



Sipa Resources Limited

SIPA RESOURCES LIMITED

ABN 26 009 448 980

NOTICE OF ANNUAL GENERAL MEETING AND EXPLANATORY MEMORANDUM TO SHAREHOLDERS

Date of Meeting

Thursday 18 November 2021

Time of Meeting

8:00am AWST

Place of Meeting

The Meeting will be held virtually.

The Company will publish a virtual meeting guide on the ASX and the Company's website prior to the Meeting outlining how Shareholders will be able to participate in the Meeting virtually.

A Proxy Form is enclosed

Please read this Notice and Explanatory Memorandum carefully.

If you are unable to attend the Annual General Meeting virtually, please complete and return the enclosed Proxy Form in accordance with the specified directions.

Sipa Resources Limited

ABN 26 009 448 980

NOTICE OF ANNUAL GENERAL MEETING

Notice is given that the Annual General Meeting of Shareholders of Sipa Resources Limited (ABN 26 009 448 980) will be held virtually on Thursday 18 November 2021 at 8:00am AWST for the purpose of transacting the following business referred to in this Notice of Annual General Meeting.

The Company will publish a virtual meeting guide on the ASX and the Company's website prior to the Meeting outlining how Shareholders will be able to participate in the Meeting virtually.

COVID-19 MEASURES

The Company and the Board are aware of the current circumstances resulting from COVID-19 and the impact it is having on physical meetings. As a result of the potential health risks and the Government restrictions on social distancing and gatherings in response to the pandemic, it is not currently prudent for us to plan to physically host Shareholders and members of the public at the upcoming Annual General Meeting.

The Board has made the decision that it will not be holding a physical meeting for Shareholders to attend, and will be holding a virtual meeting. However, shareholders will be able to participate in the virtual meeting, including being able to ask questions. The Company will publish a virtual meeting guide on the ASX and the Company's website prior to the Meeting outlining how Shareholders will be able to participate in the Meeting virtually.

AGENDA

A. Financial Reports

To receive and consider the financial report of the Company for the year ended 30 June 2021, together with the Directors' Report and the Auditor's Report as set out in the Annual Report.

B. Resolutions

1 Resolution 1 – Non-Binding Resolution to adopt Remuneration Report

To consider and, if thought fit, pass the following resolution as a **non-binding resolution**:

"That the Remuneration Report for the year ended 30 June 2021 as set out in the 2021 Annual Report be adopted."

Note: The vote on this Resolution is advisory only and does not bind the Directors or the Company. Shareholders are encouraged to read the Explanatory Memorandum for further details on the consequences of voting on this Resolution.

Voting exclusion statement: The Company will disregard any votes cast on the Resolution by or on behalf of a member of the Key Management Personnel whose remuneration details are included in the Remuneration Report, or their Closely Related Parties. However, the Company need not disregard a vote if:

- (a) it is cast by a person as a proxy appointed by writing that specifies how the proxy is to vote on the proposed Resolution **or** the proxy is the Chair of the Meeting and the appointment of the Chair as proxy does not specify the way the proxy is to vote on the resolution and expressly authorises the Chair to exercise the proxy even if the resolution is connected directly or indirectly with the remuneration of a member of the Key Management Personnel; and
- (b) it is not cast on behalf of a member of the Key Management Personnel whose remuneration details are included in the Remuneration Report, or their Closely Related Parties.

Further, a Restricted Voter who is appointed as a proxy will not vote on the Resolution unless:

- (a) the appointment specifies the way the proxy is to vote on the Resolution; or
- (b) the proxy is the Chair of the Meeting and the appointment expressly authorises the Chair to exercise the proxy even though the Resolution is connected directly or indirectly with the remuneration of a member of the Key Management Personnel. Shareholders should note that the Chair intends to vote any undirected proxies in favour of the Resolution.

Shareholders may also choose to direct the Chair to vote against the Resolution or to abstain from voting.

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

2 Resolution 2 – Re-Election of Mr Timothy Kennedy as a Director

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

"That Mr Timothy Kennedy, who ceases to hold office in accordance with clause 6.1(e) of the Company's Constitution and being eligible, offers himself for election, be elected a Director of the Company."

3 Resolution 3 – Approval of Additional 10% Placement Capacity

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

"That, for the purpose of Listing Rule 7.1A and all other purposes, Shareholders approve the issue of Equity Securities up to 10% of the issued capital of the Company (at the time of the issue) calculated in accordance with Listing Rule 7.1A.2 and on the terms and conditions set out in the Explanatory Memorandum."

4 Resolution 4 – Ratification of Shares issued to Hartleys

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

"That, for the purpose of Listing Rule 7.4 and for all other purposes, Shareholders ratify the issue of 689,655 Shares (at a deemed issue price of \$0.087 each) to Hartleys Limited or nominees on the terms and conditions set out in the Explanatory Memorandum."

Voting exclusion statement: The Company will disregard any votes cast in favour of the Resolution by or on behalf of:

- (a) a person who participated in the issue or is a counterparty to the agreement being approved (being Hartleys Limited); or
- (b) an Associate of that person.

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

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

5 Resolution 5 – Ratification of Shares issued to Miramar Resources Limited

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

“That, for the purpose of Listing Rule 7.4 and for all other purposes, Shareholders ratify the issue of 1,694,915 Shares (at a deemed issue price of \$0.059 each) to Miramar Resources Limited or nominees on the terms and conditions set out in the Explanatory Memorandum.”

Voting exclusion statement: The Company will disregard any votes cast in favour of the Resolution by or on behalf of:

- (a) a person who will participated in the issue being approved (being Miramar Resources Limited); or
- (b) an Associate of that person.

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

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

6 Resolution 6 – Ratification of issue of Shares to sophisticated and professional investors under Listing Rule 7.1

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

“That, for the purpose of Listing Rule 7.4 and for all other purposes, Shareholders ratify the issue of 15,000,000 Shares (at an issue price of \$0.059 each) on 28 September 2021 on the terms and conditions set out in the Explanatory Memorandum.”

Voting exclusion statement: The Company will disregard any votes cast in favour of the Resolution by or on behalf of:

- (a) a person who participated in the issue or is a counterparty to the agreement being approved; or
- (b) an Associate of that person.

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

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

7 Resolution 7 – Ratification of issue of Shares to sophisticated and professional investors under Listing Rule 7.1A

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

“That, for the purpose of Listing Rule 7.4 and for all other purposes, Shareholders ratify the issue of 9,655,084 Shares (at an issue price of \$0.059 each) on 28 September 2021 on the terms and conditions set out in the Explanatory Memorandum.”

Voting exclusion statement: The Company will disregard any votes cast in favour of the Resolution by or on behalf of:

- (a) a person who participated in the issue or is a counterparty to the agreement being approved; or
- (b) an Associate of that person.

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

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

8 Resolution 8 – Approval of Employee Incentive Plan

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

'That, pursuant to and in accordance with exception 13(b) of Listing Rule 7.2 and for all other purposes, Shareholders approve the employee incentive scheme of the Company known as the "Sipa Resources Limited Employee Share Option Plan" last approved in 2018 and the issue of 20,000,000 Securities under that plan, on the terms and conditions in the Explanatory Memorandum.'

Voting exclusion statement: The Company will disregard any votes cast in favour of the Resolution by or on behalf of:

- (a) a person who is eligible to participate in the Plan; or
- (b) an Associate of that person.

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

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

9 Resolution 9 – Approval of potential termination benefits under the Plan

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

'That conditional on Resolution 4 being approved, for a period commencing from the date this Resolution is passed and ending upon the expiry of all Securities issued or to be issued under the Sipa Resources Limited Employee Securities Incentive Plan, approval be given for all purposes including Part 2D.2 of the Corporations Act for the giving of benefits to any current or future person holding a managerial or executive office of the Company or a related body corporate in connection with that person ceasing to hold such office, on the terms and conditions in the Explanatory Statement.'

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 this Resolution if:

- (a) the proxy is either a member of the Key Management Personnel or a Closely Related Party of such member; and
- (b) the appointment does not specify the way the proxy is to vote on this Resolution.

However, the above prohibition does not apply if:

- (a) the proxy is the chair; and
- (b) the appointment expressly authorises the chair to exercise the proxy even though this Resolution is connected directly or indirectly with remuneration of a member of the Key Management Personnel.

10 Resolution 10 – Grant of Incentive Options to Mr Pip Darvall or his nominee(s)

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

"That, subject to the passing of Resolutions 8 and 9, for the purposes of Listing Rule 10.14 and for all other purposes, the Directors are authorised to issue up to 8,000,000 Incentive Options to Mr Pip Darvall or his nominee(s), on the terms and conditions set out in the Explanatory Memorandum."

Voting exclusion statement: *The Company will disregard any votes cast in favour of the Resolution by or on behalf of:*

- (a) a person referred to in Listing Rule 10.14.1, 10.14.2 or 10.14.3 who is eligible to participate in the employee incentive scheme in question; or
- (b) an Associate of those persons.

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

- (a) a person as proxy or attorney for a person who is entitled to vote on the Resolution, in accordance with the directions given to the proxy or attorney to vote on the Resolution in that way;

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

Further, a Restricted Voter who is appointed as a proxy will not vote on the Resolution unless:

- (a) *the appointment specifies the way the proxy is to vote on the Resolution; or*
- (b) *the proxy is the Chair of the Meeting and the appointment expressly authorises the Chair to exercise the proxy even though the Resolution is connected directly or indirectly with the remuneration of a member of the Key Management Personnel. Shareholders should note that the Chair intends to vote any undirected proxies in favour of the Resolution. In exceptional circumstances, the Chair of the Meeting may change his voting intention on the Resolution, in which case an ASX announcement will be made.*

Shareholders may also choose to direct the Chair to vote against the Resolution or to abstain from voting.

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

11 Resolution 11 – Ratification of Directors participation in capital raising

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

'That, pursuant to and in accordance with Listing Rule 10.11 and section 195(4) of the Corporations Act and for all other purposes, Shareholders approve the issue of Shares to Directors as follows:

- (a) *up to 169,491 Shares to John Forwood;*
- (b) *up to 169,491 Shares to Pip Darvall;*
- (c) *up to 169,491 Shares to Timothy Kennedy; and*
- (d) *up to 338,983 Shares to Craig McGown;*

or their respective nominees, on the terms and conditions in the Explanatory Memorandum.

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

- (a) *Resolution 11(a) by or on behalf of John Forwood (or his nominees), or any other person who will obtain a material benefit as a result of the issue of the securities (except a benefit solely by reason of being a Shareholder), or any of their respective associates;*
- (b) *Resolution 11(b) by or on behalf of Pip Darvall (or his nominees), or any other person who will obtain a material benefit as a result of the issue of the securities (except a benefit solely by reason of being a Shareholder), or any of their respective associates;*
- (c) *Resolution 11(c) by or on behalf of Timothy Kennedy (or his nominees), or any other person who will obtain a material benefit as a result of the issue of the securities (except a benefit solely by reason of being a Shareholder), or any of their respective associates; and*
- (d) *Resolution 11(d) by or on behalf of Craig McGown (or his nominees), or any other person who will obtain a material benefit as a result of the issue of the securities (except a benefit solely by reason of being a 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;*
- (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.

