
CELSIUS RESOURCES LIMITED**ACN 009 162 949****NOTICE OF ANNUAL GENERAL MEETING**

Notice is given that the Meeting will be held at:

TIME: 3:00 PM (AWST)

DATE: Thursday, 18 November 2021

PLACE: By virtual meeting facility and physically at
Level 2, 22 Mount Street Perth WA 6000

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

This Notice of Meeting should be read in its entirety. If Shareholders are in doubt as to how they should vote, they should seek advice from their professional advisers prior to voting.

The Directors have determined pursuant to Regulation 7.11.37 of the Corporations Regulations 2001 (Cth) that the persons eligible to vote at the Meeting are those who are registered Shareholders at 5:00pm on 16 November 2021.

BUSINESS OF THE MEETING

AGENDA

1. FINANCIAL STATEMENTS AND REPORTS

To receive and consider the annual financial report of the Company for the financial year ended 30 June 2021 together with the declaration of the Directors, the Director's report, the Remuneration Report and the auditor's report.

2. RESOLUTION 1 – ADOPTION OF REMUNERATION REPORT

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

"That, for the purposes of section 250R(2) of the Corporations Act and for all other purposes, approval is given for the adoption of the Remuneration Report as contained in the Company's annual financial report for the financial year ended 30 June 2021."

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

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

3. RESOLUTION 2 – ELECTION OF DIRECTOR – BLAIR SERGEANT

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

"That, for the purpose of clause 13.4 of the Constitution, Listing Rule 14.4 and for all other purposes, Blair Sergeant, a Director who was appointed casually on 17 March 2021, retires, and being eligible, is elected as a Director."

4. RESOLUTION 3 – RE-ELECTION OF DIRECTOR – WILLIAM OLIVER

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

"That, for the purpose of clause 13.3 of the Constitution, Listing Rule 14.4 and for all other purposes, William Oliver, a Director, retires by rotation, and being eligible, is re-elected as a Director."

5. RESOLUTION 4 – RATIFICATION OF PRIOR ISSUE OF SHARES

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

"That, for the purposes of Listing Rule 7.4 and for all other purposes, Shareholders ratify the issue of 78,988,192 Shares on the terms and conditions set out in the Explanatory Statement."

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

6. RESOLUTION 5 – RATIFICATION OF PRIOR ISSUE OF SHARES

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

"That, for the purposes of Listing Rule 7.4 and for all other purposes, Shareholders ratify the issue of 88,021,808 Shares on the terms and conditions set out in the Explanatory Statement."

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

7. RESOLUTION 6 – ISSUE OF PERFORMANCE RIGHTS TO RELATED PARTY - BLAIR SERGEANT

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

"That, for the purposes of Listing Rule 10.14 and for all other purposes, approval is given for the Company to issue 7,500,000 Performance Rights to Blair Sergeant (or his nominee) on the terms and conditions set out in the Explanatory Statement."

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

8. RESOLUTION 7 – APPROVAL OF 7.1A MANDATE

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

"That, for the purposes of Listing Rule 7.1A and for all other purposes, approval is given for the Company to issue up to that number of Equity Securities equal to 10% of the issued capital of the Company at the time of issue, calculated in accordance with the formula prescribed in Listing Rule 7.1A.2 and otherwise on the terms and conditions set out in the Explanatory Statement."

Dated: 18 October 2021

By order of the Board

**Melanie Ross
Company Secretary
Celsius Resources Limited**

Voting Prohibition Statements

Resolution 1 – Adoption of Remuneration Report	<p>A vote on this Resolution must not be cast (in any capacity) by or on behalf of either of the following persons:</p> <ul style="list-style-type: none"> (a) a member of the Key Management Personnel, details of whose remuneration are included in the Remuneration Report; or (b) a Closely Related Party of such a member. <p>However, a person (the voter) described above may cast a vote on this Resolution as a proxy if the vote is not cast on behalf of a person described above and either:</p> <ul style="list-style-type: none"> (a) the voter is appointed as a proxy by writing that specifies the way the proxy is to vote on this Resolution; or (b) the voter is the Chair and the appointment of the Chair as proxy: <ul style="list-style-type: none"> (i) does not specify the way the proxy is to vote on this Resolution; and (ii) expressly authorises the Chair to exercise the proxy even though this Resolution is connected directly or indirectly with the remuneration of a member of the Key Management Personnel.
Resolution 6 – Issue of Performance Rights to Related Party	<p>A person appointed as a proxy must not vote, on the basis of that appointment, on this Resolution if:</p> <ul style="list-style-type: none"> (a) the proxy is either: <ul style="list-style-type: none"> (i) a member of the Key Management Personnel; or (ii) a Closely Related Party of such a member; and (b) the appointment does not specify the way the proxy is to vote on this Resolution. <p>However, the above prohibition does not apply if:</p> <ul style="list-style-type: none"> (a) the proxy is the Chair; and (b) the appointment expressly authorises the Chair to exercise the proxy even though this Resolution is connected directly or indirectly with remuneration of a member of the Key Management Personnel.

Voting Exclusion Statements

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

Resolutions 4 and 5 – Ratification of prior issue of Shares	A person who participated in the issue or is a counterparty to the agreement being approved or an associate of that person or those persons.
Resolution 6 – Issue of Performance Rights to Related Party	Any person referred to in Listing Rule 10.14.1, 10.14.2 or 10.14.3 who is eligible to participate in the employee incentive scheme in question (including Mr Blair Sergeant) or an associate of that person or those persons.
Resolution 7– Approval of 7.1A Mandate	A person who is expected to participate in, or who will obtain a material benefit as a result of, the proposed issue (except a benefit solely by reason of being a holder of ordinary securities in the Company) or an associate of that person (or those persons).

