

**Western Mines Group Ltd**

Level 3, 33 Ord Street

West Perth WA 6005

ACN: 640 738 834

<https://www.westernmines.com.au/>



# Western Mines Group Ltd

## **Notice of 2021 Annual General Meeting**

Explanatory Statement | Proxy Form

Tuesday, 2 November 2021

**10:00 AM AWST**

### **Address**

Kings Park Room, Level 1, Quest Kings Park, 54 Kings Park  
Road, West Perth WA 6005 and **as a virtual meeting**

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.

### **Important Information for Shareholders about the Company's 2021 AGM**

Given the uncertainty surrounding the COVID-19 pandemic, by the time this Notice is received by Shareholders, circumstances may have changed, however, this Notice is given based on circumstances as at 1 October 2021.

Accordingly, should circumstances change, the Company will make an announcement on the ASX market announcements platform and on the Company's website at <https://www.westernmines.com.au/>. Shareholders are urged to monitor the ASX announcements platform and the Company's website.

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## **Important Information for Shareholders about the Company's 2021 AGM**

Given the significant health concerns attributed to the COVID-19 pandemic, in addition to guidelines and restrictions issued by Australian state and federal governments, the Company considers that it is appropriate to hold the 2021 AGM as a hybrid meeting, in a manner that is consistent with the *Treasury Laws Amendment (2021 Measures No. 1) Act 2021* (Cth).

## Venue and Voting Information

The Annual General Meeting of the Shareholders to which this Notice of Meeting relates will be held at 10:00 AM AWST on Tuesday, 2 November 2021 at Kings Park Room, Level 1, Quest Kings Park, 54 Kings Park Road, West Perth WA 6005.

The company is pleased to provide shareholders with the opportunity to attend and participate in a virtual Meeting.

A conference facility will be set up to allow shareholders to join the meeting via phone or web conference. To join the meeting via conference facility please register to attend by 5:00 pm AWST on 30 October 2021 by contacting the Company by email to [contact@westernmines.com.au](mailto:contact@westernmines.com.au) or by calling +61 475 116 798. Instructions regarding attending, voting and asking questions at the Meeting will be provided following registration.

Shareholders will be able to vote and ask questions at the virtual meeting.

Shareholders are also encouraged to submit questions in advance of the Meeting to the Company. Questions must be submitted in writing to the Joint Company Secretaries at [contact@westernmines.com.au](mailto:contact@westernmines.com.au) at least 48 hours before the AGM.

The Company will also provide Shareholders with the opportunity to ask questions during the Meeting in respect to the formal items of business as well as general questions in respect to the Company and its business.

## Your vote is important

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

## Voting in person

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

If Shareholders are attending virtually they will be able to vote at the meeting but are strongly encouraged to complete and submit their vote by proxy in advance of the meeting.

## Voting by proxy

To vote by proxy, please use one of the following methods:

<b>Online</b>	Lodge the Proxy Form online at <a href="https://investor.automic.com.au/#/loginsah">https://investor.automic.com.au/#/loginsah</a> by following the instructions: Login to the Automic website using the holding details as shown on the Proxy Form. Click on 'View Meetings' – 'Vote'. To use the online lodgement facility, Shareholders will need their holder number (Securityholder Reference Number (SRN) or Holder Identification Number (HIN)) as shown on the front of the Proxy Form. For further information on the online proxy lodgement process please see the <b>Online Proxy Lodgement Guide</b> at <a href="https://www.automicgroup.com.au/virtual-agms/">https://www.automicgroup.com.au/virtual-agms/</a>
<b>By post</b>	Automic, GPO Box 5193, Sydney NSW 2001
<b>By hand</b>	Automic, Level 5, 126 Phillip Street, Sydney NSW 2000

Your Proxy instruction must be received not later than 48 hours before the commencement of the Meeting. **Proxy Forms received later than this time will be invalid.**

## Power of Attorney

If the proxy form is signed under a power of attorney on behalf of a shareholder, then the attorney must make sure that either the original power of attorney or a certified copy is sent with the proxy form, unless the power of attorney has already provided it to the Share Registry.

## Corporate Representatives

If a representative of a corporate shareholder or a corporate proxy will be attending the Meeting, the representative should bring to the Meeting adequate evidence of their appointment, unless this has previously been provided to the Share Registry.

# Notice of Annual General Meeting

Notice is hereby given that an Annual General Meeting of Shareholders of Western Mines Group Ltd ACN 640 738 834 will be held at 10:00 AM AWST on Tuesday, 2 November 2021 at Kings Park Room, Level 1, Quest Kings Park, 54 Kings Park Road, West Perth WA 6005 **(Meeting)**.

The Explanatory Statement to this Notice of Meeting provides additional information on matters to be considered at the Annual General Meeting. The Explanatory Statement and the Proxy Form forms part of this Notice of Meeting.