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 this Resolution if:

- (a) the proxy is either a member of the Key Management Personnel or a Closely Related Party of such member; and
- (b) the appointment does not specify the way the proxy is to vote on this Resolution.

However, the above prohibition does not apply if:

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

Further, in respect of Resolution 11(a), (b), (c) and (d), 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.

12 Resolution 12 – Issue of Options to Non-Executive Directors

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

'That, pursuant to and in accordance Listing Rule 10.11 and section 195(4) of the Corporations Act and for all other purposes, Shareholders approve the issue of Options to Directors as follows:

- (a) 800,000 Options to John Forwood;
- (b) 800,000 Options to Timothy Kennedy; and
- (c) 1,000,000 Options to Craig McGown;

or their respective nominees, on the terms and conditions in the Explanatory Memorandum.

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

- (a) Resolution 12(a) by or on behalf of John Forwood (or his nominees), or any other person who will obtain a material benefit as a result of the issue of the securities (except a benefit solely by reason of being a Shareholder), or any of their respective associates;
- (b) Resolution 12(b) by or on behalf of Timothy Kennedy (or his nominees), or any other person who will obtain a material benefit as a result of the issue of the securities (except a benefit solely by reason of being a Shareholder), or any of their respective associates; and
- (c) Resolution 12(c) by or on behalf of Craig McGown (or his nominees), or any other person who will obtain a material benefit as a result of the issue of the securities (except a benefit solely by reason of being a 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;

- (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.

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 this Resolution if:

- (a) the proxy is either a member of the Key Management Personnel or a Closely Related Party of such member; and
- (b) the appointment does not specify the way the proxy is to vote on this Resolution.

However, the above prohibition does not apply if:

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

Further, in respect of Resolution 12(a), (b) and (c), 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.

C. OTHER BUSINESS

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

Details of the definitions and abbreviations used in this Notice are set out in the Glossary to the Explanatory Memorandum.

By order of the Board



Ben Donovan

Company Secretary

Dated: 13 October 2021

Participating and voting virtually

Shareholders can vote by following the instructions set out in the virtual meeting guide to be published on the ASX and the Company's website prior to the Meeting.

Shareholders must register to attend the Meeting virtually no later than 48 hours before the date of the AGM, being 8:00am (AWST) on 16 November 2021. Details as to how Shareholders can register to attend the Meeting can be found in the virtual meeting guide to be published on the ASX and the Company's website prior to the AGM.

Participating in the meeting virtually enables Shareholders to participate the Meeting live and to also ask questions and cast direct votes at the appropriate times whilst the Meeting is in progress. More information regarding participating in the Meeting virtually is set out below and will be set out in the virtual meeting guide to be published on the ASX and the Company's website prior to the Meeting.

Questions at the AGM

Please note, only Shareholders may ask questions online once they have been verified. It may not be possible to respond to all questions. Shareholders are encouraged to lodge questions prior to the AGM (please see below).

Submission of written questions to the Company or the auditor in advance of the meeting

A Shareholder who is entitled to vote at the Meeting may submit a written question to the Company or the auditor in advance of the Meeting.

We ask that all pre-Meeting questions be received by the Company no later than 48 hours before the date of the Meeting, being 8:00am (AWST) on 16 November 2021. Any questions should be directed to reception@sipa.com.au.

Voting by a corporation

A Shareholder that is a corporation may appoint an individual to act as its representative and vote at the Meeting. The appointment must comply with the requirements of section 250D of the Corporations Act. The representative should provide evidence of his or her appointment, including any authority under which it is signed.

Voting by proxy

- A Shareholder entitled to attend virtually and vote is entitled to appoint not more than two proxies. Each proxy will have the right to vote on a poll and also to speak at the Meeting in the manner set out in the virtual meeting guide to be published on ASX and the Company's website prior to the Meeting.
- The appointment of the proxy may specify the proportion or the number of votes that the proxy may exercise. Where more than one proxy is appointed and the appointment does not specify the proportion or number of the Shareholder's votes each proxy may exercise, the votes will be

divided equally among the proxies (i.e. where there are two proxies, each proxy may exercise half of the votes).

- A proxy need not be a Shareholder.
- The proxy can be either an individual or a body corporate.
- The Company strongly encourages that Shareholders appoint the Chair as proxy.
- If a proxy is not directed how to vote on an item of business, the proxy may generally vote, or abstain from voting, as they think fit. However, where a Restricted Voter is appointed as a proxy, the proxy may only vote on Resolutions 1,8, 9,10, 11 and 12 in accordance with a direction on how the proxy is to vote or, if the proxy is the Chair of the Meeting and the appointment expressly authorises the Chair to exercise the proxy even if the Resolution is connected directly or indirectly with the remuneration of a member of the Key Management Personnel.
- If a proxy is instructed to abstain from voting on an item of business, they are directed not to vote on the Shareholder's behalf on the poll and the Shares that are the subject of the proxy appointment will not be counted in calculating the required majority.
- Shareholders who return their Proxy Forms with a direction how to vote, but who do not nominate the identity of their proxy, will be taken to have appointed the Chair of the Meeting as their proxy to vote on their behalf. If a Proxy Form is returned but the nominated proxy does not attend the Meeting, the Chair of the Meeting will act in place of the nominated proxy and vote in accordance with any instructions. Proxy appointments in favour of the Chair of the Meeting, the secretary or any Director that do not contain a direction how to vote will be used, where possible, to support each of the Resolutions proposed in this Notice, provided they are entitled to cast votes as a proxy under the voting exclusion rules which apply to some of the proposed Resolutions. These rules are explained in this Notice.
- To be effective, proxies must be received by 8:00am (AWST) on 16 November 2021. Proxies received after this time will be invalid.
- Proxies may be lodged using any of the following methods:
 - by returning a completed Proxy Form in person or by post using the pre-addressed envelope provided with this Notice to:

Computershare Investor Services Pty Limited
GPO Box 242
Melbourne Vic 3001 Australia

or

- by faxing a completed Proxy Form to 1800 783 447 (within Australia) or +61 3 9473 2555 (outside Australia);

or

- by recording the proxy appointment and voting instructions via the internet at <investorvote.com.au>. Only registered Shareholders may access this facility and will need their Control Number and Holder Identification Number (**HIN**) or Securityholder Reference Number (**SRN**), which can be located on the Proxy Form

- The Proxy Form must be signed by the Shareholder or the Shareholder's attorney. Proxies given by corporations must be executed in accordance with the Corporations Act. Where the appointment of a proxy is signed by the appointer's attorney, a certified copy of the Power of Attorney, or the power itself, must be received by the Company at the above address, or by facsimile, and by 8:00am (AWST) on 16 November 2021. If facsimile transmission is used, the Power of Attorney must be certified.

Shareholders who are entitled to vote

In accordance with paragraphs 7.11.37 and 7.11.38 of the Corporations Regulations, the Board has determined that a person's entitlement to vote at the Annual General Meeting will be the entitlement of that person set out in the Register of Shareholders as at 5:00pm (AWST) on 16 November 2021.

Sipa Resources Limited

ABN 26 009 448 980

EXPLANATORY MEMORANDUM

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

Certain abbreviations and other defined terms are used throughout this Explanatory Memorandum. Defined terms are generally identifiable by the use of an upper case first letter. Details of the definitions and abbreviations are set out in the Glossary to the Explanatory Memorandum.

A. Financial Reports

The first item of the Notice deals with the presentation of the consolidated annual financial report of the Company for the financial year ended 30 June 2021, together with the Directors' declaration and report in relation to that financial year and the Auditor's Report on the financial report. Shareholders should consider these documents and raise any matters of interest with the Directors when this item is being considered.

No resolution is required to be moved in respect of this item.

Shareholders will be given a reasonable opportunity at the Meeting to ask questions and make comments on the accounts and on the management of the Company.

The Chair will also give Shareholders a reasonable opportunity to ask the Auditor or the Auditor's representative questions relevant to:

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

The Chair will also allow a reasonable opportunity for the Auditor or their representative to answer any written questions submitted to the Auditor under section 250PA of the Corporations Act.

B. Resolutions

1 Resolution 1 – Non-Binding Resolution to adopt Remuneration Report

Section 250R(2) of the Corporations Act requires the Company to put to its Shareholders a resolution that the Remuneration Report as disclosed in the Company's 2021 Annual Report be adopted. The Remuneration Report is set out in the Company's 2021 Annual Report and is also available on the Company's website (www.sipa.com.au).

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

However, if at least 25% of the votes cast are against adoption of the Remuneration Report at two consecutive annual general meetings, the Company will be required to put a resolution to the second annual general meeting (**Spill Resolution**), to approve calling a general meeting (**Spill Meeting**). If more than 50% of Shareholders vote in favour of the Spill Resolution, the Company must then convene a Spill Meeting within 90 days of the second annual general meeting. All of the Directors who were in office when the applicable Directors' Report was approved, other than the Managing Director, will need to stand for re-election at the Spill Meeting if they wish to continue as Directors.

The remuneration report for the financial year ended 30 June 2020 did not receive a vote of more than 25% against its adoption at the Company's last annual general meeting held on 18 November 2020. Accordingly, if at least 25% of the votes cast on this Resolution are against adoption of the Remuneration Report it will not result in the Company putting a Spill Resolution to Shareholders.

The Remuneration Report explains the Board policies in relation to the nature and level of remuneration paid to Directors, sets out remuneration details for each Director and any service agreements and sets out the details of any equity-based compensation.

The Chair will give Shareholders a reasonable opportunity to ask questions about, or make comments on, the Remuneration Report.

Voting

Note that a voting exclusion applies to this Resolution in the terms set out in the Notice.

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

2 Resolution 2 – Re-election of Mr Timothy Kennedy as a Director

Pursuant to clause 6.1(e) of the Company's Constitution, Mr Kennedy, being a Director, retires by way of rotation and, being eligible, offers himself for re-election as a Director.

Mr Kennedy is a geologist with a successful 30-year career in the mining industry, including extensive involvement in the exploration, feasibility and development of gold, nickel, platinum group elements, base metals, and uranium projects throughout Australia. His most recent executive role was as exploration manager with IGO Limited, which during his 11 years IGO grew from being a junior explorer to a multi commodity mining company. In particular Mr Kennedy played a key role as part of the team that represented IGO on the exploration steering committee during the multi-million-ounce Tropicana, Havana and Boston Shaker discoveries, the discovery of the Rosie magmatic nickel sulphide deposit; and the discovery of the Bibra orogenic gold deposit.

Prior to that Mr Kennedy held a number of senior positions with global miner Anglo America, including as Exploration manager – Australia, Principal Geologist/Team Leader – Australia and Principal Geologist. He also held positions with Resolute Limited, Hunter Resources and PNC Exploration Pty Ltd.

During the past three years Mr Kennedy has also served as a director of Yandal Resources Limited (director since 17 February 2021), Helix Resources Limited (director since 16 February 2018) and Millennium Minerals Limited (resigned 20 February 2020).

The Board considers that Mr Kennedy, if re-elected, will continue to be classified as an independent director.