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

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

IMPORTANT INFORMATION

Voting by proxy

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

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

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

Shareholders and their proxies should be aware that:

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

Voting in person

In light of the status of the evolving COVID-19 situation and Government restrictions on public gatherings in place at the date of this Notice of Meeting, the Directors have made a decision that Shareholders will not be able to physically attend the Meeting in person.

Accordingly, the Directors strongly encourage all Shareholders to either lodge a directed proxy form prior to the Meeting or attend and vote online at the virtual meeting.

The company is pleased to provide shareholders with the opportunity to attend and participate in a virtual Meeting through an online meeting platform powered by Automic, where shareholders will be able to watch, listen, and vote online.

To access the virtual meeting:

1. Open your internet browser and go to investor.automic.com.au
2. Login with your username and password or click "**register**" if you haven't already created an account. **Shareholders are encouraged to create an account prior to the start of the meeting to ensure there is no delay in attending the virtual meeting**
3. After logging in, a banner will display at the bottom of your screen to indicate that the meeting is open for registration, click on "**Register**" when this appears. Alternatively, click on "**Meetings**" on the left hand menu bar to access registration.
4. Click on "**Register**" and follow the steps
5. Click on the URL to join the webcast where you can view and listen to the virtual meeting
6. Once the Chair of the Meeting has declared the poll open for voting click on "**Refresh**" to be taken to the voting screen
7. Select your voting direction and click "**confirm**" to submit your vote. **Note that you cannot amend your vote after it has been submitted**

Should you wish to discuss the matters in this Notice of Meeting please do not hesitate to contact the Company Secretary on +61 8 6188 8181.

EXPLANATORY STATEMENT

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

1. FINANCIAL STATEMENTS AND REPORTS

In accordance with the Corporations Act, the business of the Meeting will include receipt and consideration of the annual financial report of the Company for the financial year ended 30 June 2021 together with the declaration of the Directors, the Directors' report, the Remuneration Report and the auditor's report.

The Company will not provide a hard copy of the Company's annual financial report to Shareholders unless specifically requested to do so. The Company's annual financial report is available on its website at <https://celsiusresources.com.au/investors/>.

2. RESOLUTION 1 – ADOPTION OF REMUNERATION REPORT

2.1 General

The Corporations Act requires that at a listed company's annual general meeting, a resolution that the remuneration report be adopted must be put to the shareholders. However, such a resolution is advisory only and does not bind the company or the directors of the company.

The remuneration report sets out the company's remuneration arrangements for the directors and senior management of the company. The remuneration report is part of the directors' report contained in the annual financial report of the company for a financial year.

The chair of the meeting must allow a reasonable opportunity for its shareholders to ask questions about or make comments on the remuneration report at the annual general meeting.

2.2 Voting consequences

A company is required to put to its shareholders a resolution proposing the calling of another meeting of shareholders to consider the appointment of directors of the company (**Spill Resolution**) if, at consecutive annual general meetings, at least 25% of the votes cast on a remuneration report resolution are voted against adoption of the remuneration report and at the first of those annual general meetings a Spill Resolution was not put to vote. If required, the Spill Resolution must be put to vote at the second of those annual general meetings.

If more than 50% of votes cast are in favour of the Spill Resolution, the company must convene a shareholder meeting (**Spill Meeting**) within 90 days of the second annual general meeting.

All of the directors of the company who were in office when the directors' report (as included in the company's annual financial report for the most recent financial year) was approved, other than the managing director of the company, will cease to hold office immediately before the end of the Spill Meeting but may stand for re-election at the Spill Meeting.

Following the Spill Meeting those persons whose election or re-election as directors of the company is approved will be the directors of the company.

2.3 Previous voting results

At the Company's previous annual general meeting the votes cast against the remuneration report considered at that annual general meeting were less than 25%. Accordingly, the Spill Resolution is not relevant for this Meeting.

3. RESOLUTION 2 – ELECTION OF DIRECTOR – BLAIR SERGEANT

3.1 General

The Constitution allows the Directors to appoint at any time a person to be a Director either to fill a casual vacancy or as an addition to the existing Directors, but only where the total number of Directors does not at any time exceed the maximum number specified by the Constitution.

Pursuant to the Constitution and Listing Rule 14.4, any Director so appointed holds office only until the next annual general meeting and is then eligible for election by Shareholders but shall not be taken into account in determining the Directors who are to retire by rotation (if any) at that meeting.

Mr Sergeant was appointed by the Directors as the Company's Executive Director – Corporate on 17 March 2021, and accordingly must seek re-election by Shareholders.

Mr Sergeant provides various corporate services to the Company, including but not limited to investor and shareholder relations, presentations broker engagement and coordinating the company's IR / PR strategy.

3.2 Qualifications and other material directorships

Mr Sergeant is an experienced mining executive, having been the former Founding Managing Director of Lemur Resources Limited, an ASX listed coal exploration and development company, as well as the former Finance Director of Coal of Africa Limited, who together with the MD, grew the company from a sub-\$2m market capitalisation to over \$1.5b at its peak. During his career, Mr Sergeant has also held the position of Managing Director, Non-Executive Director and/or Company Secretary for numerous listed entities and is currently a Non-Executive Director for Rincon Resources Limited (ASX:RCR), and Vmoto Limited (ASX:VMT).

3.3 Independence

Blair Sergeant has no interests, position or relationship that might influence, or reasonably be perceived to influence, in a material respect his/her capacity to bring an independent judgement to bear on issues before the Board and to act in the best interest of the Company as a whole rather than in the interests of an individual security holder or other party.

