



**MONT ROYAL RESOURCES LIMITED
ACN 625 237 658**

Notice of Annual General Meeting

**The Annual General Meeting of the Company will be held virtually via webinar
on Friday, 29 October 2021 at 9.00 am (AEDT).**

The Notice of Annual General Meeting should be read in its entirety. If Shareholders are in doubt as to how to vote, they should seek advice from their accountant, solicitor or other professional advisor prior to voting.

**Should you wish to discuss any matter, please do not hesitate to contact the
Company Secretary by telephone on (02) 8651 7800.**

**SHAREHOLDERS WILL NOT BE ABLE TO ATTEND THE MEETING IN PERSON
HOWEVER WILL BE ABLE TO ATTEND VIRTUALLY VIA WEBINAR
REFER SECTION 2.5 FOR DETAILS**

Shareholders are urged to vote by lodging the proxy form attached to the Notice

Mont Royal Resources Limited
ACN 625 237 658
(Company)

Notice of Annual General Meeting

Notice is hereby given that the annual general meeting of Shareholders of Mont Royal Resources Limited will be held virtually via webinar on Friday, 29 October 2021 at 9.00 am (AEDT) (**Meeting**)..

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

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

Accordingly, the Directors strongly encourage all Shareholders to lodge Proxy Forms prior to the Meeting. The Company advises that a poll will be conducted for each of the Resolutions. Further information on how to participate in the Meeting is set out in the Explanatory Memorandum.

The Board will continue to monitor Australian Government restrictions on public gatherings. If it becomes necessary or appropriate to make alternative arrangements to those set out in this Notice, the Company will notify Shareholders accordingly via the Company's website at <https://montroyalres.com/> and the ASX announcement platform.

The Explanatory Memorandum provides additional information on matters to be considered at the Meeting. The Explanatory Memorandum and the Proxy Form form part of the Notice.

The Directors have determined pursuant to regulation 7.11.37 of the *Corporations Regulations 2001* (Cth) that the persons eligible to vote at the Meeting are those who are registered as Shareholders on Wednesday, 27 October 2021 at 5.00pm (AEDT).

Terms and abbreviations used in the Notice are defined in Schedule 1.

Agenda

1 Annual Report

To consider the Annual Report of the Company and its controlled entities for the financial year ended 30 June 2021, which includes the Financial Report, the Directors' Report and the Auditor's Report.

2 Resolutions

Resolution 1 – Remuneration Report

To consider and, if thought fit, to pass, with or without amendment, the following resolution as a non-binding resolution:

'That the Remuneration Report be adopted by Shareholders on the terms and conditions in the Explanatory Memorandum.'

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

Resolution 2 – Re-election of Director – Mr Michael O'Keeffe

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

'That, in accordance with Articles 6.3(d) and 6.3(f) of the Constitution, Listing Rule 14.4 and for all other purposes, Mr Michael O'Keeffe, a Director who was appointed on 9 October 2018 retires by rotation and, being eligible, is elected as a Non-Executive Director on the terms and conditions in the Explanatory Memorandum.'

Resolution 3 – Approval to issue Consideration Shares as consideration for the Northern Lights Acquisition

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

'That, subject to Shareholders approving Resolution 4, the issue of up to 5,000,000 Consideration Shares as consideration of the Northern Lights Acquisition is approved under and for the purposes of Listing Rule 7.1 and for all other purposes, on the terms and conditions in the Explanatory Memorandum.'

Resolution 4 – Approval of issue of Placement Shares

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

'That subject to Shareholders approving Resolution 3, the issue of a maximum of 20,000,000 Shares is approved under and for the purposes of Listing Rule 7.1 and for all other purposes, on the terms and conditions in the Explanatory Memorandum.'

Resolution 5 - Approval to allow Directors to participate in the Placement

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

'That the issue of:

- (a) *up to 500,000 Shares to Mr Peter Ruse (or his nominee/s);*

- (b) up to 300,000 Shares to Mr Gary Lawler (or his nominee/s); and
- (c) up to 1,000,000 Shares to Mr Michael O'Keeffe (or his nominee/s),

is approved under and for the purposes of Listing Rule 10.11, sections 195(4) and 208 of the Corporations Act and for all other purposes, on the terms and conditions in the Explanatory Memorandum.'

Resolution 6 – Approval of 10% Placement Facility

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

'That the Company have the additional capacity to issue Equity Securities provided for in Listing Rule 7.1A on the terms and conditions in the Explanatory Memorandum.'

Resolution 7 – Approval to issue Corporate Advisor Options

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

'That the agreement to issue 5,000,000 Options to Peloton Capital (or its respective nominees) is approved under and for the purposes of Listing Rule 7.1 and for all other purposes, on the terms and conditions in the Explanatory Memorandum.'

Resolution 8 - Approval to issue Director Options

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

'That the issue of:

- (a) up to 1,500,000 Options to Mr Peter Ruse (or his nominee/s);
- (b) up to 1,500,000 Options to Mr Gary Lawler (or his nominee/s); and
- (c) up to 1,500,000 Options to Mr Michael O'Keeffe (or his nominee/s),

is approved under and for the purposes of Listing Rule 10.11, sections 195(4) and 208 of the Corporations Act and for all other purposes, on the terms and conditions in the Explanatory Memorandum.'

Resolution 9 – Approval to issue Management Options

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

'That the issue of up to 250,000 Options to Mr Shaun Menezes is approved under and for the purposes of Listing Rule 7.1 and for all other purposes, on the terms and conditions in the Explanatory Memorandum.'

Voting exclusions

Pursuant to the Listing Rules, the Company will disregard any votes cast in favour of:

- (a) Resolution 3 by or on behalf of Northern Lights, Vendors and any person who is expected to participate in, or who will obtain a material benefit as a result of, the proposed issue (except a benefit solely by reason of being a Shareholder) or any of their respective associates;
- (b) Resolution 4 by or on behalf of the Placement Participants and any person who is expected to participate in, or who will obtain a material benefit as a result of, the proposed issue (except a benefit solely by reason of being a Shareholder) or any of their respective associates;
- (c) Resolution 5(a) by or on behalf of Mr Peter Ruse (or his nominees) and any person who will obtain a material benefit as a result of the proposed issue (except a benefit solely by reason of being a Shareholder), or any of their respective associates;
- (d) Resolution 5(b) by or on behalf of Mr Gary Lawler (or his nominees) and any person who will obtain a material benefit as a result of the proposed issue (except a benefit solely by reason of being a Shareholder), or any of their respective associates;
- (e) Resolution 5(c) by or on behalf of Mr Michael O'Keeffe (or his nominees) and any person who will obtain a material benefit as a result of the proposed issue (except a benefit solely by reason of being a Shareholder), or any of their respective associates;
- (f) Resolution 6, if at the time of the Meeting, the Company is proposing to make an issue of Equity Securities under the 10% Placement Facility, by or on behalf of any persons who are expected to participate in, or who will obtain a material benefit as a result of, the proposed issue (except a benefit solely by reason of being a Shareholder), or any associate of those persons;
- (g) Resolution 7 by or on behalf of Peloton Capital and any person who is expected to participate in, or who will obtain a material benefit as a result of, the proposed issue (except a benefit solely by reason of being a Shareholder) or any of their respective associates;
- (h) Resolution 8(a) by or on behalf of Mr Peter Ruse (or his nominees) and any person who will obtain a material benefit as a result of the proposed issue (except a benefit solely by reason of being a Shareholder), or any of their respective associates;
- (i) Resolution 8(b) by or on behalf of Mr Gary Lawler (or his nominees) and any person who will obtain a material benefit as a result of the proposed issue (except a benefit solely by reason of being a Shareholder), or any of their respective associates;

- (j) Resolution 8(c) by or on behalf of Mr Michael O'Keeffe (or his nominees) and any person who will obtain a material benefit as a result of the proposed issue (except a benefit solely by reason of being a Shareholder), or any of their respective associates; and
- (k) Resolution 9 by or on behalf of Mr Shaun Menezes and any person who is expected to participate in, or who will obtain a material benefit as a result of, the proposed issue (except a benefit solely by reason of being a Shareholder) or any of their respective associates.

The above voting exclusions do not apply to a vote cast in favour of the relevant Resolution by:

- (a) a person as proxy or attorney for a person who is entitled to vote, in accordance with 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, 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.

Shares held by or for an employee incentive scheme must only be voted on a Resolution under the Listing Rules if and to the extent that they are held for the benefit of a nominated participant in the scheme; the nominated participant is not excluded from voting on the Resolution under the Listing Rules; and the nominated participant has directed how the Shares are to be voted.