Based on Mr Kennedy's relevant experience and qualifications, the members of the Board, in the absence of Mr Kennedy, support the re-election of Mr Kennedy as a director of the Company.

3 Resolution 3 – Approval of Additional 10% Placement Capacity

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.

However, under Listing Rule 7.1A, an eligible entity may seek shareholder approval by way of a special resolution passed at its annual general meeting to increase this 15% limit by an extra 10% to 25% (**7.1A Mandate**).

An 'eligible entity' means an entity which is not included in the S&P/ASX 300 Index and has a market capitalisation of \$300,000,000 or less. The Company is an eligible entity for these purposes.

Resolution 3 seeks Shareholder approval by way of special resolution for the Company to have the additional 10% placement capacity provided for in Listing Rule 7.1A to issue Equity Securities without Shareholder approval.

If Resolution 3 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 3 is not passed, the Company will not be able to access the additional 10% capacity to issue Equity Securities without Shareholder approval under 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.

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 Resolution 3:

Period for which the 7.1A Mandate is valid

The 7.1A Mandate will commence on the date of the Meeting and expiring on the first to occur of the following:

- (a) the date that is 12 months after the date of this Meeting;
- (b) the time and date of the Company's next annual general meeting; and
- (c) the time and date of approval by Shareholders of any transaction under Listing Rule 11.1.2 (a significant change in the nature or scale of activities) or Listing Rule 11.2 (disposal of the main undertaking).

Minimum Price

Any Equity Securities issued under the 7.1A Mandate must be in an existing quoted class of Equity Securities and be issued at a minimum price of 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:

- (a) the date on which the price at which the Equity Securities are to be issued is agreed by the entity and the recipient of the Equity Securities; or
- (b) if the Equity Securities are not issued within 10 trading days of the date in Section 1(a)(a), the date on which the Equity Securities are issued.

Use of funds raised under the 7.1A Mandate

The Company intends to use funds raised from issues of Equity Securities under the 7.1A Mandate for ongoing exploration and working capital.

Risk of Economic and Voting Dilution

Any issue of Equity Securities under the 7.1A Mandate will dilute the interests of Shareholders who do not receive any Shares under the issue.

If Resolution 3 is approved by Shareholders and the Company issues the maximum number of Equity Securities available under the 7.1A Mandate, the economic and voting dilution of existing Shares would be as shown in the table below.

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 closing market price of Shares and the number of Equity Securities on issue as at 7 October 2021.

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 7.1A Mandate.

Number of Shares on Issue (Variable A in Listing Rule 7.1A.2)		Dilution			
		Shares issued – 10% voting dilution	Issue Price		
			\$0.027	\$0.054	\$0.081
			50% decrease	Issue Price	50% increase
			Funds Raised		
Current	204,177,347 Shares	20,417,734 Shares	\$551,278.82	\$1,102,557.64	\$1,653,836.45
50% increase	306,266,021 Shares	30,626,602 Shares	\$826,918.25	\$1,653,836.51	\$2,480,754.76
100% increase	408,354,694 Shares	40,835,469 Shares	\$1,102,557.66	\$2,205,115.33	\$3,307,672.99

*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. There are currently insert Shares on issue.
2. The issue price set out above is the closing market price of the Shares on the ASX on 7 October 2021.
3. The Company issues the maximum possible number of Equity Securities under the 7.1A Mandate.
4. The Company has not issued any Equity Securities in the 12 months prior to the Meeting that were not issued under an exception in Listing Rule 7.2 or with approval under Listing Rule 7.1.
5. The issue of Equity Securities under the 7.1A Mandate consists only of Shares. It is assumed that no Options are exercised into Shares before the date of issue of the Equity Securities.
6. 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.
7. This table does not set out any dilution pursuant to approvals under Listing Rule 7.1 unless otherwise disclosed.
8. The 10% voting dilution reflects the aggregate percentage dilution against the issued share capital at the time of issue. This is why the voting dilution is shown in each example as 10%.
9. The table does not show an example of dilution that may be caused to a particular Shareholder by reason of placements under the 7.1A mandate, based on that Shareholder's holding at the date of the Meeting.

Shareholders should note that there is a risk that:

- (i) the market price for the Company's Shares may be significantly lower on the issue date than on the date of the Meeting; and
- (ii) the Shares may be issued at a price that is at a discount to the market price for those Shares on the date of issue.

Allocation policy under the 7.1A Mandate

The recipients of the Equity Securities to be issued under the 7.1A Mandate have not yet been determined. However, the recipients of Equity Securities could consist of current Shareholders or new investors (or both), none of whom will be related parties of the Company.

The Company will determine the recipients at the time of the issue under the 7.1A Mandate, 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, share purchase plan, placement 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 circumstances of the Company, including, but not limited to, the financial position and solvency of the Company;
- (v) prevailing market conditions; and
- (vi) advice from corporate, financial and broking advisers (if applicable).

Previous approval under Listing Rule 7.1A

The Company previously obtained approval from its Shareholders pursuant to Listing Rule 7.1A at its annual general meeting held on 19 November 2020 (**Previous Approval**).

During the 12-month period preceding the date of the Meeting, being on and from the Previous Approval, the Company issued 9,655,084 Shares pursuant to the Previous Approval (**Previous Issue**), which represent approximately 5% of the total diluted number of Equity Securities on issue in the Company 12 months prior to the date of the Meeting.

Further details of the issues of Equity Securities by the Company pursuant to Listing Rule 7.1A.2 during the 12 month period preceding the date of the Meeting are set out below:

Date of Issue	Date of Issue: 28 September 2021
Recipients	The Equity Securities were issued to sophisticated investors, all of whom are unrelated parties to the Company, including existing shareholders and parties who were introduced by 180 Capital Markets and Argonaut Securities who showed interest in participating in the placement.
Number and Class of Equity Securities Issued	9,655,084 fully paid ordinary shares which rank equally in all respects with the existing fully paid ordinary Shares on issue.
Issue Price and discount to Market Price¹ (if any)	\$0.059, a 5% discount to the market price at the time of agreement to issue.
Total Cash Consideration and Use of Funds	Total \$569,650 was raised. None of the consideration has been spent to date. It is intended to be used for the completion of the Company's planned field programs for the remainder of the current financial year including: <ul style="list-style-type: none">• Drill and exploration programs at Warralong, Skeleton Rocks, Barbwire Terrace and Wolfe Basin; and• Project generation and general working capital purposes.

Voting Exclusion Statement

As at the date of this Notice, the Company is not proposing to make an issue of Equity Securities under Listing Rule 7.1A. Accordingly, a voting exclusion statement is not included in this Notice.

4 Resolution 4 – Ratification of issue of Shares to Hartleys Limited

On 3 August 2020, the Company announced that it had entered into a Farm-in and Joint Venture Agreement, pursuant to which it agreed to issue up to \$250,000 worth of Shares at an issue price of \$0.10 per Share as part of the consideration to Rio Tinto Exploration for the Company's Paterson North Copper-Gold project.

As part of that placement, the Company agreed to pay a 6% fee to Hartleys Limited (**Hartleys**) as an advisory fee as announced in the appendix 2A dated 8 October 2020. Hartleys chose to elect to receive \$60,000 of this fee in shares, being the issue of 689,655 shares. There are no other material terms.

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.

The issue of Shares to Hartleys does not fit within any of these exceptions and, as it has not yet been approved by the Company's Shareholders, it effectively uses up part of the 15% limit in Listing Rule 7.1, reducing the Company's capacity to issue further Equity Securities without Shareholder approval under Listing Rule 7.1 for the 12 month period following the date the Company entered into the agreement for the advisory fee.

ASX Listing Rule 7.4 sets out an exception to ASX Listing Rule 7.1. It provides that where a company in general meeting ratifies the previous issue of securities (and provided that the previous issue did not breach ASX Listing Rule 7.1) the issue will be treated as having been made with Shareholder approval for the purpose of ASX Listing Rule 7.1.

By ratifying the issues to Hartleys, the Company will retain the flexibility to issue equity securities in the future up to the 15% annual placement capacity set out in ASX Listing Rule 7.1 without the requirement to obtain prior Shareholder approval.

If the issue is not ratified, then the Company's placement capacity will be reduced by the number of Shares issued to Hartleys.

The following information in relation to the Shares issued to Hartleys is provided to Shareholders for the purposes of Listing Rule 7.5:

- (a) 689,655 Shares were issued to Hartleys, within the Company's then existing 15% capacity under Listing Rule 7.1;
- (b) the Shares were issued at a deemed price of \$0.087 per share on 8th October 2020;
- (c) the Shares issued were issued on the same terms and conditions and rank equally in all respects with the Company's existing Shares on issue;
- (d) the Shares have been issued to Hartleys who is an unrelated party;
- (e) no funds were raised from the issue of the Shares; and
- (f) the Shares were issued under an agreement with Hartleys pursuant to which Hartleys agreed to act as an advisor to the Company in relation to its transaction with Rio Tinto Exploration and for which Hartleys would be paid a fee equal to the Shares that were issued and which are the subject to this Resolution 4.

5 Resolution 5 – Ratification of issue of Shares to Miramar Resources Limited

On 16 February 2021, the Company announced that it had executed a Sale and Purchase Agreement with Miramar Resources Limited (ASX: M2R, ‘**Miramar**’) to acquire its Garden Gully Project, located in the Murchison district of Western Australia (‘the **Acquisition**’). The tenement package covers an area of 207 km², overlying the Abbots Greenstone Belt immediately along strike from the Company’s existing 100% owned and Farm In tenements to the south.

Consideration for the purchase was \$50,000 cash and the issue of \$100,000 of Shares based on the 5-day VWAP prior to the date of the announcement of the Acquisition. The Shares will be voluntarily escrowed for 6 month from the date of issue.

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.

The issue of Shares to Miramar does not fit within any of these exceptions and, as it has not yet been approved by the Company’s Shareholders, it effectively uses up part of the 15% limit in Listing Rule 7.1, reducing the Company’s capacity to issue further Equity Securities without Shareholder approval under Listing Rule 7.1 for the 12-month period following the date the Company entered into the agreement with Miramar.

ASX Listing Rule 7.4 sets out an exception to ASX Listing Rule 7.1. It provides that where a company in general meeting ratifies the previous issue of securities (and provided that the previous issue did not breach ASX Listing Rule 7.1) the issue will be treated as having been made with Shareholder approval for the purpose of ASX Listing Rule 7.1.

By ratifying the issues to Miramar, the Company will retain the flexibility to issue equity securities in the future up to the 15% annual placement capacity set out in ASX Listing Rule 7.1 without the requirement to obtain prior Shareholder approval.

If the issue is not ratified, then the Company’s placement capacity will be reduced by the number of Shares issued to Miramar.