If re-elected the Board considers Blair Sergeant will be an independent Director.

3.4 Other material information

The Company conducts appropriate checks on the background and experience of candidates before their appointment to the Board. The Company undertook such checks prior to the appointment of Blair Sergeant.

Blair Sergeant has confirmed that he considers he will have sufficient time to fulfil his responsibilities as a Non-Executive Director of the Company and does not

consider that any other commitment will interfere with his availability to perform his duties as a Non-Executive Director of the Company.

3.5 Board recommendation

The Board has reviewed Blair Sergeant's performance since his appointment to the Board and considers that Blair Sergeant's skills and experience will continue to enhance the Board's ability to perform its role. Accordingly, the Board supports the election of Blair Sergeant and recommends that Shareholders vote in favour of Resolution 2.

4. RESOLUTION 3 – RE-ELECTION OF DIRECTOR – WILLIAM OLIVER

4.1 General

Listing Rule 14.4 and clause 13.3 of the Constitution provide that, other than a managing director, a director of an entity must not hold office (without re-election) past the third annual general meeting following the director's appointment or 3 years, whichever is the longer. However, where there is more than one managing director, only one is entitled to be exempt from this rotation requirement.

William Oliver, who has served as a Director since 23 December 2010 and was last re-elected on 13 November 2018, retires by rotation and seeks re-election.

4.2 Qualifications and other material directorships

Mr Oliver is a geologist with over 20 years of experience in the international resources industry working for both major and junior companies. Mr Oliver has an enviable track record in project evaluation and has been involved with a number of transactions involving assets across a range of commodities. He also has substantial experience in all aspects of exploration, in the design, evaluation and implementation of resource definition programmes as well as resource modelling and inputs into all levels of mining and feasibility studies. In addition, Mr Oliver has served as Director of a number of ASX listed companies and is familiar with the requirements of the ASX Listing Rules and the JORC Code. He is a member of the Australasian Institute of Mining and Metallurgists and the Australian Institute of Geoscientists.

4.3 Independence

If re-elected the Board considers William Oliver will be an independent Director.

4.4 Board recommendation

The Board has reviewed William Oliver's performance since his appointment to the Board and considers that William Oliver's skills and experience will continue to enhance the Board's ability to perform its role. Accordingly, the Board supports the re-election of William Oliver and recommends that Shareholders vote in favour of Resolution 3.

5. RESOLUTIONS 4 AND 5 – RATIFICATION OF PRIOR ISSUE OF SHARES

5.1 General

On 5 May 2021, the Company issued 167,010,000 Shares at an issue price of \$0.036 per Share to raise \$6,012,360 (**Placement Shares**).

78,988,192 Shares were issued pursuant to the Company's capacity under Listing Rule 7.1 (being, the subject of **Resolution 4**) and 88,021,808 Shares were issued pursuant to the Company's 7.1A mandate which was approved by Shareholders at the annual general meeting held on 29 January 2021 (the subject of **Resolution 5**).

The Company engaged the services of Ironside Capital Pty Ltd (ACN 168 562 918) (**Ironside**) a Corporate Authorised Representative (AFSL 299325), to manage the issue of the Placement Shares. The Company has paid Ironside a Lead Manager fee, being 1% plus GST of the amount raised under the issue of the Placement Shares and a Capital Raising fee of 5% plus GST on all funds raised.

5.2 Listing Rules 7.1 and 7.1A

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 12 month period.

Under Listing Rule 7.1A however, an eligible entity can seek approval from its members, by way of a special resolution passed at its annual general meeting, to increase this 15% limit by an extra 10% to 25%. The Company obtained approval to increase its limit to 25% at the annual general meeting held on 29 January 2021.

The Company's ability to utilise the additional 10% capacity provided for in Listing Rule 7.1A for issues of equity securities following this Meeting remains conditional on Resolution 7 being passed by the requisite majority at this Meeting.

The issue of the Placement Shares does not fit within any of the exceptions set out in Listing Rule 7.2 and, as it has not yet been approved by Shareholders, it uses up part of the 25% limit in Listing Rules 7.1 and 7.1A, reducing the Company's capacity to issue further equity securities without Shareholder approval under Listing Rule 7.1 and 7.1A for the 12-month period following the date of issue of the Placement Shares.

5.3 Listing Rule 7.4

Listing Rule 7.4 allows the shareholders of a listed 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 Rule 7.1 and so does not reduce the company's capacity to issue further equity securities without shareholder approval under that rule.

The Company wishes to retain as much flexibility as possible to issue additional equity securities in the future without having to obtain Shareholder approval for such issues. Accordingly, the Company is seeking Shareholder ratification pursuant to Listing Rule 7.4 for the issue of the Placement Shares.

Resolutions 4 and 5 seek Shareholder ratification pursuant to Listing Rule 7.4 for the issue of the Placement Shares.

5.4 Technical information required by Listing Rule 14.1A

If Resolutions 4 and 5 are passed, the Placement Shares will be excluded in calculating the Company's combined 25% limit in Listing Rules 7.1 and 7.1A, increasing the number of equity securities the Company can issue without Shareholder approval over the 12-month period following the date of issue of the Placement Shares.

If Resolutions 4 and 5 are not passed, the Placement Shares will be included in calculating the Company's combined 25% limit in Listing Rules 7.1 and 7.1A, decreasing the number of equity securities the Company can issue without Shareholder approval over the 12-month period following the date of issue of the Placement Shares.

It is noted that the Company's ability to utilise the additional 10% capacity provided for in Listing Rule 7.1A for issues of equity securities following this Meeting remains conditional on Resolution 7 being passed at this Meeting.