Voting prohibitions

Resolution 1, and the resolutions comprising Resolution 5 and Resolution 8: In accordance with sections 250BD and 250R of the Corporations Act, a vote on these Resolutions must not be cast (in any capacity) by or on behalf of a member of the Key Management Personnel details of whose remuneration are included in the Remuneration Report, or a Closely Related Party of such a member.

A vote may be cast by such person if the vote is not cast on behalf of a person who is excluded from voting on this Resolution, and:

- (a) the person is appointed as a proxy by writing that specifies the way the proxy is to vote on this Resolution; or
- (b) the voter is the Chair and the appointment of the Chair as proxy does not specify the way the proxy is to vote on this Resolution, but expressly authorises the Chair to

exercise the proxy even if this Resolution is connected with the remuneration of a member of the Key Management Personnel.

Please note: If the Chair is a person referred to in the section 224 Corporations Act voting prohibition statement above, the Chair will only be able to cast a vote as proxy for a person who is entitled to vote if the Chair is appointed as proxy in writing and the Proxy Form specifies how the proxy is to vote on the relevant Resolution.

Further, 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.

However, the above prohibition does not apply if:

- (a) it is cast by a person as a proxy appointed by writing that specifies how the proxy is to vote on the Resolution; and
- (b) it is not cast 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.

Please note: If the Chair is a person referred to in the section 224 Corporations Act voting prohibition statement above, the Chair will only be able to cast a vote as proxy for a person who is entitled to vote if the Chair is appointed as proxy in writing and the Proxy Form specifies how the proxy is to vote on the relevant Resolution.

If you purport to cast a vote other than as permitted above, that vote will be disregarded by the Company (as indicated above) and you may be liable for breaching the voting restrictions that apply to you under the Corporations Act.

BY ORDER OF THE BOARD



Shaun Menezes
Company Secretary
Mont Royal Resources Limited
Dated: 23 September 2021

Mont Royal Resources Limited
ACN 625 237 658
(Company)

Explanatory Memorandum

1. Introduction

The Explanatory Memorandum has been prepared for the information of Shareholders in connection with the business to be conducted at the Meeting to be held virtually via webinar on Friday, **29 October 2021** at 9.00 am (AEDT) (**Meeting**).

The Explanatory Memorandum forms part of the Notice which should be read in its entirety. The Explanatory Memorandum contains the terms and conditions on which the Resolutions will be voted.

The Explanatory Memorandum includes the following information to assist Shareholders in deciding how to vote on the Resolutions:

Section 2	Action to be taken by Shareholders
Section 3	Financial Statements
Section 4	Resolution 1 – Remuneration Report
Section 5	Resolution 2 – Re-election of Director – Mr Michael O'Keeffe
Section 6	Resolution 3 – Approval to issue Consideration Shares as consideration for the Northern Lights Acquisition
Section 7	Resolution 4 – Approval of issue of Placement Shares
Section 8	Resolution 5 - Approval to allow Directors to participate in the Placement
Section 9	Resolution 6 – Approval of 10% Placement Facility
Section 10	Resolution 7 – Approval to issue Corporate Advisor Options
Section 11	Resolution 8 - Approval to issue Director Options
Section 12	Resolution 9 – Approval to issue Management Options
Schedule 1	Definitions
Schedule 2	Terms and conditions of Corporate Advisor Options
Schedule 3	Valuation of Director Options

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

2. Action to be taken by Shareholders

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

2.1 Voting in person

Given the current COVID-19 circumstances and in the interests of public health and safety of our Shareholders, the Company is not able to allow Shareholders to physically attend the Meeting. Please refer to the information below on how Shareholders can participate in the Meeting.

2.2 Proxies

All voting will be conducted by poll using proxy instructions received in advance of the Meeting. The poll will be conducted based on votes submitted by proxy and at the Meeting by shareholders who have indicated that they intend to vote at the Meeting in accordance with the instructions set out below.

The Directors instruct all shareholders who would like to have their vote counted to either:

- (a) vote by lodging a proxy form prior to Wednesday, 27 October 2021 at 9.00 am (AEDT) (Proxy Cut-Off Time) (recommended); or
- (b) Shareholders who wish to participate and vote at the Meeting will be able to vote on each Resolution via online polling during the Meeting. Please refer to Section 2.5 below.

A Proxy Form is enclosed with this Notice. The Directors strongly encourage all Shareholders to lodge the Proxy Form to the Company or Share Registry in accordance with the instructions thereon.

Please note that:

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

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

- (c) Proxy vote if appointment specifies way to vote

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

- (i) the proxy need not vote on a show of hands, but if the proxy does so, the proxy must vote that way (ie as directed);

- (ii) if the proxy has two or more appointments that specify different ways to vote on the resolution – the proxy must not vote on a show of hands;
 - (iii) if the proxy is the chair of the meeting at which the resolution is voted on – the proxy must vote on a poll, and must vote that way (ie as directed); and
 - (iv) if the proxy is not the chair – the proxy need not vote on the poll, but if the proxy does so, the proxy must vote that way (ie as directed).
- (d) Transfer of non-chair proxy to chair in certain circumstances

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

- (i) an appointment of a proxy specifies the way the proxy is to vote on a particular resolution at a meeting of the Company's members;
- (ii) the appointed proxy is not the chair of the meeting;
- (iii) at the meeting, a poll is duly demanded on the resolution; and
- (iv) either the proxy is not recorded as attending the meeting or the proxy does not vote on the resolution,

the chair of the meeting is taken, before voting on the resolution closes, to have been appointed as the proxy for the purposes of voting on the resolution at the meeting.

2.3 **Chair's voting intentions**

The Chair intends to exercise all available proxies in favour of all Resolutions, unless the Shareholder has expressly indicated a different voting intention.

2.4 **Submitting questions**

Shareholders may submit questions in advance of the Meeting to the Company. Questions must be submitted by emailing the Company Secretary at info@montroyalres.com by 5pm AEDT on Wednesday, 27 October 2021.

Shareholders will also have the opportunity to submit questions during the Meeting in respect to the formal items of business. In order to ask a question during the Meeting, please follow the instructions from the Chair.

The Chair will attempt to respond to the questions during the Meeting. Shareholders are limited to a maximum of two questions each (including any submitted in advance of the Meeting). The Chair will request prior to a Shareholder asking a question that they identify themselves (including the entity name of their shareholding and the number of Shares they hold).

2.5 **Attending the Virtual Meeting**

The Meeting will be accessible to all Shareholders via live webinar, which will allow Shareholders to listen to and observe the Meeting and ask questions in relation to the business of the Meeting. If you wish to virtually attend the Meeting (which will be broadcast as a live webinar), please **pre-register** in advance for the virtual Meeting here:

https://us02web.zoom.us/webinar/register/WN_BXtldvYeRp-eosB2VPY72A

After registering, you will receive a confirmation containing information on how to attend the virtual meeting on the day of the Annual General Meeting.

Voting Virtually

Shareholders who wish to vote virtually on the day of the meeting will need to login to the Automic website (<https://investor.automic.com.au/#/home>) with their username and password.

Under the *Treasury Laws Amendment (2021 Measures No. 1) Act 2021*, all votes that are submitted online will be taken on a poll via proxy or online voting. All resolutions will be decided on a poll.

Shareholders who do not have an account with Automic are strongly encouraged to register for an account as soon as possible and well in advance of the Meeting to avoid any delays on the day of the Meeting.

To create an account with Automic, please go to the Automic website (<https://investor.automic.com.au/#/home>), click on 'register' and follow the steps. Shareholders will require their holder number (Shareholder Reference Number (SRN) or Holder Identification Number (HIN)) to create an account with Automic.

Shareholders who have an existing account with Automic are advised to take the following steps to attend and vote on the day of the Meeting:

- (a) Login to the Automic website (<https://investor.automic.com.au/#/home>) using your username and password.
- (b) Once registration for the virtual Meeting is open, click on 'Meeting open for registration' and follow the steps.
- (c) Once live voting for the virtual Meeting is open, click on 'Meeting open for voting' and follow the steps.

3. Financial Statements

In accordance with the Constitution, the business of the Annual General Meeting will include receipt and consideration of the Annual Report of the Company for the financial year ended 30 June 2021 together with the declaration of the Directors, the Directors' Report, the Remuneration Report, the Financial Report and the Auditor's Report.