The Directors have determined pursuant to Regulation 7.11.37 of the *Corporations Regulations 2001* (Cth) that the persons eligible to vote at the Annual General Meeting are those who are registered Shareholders at 10:00 AM AWST on Sunday, 31 October 2021.

Terms and abbreviations used in this Notice of Meeting and Explanatory Statement are defined in the Glossary.

## Agenda

### Ordinary business

#### Financial statements and reports

*"To receive and to consider the Annual Financial 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 and the Auditor's Report for that financial year."*

**Note:** This item of ordinary business is for discussion only and is not a resolution.

Pursuant to the Corporations Act, Shareholders will be given a reasonable opportunity at the Meeting to ask questions about, or make comments in relation to, each of the aforementioned reports during consideration of these items.

# Resolutions

## **Remuneration Report**

### **1. Resolution 1 – Adoption of Remuneration Report**

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

*“That, for the purpose of Section 250R(2) of the Corporations Act and for all other purposes, approval is given for the adoption of the Remuneration Report as contained in the Company’s Annual Financial Report for the financial year ended 30 June 2021.”*

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

**Voting Exclusion Statement:** In accordance with the Corporations Act, the Company will disregard any votes cast on Resolution 1 by or on behalf of a member of the Company’s key management personnel (including the Directors), whose remuneration details are included in the Remuneration Report (**KMP**), or any of that person’s Closely Related Parties (such as close family members and any controlled companies of those persons) (collectively referred to as Restricted Voter). However, the Company need not disregard a vote if:

- (a) it is cast by a person as a proxy appointed in writing that specifies how the proxy is to vote on Resolution 1; and
- (b) it is not cast on behalf of a Restricted Voter.

If you appoint the person chairing the Meeting (**Chair**) and you are not a Restricted Voter, by submitting the Proxy Form you authorise the person chairing the Meeting to exercise the proxy even though Resolution 1 is connected directly or indirectly with the remuneration of a KMP, and you will be taken to have directed the Chair to vote in accordance with his or her stated intention to vote in favour of Resolution 1. If you do not want your vote exercised in favour of Resolution 1, you should direct the person chairing the Meeting to vote “against”, or to abstain from voting on, this Resolution.

## **Election of Directors**

### **2. Resolution 2 – Election of Rex Turkington as Director**

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

*“That Rex Turkington, a Director appointed as an additional Director and holding office until the next general meeting of the Company after his appointment in accordance with the Company's Constitution and ASX Listing Rule 14.5, be elected as a Director of the Company, effective immediately.”*

### **3. Resolution 3 – Election of Frank Cannavo as Director**

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

*“That Francesco Cannavo, a Director appointed as an additional Director and holding office until the next general meeting of the Company after his appointment in accordance with the Company's Constitution, be elected as a Director of the Company, effective immediately.”*

### **4. Resolution 4 – Election of Paul Burton as Director**

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

*“That Paul Burton, a Director appointed as an additional Director and holding office until the next general meeting of the Company after his appointment in accordance with the Company's Constitution, be elected as a Director of the Company, effective immediately.”*

## **ASX Listing Rule 7.1A (Additional 10% Capacity)**

### **5. Resolution 5 – ASX Listing Rule 7.1A Approval of Future Issue of Securities**

To consider and, if thought fit, to pass the following resolution as a **Special Resolution**:

*“That, for the purposes of ASX Listing Rule 7.1A and for all other purposes, the Shareholders approve the issue of equity securities up to 10% of the issued capital of the Company (at the time of issue) calculated in accordance with the formula prescribed in ASX Listing Rule 7.1A.2 and otherwise on the terms and conditions set out in the Explanatory Statement which accompanies and forms part of this Notice of Meeting.”*

**Voting Exclusion Statement:** The Company will disregard any votes cast in favour of Resolution 5 by or on behalf of:

- (a) a 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 holder of ordinary securities in the Company); or
- (b) an Associate of that person or those election persons.

However, this does not apply to a vote cast in favour of Resolution 5 by:

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

## **Maximum Aggregate Amount of Non-Executive Directors' Fees**

### **6. Resolution 6 – Approval of Maximum Aggregate Amount of Non-Executive Directors' Fees**

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

*"That, for the purposes of ASX Listing Rule 10.17 and for all other purposes, that the maximum aggregate amount of the remuneration payable to the non-executive Directors of the Company on an annual basis in respect of their services as Directors, be set as \$300,000 and approved in accordance with article 121 of the Constitution."*

**Voting Exclusion Statement:** The Company will disregard any votes cast in favour of Resolution 6 by or on behalf of:

- (a) any Director of the Company; or
- (b) an Associate of that person or those persons.