5.5 Technical information required by Listing Rule 7.5

Pursuant to and in accordance with Listing Rule 7.5, the following information is provided in relation to Resolutions 4 and 5:

- (a) the Placement Shares were issued to professional and sophisticated investors who are clients of Ironside. The recipients were identified through a bookbuild process, which involved Ironside seeking expressions of interest to participate in the capital raising from non-related parties of the Company;
- (b) in accordance with paragraph 7.4 of ASX Guidance Note 21, the Company confirms that none of the recipients were:
 - (i) related parties of the Company, members of the Company's Key Management Personnel, substantial holders of the Company, advisers of the Company or an associate of any of these parties; and
 - (ii) issued more than 1% of the issued capital of the Company;
- (c) 167,010,000 Placement Shares were issued on the following basis:
 - (i) 78,988,192 Shares issued pursuant to Listing Rule 7.1 (ratification of which is sought under Resolution 4); and
 - (ii) 88,021,808 Shares issued pursuant to Listing Rule 7.1A (ratification of which is sought under Resolution 5);
- (d) the Placement Shares issued were all fully paid ordinary shares in the capital of the Company issued on the same terms and conditions as the Company's existing Shares;
- (e) the Placement Shares were issued on 5 May 2021;
- (f) the issue price was \$0.036 per Placement Shares under both the issue of Shares pursuant to Listing Rule 7.1 and Listing Rule 7.1A. The Company has not and will not receive any other consideration for the issue of the Placement Shares;
- (g) the purpose of the issue of the Placement Shares was to raise \$6,012,360, which will be applied towards completion of the Scoping Study for the MCB Project, Completion of the current MCB maiden drill program, renewal of the relevant permit covering the Sagay Project and the general working capital of the Company; and
- (h) the Placement Shares were not issued under an agreement.

6. RESOLUTION 6 – ISSUE OF PERFORMANCE RIGHTS TO RELATED PARTY - BLAIR SERGEANT

6.1 General

The Company has agreed, subject to obtaining Shareholder approval, to issue 7,500,000 Performance Rights (**Performance Rights**) to Blair Sergeant (or his nominee) under the Company's existing securities incentive scheme, and otherwise on the terms and conditions set out below.

As set out in Section 3.1 above, Mr Sergeant was appointed by the Company on 17 March 2021, and executed a services agreement with the Company (**Blair Sergeant Employment Agreement**). Pursuant to the Blair Sergeant Employment Agreement, Mr Sergeant agreed to provide various corporate services to the Company, including but not limited to investor and shareholder relations, presentations broker engagement and coordinating the company's IR / PR strategy.

The Blair Sergeant Employment Agreement is summarised in Schedule 1.

Resolution 6 seeks Shareholder approval for the issue of the Performance Rights to Blair Sergeant (or his nominee).

6.2 Chapter 2E of the Corporations Act

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

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

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

The issue of Performance Rights to Blair Sergeant (or his nominee) constitutes giving a financial benefit and Blair Sergeant is a related party of the Company by virtue of being a Director.

The Directors (other than Blair Sergeant who has a material personal interest in the Resolution) consider that Shareholder approval pursuant to Chapter 2E of the Corporations Act is not required in respect of the grant of Performance Rights because the agreement to issue the Performance Rights, reached as part of the remuneration package for Blair Sergeant, is considered reasonable remuneration in the circumstances and was negotiated on an arm's length basis.

6.3 Listing Rule 10.14

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

- 10.14.1 a director of the entity;
- 10.14.2 an associate of a director of the entity; or

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

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

Resolution 6 seeks the required Shareholder approval for the issue of the Performance Rights under and for the purposes of Listing Rule 10.14.

6.4 Technical information required by Listing Rule 14.1A

If Resolution 6 is passed, the Company will be able to proceed with the issue of the Performance Rights to Blair Sergeant under the Company's existing securities incentive scheme, within one month after the date of the Meeting (or such later date as permitted by any ASX waiver or modification of the Listing Rules). As approval pursuant to Listing Rule 7.1 is not required for the issue of the Performance Rights (because approval is being obtained under Listing Rule 10.11), the issue of the Performance Rights will not use up any of the Company's 15% annual placement capacity.

If Resolution 6 is not passed, the Company will not be able to proceed with the issue of the Performance Rights.

6.5 Technical Information required by Listing Rule 10.15

Pursuant to and in accordance with Listing Rule 10.15, the following information is provided in relation to Resolution 6:

- (a) the Performance Rights will be issued to Blair Sergeant (or his nominee), who falls within the category set out in Listing Rule 10.14.1 as Blair Sergeant is a related party of the Company by virtue of being a Director;
- (b) the maximum number of Performance Rights to be issued is 7,500,000;
- (c) the current total remuneration package for Blair Sergeant is \$198,000, comprising of salary of \$180,000, a superannuation payment of \$18,000. If the Performance Rights are issued, the total remuneration package of Mr Sergeant will increase by \$187,500 to \$385,500, being the value of the Incentive Performance Rights (based on the Black Scholes methodology);
- (d) the terms and conditions of the Performance Rights are set out in Schedule 3, and the relevant vesting milestones are set out in Schedule 1;
- (e) No Performance Rights have previously been issued to Mr Sergeant under the Company's incentive securities plan;
- (f) the Performance Rights are unquoted performance rights. The Company has chosen to grant the Incentive Performance Rights to Mr Sergeant for the following reasons:
 - (i) the Performance Rights are unlisted, therefore the grant of the Performance Rights has no immediate dilutionary impact on Shareholders;

