p) **Takeover prohibitions:** Where any issue of Shares on conversion of the Performance Rights will breach the takeover provisions of section 606 of the Corporations Act, the conversion of Performance Rights is subject to and conditional upon the Company receiving all Shareholder and regulatory approvals it deems necessary, including but not limited to approval under item 7 of section 611 of the Corporations Act.

SCHEDULE 2 –TERMS AND CONDITIONS OF PERFORMANCE RIGHTS

The terms and conditions of the Performance Rights to be issued are set out below:

(a) **Expiry**

The offer of Performance Rights under the Plan expires on 31 March 2025.

(b) **Vesting Conditions**

The Performance Rights are subject to the following Vesting Conditions (together, the **Vesting Conditions**):

| | Vesting Condition |
|---------|---|
| Class A | upon twelve months continuous service as a Director or employee of the Company (as applicable) and on the Company announcing a JORC compliant Inferred Resource of $\geq 200,000$ oz's of gold or gold equivalent at its Laverton and/or South Telfer projects, within 3 years from the date of issue |
| Class B | upon twenty-four months continuous service as a Director or employee of the Company (as applicable) and on the Company announcing a JORC compliant Inferred Resource of $\geq 500,000$ oz's of gold or gold equivalent at its Laverton and/or South Telfer projects, within 3 years from the date of issue |
| Class C | upon thirty-six months continuous service as a Director or employee of the Company (as applicable) and on the Company announcing a JORC compliant Inferred Resource of ≥ 1 million oz's of gold or gold equivalent at its Laverton and/or South Telfer projects, within 5 years from the date of issue |
| Class D | upon twenty-four months continuous service as a Director or employee of the Company (as applicable) and on the Company announcing completion of a positive Scoping and/or Feasibility Study at its Laverton and/or South Telfer projects within 5 years from the date of issue |

(c) **Consideration**

The Performance Rights will be issued under the Plan for nil cash consideration.

(d) **Notification to holder**

The Company shall notify the holder in writing when the Milestone has been satisfied.

(e) **Conversion**

Subject to paragraph (n), upon vesting, each Performance Right will, at the election of the holder, convert into one (1) Share.

(f) **Share ranking**

All Shares issued upon the vesting of Performance Rights will upon issue rank pari passu in all respects with other Shares.

(g) **Application to ASX**

The Performance Rights will not be quoted on ASX. The Company must apply for the official quotation of a Share issued on conversion of a Performance Right on ASX within the time period required by the ASX Listing Rules.

(h) **Transfer of Performance Rights**

The Performance Rights are not transferable.

(i) **Lapse of a Performance Right**

If the Milestone attached to the relevant Performance Right has not been satisfied within the time period set out in paragraph (a), the relevant Performance Rights will automatically lapse.

(j) **Participation Rights**

(i) There are no participation rights or entitlements inherent in the Performance Rights and participants will not be entitled to participate in new issues of capital offered to Shareholders during the currency of the Performance Rights without exercising the Performance Right.

(i) A Performance Right does not confer the right to a change in the number of underlying Shares over which the Performance Right can be exercised.

(k) **Reorganisation of capital**

If, at any time, the issued capital of the Company is reorganised (including consolidation, subdivision, reduction or return), all rights of a participant are to be changed in a manner consistent with the Corporations Act and the ASX Listing Rules (if applicable) at the time of the reorganisation.

(l) **Dividend and Voting Rights**

The Performance Rights do not confer on the holder an entitlement to vote (except as otherwise required by law) or receive dividends.

(m) **Change of Control**

If a company (**Acquiring Company**) obtains control of the Company as a result of a change of control and both the Company, the Acquiring Company and the participant agree, a participant may, in respect of any vested Performance Rights that are exercised, be provided with shares of the Acquiring Company, or its parent, in lieu of Shares, on substantially the same terms and subject to substantially the same conditions as the Shares, but with appropriate adjustments to the number and kind of shares subject to the Performance Rights.

(n) **Deferral of conversion if resulting in a prohibited acquisition of Shares**

If the conversion of a Performance Right under paragraph (e) or (m) would result in any person being in contravention of section 606(1) of the *Corporations Act 2001* (Cth) (**General Prohibition**) then the conversion of that Performance Right shall be deferred until such later time or times that the conversion would not result in a contravention of the General Prohibition. In assessing whether a conversion of a Performance Right would result in a contravention of the General Prohibition:

- (i) holders may give written notification to the Company if they consider that the conversion of a Performance Right may result in the contravention of the General Prohibition. The absence of such written notification from the holder will entitle the Company to assume the conversion of a Performance Right will not result in any person being in contravention of the General Prohibition; and
- (ii) the Company may (but is not obliged to) by written notice to a holder request a holder to provide the written notice referred to in paragraph (n)(i) within seven days if the Company considers that the conversion of a Performance Right may result in a contravention of the General Prohibition. The absence of such written notification from the holder will entitle the Company to assume the conversion of a Performance Right will not result in any person being in contravention of the General Prohibition.

(o) **No rights to return of capital**

A Performance Right does not entitle the holder to a return of capital, whether in a winding up, upon a reduction of capital or otherwise.

(p) **Rights on winding up**

A Performance Right does not entitle the holder to participate in the surplus profits or assets of the Company upon winding up.

(q) **No other rights**

A Performance Right gives the holder no rights other than those expressly provided by these terms and those provided at law where such rights at law cannot be excluded by these terms.

(r) **Contravention of Corporations Act**

Participants must not sell, transfer or dispose of any Shares issued on the exercise of Performance Rights where to do so would contravene the insider trading or on-sale provisions of the Corporations Act.

SCHEDULE 3 – PERFORMANCE RIGHTS VALUATION

The Performance Rights to be issued to the Related Parties pursuant to Resolutions 2 to 5 have been valued by internal management.

The Performance Rights have been valued using a standard binomial pricing model based on the fair value of a Share at the grant date, using the assumptions set out below, the Performance Rights were ascribed the following value range:

| Assumptions: | | | | |
|--|----------------|----------------|----------------|----------------|
| | Class A | Class B | Class C | Class D |
| Valuation date | 6 May 2021 | 6 May 2021 | 6 May 2021 | 6 May 2021 |
| Market price of Shares | 30 cents | 30 cents | 30 cents | 30 cents |
| Exercise price | Nil | Nil | Nil | Nil |
| Expiry date (length of time from issue) | 3 years | 3 years | 5 years | 5 years |
| Volatility | 100% | 100% | 100% | 100% |
| Dividend yield | 0% | 0% | 0% | 0% |
| | | | | |
| Indicative value per Performance Rights | 12.1 cents | 7.6 cents | 3.0 cents | 3.0 cents |
| | | | | |
| Total Value of Performance Rights | \$48,320 | \$60,400 | \$24,160 | \$24,160 |
| | | | | |
| - Blair Sergeant | \$12,080 | \$15,100 | \$6,040 | \$6,040 |
| - Edward Mason | \$12,080 | \$15,100 | \$6,040 | \$6,040 |
| - Zeffron Reeves | \$12,080 | \$15,100 | \$6,040 | \$6,040 |
| - Geoff McNamara | \$12,080 | \$15,100 | \$6,040 | \$6,040 |
| | | | | |

Note: The valuation ranges noted above are not necessarily the market prices that the Performance Rights could be traded at and they are not automatically the market prices for taxation purposes.

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 Wednesday, 23 June 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.



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