However, this does not apply to a vote cast in favour of Resolution 6 by:

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

**Voting Prohibition Statement:** 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 Resolution 6 if:

- (a) the proxy is either:
  - (i) a member of the Company's Key Management Personnel; or
  - (ii) a closely related party of a member of the Company's Key Management Personnel; and
- (b) the appointment does not specify the way the proxy is to vote on the resolution.

However, the above prohibition does not apply if:

- (a) the proxy is the Chair of the Meeting; and
- (b) the appointment expressly authorises the Chair to exercise the proxy even if the Resolution is connected directly or indirectly with remuneration of a member of the Company's Key Management Personnel.



## **Appointment of Auditor**

### **7. Resolution 7 – Appointment of Auditor**

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

*“That, for the purposes of section 327B(1) of the Corporations Act and for all other purposes, HLB Mann Judd (Vic Partnership) ABN 20 696 861 713 (**HLB Mann Judd**), having been nominated by shareholders and consented in writing to act as auditor of the Company, be appointed as auditor of the Company, effective immediately.”*

## **Other Company Changes**

### **8. Resolution 8 – Amendment to Constitution**

To consider and, if thought fit, to pass the following resolution as a **special resolution**:

*“For the purposes of section 136(2) of the Corporations Act 2001, Article 53 of the Constitution of the Company be modified by making the amendment contained in the Explanatory Statement, with immediate effect.”*

#### **BY ORDER OF THE BOARD**

Lee Tamplin  
Joint Company Secretary

# Explanatory Statement

This Explanatory Statement has been prepared for the information of the Shareholders in connection with the business to be conducted at the Annual General Meeting to be held at 10:00 AM AWST on Tuesday, 2 November 2021 at Kings Park Room, Level 1, Quest Kings Park, 54 Kings Park Road, West Perth WA 6005.

The purpose of this Explanatory Statement is to provide information which the Directors believe to be material to Shareholders in deciding whether or not to pass the Resolutions in the Notice of Meeting.

If you are in any doubt about what to do in relation to the Resolutions contemplated in the Notice of Meeting and this Explanatory Statement, it is recommended that you seek advice from an accountant, solicitor or other professional advisor.

Full details of the business to be considered at the Annual General Meeting are set out below.

## Agenda

### **Ordinary business**

#### Financial statements and reports

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

In accordance with the amendments to the Corporations Act, the Company is no longer required to provide a hard copy of the Company's Annual Financial Report to Shareholders unless a Shareholder has specifically elected to receive a printed copy.

Whilst the Company will not provide a hard copy of the Company's Annual Financial Report unless specifically requested to do so, Shareholders may view the Company Annual Financial Report on its website at <https://www.westernmines.com.au/>.

No resolution is required for this item, but Shareholders will be given the opportunity to ask questions and to make comments on the management and performance of the Company.

The Company's auditor will be present at the Meeting. During the discussion of this item, the auditor will be available to answer questions on the:

- Conduct of the audit;
- Preparation and content of the Auditor's Report;
- Accounting policies adopted by the Company in relation to the preparation of the financial statements; and
- Independence of the auditor in relation to the conduct of the audit.

#### **Written questions of the auditor**

If you would like to submit a written question about the content of the Auditor's Report or the conduct of the audit of the Annual Financial Report of the Company's auditor, please send your question to the Company Secretary. A list of qualifying questions will be made available at the Meeting.

Please note that all written questions must be received at least five business days before the Meeting, which is by Tuesday, 26 October 2021.

# Resolutions

## **Remuneration Report**

### **Resolution 1 – Adoption of Remuneration Report**

In accordance with section 250R(2) of the Corporations Act, the Company is required to present to its Shareholders the Remuneration Report as disclosed in the Company's Annual Financial Report.

The vote on the Resolution is advisory only and does not bind the Directors or the Company. The Remuneration Report is set out in the Company's Annual Financial Report and is also available on the Company's website at <https://www.westernmines.com.au/>.

However, if at least 25% of the votes cast are against the adoption of the Remuneration Report at the Meeting (subject of this Notice of Meeting), and then again at the 2022 Annual General Meeting (**2022 AGM**), the Company will be required to put to the vote a resolution (**Spill Resolution**) at the 2022 AGM to approve the calling of a further meeting (**Spill Meeting**). If more than 50% of Shareholders vote in favour of the Spill Resolution, the Company must convene the Spill Meeting within 90 days of the 2022 AGM. All of the Directors who were in office when the 2022 Directors' Report was approved, other than the Managing Director, will (if desired) need to stand for re-election at the Spill Meeting.

The Remuneration Report explains the Board's policies in relation to the nature and level of remuneration paid to KMPs (including Directors) and sets out remuneration details, service agreements and the details of any share-based compensation.