- (ii) the issue of Performance Rights to Mr Sergeant will align the interests of Mr Sergeant with those of Shareholders;
 - (iii) the issue of the Performance Rights 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 [insert name of Director];
 - (iv) the deferred tax benefits available to Mr Sergeant via the issue of Performance Rights rather than an issue of Shares; and
 - (v) it is not considered that there are any significant opportunity costs to the Company or benefits foregone by the Company in granting the Incentive Performance Rights on the terms proposed;
- (g) the Company values the Performance Rights at \$187,500 (being \$0.025 per Performance Rights) based on the Black-Scholes methodology. The assumptions used for this valuation are as follows:
- (i) Valuation date: 30 September 2021;
 - (ii) Market price of Shares: \$0.025;
 - (iii) Exercise Price: Nil;
 - (iv) Interest rate: 0.25%;
 - (v) Volatility: 100%;
 - (vi) Expiry date: 3 years from issue; and
 - (vii) Indicative value: 2.5c;
- (h) the Performance Rights will be issued to Mr Sergeant (or his nominee) no later than 2 years after the date of the Meeting (or such later date as permitted by any ASX waiver or modification of the Listing Rules) and it is anticipated the Performance Rights will be issued on one date;
- (i) the issue price of the Performance Rights will be nil, as such no funds will be raised from the issue of the Performance Rights;
- (j) a summary of the material terms and conditions of the Company's incentive securities scheme is set out in Schedule 2;
- (k) no loan is being made to Mr Sergeant in connection with the acquisition of the Performance Rights;
- (l) details of any Performance Rights issued under the Company's incentive securities scheme will be published in the annual report of the Company relating to the period in which they were issued, along with a statement that approval for the issue was obtained under Listing Rule 10.14; and
- (m) any additional persons covered by Listing Rule 10.14 who become entitled to participate in an issue of Performance Rights under the Company's incentive securities scheme after Resolution 6 is approved and who were not named in this Notice will not participate until approval is obtained under Listing Rule 10.14.

7. RESOLUTION 7 – APPROVAL OF 7.1A MANDATE

7.1 General

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.

As at the date of this Notice, the Company is an eligible entity as it is not included in the S&P/ASX 300 Index and has a current market capitalisation of \$29,322,000 (based on the number of Shares on issue and the closing price of Shares on the ASX on 8 September 2021).

Resolution 7 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 7 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 7 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.

7.2 Technical information required by Listing Rule 7.1A

Pursuant to and in accordance with Listing Rule 7.3A, the information below is provided in relation to Resolution 7:

(a) Period for which the 7.1A Mandate is valid

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

- (i) the date that is 12 months after the date of this Meeting;
- (ii) the time and date of the Company's next annual general meeting; and
- (iii) 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).

(b) 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:

- (i) 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
- (ii) if the Equity Securities are not issued within 10 trading days of the date in Section 7.2(b)(i), the date on which the Equity Securities are issued.

(c) **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:

- (i) the acquisition of new resources, assets and investments (including expenses associated with such an acquisition);
- (ii) continued exploration expenditure on the Company's current assets/or projects (funds would then be used for project, feasibility studies and ongoing project administration);
- (iii) the development of the Company's current business; and
- (iv) general working capital.

(d) **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 7 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 or proposed to be issued as of 8 September 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.

		Dilution			
Number of Shares on Issue (Variable A in Listing Rule 7.1A.2)		Shares issued – 10% voting dilution	Issue Price		
			\$0.012	\$0.024	\$0.036
			50% decrease	Issue Price	50% increase
			Funds Raised		
Current	1,047,228,081 Shares	104,722,808 Shares	\$1,256,673	\$2,513,347	\$3,770,021
50% increase	157,084,122 Shares	157,084,212 Shares	\$1,885,010	\$3,770,021	\$5,655,031
100% increase	2,094,456,162 Shares	209,445,616 Shares	\$2,513,347	\$5,026,694	\$7,540,042

*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 1,047,228,081 Shares on issue comprising as at the date of this Notice of Meeting;
2. The issue price set out above is the closing market price of the Shares on the ASX on 7 October 2021 being \$0.024.
3. The Company issues the maximum possible number of Equity Securities under the 7.1A Mandate.
4. The Company has issued 78,988,192 Equity Securities in the 12 months prior to the Meeting which were not issued with approval under ASX 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. If the issue of Equity Securities includes quoted Options, it is assumed that those quoted Options are exercised into Shares for the purpose of calculating the voting dilution effect on existing Shareholders.
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.

(e) 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).


(f) **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 29 January 2021 (**Previous Approval**).

During the 12-month period preceding the date of the Meeting, being on and from 18 November 2020, the Company issued 88,021,808 Shares pursuant to the Previous Approval (**Previous Issue**), which represent approximately 10.78% of the total diluted number of Equity Securities on issue in the Company on 18 November 2020 which was 816,718,081.

The following information is provided in accordance with Listing Rule 7.3A.6(b) in respect of the Previous Issue:

Date of Issue and Appendix 2A	Date of Issue: 5 May 2021 Date of Appendix 2A: 5 May 2021
Recipients	Professional and sophisticated investors as part of a placement announced on 29 April 2019. The placement participants were identified through a bookbuild process, which involved Ironside seeking expressions of interest to participate in the placement from non-related parties of the Company.
Number and Class of Equity Securities Issued	88,021,808 Shares ¹
Issue Price	\$0.036 per Share
Total Cash Consideration and Use of Funds	Amount raised: \$3,168,785 Amount spent: \$1,357,928 Use of funds: To raise funds for completion of the Scoping Study for the MCB Project, completion of the current MCB



maiden drill program, renewal of the relevant permit covering the Sagay Project and ongoing working capital.