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

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

- (a) discuss the Annual Report which is available online at <https://montroyalres.com/announcements/>;
- (b) ask questions about, or comment on, the management of the Company; and
- (c) ask the auditor questions about the conduct of the audit and the preparation and content of the Auditor's Report.

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:

- (a) the preparation and content of the Auditor's Report;
- (b) the conduct of the audit;
- (c) accounting policies adopted by the Company in relation to the preparation of the financial statements; and
- (d) the independence of the auditor in relation to 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.

4. Resolution 1 – Remuneration Report

Subsection 250R(2) of the Corporations Act requires that at a listed company's annual general meeting, a resolution that the remuneration report be adopted must be put to the 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 executive Directors, specified executives and non-executive Directors.

In accordance with subsection 250R(3) of the Corporations Act, Resolution 1 is advisory only and does not bind the Directors or the Company. If Resolution 1 is not passed, the Directors will not be required to alter any of the arrangements in the Remuneration Report.

The Company's Remuneration Report did not receive a Strike at the 2020 annual general meeting. If at least 25% of the votes cast on this Resolution are voted against adoption of the Remuneration Report at this Meeting, and at the Company's 2022 annual general meeting, the Company will be required to put to Shareholders at the second annual meeting a resolution on whether another meeting should be held (within 90 days) at which all Directors (other than the managing director, if any) who were in office at the date of approval of the applicable Directors' Report must stand for re-election (**Spill Resolution**).

If more than 50% of Shareholders vote in favour of the Spill Resolution, the Company must convene the general meeting (**Spill Meeting**) within 90 days of the Company's 2022 annual general meeting. All of the Directors who were in office when the Company's 2022 Directors' Report was approved, other than the managing director of the Company, will cease to hold office immediately before the end of the Spill Meeting, but may stand for re-election at the Spill Meeting. Following the Spill Meeting, those persons whose election or re-election as Directors is approved will be the Directors of the Company.

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

Resolution 1 is an ordinary resolution.

Given the material personal interests of all Directors in this Resolution, the Board makes no recommendation to Shareholders regarding Resolution 1.

5. Resolution 2 – Re-election of Director – Mr Michael O'Keeffe

5.1 General

Article 6.3(d) of the Constitution requires that one Director must retire at each annual general meeting. Article 6.3(e) of the Constitution requires that the Directors to retire are those who have held their office as Director for the longest period since their last election or appointment to that office. In the event two or more Directors have held office for equal periods of time, the retiring Directors are to be determined by lot, unless otherwise agreed by those Directors.

Article 6.3(f) of the Constitution provides that a Director who retires in accordance with Article 6.3(d) is eligible for re-election.

As at the date of this Notice, the Company has three Directors and accordingly, one Director must retire.

Non-Executive Director, Mr Michael O'Keeffe was appointed as Non-Executive Director of the Company on 9 October 2018 and was re-elected last at the annual general meeting held on 29 November 2019 and accordingly retires and seeks re-election in accordance with Listing Rule 14.4 and Article 6.3(f) of the Constitution

If Resolution 2 is passed, Mr O'Keeffe will be appointed as a Non-Executive Director of the Company.

If Resolution 2 is not passed, Mr O'Keeffe will not be appointed as a Non-Executive Director of the Company.

Details regarding Mr O'Keeffe are set out in Section 5.2 below.

5.2 Background

Mr O'Keeffe is a metallurgist and currently the Executive Chairman of Champion Iron Limited (ASX/TSX: CIA) and a Director at Burgundy Diamond Mines Limited (ASX: BMD). His vast knowledge of the mining industry and its issues and his extensive experience managing large companies have given him an impressive track record of achievements. Mr O'Keeffe was previously Executive Chairman of Riversdale Mining Limited (2004 - 2011), Non-Executive Chairman of Riversdale Resources Limited (2013-2019) and Managing Director of Glencore Australia Limited (1995 - 2004).

Mr O'Keeffe has acknowledged to the Company that he will have sufficient time to fulfil his responsibilities as a Director.

If elected, the Board considers Mr O'Keeffe to be an independent Director.

5.3 **Board recommendation**

Resolution 2 is an ordinary resolution.

After appropriate consideration, and taking into account his past performance, contributions to the Company and the current and future needs of the Board and the Company, the Board's members (excluding Mr O'Keeffe) unanimously agreed that Mr O'Keeffe's distinct set of skills and experience, including as stated above, are of obvious and on-going benefit to the Board.

The Directors (other than Mr O'Keeffe) recommend Shareholders vote in favour of the re-election of Mr O'Keeffe as he brings a wealth of business and corporate experience to the Board.

6. **Resolution 3 – Approval to issue Consideration Shares as consideration for the Northern Lights Acquisition**

6.1 **Background to the Northern Lights Acquisition**

On 3 September 2021, the Company announced that it had entered into a binding conditional agreement (**Acquisition Agreement**) with Northern Lights Minerals Pty Ltd (**Northern Lights**) to acquire a 75% interest in Northern Lights, an Australian proprietary company with mining claims and the rights to acquire significant further claims (**Acquisition Assets**) in the Upper Eastmain Greenstone Belt located in Quebec, Canada (**Acquisition**).

Settlement of the Acquisition Agreement is conditional upon the satisfaction or waiver of the following conditions precedent by 1 November 2021 (or such later date as the parties agree):

- (a) satisfaction of the Company's due diligence investigations.
- (b) completion of a capital raising of no less than A\$4,000,000 (before costs), as set out in Resolution 4;
- (c) Shareholder approval for the issue of the Consideration Shares, being the subject of this Resolution 3; and
- (d) entering into a formal agreement.

Upon settlement, the Company has agreed to issue 5,000,000 Consideration Shares at a deemed price of \$0.20 per Share to the shareholders of Northern Lights (**Vendors**) or their nominees as consideration for the Acquisition of the Assets.

Northern Lights holds claims and has the rights to acquire the balance of the Acquisition Assets pursuant to the following agreements:

- (a) Northern Lights is party to an agreement with Dios Exploration Inc providing Northern Lights the right to acquire a 70% interest in the certain claims (and associated mining information); and

- (b) a subsidiary of Northern Lights holds rights to acquire 100% of the rights in assets held by Focus Graphite Inc.

Further information on Northern Lights and the Acquisition Assets is set out in the Company's announcement dated 3 September 2021.

The Acquisition Agreement contains additional provisions, including warranties and indemnities in respect of the Acquisition Assets, which are considered standard for agreements of this nature.

6.2 **General**

Resolution 3 seeks Shareholder approval for the issue of the Consideration Shares to the Vendors (or their respective nominees) under and for the purposes of Listing Rule 7.1.

A detailed description of the Acquisition is outlined in Section 6.1 above.

Resolution 3 is an ordinary Resolution.

6.3 **Inter-conditional Resolution**

Resolution 3 is an Inter-conditional Resolution, meaning that it is conditional on Shareholders approving the other Inter-conditional Resolution, being Resolution 4. In the event that Shareholders do not approve either or both of Resolution 3 and Resolution 4, both of the Inter-conditional Resolutions will not take effect and the Company will not proceed with the Acquisition and associated Placement.

6.4 **Listing Rule 7.1**

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.

While the proposed issue does not exceed the Company's 15% limit under Listing Rule 7.1 and can therefore be made without breaching that rule, the issue is subject to Shareholder approval pursuant to the terms of the Acquisition Agreement. It therefore requires the approval of Shareholders. Further, the Company wishes to retain as much flexibility as possible to issue additional Equity Securities into the future without having to obtain Shareholder approval for such issues under Listing Rule 7.1.

To this end, Resolution 3 seeks the required Shareholder approval to the issue of Consideration Shares under and for the purposes of Listing Rule 7.1.

If Resolution 3 is passed, the Company will be able to proceed with the issue of the Consideration Shares. In addition, the issue 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.

If Resolution 3 is not passed, the issue of the Consideration Shares will not proceed and the Company will not be able to complete the Acquisition Agreement.