#### **Voting**

Note that a voting exclusion applies to Resolution 1 in the terms set out in the Notice of Meeting. In particular, the Directors and other Restricted Voters must not vote on this Resolution and must not cast a vote as proxy, unless the appointment gives a direction on how to vote, or the proxy is given to the Chair and you submit the Proxy Form, authorising the Chair to exercise the proxy even though Resolution 1 is connected directly or indirectly with the remuneration of a KMP and that in doing so you will be taken to have directed the Chair to vote in accordance with the Chair's stated intention to vote in favour of Resolution 1.

Shareholders are urged to read carefully the Proxy Form and to provide a direction to the proxy on how to vote on this Resolution.

## **Election of Directors**

### **Resolution 2 – Election of Rex Turkington as Director**

The Company's Constitution provides that any Director appointed in addition to the existing Directors will hold office until the next following annual general meeting and is then eligible for re-election. The Company's Constitution also provides that, if the Company has three or more Directors, one-third of the Directors (rounded down to the nearest whole number) must retire at each Annual General Meeting (**Retirement by Rotation**).

ASX Listing Rule 14.5 also provides that an entity which has Directors must hold an election of Directors at each annual general meeting.

Rex was appointed a Director of the Company on 28 October 2020 and has since served as a Director of the Company. Under this Resolution, Rex seeks election as a Director of the Company at this AGM. The election of Rex at this AGM will also serve to satisfy the Constitution's requirement for Retirement by Rotation and ASX Listing Rule 14.5.

Rex Turkington is a highly experienced Corporate Advisor and Economist who has worked extensively in the Financial Services and Stockbroking Industry in Australia, specialising in the natural resources sector. Rex has extensive experience with equities, derivatives, foreign exchange and commodities and has participated in numerous Initial Public Offerings and Capital Raisings for ASX listed companies. Currently Rex is Managing Director of South Pacific Securities, an Advisory Company, offering Corporate Finance and Investor Relations advice to Listed Companies. He was previously Chairman of ASX listed oil and gas explorer Key Petroleum (ASX:KEY) and Non-Executive Director of TNG Ltd (ASX:TNG), developing the world class Mt Peake V-Ti-Fe Project in the Northern Territory.

Rex holds a First Class Honours degree in Economics, is a Graduate of the Australian Institute of Company Directors (GAICD) and is an Associate of the Financial Services Institute of Australia (AFINSIA).

#### **Directors' recommendation**

The Directors (excluding Mr Turkington) recommend that Shareholders vote for this Resolution.

### **Resolution 3 – Election of Francesco Cannavo as Director**

The Company's Constitution provides that any Director appointed in addition to the existing Directors will hold office until the next following annual general meeting and is then eligible for re-election.

Francesco was appointed as an additional Director of the Company on 6 November 2020 and has since served as a Director of the Company. Under this Resolution, Francesco seeks election as a Director of the Company at this AGM.

Francesco is an experienced public company director with significant business and investment experience working with companies operating across various industries, including in particular mining exploration companies, and has been instrumental in assisting several listed and unlisted companies achieve their growth strategies through the raising of investment capital and the acquisition of assets.

#### **Directors' recommendation**

The Directors (excluding Mr Cannavo) recommend that Shareholders vote for this Resolution.

## **Resolution 4 – Election of Paul Burton as Director**

The Company's Constitution provides that any Director appointed in addition to the existing Directors will hold office until the next following annual general meeting and is then eligible for re-election.

Paul was appointed as an additional Director of the Company on 28 October 2020 and has since served as a Director of the Company. Under this Resolution, Paul seeks election as a Director of the Company at this AGM.

Paul is currently the Managing Director and CEO of TNG Limited, an ASX listed resources company (ASX:TNG) focused on developing the world class Mt Peake V-Ti-Fe Project in the Northern Territory. A commercially astute Manager, Director and Geologist, Paul has developed a successful career spanning 30 years in exploration and mining for a range of different commodities throughout Australia and internationally. His track record includes involvement in significant mineral discoveries for diamonds, gold, copper, iron, zinc, lead and strategic metals including vanadium and titanium. An accomplished leader, having managed successful mineral exploration and feasibility study programs, trained geologists in advanced exploration techniques and held senior and executive roles at Anglo American/De Beers Ltd, Normandy Mining Ltd (Newmont) and Minotaur Exploration (ASX:MEP). In addition Paul has been instrumental in securing world class support for the commercialisation of TNG's proprietary TIVAN technological hydrometallurgical process, and was instrumental in the TNG spin-off of ASX listed Todd River Resources (ASX:TRT)

Paul is a graduate of the Australian Institute of Company Directors (GAICD), a fellow of the Association of Applied Geochemists (FAAG), a member of the Australasian and Canadian Institutes of Mining and Metallurgy (MAusIMM, MCIM) and a member of the British Institute of Directors (MIoD).