Amount remaining: \$1,810,857

Proposed use of remaining funds²: For MCB and Sagay Projects and ongoing working capital.

Notes:

1. Fully paid ordinary shares in the capital of the Company, ASX Code: CLA (terms are set out in the Constitution).
2. This is a statement of current intentions as at the date of this Notice. As with any budget, intervening events and new circumstances have the potential to affect the manner in which the funds are ultimately applied. The Board reserves the right to alter the way the funds are applied on this basis.

7.3 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.

GLOSSARY

\$ means Australian dollars.

7.1A Mandate has the meaning given in Section 7.1.

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

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

Board means the current board of directors of the Company.

Chair means the chair of the Meeting.

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

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

Company means Celsius Resources Limited (ACN 009 162 949).

Constitution means the Company's constitution.

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

Directors means the current directors of the Company.

Equity Securities includes a Share, a right to a Share or Option, an Option, a convertible security and any security that ASX decides to classify as an Equity Security.

Explanatory Statement means the explanatory statement accompanying the Notice.

Key Management Personnel has the same meaning as in the accounting standards issued by the Australian Accounting Standards Board and means those persons having authority and responsibility for planning, directing and controlling the activities of the Company, or if the Company is part of a consolidated entity, of the consolidated entity, directly or indirectly, including any director (whether executive or otherwise) of the Company, or if the Company is part of a consolidated entity, of an entity within the consolidated group.

Listing Rules means the Listing Rules of ASX.

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

Option means an option to acquire a Share.

Proxy Form means the proxy form accompanying the Notice.

Remuneration Report means the remuneration report set out in the Director's report section of the Company's annual financial report for the year ended 30 June 2021.

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

Section means a section of the Explanatory Statement.

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

Shareholder means a registered holder of a Share.

SCHEDULE 1 – SUMMARY OF BLAIR SERGEANT EMPLOYMENT AGREEMENT

Title and Role	<p>Executive Director – Corporate.</p> <p>Responsible for the Company's corporate affairs, including investor and shareholder relations, presentations and roadshows to brokers, investors and institutional funds within Australia and coordinating the company's IR / PR strategy.</p>
Term	<p>This Agreement commences on 17 March 2021 or such other date as mutually agreed between the Employer and the Employee and continues until terminated in accordance with this Agreement.</p>
Remuneration	<p>The Employee's Remuneration is \$180,000 per annum plus superannuation in accordance with the Superannuation Guarantee (Administration) Act 1992 (Cth) as varied from time to time.</p> <p>The Employee's Remuneration will be reviewed annually by the Company in accordance with the policy of the Company for the annual review of salaries.</p>
Short Term Incentives	<p>(a) The Company may at any time during the Term pay to the Employee a short-term incentive over and above the Remuneration, which is to be capped at 50% the Employee's Remuneration in any given year.</p> <p>(b) The Company shall take into consideration the key performance indicators of the Employee and the Company, as the Company may set from time to time, and any other matter that it deems appropriate.</p>
Long Term Incentives	<p>The Company has agreed, subject to obtaining shareholder approval in this annual general meeting, to issue a total of 7,500,000 Performance Rights to the Employee (or his nominee) as a long-term performance incentive in connection with this appointment, comprising:</p> <p>(a) 2,500,000 Performance Rights, which will vest after the Company announces completion of a positive Scoping Study in relation to its MGB Copper/Gold Project and a successful capital or equity raise both within 12 months from the Commencement Date;</p> <p>(b) 2,500,000 Performance Rights, which will vest when the Company's share price, as quoted on the ASX, achieves a 20-day consecutive VWAP of \$0.11 per share, within 12 months from the Commencement Date; and</p> <p>(c) 2,500,000 Performance Rights, which will vest after the Company announces completion of a Definitive Feasibility Study, as defined under the JORC Code, at its MCB Copper/Gold Project, within 3 years from the Commencement Date.</p> <p>The Performance Rights will otherwise be issued under and governed by the Company's Performance Rights Plan.</p>
Expenses	<p>The Employee will himself pay for any reasonable business-related expenses incurred in the performance of his duties. The Employer will reimburse the Employee for the reasonable business-related expenses subject to the expenses being properly substantiated with receipts in accordance with the any relevant policy and/or practices.</p>
Termination	<p>Either party may terminate the Employment for any reason at any time by giving the other party 2 months' notice in writing.</p>

	<p>Instead of providing the specified notice the Employer may choose to make payment in lieu of notice. If the Employee fails to give the required notice, the Employee forfeits the entitlement to any monies owing to equal to the amount of notice not given.</p>
Termination by the Company	<p>The Employer may terminate the Employee's employment immediately without notice, counselling, warning or compensation if in the Employer's reasonable opinion:</p> <ul style="list-style-type: none"> (a) the Employee is guilty of serious or wilful misconduct, neglect of duty or other serious breach of the Employee's obligations under this Agreement; (b) the Employee commits fraud or an act of dishonesty, or any other act which may bring the Employer into disrepute; (c) Employee had provided false information at interview on matters that would otherwise lawfully preclude the Employee from being offered the Position; or (d) the Employee is unable to satisfactorily perform the duties of the Position under this Agreement because of alcohol or drug addiction, substance abuse or mental incapacity; <p>in which case the Employee shall only be entitled to be paid for the time worked up to the time of dismissal and any entitlements accrued to such time.</p>

The Blair Sergeant Employment Agreement otherwise contains provisions considered standard for an agreement of its nature.

SCHEDULE 2 – TERMS AND CONDITIONS OF THE COMPANY'S SECURITIES INCENTIVE PLAN

A summary of the terms of the Company's Securities Incentive Plan (**Plan**) is set out below.