6.5 Specific information required by Listing Rule 7.3

Under and for the purposes of Listing Rule 7.3, the following information is provided in relation to the proposed issue of the Consideration Shares:

- (a) the Consideration Shares will be issued to the Vendors (or their nominees), none of whom is a Material Investor or a related party of the Company;
- (b) a maximum of 5,000,000 Shares are to be issued as Consideration Shares;
- (c) the Consideration Shares will be fully paid ordinary shares in the capital of the Company and will rank equally in all respects with the Company's existing Shares on issue;
- (d) the Consideration Shares are intended to be issued on the same date, being the date of settlement of the Acquisition Agreement, which in any event will be no later than three months after the date of the Meeting (or such later date as permitted by any ASX waiver or modification of the Listing Rules);
- (e) the Consideration Shares will be issued for nil cash consideration as consideration for the acquisition of the Acquisition Assets. The Consideration Shares have a deemed value of \$0.20 and represent total consideration value of \$1,000,000. Accordingly, no funds will be raised from the issue;
- (f) a summary of the material terms of the Acquisition Agreement is set out in Section 6.1 above; and
- (g) a voting exclusion statement is included in the Notice.

6.6 Board recommendation

The Board recommends that Shareholders vote in favour of Resolution 3.

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

7. Resolution 4 – Approval of issue of Placement Shares

7.1 General

As announced on 3 September 2021, the Company intends to undertake a capital raising in connection with the Acquisition to raise up to \$4,000,000 (before costs) through the issue of up to 20,000,000 Shares (**Placement Shares**) at an issue price of \$0.20, subject to Shareholder approval under Listing Rule 7.1 (**Placement**).

The issue price under the Placement will be \$0.20.

The issue of the Placement Shares does not fit within any of the exceptions to Listing Rule 7.1 and, accordingly, the Company is unable to issue the Placement Shares without seeking Shareholder Approval.

7.2 Listing Rule 7.1

A summary of Listing Rule 7.1 is contained in Section 6.34 above

The effect of Shareholders passing Resolution 4 will be to allow the Company to issue the Placement Shares and retain the flexibility to issue Equity Securities in the future up to the 10% additional placement capacity set out in Listing Rule 7.1A without the requirement to obtain prior Shareholder approval.

If Resolution 4 is passed, up to 20,000,000 Placement Shares will be excluded in calculating the Company's 15% limit in Listing Rule 7.1, effectively increasing the number of Equity Securities it can issue without Shareholder approval over the 12 month period following the issue date. If Resolution 4 is passed, the Company will be able to proceed with the issue of the Placement Shares and raise up to \$4,000,000 for undertaking exploration on its existing Wapatik assets, in respect of the Acquisition Assets and for general working capital. In addition, the issue 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.

If Resolution 4 is not passed, the Company will not be able to undertake the Placement or complete the Acquisition.

7.3 **Inter-conditional Resolution**

Resolution 4 is an Inter-conditional Resolution, meaning that it is conditional on Shareholders approving the other Inter-conditional Resolution, being Resolution 3. In the event that Shareholders do not approve either or both of Resolution 3 and Resolution 4, both of the Inter-conditional Resolutions will not take effect and the Company will not proceed with the Acquisition and associated Placement.

7.4 **Specific information required by Listing Rule 7.3**

Under and for the purposes of Listing Rule 7.3, the following information is provided in relation to the proposed issue of the Placement Shares:

- (a) the Placement Shares will be issued to Placement Participants, being sophisticated and professional investors to whom a disclosure document does not need to be provided under the Corporations Act, none of whom will be a related party of the Company or a Material Investor, noting that Directors will participate in the Placement on the terms set out in, and subject to Shareholders approving, the resolutions comprising Resolution 5. The Placement Participants have not yet been identified but will be likely be existing contacts of the Company (including existing Shareholders) and clients of the Corporate Advisor;
- (b) up to 20,000,000 Shares are to be issued as Placement Shares;
- (c) the Placement Shares will be issued as fully paid ordinary shares in the capital of the Company and will rank equally in all respects with the Company's existing Shares on issue;
- (d) the Placement Shares will be issued no later than three months after the date of the Meeting (or such later date as permitted by any ASX waiver or modification of the Listing Rules). It is intended that the Placement Shares will be issued on the same date;
- (e) the Placement Shares will be issued at \$0.20 per Share;

- (f) the Company intends to apply the funds raised from the issue of the Placement in relation to the development of the Acquisition Assets, the Wapatik assets and for working capital purposes;
- (g) there are no additional material terms with respect to the agreements for the issue of the Placement Shares; and
- (h) a voting exclusion statement is included in the Notice.

7.5 **Board recommendation**

Resolution 4 is an ordinary resolution.

The Board recommends that Shareholders vote in favour of Resolution 4.

8. **Resolution 5 - Approval to allow Directors to participate in the Placement**

8.1 **General**

Pursuant to Resolution 4, the Company is seeking Shareholder approval for the Placement, being the issue of up to 20,000,000 Placement Shares at an issue price of \$0.20 each to raise up to \$4,000,000 (before costs).

Directors Messrs Peter Ruse, Gary Lawler and Michael O'Keeffe (together, **the Related Party Participants**) each wish to participate in the Placement, subject to Shareholder approval being obtained.

The resolutions which form part of Resolution 5 seek the approval of Shareholders for the issue of up to 1,800,000 Shares to the Related Party Participants (or their nominees) arising from their participation in the Placement (**Participation**) under and for the purposes of Listing Rule 10.11.

Each of the resolutions which forms part of Resolution 5 is an ordinary resolution.

Each member of the Board has a material personal interest in the outcome of the Resolutions and therefore does not make a recommendation in respect of the resolutions which form part of Resolution 5.

8.2 **Listing Rule 10.11**

Listing Rule 10.11 requires shareholder approval to be obtained where an entity issues, or agrees to issue, securities to a related party, or a person whose relationship with the entity or a related party is, in ASX's opinion, such that approval should be obtained, unless an exception in Listing Rule 10.12 applies.

The Related Party Participants are related parties of the Company by virtue of being Directors. As the Participation involves the issue of Shares to related parties of the Company, Shareholder approval under and for the purposes of Listing Rule 10.11 is required unless an exception applies. It is the view of the Directors that the exceptions set out in Listing Rule 10.12 do not apply in the current circumstances.

Approval under and for the purposes of Listing Rule 7.1 is not required for the Participation as approval is being obtained under Listing Rule 10.11. Accordingly, the issue of Shares to the

Related Party Participants (or their nominees) will not be included in the use of the Company's 15% annual placement capacity pursuant to Listing Rule 7.1.

Under and for the purposes of Listing Rule 10.13, the following information is provided in relation to the proposed Participation:

- (a) the Shares will be issued to Directors:
 - (i) Mr Peter Ruse;
 - (ii) Mr Gary Lawler; and
 - (iii) Mr Michael O'Keeffe.(or their respective nominees);
- (b) the maximum number of Placement Shares to be issued to the Related Party Participants is 1,800,000 in the following proportions:
 - (i) up to 500,000 Placement Shares to Mr Peter Ruse (or his nominee);
 - (ii) up to 300,000 Placement Shares to Mr Gary Lawler (or his nominee); and
 - (iii) up to 1,000,000 Placement Shares to Mr Michael O'Keeffe (or his nominee);
- (c) the Shares will be issued no later than one month after the date of the Meeting (or such later date to the extent permitted by any ASX waiver or modification of the Listing Rules);
- (d) the issue price will be \$0.20 per Share, being the same as all other Shares issued under the Placement;
- (e) the Placement Shares issued will be fully paid ordinary shares in the capital of the Company issued on the same terms and conditions as the Company's existing Shares;
- (f) the funds raised will be used for the same purposes as all other funds raised under the Placement as set out in Section 7.4(f); and
- (g) a voting exclusion statement is included in the Notice.

9. Resolution 6 – Approval of 10% Placement Facility

9.1 General

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

Listing Rule 7.1A provides that an eligible entity may seek Shareholder approval by way of a special resolution passed at its annual general meeting, to allow it to issue Equity Securities totalling up to 10% of its issued capital through placements over a period up to 12 months after

the annual general meeting (**10% Placement Facility**). The 10% Placement Facility is in addition to the Company's 15% annual placement capacity under Listing Rule 7.1.

Resolution 6 is a special resolution. Accordingly, at least 75% of votes cast by Shareholders present and eligible to vote at the Meeting must be in favour of this Resolution for it to be passed.

Resolution 6 seeks Shareholder approval by way of a special resolution to provide the Company the ability to issue Equity Securities under the 10% Placement Facility during the 10% Placement Period (refer to Section 8.1(a) below). The number of Equity Securities to be issued under the 10% Placement Facility will be determined in accordance with the formula prescribed in Listing Rule 7.1A.2 (refer to Section 8.1(b) below).

If Resolution 6 is passed, the Company will be able to issue equity securities up to the combined 25% limit in Listing Rules 7.1 and 7.1A without any further shareholder approval.