### **Directors' recommendation**

The Directors (excluding Mr Burton) recommend that Shareholders vote for this Resolution.

## **ASX Listing Rule 7.1A**

### **Resolution 5 – ASX Listing Rule 7.1A Approval of Future Issue of Securities**

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 securities it had on issue at the start of that period.

Under Listing Rule 7.1A, however, an eligible entity can seek approval from its members, by way of a special resolution passed at its annual general meeting, to add an additional 10% capacity.

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 less than the amount prescribed by ASX (currently \$300 million).

As of the date of this Notice of Meeting, the Company has a market capitalisation of approximately \$8.1 million and therefore is an eligible entity. If at the time of the Meeting the Company is no longer an eligible entity this Resolution will be withdrawn.

This Resolution seeks Shareholder approval by way of a special resolution for the Company to have the additional 10% capacity provided for in Listing Rule 7.1A to issue equity securities without Shareholder approval.

If this Resolution 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 this Resolution 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.

#### **Information Required by ASX Listing Rule 7.3A**

The following information is provided to Shareholder for the purposes of Listing Rule 7.3A.

##### Period for which the approval will be valid

An approval under this Listing Rule 7.1A commences on the date of the annual general meeting at which the approval is obtained and expires on the first to occur of the following:

- (a) the date which is 12 months after the date of the annual general meeting at which the approval is obtained;
- (b) the time and date of the entity's next annual general meeting; and
- (c) the time and date on which Shareholders approve a transaction under Listing Rule 11.1.2 (a significant change to the nature or scale of activities) or 11.2 (disposal of main undertaking).

##### Minimum price at which the equity securities may be issued under Listing Rule 7.1A

Any equity securities issued under Listing Rule 7.1A.2 must be an existing quoted class of the Company's equity securities and issued for cash consideration.

The issue price per equity security must not be less than 75% of the volume weighted average market price of the equity securities in that class, calculated over 15 trading days on which trades in that class were recorded immediately before:

- (a) the date on which the price at the equity securities are to be issued is agreed by the Company and the recipient of the equity securities; and
- (b) if the equity securities are not issued within 10 trading days of the date in paragraph (a), the date on which the equity securities are issued.

Purposes for which the funds raised by an issue of equity securities under Listing Rule 7.1A may be used

As noted above, any equity securities issued under Listing Rule 7.1A.2 must be issued for cash consideration. Accordingly, every issue of equity securities under Listing Rule 7.1A.2 will have an accompanying proposed use of funds at the time of issue.

As at the date of this Notice, the Company has not formed an intention to offer any equity securities under Listing Rule 7.1A during the Listing Rule 7.1A mandate period, if Shareholders approve this Resolution. However, if Shareholders approved this Resolution and the Company did raise funds from the issue of equity securities under Listing Rule 7.1A, based on the Company's existing plans, the Company considers that the funds may be used for the following purposes:

- (a) undertake follow-up exploration on a number of priority targets identified at the Projects from a review of available data and field work;
- (b) subject to results of the exploration activities, progress technical studies on the Projects; and
- (c) assess opportunities for business development and new venture activities to potentially add additional exploration projects.

Risk of economic and voting dilution to existing ordinary Securityholders

If this Resolution is approved, and the Company issues equity securities under Listing Rule 7.1A, the existing Shareholders' economic and voting power in the Company will be diluted.

There is a risk that:

- (a) the market price for the Company's equity securities in that class may be significantly lower on the issue date than on the date of the approval under Listing Rule 7.1A; and
- (b) the equity securities may be issued at a price that is at a discount (as described above) to the market price for the Company's equity securities on the issue date;

which may have an effect on the amount of funds raised by the issue of equity securities under Listing Rule 7.1A.

The table below shows the potential dilution of existing Securityholders on the basis of 3 different assumed issue prices and values for the variable "A" in the formula in rule 7.1A.2:

Variable "A" ASX Listing Rule 7.1A.2		Potential Dilution and Funds Raised		
		\$0.0925 50% decrease in issue price	\$0.185 issue prices <sup>(b)</sup>	\$0.370 100% increase in issue price
<b>"A" is the number of shares on issue, being 43,800,001 Shares<sup>(a)</sup></b>	<b>10% voting dilution<sup>(c)</sup></b>	4,380,000	4,380,000	4,380,000
	<b>Funds raised</b>	\$405,150	\$810,300	\$1,620,600
<b>"A" is a 50% increase in shares on issue, being 65,700,001 Shares</b>	<b>10% voting dilution<sup>(c)</sup></b>	6,570,000	6,570,000	6,570,000
	<b>Funds raised</b>	\$607,725	\$1,215,450	\$2,430,900
<b>"A" is a 100% increase in shares on issue, being 87,600,002 Shares</b>	<b>10% voting dilution<sup>(c)</sup></b>	8,760,000	8,760,000	8,760,000
	<b>Funds raised</b>	\$810,300	\$1,620,600	\$3,241,200

**Notes:**

- (a) Based on the total number of fully paid ordinary Shares on issue as at 10 September 2021.
- (b) Based on the closing price of the Company's Shares on ASX as at 10 September 2021.
- (c) The table assumes that the Company issues the maximum number of ordinary Shares available to be issued under Listing Rule 7.1A.