The following information in relation to the Shares issued to Miramar is provided to Shareholders for the purposes of Listing Rule 7.5:

- (a) 1,694,915 Shares were issued to Miramar, within the Company’s then existing 15% capacity under Listing Rule 7.1;
- (b) the Shares were issued at a deemed price of \$0.059 per share on 21 June 2021;
- (c) the Shares issued were issued on the same terms and conditions and rank equally in all respects with the Company’s existing Shares on issue. Miramar have agreed to 6 months voluntary escrow on the Shares from the date of issue;
- (d) the Shares have been issued to Miramar who is an unrelated party;
- (e) no funds were raised from the issue of the Shares; and
- (f) the Shares were issued pursuant to an acquisition agreement with Miramar pursuant to which the Shares were issued as part consideration (along with \$50,000 in cash) for the acquisition of the Garden Gully tenements from Miramar. There are no other material terms.

6 Resolution 6 – Ratification of issue of Shares to Sophisticated Investors

On 21 September 2021, the Company announced that it had raised approximately \$1.5m via the issue of Shares to sophisticated investors at an issue price of \$0.059. The placement was carried out under the Company’s 15% and 10% placement capacities. The funds raised from the raising will be used for the completion of the Company’s planned field programs for the remainder of the current financial year including:

- (a) Further reconnaissance drilling at Warralong
- (b) Diamond drilling of IP targets at Wolfe Basin
- (c) Maiden drilling at Skeleton Rocks and Barbwire Terrace
- (d) Project generation and general working capital purposes

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.

The issue of Shares to the unrelated investors does not fit within any of these exceptions and, as it has not yet been approved by the Company's Shareholders, it effectively uses up part of the 15% limit in Listing Rule 7.1, reducing the Company's capacity to issue further Equity Securities without Shareholder approval under Listing Rule 7.1 for the 12 month period following the date the Company entered into the agreement for the placement.

ASX Listing Rule 7.4 sets out an exception to ASX Listing Rule 7.1. It provides that where a company in general meeting ratifies the previous issue of securities (and provided that the previous issue did not breach ASX Listing Rule 7.1) the issue will be treated as having been made with Shareholder approval for the purpose of ASX Listing Rule 7.1.

By ratifying the issues to the sophisticated investors, the Company will retain the flexibility to issue equity securities in the future up to the 15% annual placement capacity set out in ASX Listing Rule 7.1 without the requirement to obtain prior Shareholder approval.

If the issue is not ratified, then the Company's placement capacity will be reduced by the number of Shares issued to the sophisticated investors.

The following information in relation to the Shares issued to the sophisticated investors is provided to Shareholders for the purposes of Listing Rule 7.5:

- (a) 15,000,000 Shares were issued to the sophisticated investors, within the Company's then existing 15% capacity under Listing Rule 7.1;
- (b) the Shares were issued at a price of \$0.059 per share on 28 September 2021;
- (c) the Shares issued were issued on the same terms and conditions and rank equally in all respects with the Company's existing Shares on issue;
- (d) the Shares have been issued to unrelated parties including existing shareholders and parties who were introduced by 180 Capital Markets and Argonaut Securities who showed interest in participating in the placement; and
- (e) a total of \$885,000 was raised pursuant to the issue of Shares subject to this Resolution 6 and applied to the exploration programs noted above; and
- (f) a voting exclusion applies in respect of this Resolution as set out in the Notice of Meeting.

7 Resolution 7 – Ratification of issue of Shares to Sophisticated Investors

On 21 September 2021, the Company announced that it had raised approximately \$1.5m via the issue of Shares to sophisticated investors at an issue price of \$0.059. The placement was carried out under the Company's 15% and 10% placement capacities. The funds raised from the raising would be used for the completion of the Company's planned field programs for the remainder of the current financial year including:

- (a) Further reconnaissance drilling at Warralong
- (b) Diamond drilling of IP targets at Wolfe Basin

- (c) Maiden drilling at Skeleton Rocks and Barbwire Terrace
- (d) Project generation and general working capital purposes

On 28 September 2021, the Company issued 9,655,084 Shares at an issue price of \$0.059 per Share to raise approximately \$569,649 using its Listing Rule 7.1A capacity.

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, an eligible entity can seek approval from its members, by way of a special resolution passed at its annual general meeting, to increase this 15% limit by an extra 10% to 25%. Shareholders approved this additional capacity at the Company's last annual general meeting.

The Placement does not fit within any of the exceptions and, as it has not yet been approved by the Company's Shareholders, it effectively uses up part of the 10% limit in Listing Rule 7.1A, reducing the Company's capacity to issue further Equity Securities without Shareholder approval under Listing Rule 7.1A for the period ending on the earliest of:

- (a) the date that is 12 months after the last annual general meeting at which the Listing Rule 7.1A Mandate was approved;
- (b) the time and date of the next annual general meeting; and
- (c) the time and date on which Shareholders approve a transaction under Listing Rule 11.1.2 (for a significant change to the nature or scale of the Company's activities) or Listing Rule 11.2 (disposal of the Company's main undertaking),

(Listing Rule 7.1A Mandate Expiry Date).

Listing Rule 7.4 allows the shareholders of a company to approve an issue of Equity Securities after it has been made or agreed to be made. If they do, the issue is taken to have been approved under Listing Rules 7.1 and 7.1A and so does not reduce the company's capacity to issue further Equity Securities without shareholder approval under those rules.

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 7.1A, and therefore seeks Shareholder approval to ratify the issue of Shares pursuant to the Placement under and for the purposes of Listing Rule 7.4.

If this Resolution is passed, the Shares pursuant to the Placement will be excluded in calculating the Company's 25% limit in Listing Rules 7.1 and 7.1A, effectively increasing the number of Equity Securities the Company can issue without Shareholder approval:

- (a) under Listing Rule 7.1 for the 12 month period following the date the Company issued Shares pursuant to the Placement; and
- (b) under Listing Rule 7.1A for the period ending on the Listing Rule 7.1A Mandate Expiry Date.

If this Resolution is not passed, the Shares pursuant to the Placement will be included in calculating the Company's 25% limit in Listing Rules 7.1 and 7.1A, effectively decreasing the number of Equity Securities the Company can issue without Shareholder approval under Listing Rules 7.1 and 7.1A for the periods noted immediately above.

The following information in relation to the Shares the subject of the Placement is provided to Shareholders for the purposes of Listing Rule 7.5:

- (a) the Shares were issued to sophisticated and professional investors who are unrelated parties of the Company. The Placement was Company-led, supported a number of brokers including 180 Capital Markets who provided a cornerstone bid for the offer and assisted in the management of the bookbuild;

- (b) 9,655,084 Shares were issued under the Company's Listing Rule 7.1A capacity;
- (c) the Shares issued were fully paid ordinary Shares in the capital of the Company and rank equally in all respects with the existing fully paid ordinary Shares on issue;
- (d) the Shares were issued on 28 September 2021;
- (e) the Shares were issued at an issue price of \$0.059 each;
- (f) the Shares were issued for the completion of the Company's planned field programs for the remainder of the current financial year as stated above; and
- (g) a voting exclusion applies in respect of this Resolution as set out in the Notice of Meeting.

8 Resolution 8 – Approval for the adoption of an Employee Incentive Plan

8.1 General

The Company has an employee share option plan that was last approved by Shareholders at the Company's Annual General Meeting on 15 November 2018. Pursuant to Listing Rule 7.2, exception 13(b), the Plan must be approved each three years.

Resolution 4 seeks Shareholders' approval for the re-adoption of the employee incentive scheme titled 'Sipa Resources Limited Employee Share Option Plan' (**Plan**) in accordance with Listing Rule 7.2 exception 13(b).

Under the Plan, the Board may offer to eligible persons the opportunity to subscribe for such number of Equity Securities in the Company as the Board may decide and on the terms set out in the rules of the Plan, a summary of the key terms and conditions of which is in Annexure A. In addition, a copy of the Plan is available for review by Shareholders at the registered office of the Company until the date of the Meeting. A copy of the Plan can also be sent to Shareholders upon request to the Company Secretary. Shareholders are invited to contact the Company if they have any queries or concerns.

8.2 Listing Rules 7.1 and 7.2, exception 13(b)

A summary of Listing Rule 7.1 is contained in Section 4 above.

Listing Rule 7.2, exception 13(b) provides an exception to Listing Rule 7.1 such that issues of equity securities under an employee incentive scheme are exempt for a period of three years from the date on which shareholders approve the issue of Equity Securities under the scheme as an exception to Listing Rule 7.1.

If Resolution 8 is passed, the Company will be able to issue Equity Securities under the Plan to eligible participants over a period of three years up to a nominated maximum amount without using the Company's 15% annual placement capacity under Listing Rule 7.1.

If Resolution 8 is not passed, the Company will not be able to issue Equity Securities under the Plan to eligible participants without using the Company's 15% limit under Listing Rule 7.1, effectively decreasing the number of Equity Securities the Company can issue or agree to issue without obtaining Shareholder approval over the 12 month period following any such issue.

Any future issues of Equity Securities under the Plan to a related party or a person whose relation with the Company or the related party is, in ASX's opinion, such that approval should be obtained will require additional Shareholder approval under Listing Rule 10.14 at the relevant time. For this reason, the Company is also seeking approval under Resolution 10 for the issue of Options to certain Directors pursuant to the Plan.

8.3 Specific information required by Listing Rule 7.2, exception 13(b)

Pursuant to and in accordance with Listing Rule 7.2, exception 13(b), the following information is provided in relation to the Plan:

- (a) the material terms of the Plan are summarised in Annexure A;
- (b) A total of 4,040,418 securities have been issued since the plan was last approved in 2018;
- (c) (c) the maximum number of Equity Securities proposed to be issued under the Plan following approval of Resolution 8 shall not exceed 20,000,000 Equity Securities, which is equal to approximately 9.75% of the Company's Equity Securities currently on issue; and;
- (d) a voting exclusion statement is included in the Notice.

8.4 Board recommendation

Resolution 8 is an ordinary resolution.

The Directors decline to make a recommendation in relation to Resolution 8 due to their material personal interest in the outcome of the Resolution.

9 Resolution 9 – Approval of potential termination benefits under the Plan

9.1 General

The Corporations Act contains certain limitations concerning the payment of 'termination benefits' to persons who hold a 'managerial or executive office'. The Listing Rules also provides certain limitations on the payment of "termination benefits" to officers of listed entities.

As is common with employee incentive schemes, the Plan provides the Board with the discretion to, amongst other things, determine that some or all of the Equity Securities granted to a participant under the Plan (Plan Securities) will not lapse in the event of that participant ceasing their engagement with the Company before such Plan Securities have vested. This 'accelerated vesting' of Plan Securities may constitute a 'termination benefit' prohibited under the Corporations Act, regardless of the value of such benefit, unless Shareholder approval is obtained. Accordingly, the Board has resolved to seek Shareholder approval for the granting of such termination benefits in accordance with Resolution 9.

9.2 Part 2D.2 of the Corporations Act

Under section 200B of the Corporations Act, a company may only give a person a benefit in connection with them ceasing to hold a 'managerial or executive office' (as defined in the Corporations Act) if an exemption applies or if the benefit is approved by shareholders in accordance with section 200E of the Corporations Act.

Subject to Shareholder approval of Resolution 9, Shareholder approval is sought for the purposes of Part 2D.2 of the Corporations Act to approve the giving of benefits under the Plan to a person by the Company in connection with that person ceasing to be an officer of, or ceasing to hold a managerial or executive office in, the Company (or subsidiary of the Company) on the terms and conditions in this Explanatory Statement.