If Resolution 6 is not passed, the Company will not be able to access the additional 10% capacity to issue equity securities without shareholder approval provided for in Listing Rule 7.1A and will remain subject to the 15% limit on issuing equity securities without shareholder approval set out in Listing Rule 7.1.

The Board believes that this Resolution is in the best interests of the Company and unanimously recommends that Shareholders vote in favour of this resolution.

(a) Is the Company an eligible entity?

An eligible entity for the purposes of Listing Rule 7.1A is an entity that is not included in the S&P/ASX 300 Index and has a market capitalisation of \$300 million or less.

The Company is an eligible entity as it is not included in the S&P/ASX 300 Index and has a market capitalisation of approximately \$11.6 million, based on the closing price of Shares (\$0.305) on 21 September 2021.

(b) What Equity Securities can be issued?

The Equity Securities must be in the same class as an existing class of quoted Equity Securities. The Company currently has one class of quoted Equity Securities on issue being:

- (i) 37,876,715 fully paid ordinary Shares.

In addition, the Company has on issue the following Securities, which are subject to ASX restriction agreements:

- (ii) 1,500,000 unquoted Options expiring 7 May 2022 and exercisable at \$0.25;
- (iii) 1,250,000 unquoted Options expiring 7 May 2022 and exercisable at \$0.30;
and
- (iv) 1,250,000 unquoted Options expiring 7 May 2022 and exercisable at \$0.35,

(Unquoted Options).

(c) How many Equity Securities can be issued?

Listing Rule 7.1A.2 provides that under the approved 10% Placement Facility, the Company may issue or agree to issue a number of Equity Securities calculated in accordance with the following formula:

$$(A \times D) - E$$

Where:

A is the number of Shares on issue 12 months before the date of issue or agreement:

- (i) plus the number of fully paid Shares issued in the 12 months under an exception in Listing Rule 7.2;
- (ii) plus the number of partly paid shares that became fully paid in the 12 months;
- (iii) plus the number of fully paid Shares issued in the 12 months with Shareholder approval under Listing Rule 7.1 and 7.4. This does not include any issue of Shares under the Company's 15% annual placement capacity without Shareholder approval; and
- (iv) less the number of fully paid Shares cancelled in the 12 months.

Note that "A" has the same meaning in Listing Rule 7.1 when calculating the Company's 15% annual placement capacity.

D is 10%.

E is the number of Equity Securities issued or agreed to be issued under Listing Rule 7.1A.2 in the 12 months before the date of the issue or agreement to issue that are not issued with Shareholder approval under Listing Rule 7.1 or 7.4.

(d) **What is the interaction with Listing Rule 7.1?**

The Company's ability to issue Equity Securities under Listing Rule 7.1A will be in addition to its 15% annual placement capacity under Listing Rule 7.1.

(e) **At what price can the Equity Securities be issued?**

The issue price of Equity Securities issued under Listing Rule 7.1A must be not less than 75% of the VWAP of Equity Securities in the same class calculated over the 15 Trading Days on which trades in that class were recorded immediately before:

- (i) the date on which the price at which the Equity Securities are to be issued is agreed; or
- (ii) if the Equity Securities are not issued within 5 Trading Days of the date in paragraph (i) above, the date on which the Equity Securities are issued,

(Minimum Issue Price).

(f) **When can Equity Securities be issued?**

Shareholder approval of the 10% Placement Facility under Listing Rule 7.1A will be valid from the date of Meeting and will expire on the earlier to occur of:

- (i) the date that is 12 months after the date of the Meeting; or
- (ii) the date of Shareholder approval of a transaction under Listing Rules 11.1.2 (a significant change to the nature or scale of activities) or 11.2 (disposal of main undertaking),

(10% Placement Period).

(g) What is the effect of this Resolution?

The effect of this Resolution will be to allow the Directors to issue the Equity Securities under Listing Rule 7.1A during the 10% Placement Period without further Shareholder approval or using the Company's 15% annual placement capacity under Listing Rule 7.1.

9.2 **Technical Information Required by Listing Rule 7.1A**

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

(a) Minimum Issue Price

The Minimum Issue Price at which the Equity Securities may be issued is 75% of the volume weighted average price of Equity Securities in that class, calculated over the 15 Trading Days on which trades in that class were recorded immediately before:

- (i) the date on which the price at which the Equity Securities are to be issued is agreed; or
- (ii) if the Equity Securities are not issued within 5 Trading Days of the date, the date on which the Equity Securities are issued.

If the Company issues Equity Securities for non-cash consideration under the 10% Placement Facility, then, in accordance with the Listing Rules, the Company will provide a valuation of the non-cash consideration to the market that demonstrates that the issue price of the Equity Securities complies with Listing Rule 7.1A.3.

(b) Date of Issue

The Company will only issue the Equity Securities under the 10% Placement Facility during the 10% Placement Period.

Shareholder approval of the 10% Placement Facility will cease to be valid if Shareholders approve a transaction under Listing Rule 11.1.2 or 11.2.

(c) Risk of voting dilution

Any issue of Equity Securities under the 10% Placement Facility will dilute the interests of Shareholders who do not receive any Shares under the issue.

If this Resolution is approved by Shareholders and the Company issues the maximum number of Equity Securities available under the 10% Placement Facility, the economic and voting dilution of existing Shares would be as shown in the table below (in the case of Options, only if the Options are converted into Shares).

The table below shows the dilution of existing Shareholders calculated in accordance with the formula outlined in Listing Rule 7.1A.2, on the basis of the current market price of Shares and the current number of Equity Securities on issue as at the date of this Notice.

The table also shows the voting dilution impact where the number of Shares on issue (variable A in the formula) changes and the economic dilution where there are changes in the issue price of Shares issued under the 10% Placement Facility.

Share on issue (Variable A in Listing Rule 7.1A.2)	Dilution			
	Issue price per Share	\$0.15 50% decrease in Current Market Price	\$0.305 Current Market Price	\$0.61 100% increase in Current Market Price
37,876,715 Shares Variable A	10% Voting Dilution	3,787,672 Shares	3,787,672 Shares	3,787,672 Shares
	Funds raised	\$568,150.73	\$1,155,240	\$2,310,480
56,815,073 Shares 50% increase in Variable A	10% Voting Dilution	5,681,507 Shares	5,681,507 Shares	5,681,507 Shares
	Funds raised	\$852,226.09	\$1,732,860	\$3,465,719
75,753,430 Shares 100% increase in Variable A	10% Voting Dilution	7,575,343 Shares	7,575,343 Shares	7,575,343 Shares
	Funds raised	\$1,136,301.45	\$2,310,480	\$4,620,959

*The number of Shares on issue (variable A in the formula) could increase as a result of the issue of Shares that do not require Shareholder approval (such as under a pro-rata rights issue or scrip issued under a takeover offer) or that are issued with Shareholder approval under Listing Rule 7.1.

The table above uses the following assumptions:

1. The current Shares on issue are the Shares on issue as at 21 September 2021.
2. The current issue price set out above is the last price at which Shares were traded prior to the close of trading on 21 September 2021 (being \$0.305).
3. The Company issues the maximum possible number of Equity Securities under the 10% Placement Facility.
4. The issue of Equity Securities under the 10% Placement Facility consists only of Shares (it does not include Partly Paid Shares or Quotes Options even though those securities may be issued under the 10% Placement Facility). It is assumed that no Options are exercised into Shares before the date of issue of the Equity Securities.
5. The calculations above do not show the dilution that any one particular Shareholder will be subject to. All Shareholders should consider the dilution caused to their own shareholding depending on their specific circumstances.
6. This table does not set out any dilution pursuant to approvals under Listing Rule 7.1.

Shareholders should note that there is a risk that:

- (i) the market price for the Company's Equity Securities may be significantly lower on the issue date than on the date of the Annual General Meeting; and
- (ii) the Equity Securities may be issued at a price that is at a discount to the market price for those Shares on the date of issue or the Equity Securities are issued as part of consideration for the acquisition of a new asset,

which may have an effect on the amount of funds raised by the issue of the Equity Securities.

(d) Purpose of Issue under 10% Placement Facility

The Company may decide to issue Equity Securities under the 10% Placement Facility for cash consideration to raise funds for the purpose of advancing any of its projects and working capital.

The Company will comply with the disclosure obligations under Listing Rules 7.1A.4 and 3.10.5A upon any issue of Equity Securities under Listing Rule 7.1A.