- (d) The table does not show an example of dilution that may be caused to a particular Shareholder by reason of issues of equity securities under Listing Rule 7.1A based on that Shareholder's holding at the date of this Explanatory Statement.
- (e) The table shows the effect of an issue of equity securities under Listing Rule 7.1A only, not under the Company's 15% placement capacity under Listing Rule 7.1.

#### Allocation policy for issues under Listing Rule 7.1A

The Company's allocation policy and the identity of the allottees of equity securities under Listing Rule 7.1A will depend on a number of factors, including:

- (a) the Company's intentions in relation to the possible issue of equity securities (for cash consideration) during the Listing Rule 7.1A mandate period;
- (b) the structure and timeframe of the capital raising opportunities available to the Company and any alternative methods for raising funds that are available to the Company (such as a pro rata offer or an offer under a share purchase plan);
- (c) the potential effect on the control of the Company;
- (d) the Company's financial position and the likely future capital requirements; and
- (e) advice from the Company's corporate or financial advisors.

Based on the Company's historical cashflow reports and capital raising activities in the past 12 months, the Company considers that it may raise funds during the Listing Rule 7.1A mandate period, although this cannot be guaranteed. As of the date of this Notice, no specific intention to issue equity securities in relation to any parties, investors or existing Securityholders have been formed. In addition, no intentions have been formed in relation to the possible number of issues, or the time frame in which the issues could be made. Subject to the requirements of the Listing Rules and the Corporations Act, the Board of Directors reserve the right to determine at the time of any issue of equity securities under Listing Rule 7.1A, the allocation policy that the Company will adopt for that issue.

If and when the determination is made to proceed with an issue of equity securities during the Listing Rule 7.1A mandate period, details regarding the allottees and purposes of issue will be disclosed pursuant to the Company's obligations under Listing Rules 3.10.3 and 7.1A.4.

Offers made under Listing Rule 7.1A may be made to parties (excluding any related parties) including professional and sophisticated investors, existing Shareholders of the Company, clients of Australian Financial Service Licence holders and/or their nominees, or any other person to whom the Company is able to make an offer of equity securities.

The Company has not previously sought Shareholder approval under Listing Rule 7.1A and therefore has not issued or agreed to issue equity securities under Listing Rule 7.1A.2 in the 12 months preceding the AGM.

This Resolution is a Special Resolution. For a Special Resolution to be passed, at least 75% of the votes validly cast on the resolution by Shareholders (by number of ordinary shares) must be in favour of this Resolution.

#### **Directors' recommendation**

The Board of Directors recommend that Shareholders vote for this Resolution.



## **Maximum Aggregate Amount of Non-Executive Directors' Fees**

### **Resolution 6 – Approval of Maximum Aggregate Amount of Non-Executive Directors' Fees**

In accordance with Listing Rule 10.17 and clause 121.5 of the Company's Constitution, the non-executive Directors are to be remunerated for their services as Directors as determined by the Company in general meeting by resolution. In accordance with this requirement, Shareholder approval is sought to set the maximum aggregate remuneration payable to the non-executive Directors in respect of their services as Directors as \$300,000.

The Directors seek Shareholder approval of the aggregate amount of directors' fees for non-executive directors as:

- (a) it is important to ensure that the Company maintains the ability to pay competitive fees and attract and retain high calibre non-executive directors; and
- (b) the size of the proposed increase would be consistent with other ASX listed entities of similar market capitalisation.

It is not intended that should this Resolution be passed, the maximum aggregate of the fees of non-executive directors would be utilised immediately.

The proportion remaining unused will provide the Company with the ability to attract and retain high quality directors, to make any appropriate increases to the size of the Board, and to increase fees in the future in line with market conditions.

As required by Listing Rule 10.17, the Company confirms that no securities have been issued to non-executive directors in the preceding three years (from the date of this Meeting) under Listing Rules 10.11 or 10.14.

Given the nature of this Resolution, the Board does not consider that it is appropriate to make a recommendation on how Shareholders should vote on this Resolution. As noted in the Proxy Form, the Chairman of the Meeting intends to cast all undirected proxies in favour of this Resolution.

## **Appointment of Auditor**

### **Resolution 7 – Appointment of Auditor**

Pursuant to section 327A(1) of the Corporations Act, HLB Mann Judd (Vic Partnership) ABN 20 696 861 713 (**HLB Mann Judd**) was appointed as auditor of the Company.