As noted above, under the terms of the Plan and subject to the Listing Rules, the Board possesses the discretion to vary the terms or conditions of the Plan Securities. Notwithstanding the foregoing, without the consent of the participant in the Plan, no amendment may be made to the terms of any granted Plan Security which reduces the rights of the participant in respect of that Plan

Security, other than an amendment introduced primarily to comply with legislation, to correct any manifest error or mistake or to take into consideration possible adverse tax implications.

As a result of the above discretion, the Board has the power to determine that some or all of a participant's Plan Securities will not lapse in the event of the participant ceasing employment or office before the vesting of their Plan Securities. The Board's current intention is to only exercise this discretion where the person leaves employment or office without fault on their part.

The exercise of this discretion by the Board may constitute a 'benefit' for the purposes of section 200B of the Corporations Act. The Company is therefore seeking Shareholder approval for the exercise of the Board's discretion in respect of any current or future participant in the Plan who holds:

- (a) a managerial or executive office in, or is an officer of, the Company (or subsidiary of the Company) at the time of their leaving or at any time in the three years prior to their leaving; and
- (b) Plan Securities at the time of their leaving.

9.3 Value of the termination benefits

Provided Shareholder approval is given, the value of the termination benefits may be disregarded when applying section 200F(2)(b) or section 200G(1)(c) of the Corporations Act (i.e., the approved benefit will not count towards the statutory cap under the legislation).

The value of the termination benefits that the Board may give under the Plan cannot be determined in advance. This is because various matters will or are likely to affect that value. In particular, the value of a particular benefit will depend on factors such as the Company's Share price at the time of vesting and the number of Plan Securities that will vest or otherwise be affected. The following additional factors may also affect the benefit's value:

- (a) the participant's length of service and the status of the vesting conditions attaching to the relevant Plan Securities at the time the participant's employment or office ceases; and
- (b) the number of unvested Plan Securities that the participant holds at the time they cease employment or office.

In accordance with Listing Rule 10.19, the Company will ensure that no officer of the Company or any of its child entities will, or may be, entitled to termination benefits if the value of those benefits and the terminations benefits that are or may be payable to all officers together exceed 5% of the equity interests of the Company as set out in the latest accounts given to ASX under the Listing Rules.

9.4 Board Recommendation

Resolution 9 is subject to and conditional on the passing of Resolution 8. If Resolution 8 is not passed by the requisite majority of Shareholders, Resolution 9 will be withdrawn.

The Board decline to make a recommendation in relation to Resolution 9 due to their personal interest in the outcome of the Resolution.

The Chair intends to exercise all available proxies in favour of Resolution 9.

10 Resolution 10 - Grant of Incentive Options to Mr Pip Darvall (or his nominee(s))

Resolution 10 seeks approval for the issue of a total of 8,000,000 Incentive Options to Mr Pip Darvall (or his nominee) on the following terms:

Number	Exercise price	Expiry Date	Vesting Periods
2,000,000	175% of 5 day VWAP prior to issue	4 years from issue	<ul style="list-style-type: none"> 1,500,000 vest immediately 500,000 to vest subject to pre-determined performance hurdles*
2,000,000	250% of 5 day VWAP prior to issue	4 years from issue	<ul style="list-style-type: none"> 1,500,000 vest immediately 500,000 to vest subject to pre-determined performance hurdles*
2,000,000	325% of 5 day VWAP prior to issue	4 years from issue	<ul style="list-style-type: none"> 1,500,000 vest immediately 500,000 to vest subject to pre-determined performance hurdles*
2,000,000	400% of 5 day VWAP prior to issue	4 years from issue	<ul style="list-style-type: none"> 1,500,000 vest immediately 500,000 to vest subject to pre-determined performance hurdles*

*The performance hurdles are designed to optimise the Company's performance against its strategic plan, with threshold levels representing meaningful progress against the Company's objectives. The threshold levels are suitably stretched to be consistent with the objectives of the Plan.

Related Party Transactions Generally

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

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

For the purposes of Chapter 2E of the Corporations Act, Mr Darvall is a related party of the Company.

The Resolution relates to the proposed grant of Incentive Options to Mr Darvall (or his nominee(s)), which is a financial benefit that may require Shareholder approval for the purposes of section 208 of the Corporations Act.

In relation to this Resolution, the Board (excluding Mr Darvall) has formed the view that Shareholder approval under section 208 of the Corporations Act is not required for the proposed issue of Incentive Options as the issue, which forms part of the remuneration package for Mr Darvall, is considered reasonable remuneration for the purposes of section 211 of the Corporations Act.

Mr Darvall's total remuneration package

Mr Darvall's fees per annum (including superannuation) and the total financial benefit to be received by him in this current period, as a result of the grant of the Incentive Options the subject of the Resolution, are as follows:

Director	Fees p.a. (A\$)	Value of Incentive Options (A\$)	Total Financial Benefit (A\$)
Mr Darvall	319,000, including superannuation	\$127,850.50	\$446,850.50

The indicative Option valuations is a theoretical valuation of each Incentive Option using the Black-Scholes Model and is summarised below. This indicative valuation assumes all performance hurdles are met and that the full number of options ultimately vest.

Indicative Valuation of Incentive Options

The Company has valued the Incentive Options to be granted to Mr Darvall (or his nominee(s)) using the Black – Scholes Model. The value of an Option calculated by the Black – Scholes Model is a function of a number of variables. The valuation of the Incentive Options has been prepared using the following assumptions:

Variable	Input
Share price as at 6 October 2021	\$0.06
Risk Free Interest Rate	0.01%
Volatility	68%
Time (years to expiry)	4 years

Exercise price	Number of Option	Option Value	Total Value of Options
175% (assumed \$0.105)	2,000,000	\$0.02193	\$43,853.60
250% (assumed \$0.15)	2,000,000	\$0.01698	\$33,959.60
325% (assumed \$0.195)	2,000,000	\$0.01368	\$27,367.70
400% (assumed \$0.24)	2,000,000	\$0.01133	\$22,669.60

Information Requirements – Listing Rules 10.14 and 10.15

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

- a director of the Company (Listing Rule 10.14.1);
- an Associate of a director of the Company (Listing Rule 10.14.12); or
- a person whose relationship with the Company or a person referred to in Listing Rule 10.14.1 or 10.14.2 is such that, in ASX's opinion, the acquisition should be approved by its Shareholders (Listing Rule 10.14.3),

unless it obtains the approval of its Shareholders.

The proposed grant of Incentive Options to Mr Darvall (or his nominee(s)) pursuant to the Resolution falls within Listing Rule 10.14.1 and therefore requires the approval of Shareholders under Listing Rule 10.14.

If this Resolution is passed, the Company will grant Incentive Options to Mr Darvall (or his nominee(s)).

If this Resolution is not passed, the Company will not grant Incentive Options to Mr Darvall (or his nominee(s)) and the Company will not be utilising the most cost-effective and efficient means for incentivising Mr Darvall, and other means, such as cash payments, would be considered. Those other means may not align Mr Darvall's interests with those of Shareholders to the same extent.

The following further information is provided to Shareholders for the purposes of Listing Rule 10.15:

- (a) the Incentive Options will be granted to Mr Darvall, or his nominee(s), as noted above;
- (b) Mr Darvall is a Director of the Company, and is therefore a related party of the Company pursuant to Listing Rule 10.14.1;
- (c) the issue of Incentive Options pursuant to this Resolution is intended to remunerate or incentivise Mr Darvall, whose current total remuneration package is set out above;
- (d) 8,000,000 Incentive Options will be granted to Mr Darvall (or his nominee(s));
- (e) Mr Darvall has been issued 459,167 Securities pursuant to the Plan in 2020 and 2,000,000 in 2019;
- (f) the terms and conditions of the Incentive Options are set out in Annexure B to this Explanatory Memorandum;
- (g) the Company has chosen to issue Incentive Options for the following reasons:
 - (i) to align Mr Darvall's incentive with that of Shareholders' interest by payment in equity;
 - (ii) to focus on the long term strategic objectives established by the Board;
 - (iii) the fact that the accounting and taxation implications are reasonably straight forward, do not involve complex measurement and are understood by shareholders; and
 - (iv) furthermore, the premium of the exercise price to the underlying share price will ensure that there are no adverse accounting implications for the Company or Mr Darvall;
- (h) the Company's advisors have valued the Incentive Options using the Black – Scholes Model. It is considered that the estimated value of the Incentive Options to be granted to Mr Darvall (or his nominee(s)) is \$127,850.50. The key assumptions in valuing the Incentive Options are set out above;
- (i) the Incentive Options will be granted on a date which will be no later than 3 years after the date of this Meeting, unless otherwise extended by way of ASX granting a waiver to the Listing Rules;
- (j) the Incentive Options will be granted for no consideration;
- (k) a summary of the material terms of the Company's Employee Share Option Plan (**Plan**), pursuant to which the Incentive Options are issued, is set out in Annexure A;
- (l) no loans have or will be made by the Company in connection with the relevant Incentive Options;
- (m) details of any Securities issued under the Plan will be published in the annual report of the entity relating to a period in which they were issued, along with a statement that approval for the issue was obtained under Listing Rule 10.14;
- (n) any additional persons covered by Listing Rule 10.14 who become entitled to participate in the scheme after the Resolution is approved and who were not named in the Notice will not participate until approval is obtained under that rule; and
- (o) a voting exclusion statement applies to this Resolution as set out in the Notice of Meeting.

Directors' recommendation

All the Directors were available to make a recommendation. For the reasons noted above, Mr Darvall declines to make a recommendation about the Resolution as he has a material personal interest in the outcome of this particular Resolution as it relates to the proposed grant of Incentive Options to him or his nominee(s). The Directors (other than Mr Darvall) recommend that Shareholders vote in favour of this Resolution. The Board (other than Mr Darvall) is not aware of any other information that would reasonably be required by the Shareholders to allow them to make a decision with respect to whether it is in the best interests of the Company to pass the Resolution.

Voting

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

11 Resolution 11 – Proposed Issue of Shares to Directors

As outlined in Section 6, the Company raised approximately \$1,500,000 via firm commitments from existing and new institutional and sophisticated investors at an issue price of \$0.059 per new share. Included in the raising was the participation of the directors Mr Darvall, Mr McGown, Mr Kennedy and Mr Forwood, subject to shareholder approval before the Shares can be issued.

11.1 Regulatory Requirements

As Shareholder approval is being sought under ASX Listing Rule 10.11, approval is not also required under ASX Listing Rule 7.1. ASX Listing Rule 10.11 provides that unless one of the exceptions in ASX Listing Rule 10.12 applies, a listed company must not issue or agree to issue Equity Securities to a related party.

The Director Issue falls within ASX Listing Rule 10.11.1 and does not fall within any of the exceptions in ASX Listing Rule 10.12. It therefore requires the approval of the Company's shareholders under ASX Listing Rule 10.11. Resolution 11 seeks the required shareholder approval to the Director Issue under and for the purposes of ASX Listing Rule 10.11.