(e) Allocation under the 10% Placement Facility

The allottees of the Equity Securities to be issued under the 10% Placement Facility have not yet been determined. However, the allottees of Equity Securities could consist of current Shareholders or new investors (or both), none of whom will be a related party or an associate of a related party of the Company.

The Company will determine the allottees at the time of the issue under the 10% Placement Facility, having regard to the following factors:

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

(f) Previous Approval under Listing Rule 7.1A

The Company obtained approval under Listing Rule 7.1A at its previous annual general meeting on 9 November 2020. In the 12 months preceding the date of the Meeting and as at the date of this Notice, the Company has not issued Equity Securities under Listing Rule 7.1A.

9.3 **Voting Exclusion**

A voting exclusion statement is included in the Notice. As at the date of this Notice, the Company has not invited any existing Shareholder or security holder or an identifiable class of existing security holder to participate in an issue of Equity Securities under Listing Rule 7.1A. Therefore, no existing Shareholders will be excluded from voting on this Resolution.

10. **Resolution 7– Approval to issue Corporate Advisor Options**

10.1 **Corporate Advisor Fees**

In connection with services relating to the Placement, the Company has agreed to pay and issue respectively Peloton Capital Pty Ltd ACN 149 540 018 (**Corporate Advisor**) the following:

- (a) a capital raising fee of 5% of the total amount raised (**Selling Fee**); and
- (b) 5,000,000 Options exercisable at \$0.35 per Share expiring three years from the date of issue (**Corporate Advisor Options**).

Resolution 7 seeks Shareholder approval for the issue of the Corporate Advisor Options to the Corporate Advisor (or its nominees) under and for the purposes of Listing Rule 7.1.

If Resolution 7 is passed, the issue of Corporate Advisor Options can proceed without using up any of the Company's 15% limit on issuing Equity Securities without Shareholder approval set out in Listing Rule 7.1.

If Resolution 7 is not passed, the issue of Corporate Advisor Options can still proceed, but it will reduce, to that extent, the Company's capacity to issue Equity Securities without Shareholder approval under Listing Rule 7.1 for 12 months following the issue.

10.2 **Listing Rule 7.1**

A summary of Listing Rule 7.1 is contained in Section 6.4 above.

10.3 **Specific information required by Listing Rule 7.3**

Under and for the purposes of Listing Rule 7.3, the following information is provided in relation to the proposed issue of the Corporate Advisor Options:

- (a) a maximum of 5,000,000 Corporate Advisor Options will be issued to the Corporate Advisor (or its nominees), which is an advisor to the Company;
- (b) the Corporate Advisory Options will be exercisable at \$0.35 per Share expiring three years from the date of issue and will otherwise be issued on the terms and conditions set out Schedule 2. The Corporate Advisory Options are intended to be issued on the same date, no later than three months after the date of the Meeting (or such later date as permitted by any ASX waiver or modification of the Listing Rules);
- (c) the Corporate Advisor Options will be issued for nil cash consideration, at a deemed issue price of \$0.35 each, in addition to the Selling Fee. Accordingly, no funds will be raised from the issue;

- (d) a summary of the material terms of the Corporate Advisor's engagement in respect of the Placement is set out in Section 10.1 above; and
- (e) a voting exclusion statement is included in the Notice.

10.4 **Board recommendation**

Resolution 7 is an ordinary resolution.

The Board recommends that Shareholders vote in favour of Resolution 7.

11. **Resolution 8- Approval to issue Director Options**

11.1 **General**

The Company is proposing subject to obtaining Shareholder approval to issue shares as part of each of the Directors remuneration (**Director Options**) by the issuing a total of:

- (a) 1,500,000 Options to Mr Peter Ruse (or his nominees) as part of his remuneration as Director of the Company;
- (b) 1,500,000 Options to Mr Gary Lawler (or his nominees) as part of his remuneration as Director of the Company; and
- (c) 1,500,000 Options to Mr Michael O'Keeffe (or his nominees) as part of his remuneration as Director of the Company.

The Director Options provide an incentive component to the each of the Directors remuneration package, and align their interests with those of Shareholders. The Board considers that the number of Director Options to be granted to each of the Directors is commensurate with their value to the Company and is an appropriate method to provide cost effective remuneration. The Board believes it is important to offer these Director Options to continue to attract and maintain highly experienced and qualified Board members in a competitive market.

The Director Options will be issued for nil cash consideration, exercisable at \$0.35 per Share expiring three years from the date of issue. The full terms and conditions of the Director Options are set out in Schedule 2.

Resolution 8 seeks the approval of Shareholders for the issue of the Director Options to each Director or their nominees under and for the purposes of Listing Rule 10.11.

11.2 **Listing Rule 10.11**

A summary of Listing Rule 10.11 is set out in Section 8.2.

The resolutions that form part of Resolution 8 seek the required Shareholder approval to the proposed issues of Placement Shares to the Related Party Participants under and for the purposes of Listing Rule 10.11.

The proposed issue of Director Options to Messrs Peter Ruse, Gary Lawler and Michael O'Keeffe (or their respective nominees) fall within Listing Rule 10.11.1 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.

Resolution 8 seeks the required Shareholder approval to the proposed issues of Director Options under and for the purposes of Listing Rule 10.11.

If Resolution 8 is passed, the Company will be able to proceed with the issue of the Director Options to:

- (a) Mr Peter Ruse (or his nominees) and Mr Ruse;
- (b) Mr Gary Lawler (or his nominees) and Mr Lawler;
- (c) Mr Michael O'Keeffe (or his nominees) and Mr O'Keeffe;

will be remunerated accordingly.

If Resolution 8 is not passed, the Company will not be able to proceed with the issue of the Director Options to Messrs Ruse, Lawler and O'Keeffe and the Company may need to consider other forms of incentive remuneration.

As Shareholder approval is sought under Listing Rule 10.11, approval under Listing Rule 7.1 is not required. Accordingly, the issue of Director Options will not be included under the Company's 15% annual placement capacity pursuant to Listing Rule 7.1.

11.3 **Specific information required by Listing Rule 10.13**

Under and for the purposes of Listing Rule 10.13, the following information is provided in relation to the proposed issue of Director Options:

- (a) a maximum:
 - (i) of 1,500,000 Director Options will be issued to Mr Peter Ruse (or his nominees), a Director of the Company;
 - (ii) of 1,500,000 Director Options will be issued to Mr Gary Lawler (or his nominees), a Director of the Company; and
 - (iii) of 1,500,000 Director Options will be issued to Mr Michael O'Keeffe (or his nominees), a Director of the Company.
- (b) Messrs Ruse, Lawler and O'Keeffe are related parties of the Company by virtue of being a Director and fall into the category stipulated by Listing Rule 10.11.1. In the event the Director Options are issued to a nominee of Messrs Ruse, Lawler or O'Keeffe, that person will fall into the category stipulated by Listing Rule 10.11.4;
- (c) the Director Options will be issued with an exercise price of \$0.35 and an expiry date of 3 years from the date of issue and otherwise on the terms set out in Resolution 8. The Director Options will be issued no later than one month after the date of the Meeting (or such later date to the extent permitted by any ASX waiver or modification of the Listing Rules);
- (d) the Director Options will be issued for nil cash consideration as they will be issued as part of Messrs Ruse, Lawler and O'Keeffe's remuneration package, and therefore no funds will be raised as a result of the issue. Funds raised upon any exercise of the Director Options are intended to be used for general working capital purposes;
- (e) a voting exclusion statement is included in the Notice.

11.4 Chapter 2E of the Corporations Act

In accordance with Chapter 2E of the Corporations Act, in order to give a financial benefit to a related party, the Company must:

- (a) obtain Shareholder approval in the manner set out in section 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.

It is the view of the Board that the exceptions set out in sections 210 to 216 of the Corporations Act do not apply in the current circumstances. Accordingly, the Company is seeking approval for the purposes of Chapter 2E of the Corporations Act in respect of the proposed issue of the Director Options pursuant to Resolution 8.

Pursuant to and in accordance with section 219 of the Corporations Act, the following information is provided in relation to the proposed issue of the Director Options

- (a) **Identity of the related parties to whom Resolution 8(a) to (c) (inclusive) permit financial benefits to be given**

The Director Options will be issued to Messrs Ruse, Lawler and O'Keeffe or their respective nominees.

- (b) **Nature of the financial benefit**

Resolution 8(a) to (c) (inclusive) seek approval from Shareholders to allow the Company to issue the Director Options in the amounts specified in Section 11.3(a) above to the Related Parties or their nominees. The Director Options are to be issued on the terms and conditions in Schedule 2.