Under section 327A(2) of the Corporations Act, an auditor who has been appointed under section 327A(1) of the Corporations Act only holds office until the company's next annual general meeting.

This is the Company's first Annual General Meeting. Accordingly, the Company is required to appoint an auditor at this Meeting (as it its first annual general meeting) pursuant to section 327B(1) of the Corporations Act.

Pursuant to section 328B of the Corporations Act, the Company received a valid notice of nomination which nominated HLB Mann Judd to be appointed as the new auditor of the Company. A copy of the notice of nomination is set out in Annexure A of this Notice of Meeting.

HLB Mann Judd has provided the Company its written consent to act, subject to Shareholder approval being obtained, as the Company's auditor in accordance with section 328A(1) of the Corporations Act.

Accordingly, under this Resolution, Shareholder approval is being sought to appoint HLB Mann Judd as the auditor of the Company.

## Directors' recommendation

The Board of Directors recommend that Shareholders vote for this Resolution.

## Other Company Changes

### Resolution 8 – Amendment to Constitution

Under section 136(2) of the Corporations Act 2001, a company can modify its constitution or a provision of its constitution by special resolution of its members. Accordingly, the Company seeks Shareholder approval by special resolution to amend its Constitution as set out below.

#### Background

ASX Listing Rule 15.13.6 provides that the Company's Constitution must not permit it to sell the securities of a shareholder who has less than a marketable parcel of those securities unless the Constitution provides that (among other things) the Company or the purchaser must pay the costs of the sale.

Article 53 of the Company's Constitution provides that in the case of a sale by the Company of the shares held by a member who holds less than a "Marketable Parcel" pursuant to a "Divestment Notice" (as those terms are defined in the Constitution), the Company is entitled to deduct or retain from the proceeds of sale (among other things) the costs of the sale as determined by the Company.

Despite Article 6.2(f) of the Constitution which provides that where any inconsistency between a provision of the Constitution and the ASX Listing Rules exists, the Constitution is taken not to contain that provision to the extent of the inconsistency, the Company seeks to amend Article 53 of its Constitution to remove such inconsistency between ASX Listing Rule 15.13.6 and Article 53 of the Constitution.

#### Proposed Amendment

Article 53 of the Company's Constitution currently provides as follows:

##### **53. Costs**

*In the case of a sale of Shares for Sale, the Company is entitled to deduct and retain from the proceeds of sale:*

- 53.1 the costs of the sale as determined by the Company including all stamp duty, brokerage and government taxes and charges (except for tax on the income or capital gains of the Member) payable by the Company in connection with the sale and transfer of Shares for Sale; and*
- 53.2 amounts due and unpaid in respect of the Shares for Sale.*

By Resolution 9 the Company seeks Shareholder approval to delete Article 53 of the Company's Constitution and replace it with a new Article 53 as follows (**Amended Constitution**):

##### **53. Costs**

*In the case of a sale of Shares for Sale:*

- 53.1 the costs of the sale including all stamp duty, brokerage and government taxes and charges (except for tax on the income or capital gains of the Member) payable by the Company in connection with the sale and transfer of the Shares for Sale, must be paid by the Company or the purchaser of the Shares for Sale; and*
- 53.2 the Company is entitled to deduct and retain from the proceeds of sale amounts due and unpaid in respect of the Shares for Sale.*

Prior to the Meeting, a copy of the Amended Constitution is available for review by Shareholders at the Company's registered office during normal business hours. A copy of the Amended Constitution can also be sent to Shareholders of the Company upon a request being made to the Company Secretary on + 61 2 8072 1400.

A complete signed copy of the Amended Constitution will be tabled at the Meeting.

Pursuant to section 136(2) of the Corporations Act, a modification to the Company's Constitution can only be effected by way of a Special Resolution passed by its Shareholders. Therefore, this Resolution is a Special Resolution that can only be passed if at least 75% of the total votes cast by Shareholders entitled to vote on this Resolution are voted in its favour.

#### **Professional Advice**

If you have any doubt or do not understand this Resolution, it is strongly recommended that you seek advice from a solicitor or other professional advisor.

#### **Directors' Recommendation**

The Board of Directors recommend Shareholders vote for this Resolution.

## Enquiries

Shareholders are asked to contact the Company Secretary on +61 2 8072 1400 if they have any queries in respect of the matters set out in these documents.

# Glossary

**Annual Financial Report** means the 2021 Annual Report to Shareholders for the period ended 30 June 2021 as lodged by the Company with ASX on 24 September 2021.

**Annual General Meeting** or **AGM** or **Meeting** means an Annual General Meeting of the Company and, unless otherwise indicated, means the meeting of the Company's members convened by this Notice of Meeting.