If Resolution 11 is passed, the Company will be able to proceed with the Director Issue and issue the Shares to Messrs Darvall, McGown, Kennedy and Forwood.

If Resolution 11 is not passed, the Company will not be able to proceed with the Director Issue and will not raise those funds that will be paid by the Directors for those Shares. The funds currently held in trust will be refunded to Messrs Darvall, McGown, Kennedy and Forwood and no shares will be issued.

The Directors have considered the requirements of Chapter 2E of the Corporations Act and note that, given that the Directors will be required to pay the same price as all unrelated investors in the capital raising (\$0.059) per Share, and given the pricing of the capital raising was determined with the interests of unrelated sophisticated and professional investors in mind, not the interests of Directors, that approval for the issue of the Shares under Resolution 11 does not require approval under Section 208 of the Corporations Act.

11.2 Information required by ASX Listing Rule 10.13

Pursuant to and in accordance with the requirements of ASX Listing Rule 10.13, the following information is provided in relation to the proposed Director Issue to Messrs Darvall, McGown, Kennedy and Forwood.

- (a) **The names of the persons to whom the entity agreed to issue the securities and the category in rule 10.11 the person falls within**

The Director Placement Shares are proposed to be issued to Messrs Darvall, McGown, Kennedy and Forwood (or nominees) who are related parties to the Company (ASX Listing Rule 10.11.1 category) by virtue of being a Director.

(b) **Number of securities and class of securities issued**

The maximum number of New Shares to be issued under Resolutions 11 is 847,456 being:

- a) up to 169,491 Shares to John Forwood;
- (b) up to 169,491 Shares to Pip Darvall;
- (c) up to 169,491 Shares to Timothy Kennedy; and
- (d) up to 338,983 Shares to Craig McGown;

These securities will only be issued upon shareholder approval.

(c) **Terms of the securities**

The Shares 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.

(d) **Date of issue**

The Shares will be issued as soon as practicable after the date of the meeting and in any event within one month after the date of the Meeting.

(e) **Issue price or other consideration**

The issue price for the Director Placement Shares was \$0.059, being the same price as the placement issue to unrelated parties.

(f) **Purpose of the issue, including the intended use of the funds raised**

The issue of the Director Placement Shares (which formed part of the Placement) was to raise capital for the purpose ongoing exploration activities and general working capital.

(g) **Relevant agreement**

The Director Placement Shares were not issued pursuant to any agreement.

(h) **Voting exclusion statement**

A Voting Exclusion Statement has been provided for these Resolutions in their respective Agenda Sections in this Notice of Meeting.

11.4 Board recommendations

Each of the directors declines to make a recommendation to Shareholders in relation to Resolution 11 due to his material personal interest in the outcome of the Resolution on the basis that they are to be issued the Director Placement Shares should Resolution 11 be passed.

12 Resolution 12 – Issue of Options to Non-Executive Directors

12.1 General

The Company is proposing, subject to obtaining Shareholder approval, to issue up to 2,600,000 Options (**Incentive Options**) to Craig McGown, Timothy Kennedy and John Forwood (together, **Non-Executive Directors**), or their respective nominees, as follows:

Option Class	Directors	Incentive Options	Exercise price	Expiry Date
Director 1	Craig McGown	250,000	175% of the 5-day VWAP at date of issue	4 years from date of issue
	Timothy Kennedy	200,000	175% of the 5 day VWAP at date of issue	4 years from date of issue
	John Forwood	200,000	175% of the 5 day VWAP at date of issue	4 years from date of issue
Director 2	Craig McGown	250,000	250% of the 5 day VWAP at date of issue	4 years from date of issue
	Timothy Kennedy	200,000	250% of the 5 day VWAP at date of issue	4 years from date of issue
	John Forwood	200,000	250% of the 5 day VWAP at date of issue	4 years from date of issue
Director 3	Craig McGown	250,000	325% of the 5 day VWAP at date of issue	4 years from date of issue
	Timothy Kennedy	200,000	325% of the 5 day VWAP at date of issue	4 years from date of issue
	John Forwood	200,000	325% of the 5 day VWAP at date of issue	4 years from date of issue
Director 4	Craig McGown	250,000	400% of the 5 day VWAP at date of issue	4 years from date of issue
	Timothy Kennedy	200,000	400% of the 5 day VWAP at date of issue	4 years from date of issue
	John Forwood	200,000	400% of the 5 day VWAP at date of issue	4 years from date of issue
TOTAL		2,600,000		

The Company is in an important stage of growth with significant opportunities and challenges in both the near and long-term, and the proposed issue seeks to align the efforts of the Non-Executive Directors in seeking to guide the Company to achieve growth of the Share price and in the creation of Shareholder value. In addition, the Board also believes that incentivising with Incentive Options is a prudent means of conserving the Company's available cash reserves.

The Incentive Options issued to the Non-Executive Directors will vest immediately.

Resolution 12(a) to Resolution 12(c) (inclusive) seek Shareholder approval pursuant to Listing Rule 10.11 and sections 195(4) of the Corporations Act for the issue of up to 2,600,000 Incentive Options to the Non-Executive Directors or their respective nominees.

12.2 Listing Rule 10.11

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

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

unless it obtains the approval of its shareholders.

The proposed issues of Incentive Securities falls within Listing Rule 10.11.1 and does not fall within any of the exceptions in Listing Rule 10.12. They therefore require the approval of Shareholders under Listing Rule 10.11.

Resolution 12 seeks the required Shareholder approval to the proposed issues of Incentive Securities under and for the purposes of Listing Rule 10.11 and section 208 of the Corporations Act.

If Resolution 12 is passed, the Company will be able to proceed with the issue of the Incentive Securities to the Non-Executive Directors (or their nominees) as part of an incentive package.

If Resolution 12 is not passed, the Company will not be able to proceed with the issue of the Incentive Securities to the Non-Executive Directors (or their nominees) and the Company will need to consider other forms of incentive remuneration, which would likely include by the payment of cash.

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

12.3 Specific Information required by Listing Rule 10.13

Pursuant to and in accordance with Listing Rule 10.13, the following information is provided in relation to the proposed issue of Incentive Options:

- (a) The Incentive Options will be issued to Messrs McGown, Kennedy and Forwood or their respective nominees, subject to the relevant Director continuing to hold the position of Director as at the date of issue of the Incentive Options.
- (b) The Non-Executive Directors are related parties of the Company by virtue of being

Directors and fall into the category stipulated by Listing Rule 10.11.1. If the Non-Executive Directors elects for the Incentive Options to be granted to their nominees, Listing Rule 10.11.4 will apply.

- (c) The maximum number of Incentive Options to be issued to the Non-Executive Directors (or their respective nominees) is 2,600,000, in the proportions set out in Section 12.1 above.
- (d) The Incentive Options will be issued on the terms and conditions in Annexure C.
- (e) The Incentive Options will be issued no later than one month after the date of the Meeting.
- (f) The Incentive Options will be issued for nil cash consideration as they will be issued as part of the Non-Executive Directors' remuneration package. Accordingly, no funds will be raised as a result of the issues.
- (g) The annual remuneration package (inclusive of superannuation) of the Non-Executive Directors as at the date of this Notice are set out below:

Directors	Salary and fees (inclusive of superannuation)
Craig McGown	\$77,000
Timothy Kennedy	\$47,500
John Forwood	\$47,500

- (h) There are no additional material terms with respect to the agreements for the proposed issue of the Incentive Options.
- (i) A voting exclusion statement is included in the Notice.

12.4 Information requirements for Chapter 2E of the Corporations Act

The Board has considered the requirements of Chapter 2E of the Corporations Act.

Generally, for a public company, or an entity that the public company controls, to give a financial benefit to a related party of the public company, the public company or entity must:

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

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

The issue of Options under Resolution 12 constitutes giving a financial benefit and the recipients are all related parties by virtue of being Directors.

However, given the small value quantum of the Director Options to be issued and the significant risk of forfeiture based on the respective exercise prices of the Director Options, the Directors consider that there is a material argument that the issue of the Director Options constitute reasonable remuneration when considered with their existing cash remuneration outlined above.

Notwithstanding that position, the Company provides the following information to Shareholders in relation to Resolution 12.

- (a) **Identity of the related parties to whom Resolution 12(a), to Resolution 12(c)**

(inclusive) permit financial benefits to be given

The Incentive Options will be issued to Messrs McGown, Kennedy and Forwood or their respective nominees.

(b) Nature of the financial benefit

Resolution 12(a) to Resolution 12(c) (inclusive) seek approval from Shareholders to allow the Company to issue the Incentive Options in the amounts specified in Section 12.1 above to the Non-Executive Directors or their nominees.

The Shares to be issued upon exercise of the Incentive 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

A valuation of the Incentive Options is in Annexure D, with a summary for each Non-Executive Director below:

Non-Executive Director	Value of Incentive Options
Craig McGown	\$15,981.32
Timothy Kennedy	\$12,785.05
John Forwood	\$12,785.05

(d) Remuneration of Non-Executive Directors

The total annual remuneration arrangements current for Messrs McGown, Kennedy and Forwood as at the date of this Notice is set out at Section 12.3(g) above.

(e) Existing relevant interests

At the date of this Notice, the Non-Executive Directors hold the following relevant interests in Equity Securities of the Company:

Directors	Shares	Options
Craig McGown	774,329	Nil
Timothy Kennedy	349,863	Nil
John Forwood	508,043	Nil

* excludes any shares to be approved under this Notice.

Assuming that Resolution 12(a) to Resolution 12(c) (inclusive) are approved by Shareholders, all of the Incentive Options are issued, vest and are exercised into Shares, and no other Equity Securities are issued or exercised, the respective interests of the Non-Executive Directors in the Company would be as follows:

- (i) Mr McGown's interest would represent approximately 0.85% of the Company's expanded capital;
- (ii) Mr Kennedy's interest would represent approximately 0.55% of the Company's expanded capital; and

- (iii) Mr Forwood's interest would represent approximately 0.63% of the Company's expanded capital.

(f) **Trading history**

The trading history of the Shares on ASX over the previous 12 months is summarised in below:

Measure	Price	Date
Highest closing price	\$0.084	23/10/2020
Lowest closing price	\$0.051	30/6/2021
Last closing price	\$0.055	13/10/2021

(g) **Dilution**

The issue of the Incentive Options will have a diluting effect on the percentage interest of existing Shareholders' holdings if the Incentive Options vest and are exercised. Assuming the current Share capital structure as at the latest practicable date before the date of this Notice (being 204,177,347 Shares on 6 October 2021) and that no Shares are issued other than the Shares issued on exercise of the Incentive Options, the exercise of all of the Incentive Options will result in a total dilution of all other Shareholders' holdings of 1.25% (assuming that all Incentive Options are exercised). The actual dilution will depend on the extent that additional Shares are issued by the Company.

(h) **Corporate governance**

The Board acknowledges the participation participates in an employee incentive scheme is contrary to Recommendation 8.2 of the 3rd and 4th editions of the ASX Corporate Governance Council's Corporate Governance Principles and Recommendations. However, the Board considers the grant of Incentive Options to the Non-Executive Directors reasonable in the circumstances for the reasons set out in Section 12.1. The Board also considers that the grant does not affect the independence of the Non-Executive Directors, as there is no performance based milestone attaching to the Incentive Options.