(a) **Awards**

Award means an Option, a Performance Right, a Share Award and/or a Loan Funded Share, as the case may be.

(b) **Eligible Participant**

Eligible Participant means

- (i) any Director or a person who is a full-time or part-time employee of the Company or its Related Bodies Corporate who is declared by the Board in its sole and absolute discretion to be eligible to receive grants of Awards under the Plan; or
- (ii) any other person providing services to the Group and who is declared by the Board in its sole and absolute discretion to be eligible to receive grants of Awards under the Plan.

(c) **Administration of the Plan**

The Plan will be administered by the Board in accordance with the Plan rules.

(d) **Purpose**

The purpose of the Plan is to:

- (i) assist in the reward, retention and motivation of Eligible Participants;
- (ii) link the reward of Eligible Participants to Shareholder value creation; and
- (iii) align the interests of Eligible Participants with Shareholders by providing an opportunity to Eligible Participants to earn rewards via an equity interest in the Company based on creating Shareholder value.

(e) **Maximum Award Allocation**

Unless prior Shareholder Approval is obtained, the number of Awards which may be granted under the Plan must not at any time exceed in aggregate 10% of the total issued capital of the Company at the date of any proposed new Awards.

(f) **Eligibility, invitation and application**

The Board may from time to time determine that an Eligible Participant may participate in the Plan and make an invitation to that Eligible Participant to apply for any (or any combination) of the different types of Awards on such terms and conditions as the Board decides.

On receipt of an Invitation, an Eligible Participant may apply for the Awards the subject of the invitation by sending a completed application form to the Company. The Board may accept an application from an Eligible Participant in whole or in part.

If an Eligible Participant is permitted in the invitation, the Eligible Participant may, by notice in writing to the Board, nominate a party in whose favour the Eligible Participant wishes to renounce the invitation.

(g) **Terms of Awards**

The terms and conditions of Awards offered or granted under these Rules to each Eligible Participant will be determined by the Board in its sole and absolute discretion.

(h) **Grant of Awards**

The Company will, to the extent that it has accepted a duly completed application, grant the Eligible Participant the relevant number of Awards, subject to the terms and conditions set out in the Invitation, the Plan rules and any ancillary documentation required.

(i) **Terms of Options and Performance Rights**

Each Option and/or Performance Right (**Convertible Security**) represents a right to acquire one or more Shares (for example, under an option or performance right), subject to the terms and conditions of the Plan. Prior to a Convertible Security being exercised a Participant does not have any interest (legal, equitable or otherwise) in any Share the subject of the Convertible Security by virtue of holding the Convertible Security. A Participant may not sell, assign, transfer, grant a security interest over or otherwise deal with a Convertible Security that has been granted to them unless otherwise determined by the Board. A Participant must not enter into any arrangement for the purpose of hedging their economic exposure to a Convertible Security that has been granted to them.

(j) **Vesting of a Convertible Security**

Any vesting conditions applicable to the grant of Convertible Securities will be described in the invitation. If all the vesting conditions are satisfied and/or otherwise waived by the Board, a vesting notice will be sent to the Participant by the Company informing them that the relevant Convertible Securities have vested. Unless and until the vesting notice is issued by the Company, the Convertible Securities will not be considered to have vested. For the avoidance of doubt, if the vesting conditions relevant to a Convertible Security are not satisfied and/or otherwise waived by the Board, that Convertible Security will lapse.

(k) **Exercise of Convertible Securities and cashless exercise**

To exercise a Convertible Security, the Participant must deliver a signed notice of exercise and, subject to a cashless exercise of Options (see below), pay the exercise price (if any) to or as directed by the Company, at any time following vesting of the Convertible Security (if subject to vesting conditions) and prior to the expiry date as set out in the invitation or vesting notice.

The Board may determine in its sole and absolute discretion that a Participant will not be required to provide payment of the exercise price of Options, but that on exercise of the Options the Company will only allot and issue or transfer that number of Plan Shares to the Participant that are equal in value to the difference between the exercise price otherwise payable in relation to the Options and the then Market Value of the Plan Shares as at the time of the exercise (with the number of Plan Shares rounded down).

An invitation may specify that at the time of exercise of the Convertible Securities, the Participant may elect not to be required to provide payment of the exercise price for the number of Convertible Securities specified in a notice of exercise, but that on exercise of those Convertible Securities the Company will transfer or issue to the Participant that number of Shares equal in value to the positive difference between the Market Value of the Shares at the time of exercise and the exercise price that would otherwise be payable to exercise those Convertible Securities.

Market Value means:

- (i) in relation to Options and Performance Rights, a value determined by application of a valuation methodology approved by the Board; and
- (ii) in relation to Share Awards, Loan Funded Shares and Plan Shares, the 'volume weighted average market price' (as that term is defined in the Listing Rules) per Share during the previous five trading days.

A Convertible Security may not be exercised unless and until that Convertible Security has vested in accordance with the Plan rules, or such earlier date as set out in the Plan rules.

Options must be exercised in multiples of 100 unless fewer than 100 Options are held by a Participant or the Board otherwise agrees.

(l) Delivery of Shares on exercise of Convertible Securities

As soon as practicable after the valid exercise of a Convertible Security by a Participant, the Company will issue or cause to be transferred to that Participant the number of Shares to which the Participant is entitled under the Plan rules and issue a substitute certificate for any remaining unexercised Convertible Securities held by that Participant.

(m) Forfeiture of Convertible Securities

Where a Participant who holds Convertible Securities ceases to be an Eligible Participant or becomes insolvent, all unvested Convertible Securities will automatically be forfeited by the Participant, unless the Board otherwise determines in its discretion to permit some or all of the Convertible Securities to vest.