**ASIC** means Australian Securities and Investment Commission.

**Associate** has the meaning given to it by the ASX Listing Rules.

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

**ASX Listing Rules** or **Listing Rules** means the official ASX Listing Rules of the ASX and any other rules of the ASX which are applicable while the Company is admitted to the official list of the ASX, as amended or replaced from time to time, except to the extent of any express written waiver by the ASX.

**Auditor's Report** means the auditor's report of HLB Mann Judd dated 24 September 2021 as included in the Annual Financial Report.

**AWST** means Australian Western Standard Time as observed in Perth, Western Australia.

**Board** means the current board of Directors of the Company.

**Business Day** means a day on which trading takes place on the stock market of ASX.

**Chair** means the person chairing the Meeting.

**Closely Related Party** of a member of the KMP means:

- (a) a spouse or child of the member;
- (b) a child of the member's spouse;
- (c) a dependant of the member or of the member's spouse;
- (d) anyone else who is one of the member's family and may be expected to influence the member, or be influenced by the member, in the member's dealings with the Company;
- (e) a company the member controls; or
- (f) a person prescribed by the *Corporation Regulations 2001* (Cth) for the purposes of the definition of 'closely related party' in the *Corporations Act 2001* (Cth).

**Company** means Western Mines Group Ltd ACN 640 738 834.

**Constitution** means the Company's constitution.

**Corporations Act** means the *Corporations Act 2001* (Cth) as amended or replaced from time to time.

**Director** means a current director of the Company.

**Directors' Report** means the report of Directors as included in the Annual Financial Report.

**Dollar** or "\$" means Australian dollars.

**Explanatory Statement** means the explanatory statement accompanying this Notice of Meeting.

**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.

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

**Notice of Meeting** or **Notice of Annual General Meeting** means this notice of annual general meeting dated 1 October 2021 including the Explanatory Statement.

**Ordinary Resolution** means a resolution that can only be passed if at least 50% of the total votes cast by Shareholders entitled to vote on the resolution are voted in its favour at the meeting.

**Proxy Form** means the proxy form attached to this Notice of Meeting.

**Related Body Corporate** means a related body corporate (as defined in the Corporations Act 2001 (Cth)) of the Company.

**Remuneration Report** means the remuneration report as set out in the Annual Financial Report.

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

**Restricted Voter** means a member of the Company's KMP and any Closely Related Parties of those members.

**Securities** mean Shares and/or Options (as the context requires).

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

**Shareholder** means a registered holder of a Share.

**Share Registry** means Automic Share Registry.

**Special Resolution** means a resolution that can only be passed if at least 75% of the total votes cast by Shareholders entitled to vote on the resolution are voted in its favour at the meeting.

**Spill Meeting** means the meeting that will be convened within 90 days of the 2022 AGM if a threshold of votes is cast against the adoption of the Remuneration Report at the Meeting and the 2022 AGM.

**Spill Resolution** means the resolution required to be put to Shareholders at the 2022 AGM if a threshold of votes is cast against the adoption of the Remuneration Report at the Meeting and the 2022 AGM.

**Trading Day** has the meaning given to that term in ASX Listing Rule 19.12.

**VWAP** means the volume weighted average market (closing) price, with respects to the price of Shares.

## Annexure A – Notice of Nomination of Auditor

28 September 2021

The Board of Directors  
Western Mines Group Ltd  
Level 3, 33 Ord Street  
West Perth WA 6005

To the Board of Directors

### **RE: NOTICE OF NOMINATION OF AUDITOR PURSUANT TO SECTION 328B OF THE CORPORATIONS ACT**

In accordance with Section 328B(1) of the Corporations Act 2001 (Cth), I, Francesco Cannavo of Apertus Capital Pty Ltd a shareholder of Western Mines Group Ltd ACN 640 738 834 (the Company) hereby nominate HLB Mann Judd (Vic Partnership) ABN 20 696 861 713 of Level 9, 575 Bourke Street, Melbourne VIC 3000 for appointment to the position of Auditor of the Company at the next Annual General Meeting.

Yours sincerely,



Francesco Cannavo

# 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 (AWST) on Sunday, 31<sup>st</sup> 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 VOTE ONLINE

Vote online at <https://investor.automic.com.au/#/loginsah>

Login & Click on 'Meetings'. Use the Holder Number as shown at the top of this Proxy Voting form.

- ✓ **Save Money:** help minimise unnecessary print and mail costs for the Company.
- ✓ **It's Quick and Secure:** provides you with greater privacy, eliminates any postal delays and the risk of potentially getting lost
- ✓ **Receive Vote Confirmation:** instant confirmation that your vote has been processed. It also allows you to amend your vote i



## SUBMIT YOUR PROXY VOTE BY PAPER

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>.