(i) **Taxation consequences**

There are no taxation consequences for the Company (other than potentially an increased liability to payroll tax) arising from the issue of the Incentive Options (including fringe benefits tax).

(j) **Director recommendations**

Messrs McGown, Kennedy and Forwood decline to make a recommendation in relation to Resolution 12(a) to Resolution 12(c) (inclusive), due to their personal interest in the outcome of the Resolutions.

Pip Darvall, being the sole Director without a personal interest in relation to Resolution 12(a) to Resolution 12(c) (inclusive), recommends that Shareholders vote in favour of those Resolutions for the following reasons:

- (i) through the leadership of Messrs McGown, Kennedy and Forwood, they have overseen the development of the Company throughout a period of significant change, placing the Company in a strong position to capitalise on the value of its exploration portfolio;
- (ii) accordingly, the grant of the Incentive Options is a reasonable benefit to recognise the past performance by Messrs McGown, Kennedy and Forwood;

- (iii) if all the Incentive Options vest and are exercised, based on the exercise prices of \$0.105, \$0.15, \$0.195 and \$0.24, the Company will receive \$1,828,500;
- (iv) the grant of the Incentive Options will further align the interests of Messrs McGown, Kennedy and Forwood with those of Shareholders to increase shareholder value;
- (v) the issue of the Incentive Options provides Messrs McGown, Kennedy and Forwood with incentives to focus on superior performance in creating shareholder value;
- (vi) the grant of the Incentive Options is a reasonable and appropriate method to provide cost effective remuneration as the non-cash form of this benefit will allow the Company to spend a greater proportion of its cash reserves on its operations than it would if alternative cash forms of remuneration were given to Messrs McGown, Kennedy and Forwood; and
- (vii) it is not considered that there are any significant opportunity costs to the Company or benefits foregone by the Company in granting the Incentive Options upon the terms proposed.

12.4 Additional Information

Resolution 12(a) to Resolution 12(c) (inclusive) are ordinary resolutions

GLOSSARY

5-day VWAP has the average volume weighted price over the 5 days prior to issue.

\$ means Australian dollars.

Accounting Standards has the meaning given to that term in the Corporations Act.

Annual Report means the annual report of the Company for the year ended 30 June 2021.

AEST means Australian eastern standard time.

Associate has the meaning given to that term in the Listing Rules.

ASX means ASX Limited ABN 98 008 624 691 and, where the context permits, the Australian Securities Exchange operated by ASX Limited.

ASX Settlement means ASX Settlement Pty Ltd ABN 49 008 504 532.

ASX Settlement Operating Rules means the operating rules (however described) of ASX Settlement.

Auditor means the Company's auditor from time to time (if any).

Auditor's Report means the report of the Auditor contained in the Annual Report for the year ended 30 June 2021.

AWST means western standard time as recognised in Perth, Western Australia.

Board means the Directors.

Chair or Chairman means the individual elected to chair any meeting of the Company from time to time.

Closely Related Party has the meaning given to that term in the Corporations Act.

Company means Sipa Resources Limited ABN 26 009 448 980.

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

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

Directors means the directors of the Company.

Dispose has the meaning given to that term in the Listing Rules and **Disposal** has a corresponding meaning.

Employee Options means an Option issued under the Plan.

Equity Securities has the meaning given to that term in the Listing Rules.

Explanatory Memorandum means the explanatory memorandum accompanying this Notice.

Key Management Personnel has the meaning given to that term in the Accounting Standards.

Incentive Option means an option to acquire a Share the terms of which are set out in Annexure B.

Listing Rule 7.1A Mandate has the meaning set out in this Notice.

Listing Rules means the ASX Listing Rules.

Meeting means the Annual General Meeting convened by the Notice.

Notice means this Notice of Annual General Meeting.

Notice of Meeting means this Notice of Annual General Meeting.

Option means an option to acquire a Share.

Plan means the Employee Incentive Plan under section 8.

Proxy Form means the proxy form accompanying the Notice.

Remuneration Report means the remuneration report set out in the Annual Report for the year ended 30 June 2021.

Resolution means a resolution contained in the Notice.

Restricted Securities has the meaning given to that term in the Listing Rules.

Restricted Voter means Key Management Personnel and their Closely Related Parties as at the date of the Meeting.

Restriction Deed has the meaning given to that term in the Listing Rules.

Shareholder means a member of the Company from time to time.

Shares means fully paid ordinary shares in the capital of the Company.

Trading Day means a day determined by ASX to be a trading day in accordance with the Listing Rules.

Annexure A – Key terms of ESIP

The Company has established the Sipa Resources Ltd Employee Share Option Plan. The full terms of the Sipa Resources Ltd Employee Share Option Plan may be inspected at the registered office of the Company during normal business hours. A summary of the terms of the Sipa Resources Ltd Employee Share Option Plan (Plan) is set out below.

1 Employee Options

Under the Plan, the Board, acting in its absolute discretion, may:

- (a) offer Options to any Eligible Employee from time to time as determined by the Board; and
- (b) impose Vesting Conditions on the right of the Participant to exercise any Option granted (Employee Options).

Awards may have grant conditions. Subject to those grant conditions being satisfied, all Employee Options may be granted subject to the satisfaction of vesting conditions as determined by the Board in its absolute discretion (Vesting Conditions).

2 Eligibility

At the discretion of the Board, a person who is:

- (a) a full time or part time employee (including an executive Director) of the Company or an associated body corporate (being a body corporate that is a related body corporate of the body, a body corporate that has voting power in the body of not less than 20% or a body corporate in which the body has voting power of not less than 20%) (Group Company);
- (b) an individual who is or might reasonably be expected to be engaged to work the number of hours that are the pro rata equivalent of 40% or more of a comparable full time position with a Group Company; or
- (c) an individual or company with whom a Group Company has entered into a contract for the provision of services under which the individual or a director or their spouse performs work for a Group Company, where the work is or might reasonably be expected to be the number of hours that are the pro rata equivalent of 40% or more of a comparable full time position with a Group Company,

may have an offer made to them to participate in the Plan.

People eligible to participate in the Plan are called “Eligible Employees”. The Board may permit Employee Options the subject of an offer to be issued to another party nominated by an Eligible Employee (for example, the Eligible Employee’s (a) immediate family member; (b) a corporate trustee of a self-managed superannuation fund (within the meaning of the Superannuation Industry (Supervision) Act 1993) where the Eligible Employee is a director of the trustee; or (c) a company whose members are no-one other than the Eligible Employee or their immediate family members) (Nominated Party).

A “Participant” is an Eligible Employee or Nominated Party to whom Employee Options have been granted.

3 Payment for Employee Options

Employee Options can be issued at a price (if any) determined by the Board in their absolute discretion.

4 Limits on number of Employee Options granted

Under the Plan rules, where an offer is made under the Plan in reliance on ASIC Class Order 14/1000 (or any amendment or replacement of it) the Board must, at the time of making the offer, have reasonable grounds to believe that the total number of Shares which would be issued if those Employee Options were exercised, will not exceed 5% of the total number of Shares on issue when aggregated with the number of Shares issued or that may be issued as a result of offers made at any time during the previous 3 year period under the Plan or any other employee incentive scheme covered by the Class Order or an ASIC exempt arrangement of a similar kind to an employee incentive scheme.

This limit is in accordance with the current ASIC Class Order which provides disclosure, licensing, advertising and hawking relief for employee incentive schemes, and which the Company may seek to rely on in connection with making offers under the Plan.

5 Entitlements of Participants

(a) Interest in Shares

A Participant has no right or interest in a Share the subject of an Employee Option held by the Participant unless and until the Employee Option is exercised and the Share is issued. A Participant does not have any rights to dividends, rights to vote or rights to the capital of the Company as a shareholder as a result of holding an Employee Option. Subject to the Corporations Act and the Company's constitution, a Participant will not, as a holder of an Employee Option, have any right to attend to vote at general meetings of holders of Shares.

(b) Changes in capital

If the Company makes a bonus issue of Shares to existing holders of Shares (other than an issue in lieu or in satisfaction of dividends or by way of dividend reinvestment) and no Share has been issued in respect of an Employee Option before the record date for determining entitlements to the bonus issue, then the number of underlying Shares over which the Employee Option is exercisable will be increased by the number of Shares which the Participant would have received if the Participant had exercised the Employee Option before the record date for the bonus issue. No adjustment will be made to the exercise price.

Employee Options do not confer on the Participant the right to participate in new issues of Shares by the Company unless they exercise their Employee Options and receive Shares before the record date for the determination of entitlements to the new issue of securities and participate as a holder of shares.

If there is a reorganisation of the issued capital, the rights of a Participant (including the number of Employee Options to which each Participant is entitled and the exercise price) will be changed to the extent necessary to comply with the Listing Rules.

If the Company makes a pro rata issue (except a bonus issue) the exercise price of Employee Options will be reduced in accordance with the Listing Rules.

If a resolution for a voluntary winding up is proposed (other than for the purpose of a reconstruction or amalgamation), the Board may give notice to Participants providing a period to exercise Employee Options, subject to the relevant Vesting Conditions.

6 Dealing, vesting and exercise

(a) Dealing

Employee Options issued under the Plan may not be assigned, transferred, novated, encumbered with a Security Interest in or over them, or otherwise disposed of by a Participant, unless:

- (i) the prior consent of the Board is obtained, which consent may impose such terms and conditions on such assignment, transfer, novation, encumbrance or disposal as the Board sees fit in its sole and absolute discretion; or

(ii) such assignment or transfer occurs by force of law upon the death of a Participant to the Participant's legal personal representative.

Unless otherwise decided by the Board, where a Participant purports to transfer an Employee Option other than in accordance with above, the Employee Option immediately lapses.

(b) Vesting

Employee Options only vest if the applicable vesting conditions are satisfied, waived by the Board or are deemed to have been satisfied under the Plan. The vesting conditions are determined prior to the granting of such Employee Options by the Company.

(c) Exercise

Employee Options can only be exercised if:

- (i) any Vesting Conditions have been satisfied or waived; and
- (ii) it is otherwise capable of exercise in accordance with the terms of the relevant offer and the rules of the Plan.

The exercise price per Share in respect of an Employee Option granted pursuant to the Plan will be determined by the Board. Upon exercise, one Share in the Company will be issued to the Participant for each exercised Employee Option.

Employee Options will expire on such date as the Board determines in its discretion with respect to that Employee Option at the time of the grant of that Employee Option (Expiry Date).

7 Lapse of Employee Options

Unless otherwise specified in the Vesting Conditions or determined otherwise by the Board an Employee Option lapses on the earlier of:

- (a) the Board determining that any Vesting Condition applicable to the Employee Option has, or is not capable of, being satisfied, reached or met;
- (b) the day immediately following the Expiry Date;
- (c) there is a cessation of employment (other than under a special circumstance);
- (d) there is a change of control event; or
- (e) the board determining that a Participant's Employee Options have lapsed due to that Participant's misconduct which may include breaching their duties to the Company or an associated body corporate of the Company, committing an act of fraud or engaging in misconduct.