The Shares to be issued upon conversion of the Director Options will be fully paid ordinary shares in the capital of the Company on the same terms and conditions as the Company's existing Shares and will rank equally in all respects with the Company's existing Shares. The Company will apply for official quotation of the Shares on ASX.

- (c) **Valuation of financial benefit**

Using a Black & Scholes valuation model, the Company's valuation of the Director Options is in Schedule 3, with a summary for each Related Party below:

Related Party	Options	Value (\$)
Peter Ruse	1,500,000	150,000
Gary Lawler	1,500,000	150,000
Michael O'Keeffe	1,500,000	150,000

(d) **Remuneration of Related Parties**

The total annual remuneration arrangements current for each of the Related Parties as at the date of this Notice are set out below:

Related Party	Salary and fees (exclusive of superannuation)
Peter Ruse ¹	\$120,000
Gary Lawler ²	\$60,000
Michael O'Keeffe ³	\$50,000

(e) **Existing relevant interests**

At the date of this Notice, the Related Parties hold the following relevant interests in Equity Securities of the Company:

Related Party	Shares	Unquoted Options
Peter Ruse ¹	1,150,240	1,000,000
Gary Lawler ²	700,000	1,000,000
Michael O'Keeffe ³	2,150,000	2,000,000

Notes:

1. Mr Ruse:

- (a) Class A: 500,000 Options at an exercise price of \$0.25, with an expiry date 3 years from the Admission Date;
- (b) Class B: 250,000 Options at an exercise price of \$0.30, with an expiry date 3 years from the Admission Date; and
- (c) Class C: 250,000 Options at an exercise price of \$0.35, with an expiry date 3 years from the Admission Date.

2. Mr Lawler:

- (a) Class A: 500,000 Options at an exercise price of \$0.25, with an expiry date 3 years from the Admission Date;
- (b) Class B: 250,000 Options at an exercise price of \$0.30, with an expiry date 3 years from the Admission Date; and
- (c) Class C: 250,000 Options at an exercise price of \$0.35, with an expiry date 3 years from the Admission Date.

3. Mr O'Keeffe:

- (a) Class A: 500,000 Options at an exercise price of \$0.25, with an expiry date 3 years from the Admission Date;

- (b) Class B: 750,000 Options at an exercise price of \$0.30, with an expiry date 3 years from the Admission Date; and
- (c) Class C: 750,000 Options at an exercise price of \$0.35, with an expiry date 3 years from the Admission Date.

Assuming that each of the resolutions which form part of Resolution 8 are approved by Shareholders, all of the Director Options the subject of Resolution 8 are issued, vested and exercised into Shares, and no other Equity Securities are issued or exercised, the respective interests of the Related Parties in the Company would be as follows:

- (i) Mr Ruse's interest would represent approximately 6.3% of the Company's expanded capital;
- (ii) Mr Lawler's interest would represent approximately 5.2% of the Company's expanded capital; and
- (iii) Mr O'Keeffe's interest would represent approximately 8.6% of the Company's expanded capital.

(f) **Trading history**

The highest and lowest closing market sale prices of the Shares on ASX during the 12 months prior to the date of this Notice were:

Highest: \$0.40 per Share on 4 May 2021; and

Lowest: \$0.20 per Share on 4 August 2021.

The latest available closing market sale price of the Shares on ASX prior to the date of this Notice was \$0.305 per Share on 21 September 2021.

(g) **Dilution**

The issue of the Director Options will have a diluting effect on the percentage interest of existing Shareholders' holdings if the Director Options vest and are exercised. The potential dilution effect is summarised below:

Director Options	Dilutionary effect
Peter Ruse	3.8%
Gary Lawler	3.8%
Michael O'Keeffe	3.8%

The above table assumes the current Share capital structure as at the date of this Notice (being 37,876,715 Shares on 21 September 2021) and that no Shares are issued other than the Shares issued on exercise of the Director Options. The exercise of all of the Director Options will result in a total dilution of all other Shareholders' holdings of 11.1% on a fully diluted basis (assuming that all Director Options pursuant to Resolution 8 are exercised). The actual dilution will depend on the extent that additional Shares are issued by the Company.

(h) **Corporate governance**

Mr Ruse is an executive director of the Company and therefore the Board believes that the grant of the Director Options is in line with Recommendation 8.2 of the 4th edition of the ASX Corporate Governance Council's Corporate Governance Principles and Recommendations.

The Board acknowledges the grant of the Director Options to the non-executive Directors, Messrs Lawler and O'Keeffe is contrary to Recommendation 8.2 of the 4th edition of the ASX Corporate Governance Council's Corporate Governance Principles and Recommendations.

(i) **Taxation consequences**

There are no taxation consequences for the Company arising from the issue of the Director Options (including fringe benefits tax).

(j) **Director recommendations**

The Directors decline to make a recommendation to Shareholders in relation to Resolution 8(a) to (c) (inclusive) due to their material personal interests in the outcome of the Resolutions.

12. **Resolution 9 – Approval to issue Management Options**

The Company has agreed, subject to Shareholder approval, to issue to Mr Shaun Menezes (or his nominee) 250,000 Options exercisable at \$0.35 per Share expiring three years from the date of issue as part of his remuneration package (**Management Options**).

Mr Shaun Menezes is the Company's Company Secretary.

Resolution 9 seeks Shareholder approval for the issue of the Management Options to Mr Shaun Menezes (or his nominee) under and for the purposes of Listing Rule 7.1.

12.1 **Listing Rule 7.1**

A summary of Listing Rule 7.1 is contained in Section 6.3 above.

12.2 **Specific information required by Listing Rule 7.3**

Under and for the purposes of Listing Rule 7.3, the following information is provided in relation to the proposed issue of the Management Options:

- (a) the Management Options will be issued to Mr Shaun Menezes, the Company Secretary of the Company;
- (b) up to 250,000 Options are to be issued as Management Options;
- (c) the Management Options will be exercisable at \$0.35 per Share expiring three years from the date of issue and will otherwise be issued on the terms and conditions set out Schedule 2.

- (d) the Management Options will be issued no later than three months after the date of the Meeting (or such later date as permitted by any ASX waiver or modification of the Listing Rules);
- (e) the Management Options will be issued on a single date;
- (f) the Management Options will have a nil issue price, and are being issued as part of Mr Shaun Menezes' remuneration package;
- (g) Mr Shaun Menezes is party to a corporate services agreement with the Company on standard terms and there are no additional material terms with respect to the agreements for the issue of the Management Options; and
- (h) a voting exclusion statement is included in the Notice.

12.3 **Board recommendation**

Resolution 9 is an ordinary resolution.

The Board recommends that Shareholders vote in favour of Resolution 9.

Schedule 1 Definitions

In the Notice, words importing the singular include the plural and vice versa.

\$ or A\$	means Australian Dollars.
Acquisition	or Northern Lights Acquisition means the proposed acquisition of 75% shareholding in Northern Lights Minerals Pty Ltd ACN
Acquisition Agreement	has the meaning given in Section 6.1.
Acquisition Assets	has the meaning given in Section 6.1.
AEDT	means Australian Daylight savings Standard Time being the time in Sydney, New South Wales.
AEST	means Australian Eastern Standard Time being the time in Sydney, New South Wales.
Annual Report	means the Directors' Report, the Financial Report, and Auditor's Report, in respect to the year ended 30 June 2021.
ASX	means the ASX Limited (ABN 98 008 624 691) and, where the context permits, the Australian Securities Exchange operated by ASX Limited.
Auditor's Report	means the auditor's report on the Financial Report.
Article	means an article of the Constitution.
Board	means the board of Directors.
Business	means the business carried on by the Company, including the business of acquiring, exploring, evaluating and exploiting mineral resource project opportunities.
Business Day	means a day on which banks are open for business in Sydney, New South Wales, other than a Saturday, Sunday or public holiday.
Chair	means the person appointed to chair the Meeting of the Company convened by the Notice.
Closely Related Party	means: <ul style="list-style-type: none">(a) a spouse or child of the member; or(b) has the meaning given in section 9 of the Corporations Act.
Company	means Mont Royal Resources Limited (ACN 625 237 658).
Consideration Shares	means the 5,000,000 Shares to be issued to the Vendors in consideration for the Acquisition.
Constitution	means the constitution of the Company as at the date of the Meeting.