8 Change of control events

On the occurrence of a Change of Control Event (as defined in the Plan, which includes an unconditional takeover offer, a court approved scheme of arrangement, a merger resulting in the current Shareholders being entitled to 50% or less of the shares of the merged entity, a Group Company agreeing to sell a majority of its business or assets or a determination of the Board that control of the Company has or is likely to change), the Board may in its sole and absolute discretion and subject to the Listing Rules, determine how unvested Employee Options will be treated, including but not limited to:

- (a) determining that all or a portion of unvested Employee Options will vest; and/or
- (b) reducing or waiving Vesting Conditions.

9 Clawback

If an event occurs which means vesting conditions were not or should not have been determined to have been satisfied, the Participant will cease to be entitled to those Employee Options, and the Board may:

- (a) cancel the affected Employee Options for no consideration;
- (b) require the Participant pay the Company the after tax value of the affected Employee Options which have been converted in shares within 30 business days of receipt of notice; or
- (c) adjust fixed remuneration, incentives or participation in the Plan to take account of the after tax value of the affected Employee Options.

10 Amendments to terms of exercise or the Plan

The Board may vary the terms of exercise of Employee Options, and may reduce or waive Vesting Conditions. However, no variation to the terms of exercise of an Employee Option will be made without the consent of the Participant if it would have a material prejudicial effect on them, unless introduced primarily to comply with the law or Plan, to correct manifest error or to enable regulatory compliance.

The Board may amend the terms of the Plan, provided that rights or entitlements granted before the amendment shall not be reduced or adversely affected without the prior written approval of the affected Participant.

Annexure B – Terms of Incentive Options

- (a) Each Option entitles the holder to subscribe for one ordinary Share in the Company upon payment the exercise price being:

Class	Exercise Price	Expiry Date
1	175% of 5 day VWAP	4 years from issue
2	250% of 5 day VWAP	4 years from issue
3	325% of 5 day VWAP	4 years from issue
4	400% of 5 day VWAP	4 years from issue

* The volume weighted average price (VWAP) of the Shares for the 5 days prior to the date of the Annual General Meeting.

- (b) The Options will expire at 5pm AWST on 4 years from the date of grant (**Option Expiry Date**).
- (c) The Options will vest immediately from the date of grant, subject to achievement of the performance hurdles outlined in the letter of offer.
- (d) The Company will not apply to the ASX for official quotation of the Options.
- (e) There are no participating rights or entitlements inherent in the Options and holders of the Options will not be entitled to participate in new issues of capital that may be offered to Shareholders during the currency of the Options except upon exercise of the Options.
- (f) If the Company makes a pro rata issue (except a bonus issue), the exercise price of the Options will be reduced in accordance with the Listing Rules.
- (g) If the Company makes a bonus issue, the number of securities over which the Options are exercisable will be increased in accordance with the Listing Rules.
- (h) Optionholders have the right to exercise their Options prior to the date of determining entitlements to any capital issues to the then existing shareholders of the Company, made during the currency of the Options.
- (i) In the event of any re-organisation (including reconstruction, consolidation, subdivision, reduction or return of capital) of issued capital of the Company, the Options will be re-organised as required by the Listing Rules, but in all other respects the terms of exercise will remain unchanged.
- (j) The Options shall be exercisable at any time on or before the Option Expiry Date by the delivery to the registered office of the Company of a notice in writing stating the intention of the optionholder to exercise all or a specified number of Options held by them accompanied by an Option certificate and a cheque made payable to the Company for the subscription monies for the Shares. The notice and cheque must be received by the Company during the exercise period. An exercise of only some Options shall not affect the rights of the optionholders to the balance of Options held by him or her.
- (k) The Shares allotted shall rank, from date of allotment, equally with the existing ordinary Shares of the Company in all respects.
- (l) The Options will not give any right to participate in dividends until Shares are issued pursuant to the exercise of the relevant Options.

- (m) The Options are not transferable, unless:
- (i) the prior consent of the Board is obtained, which consent may impose such terms and conditions on such assignment, transfer, novation, encumbrance or disposal as the Board sees fit in its sole and absolute discretion; or
 - (ii) such assignment or transfer occurs by force of law upon the death of a holder of an Option to the holder's legal personal representative.

Annexure C - Terms and Conditions of Director Incentive Options

1. Entitlement

The Options entitle the holder (**Holder**) to subscribe for one Share upon the exercise of each Option.

2. Consideration

The Options will be granted for nil cash consideration.

3. Exercise Price and Expiry Date

The Options will be granted with the Exercise Price and Expiry Date as follows:

Class	Exercise Price	Expiry Date
1	175% of 5 day VWAP	4 years from issue
2	250% of 5 day VWAP	4 years from issue
3	325% of 5 day VWAP	4 years from issue
4	400% of 5 day VWAP	4 years from issue

* The volume weighted average price (VWAP) of the Shares for the 5 days prior to the date of the Annual General Meeting.

4. Expiry Date

All unvested, or vested but unexercised, Options will expire automatically at 5.00 pm WST on the date specified in clause 3.

5. Notice of Exercise

The Options may be exercised at any time before the Expiry Date 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.

A Notice of Exercise is only effective on and from the later of 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**).

6. Timing of issue of Shares and quotation of Shares on exercise

Within 5 Business Days after the Exercise Date, the Company will:

- (a) 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) issue a substitute Certificate for any remaining unexercised Options held by the Holder;
- (c) if required, give ASX a notice that complies with section 708A(5)(e) of the Corporations Act; and
- (d) do all such acts, matters and things to obtain the grant of quotation of the Shares by ASX in accordance with the Listing Rules.

All Shares issued upon the conversion of Options will upon issue rank equally in all respects with the then issued Shares.

7. Restrictions on transfer of Shares

If the Company is unable to give ASX a notice that complies with section 708A(5)(e) of the Corporations Act, Shares issued on exercise of an Option may not be traded 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.

8. Participation in new issues

There are no participation rights or entitlements inherent in the Options and a holder will not be entitled to participate in new issues of capital offered to Shareholders during the currency of the Options. However, the Company will give the holder notice of the proposed issue prior to the date for determining entitlements to participate in any such issue.

9. 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) no changes will be made to the Options.

10. Adjustments for reorganisation

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 ASX Listing Rules at the time of the reconstruction.

11. Quotation of Options

The Options will be unquoted Options.

12. Options non-transferable

The Options are non-transferable.

13. Dividend rights

An Option does not entitle the Holder to any dividends.

14. Return of capital rights

The Options do not confer any right to a return of capital, whether in a winding up, upon a reduction of capital or otherwise.

15. No other rights

An Option does not give a Holder any rights other than those expressly provided by these terms, the Agreement and those provided at law where such rights at law cannot be excluded by these terms.

Annexure D - Valuation of Incentive Options

The Incentive Options to be issued to the Non-Executive Directors pursuant to Resolution 12(a), Resolution 12(b) and Resolution 12(c) have been valued using the Black & Scholes valuation model on the following assumptions:

Non-Executive Director	Craig McGown	Timothy Kennedy	John Forwood
Director 1 Incentive Options exercisable at 175% of 5 day VWAP			
Number of Incentive Options	250,000	200,000	200,000
Valuation date	8 October 2021	8 October 2021	8 October 2021
Assumed Share price at grant date	\$0.06	\$0.06	\$0.06
Exercise price	\$0.105	\$0.105	\$0.105
Market value on ASX of underlying Shares at the time of setting the exercise price	\$0.054	\$0.054	\$0.054
Expiry date	4yrs from issue	4yrs from issue	4yrs from issue
Expected volatility	68%	68%	68%
Risk free interest rate	0.01	0.01	0.01
Annualised dividend yield	0	0	0
Value of each Incentive Option (\$)	0.02193	0.02193	0.02193
Aggregate value of each Incentive Option (\$)	5,481.70	4,385.36	4,385.36
Director 2 Incentive Options exercisable at 250% of 5 day VWAP			
Number of Incentive Options	250,000	200,000	200,000
Valuation date	8 October 2021	8 October 2021	8 October 2021
Assumed Share price at grant date	\$0.06	\$0.06	\$0.06
Exercise price	\$0.15	\$0.15	\$0.15
Market value on ASX of underlying Shares at the time of setting the exercise price	\$0.054	\$0.054	\$0.054
Expiry date	4yrs from issue	4yrs from issue	4yrs from issue
Expected volatility	68%	68%	68%
Risk free interest rate	0.01	0.01	0.01
Annualised dividend yield	0	0	0
Value of each Incentive Option (\$)	0.01698	0.01698	0.01698
Aggregate value of each Incentive Option	4,244.95	3,395.56	3,395.56
Director 3 Incentive Options exercisable at 325% of 5 day VWAP			

Non-Executive Director	Craig McGown	Timothy Kennedy	John Forwood
Number of Incentive Options	250,000	200,000	200,000
Valuation date	8 October 2021	8 October 2021	8 October 2021
Assumed Share price at grant date	\$0.06	\$0.06	\$0.06
Exercise price	\$0.195	\$0.195	\$0.195
Market value on ASX of underlying Shares at the time of setting the exercise price	\$0.054	\$0.054	\$0.054
Expiry date	4yrs from issue	4yrs from issue	4yrs from issue
Expected volatility	68%	68%	68%
Risk free interest rate	0.01	0.01	0.01
Annualised dividend yield	0	0	0
Value of each Incentive Option	0.01368	0.01368	0.01368
Aggregate value of each Incentive Option	3,420.97	2,736.77	2,736.77
Director 4 Incentive Options exercisable at 400% of 5 day VWAP			
Number of Incentive Options	250,000	200,000	200,000
Valuation date	8 October 2021	8 October 2021	8 October 2021
Assumed Share price at grant date	\$0.06	\$0.06	\$0.06
Exercise price	\$0.24	\$0.24	\$0.24
Market value on ASX of underlying Shares at the time of setting the exercise price	\$0.054	\$0.054	\$0.054
Expiry date	4yrs from issue	4yrs from issue	4yrs from issue
Expected volatility	68%	68%	68%
Risk free interest rate	0.01	0.01	0.01
Annualised dividend yield	0	0	0
Value of each Incentive Option	0.01133	0.01133	0.01133
Aggregate value of each Incentive Option	2,833.70	2,266.96	2,266.96

Notes:

1. The Incentive Options issued to Messrs McGown, Kennedy and Forwood will vest immediately.
2. At the Valuation Date, the volatility of the Share price of the Company was calculated using data prepared by the Company's auditors in valuing options.
3. The Australian Government 3-year bond rate as at the Valuation Date was used.
 - (a) A nil dividend yield was assumed on the basis that the Company is unlikely to pay a dividend during the life of the Employee Options.
 - (b) The assumed Share price at the grant date of \$0.06 is based on the underlying Share price on the valuation date of 6 October 2021.

- (c) Under the accounting standard AASB 2 Share Based Payments, the Company will recognise a non-cash expense in the income statement based on the fair value of the Options over the period from the date of issue to the vesting date. The total of the fair value of the Options will be allocated over the applicable vesting periods.