Corporations Act	means the <i>Corporations Act 2001</i> (Cth).
Corporate Advisor Options	means the Options to be issued to the Corporate Advisor with an exercise price of \$0.35 per Share expiring three years from the date of issue and issued on the terms set out in Schedule 2.
Director	means a director of the Company.
Director Options	means the Options to be issued to Directors with an exercise price of \$0.35 per Share expiring three years from the date of issue and issued on the terms set out in Schedule 2.
Directors' Report	means the annual directors' report prepared under Chapter 2M of the Corporations Act for the Company and its controlled entities.
Equity Security	has the same meaning as in the Listing Rules.
Explanatory Memorandum	means the explanatory memorandum which forms part of the Notice.
Inter-conditional Resolution	means both Resolution 3 and Resolution 4.
Financial Report	means the annual financial report prepared under Chapter 2M of the Corporations Act for the Company and its controlled entities.
Key Management Personnel	has the same meaning as in the accounting standards issued by the Australian Accounting Standards Board and means those persons having authority and responsibility for planning, directing and controlling the activities of the Company, or if the Company is part of a consolidated entity, of the consolidated entity, directly or indirectly, including any Director (whether executive or otherwise) of the Company, or if the Company is part of a consolidated entity, of an entity within the consolidated group.
Listing Rules	means the listing rules of ASX.
Management Options	means the Options to be issued to Mr Shaun Menezes with an exercise price of \$0.35 per Share expiring three years from the date of issue and issued on the terms set out in Schedule 2.
Material Investor	<p>means, in relation to the Company:</p> <ul style="list-style-type: none"> (a) a related party; (b) Key Management Personnel; (c) a substantial Shareholder; (d) an advisor; or (e) an associate of the above, <p>who received or will receive Securities in the Company which constitute more than 1% of the Company's anticipated capital structure at the time of issue.</p>

Meeting	has the meaning given in the introductory paragraph of the Notice.
Notice	means this notice of annual general meeting.
Northern Lights	means Northern Lights Minerals Pty Ltd ACN 608 335 119.
Peloton Capital	means Peloton Capital Pty Ltd ACN 149 540 018.
Placement	has the meaning given in Section 7.1.
Placement Participants	means the class of persons set out in Section 7.4(a).
Placement Shares	means up to 20,000,000 Shares issued to the Placement Participants for an issue price of \$0.20 under the Placement.
Proxy Form	means the proxy form attached to the Notice.
Remuneration Report	means the remuneration report of the Company contained in the Directors' Report.
Related Party Participants	means Messrs Peter Ruse, Gary Lawler and Michael O'Keeffe.
Resolution	means a resolution referred to in the Notice.
Schedule	means a schedule to the Notice.
Section	means a section of the Explanatory Memorandum.
Securities	means any Equity Securities of the Company (including Shares, Options and/or Performance Rights).
Selling Fee	means the fees the Company will pay to Peloton Capital in connection with the engagement relating to the Placement.
Share	means a fully paid ordinary share in the capital of the Company.
Shareholder	means the holder of a Share.
Spill Meeting	has the meaning given in Section 4.
Trading Day	has the meaning given in the Listing Rules.
Vendors	means the shareholders of Northern Lights.
VWAP	means volume weighted average market price.

Schedule 2 Terms and conditions of Corporate Advisor Options, Director and Management Options

The terms of the Corporate Advisor Options are as follows:

1. **(Entitlement)**: Each Option entitles the holder to subscribe for one Share upon exercise of the Option.
2. **(Issue Price)**: No cash consideration is payable for the issue of the Options.
3. **(Exercise Price)**: The Options have an exercise price of \$0.35 per Option (**Exercise Price**).
4. **(Expiry Date)**: The Options expire at 5.00 pm (WST) on the date that is 3 years after the date of issue (**Expiry Date**). An Option not exercised before the Expiry Date will automatically lapse on the Expiry Date.
5. **(Exercise Period)**: The Options are exercisable at any time and from time to time on or prior to the Expiry Date.
6. **(Quotation of the Options)**: The Company will not apply for quotation of the Options on ASX.
7. **(Transferability of the Options)**: The Options are not transferable, except with the prior written approval of the Company.
8. **(Notice of Exercise)**: The Options may be exercised by notice in writing to the Company in the manner specified on the Option certificate (**Notice of Exercise**) and payment of the Exercise Price for each Option being exercised in Australian currency by electronic funds transfer or other means of payment acceptable to the Company.

Any Notice of Exercise of an Option received by the Company will be deemed to be a notice of the exercise of that Option as at the date of receipt of the Notice of Exercise and the date of receipt of the payment of the Exercise Price for each Option being exercised in cleared funds (**Exercise Date**).

9. **(Timing of issue of Shares on exercise)**: Within 5 Business Days after the Exercise Date the Company will:
 - (a) allot and issue the number of Shares required under these terms and conditions in respect of the number of Options specified in the Notice of Exercise and for which cleared funds have been received by the Company;
 - (b) if required, give ASX a notice that complies with section 708A(5)(e) of the Corporations Act; and
 - (c) if admitted to the official list of ASX at the time, apply for official quotation on ASX of Shares issued pursuant to the exercise of the Options.
10. **(Restrictions on transfer of Shares)**: If the Company is required but unable to give ASX a notice under paragraph 9(b), or such a notice for any reason is not effective to ensure that an offer for sale of the Shares does not require disclosure to investors, Shares issued on exercise of Options may not be traded and will be subject to a holding lock until 12 months after their issue unless the Company, at its sole discretion, elects to issue a prospectus pursuant to section 708A(11) of the Corporations Act.

11. **(Shares issued on exercise):** Shares issued on exercise of the Options will rank equally with the then Shares of the Company.
12. **(Quotation of Shares on exercise):** If admitted to the official list of ASX at the time, application will be made by the Company to ASX for quotation of the Shares issued upon the exercise of the Options in accordance with the Listing Rules.
13. **(Reconstruction of capital):** If at any time the issued capital of the Company is reconstructed, all rights of an Option holder are to be changed in a manner consistent with the Corporations Act and the Listing Rules at the time of the reconstruction.
14. **(Participation in new issues):** There are no participation rights or entitlements inherent in the Options and holders will not be entitled to participate in new issues of capital offered to Shareholders during the currency of the Options without exercising the Options.
15. **(Adjustment for bonus issues of Shares):** If the Company makes a bonus issue of Shares or other securities to existing Shareholders (other than an issue in lieu or in satisfaction of dividends or by way of dividend reinvestment):
 - (a) the number of Shares which must be issued on the exercise of an Option will be increased by the number of Shares which the Option holder would have received if the Option holder had exercised the Option before the record date for the bonus issue; and
 - (b) no change will be made to the Exercise Price.

Schedule 3 Valuation of Director Options

The Director Options to be issued to the Related Parties pursuant to Resolution 8 have been valued according to the Black and Scholes valuation model on the following assumptions:

Related Party	Peter Ruse	Gary Lawler	Michael O'Keeffe
Director Options	1,500,000	1,500,000	1,500,000
Assumed Share price at grant date	\$0.305	\$0.305	\$0.305
Exercise price	\$0.35	\$0.35	\$0.35
Market value on ASX of underlying Shares at time of setting exercise price	\$0.20	\$0.20	\$0.20
Exercise price premium to market value	75%	75%	75%
Expiry date	3 years from the date of issue	3 years from the date of issue	3 years from the date of issue
Expected volatility	55%	55%	55%
Risk free interest rate	1.25%	1.25%	1.25%
Annualised dividend yield	0	0	0
Value of each Director Option	\$0.10	\$0.10	\$0.10
Aggregate value of Director Option	\$150,000	\$150,000	\$150,000

Notes:

The valuations took into account the following matters:

1. No Vesting Conditions are applicable to the Director Options.
1. The valuation of Director Options assumes that the exercise of a right does not affect the value of the underlying asset.
2. Given that the Director Options are to be issued for no cash consideration, the value of the Director Options is reflected in the underlying Share price at the valuation date. The Share price used is based on the closing price on 21 September 2021, being \$0.305.



AGM Registration Card

If you are attending the meeting in person, please bring this with you for Securityholder registration.

MONT ROYAL RESOURCES LIMITED | ACN 625 237 658

Holder Number:

Your proxy voting instruction must be received by **9.00am (AEDT) on Wednesday, 27 October 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/#/login>

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:

PHONE: 1300 288 664 (Within Australia)
+61 2 9698 5414 (Overseas)

STEP 3: Sign Here + Contact Details

By providing your email address, you elect to receive all of your communications despatched by the Company electronically (where legally permissible).