Where the Board determines that a Participant has acted fraudulently or dishonestly; committed an act which has brought the Company, the Group or any entity within the Group into disrepute, or wilfully breached his or her duties to the Group or where a Participant is convicted of an offence in connection with the affairs of the Group; or has a judgment entered against him or her in any civil proceedings in respect of the contravention by the Participant of his or her duties at law, in equity or under statute, in his or her capacity as an employee, consultant or officer of the Group, the Board may in its discretion deem all unvested Convertible Securities held by that Participant to have been forfeited.

Unless the Board otherwise determines, or as otherwise set out in the Plan rules:

- (i) any Convertible Securities which have not yet vested will be forfeited immediately on the date that the Board determines (acting reasonably and in good faith) that any applicable vesting conditions have not been met or cannot be met by the relevant date; and

- (ii) any Convertible Securities which have not yet vested will be automatically forfeited on the expiry date specified in the invitation or vesting notice.

(n) **Change of control**

If a change of control event occurs in relation to the Company, or the Board determines that such an event is likely to occur, the Board may in its discretion determine the manner in which any or all of the Participant's Convertible Securities will be dealt with, including, without limitation, in a manner that allows the Participant to participate in and/or benefit from any transaction arising from or in connection with the change of control event provided that, in respect of Convertible Securities, the maximum number of Convertible Securities (that have not yet been exercised) that the Board may determine will vest and be exercisable into Shares under this Rule is that number of Convertible Securities that is equal to 10% of the Shares on issue immediately following vesting under this Rule, which as far as practicable will be allocated between holders on a pro-rata basis on the basis of their holdings of Convertible Securities on the date of determination of vesting.

(o) **Adjustment of Convertible Securities**

If there is a reorganisation of the issued share capital of the Company (including any subdivision, consolidation, reduction, return or cancellation of such issued capital of the Company), the rights of each Participant holding Convertible Securities will be changed to the extent necessary to comply with the Listing Rules applicable to a reorganisation of capital at the time of the reorganisation.

Unless otherwise determined by the Board, a holder of Convertible Securities does not have the right to participate in a pro rata issue of Shares made by the Company or sell renounceable rights.

(p) **Convertible Securities participation rights**

There are no participation rights or entitlements inherent in the Convertible Securities and holders are not entitled to participate in any new issue of Shares of the Company during the currency of the Convertible Securities without exercising the Convertible Securities.

(q) **Share Awards**

The Board may from time to time make an invitation to an Eligible Participant to acquire Share Awards under the Plan. The Board will determine in its sole and absolute discretion the acquisition price (if any) for each Share Award which may be nil. The Share Awards may be subject to performance hurdles and/or vesting conditions as determined by the Board.

Where Share Awards granted to a Participant are subject to performance hurdles and/or vesting conditions, the Participant's Share Awards will be subject to certain restrictions until the applicable performance hurdles and/or vesting conditions (if any) have been satisfied, waived by the Board or are deemed to have been satisfied under these Rules.

Following the issue of a vesting notification to the Participant, the Share Awards held by the Participant will no longer be subject to any restrictions and may be transferred or sold by the Participant, subject to compliance with applicable laws, the Company's Securities Trading Policy and the terms of the Plan.

(r) **Loan Funded Shares**

The Board may from time to time make an invitation to an Eligible Participant to acquire Loan Funded Shares under the Plan. The Board will determine in its sole and absolute discretion the acquisition price (if any) for each Loan Funded Shares which may be nil. The Loan Funded Shares may be subject to performance hurdles and/or vesting conditions as determined by the Board.

Where Loan Funded Shares granted to a Participant are subject to performance hurdles and/or vesting conditions, the Participant's Loan Funded Shares will be subject to certain restrictions until the applicable performance hurdles and/or vesting conditions (if any) have been satisfied, waived by the Board or are deemed to have been satisfied under these Rules.

Following the issue of a vesting notification to the Participant, the Loan Funded Shares held by the Participant will no longer be subject to any restrictions and may be transferred or sold by the Participant, subject to compliance with applicable laws, the Company's Securities Trading Policy and the terms of the Plan.

When the Company makes an Invitation to an Eligible Participant to acquire Loan Funded Shares, the Company will also offer the Eligible Participant a Loan on terms and conditions to be determined by the Board, for the amount of the acquisition price of the Loan Funded Shares, for the purposes of acquiring all or part of the Loan Funded Shares the subject of the invitation.

The loan amount may accrue interest as determined by the Board.

A Participant may repay all or part of a Loan at any time before the expiration of the Loan term, and at the expiration of the Loan term the Participant must immediately repay all of the Loan.

(s) **Rights Attaching to Share Awards, Loan Funded Shares and Plan Shares**

Any Share Awards, Loan Funded Shares and/or Plan Shares allotted, issued or transferred by the Company to a Participant under the Plan will rank equally with all existing Shares on and from the date of allotment, issue or transfer, including in respect of all rights and bonus issues.

A Participant will have a vested and indefeasible entitlement to any dividends declared and distributed by the Company on any Share Awards, Loan Funded Shares and/or Plan Shares which, at the record date for determining entitlement to those dividends, are standing to the account of the Participant.

The Participant may also participate in any dividend reinvestment plan operated by the Company in respect of Share Awards, Loan Funded Shares (provided the Loan has been fully repaid) and/or Plan Shares held by the Participant.

(t) **Disposal restrictions**

If the invitation provides that any Share Awards, Loan Funded Shares and/or Plan Shares held by any Participants are subject to any restrictions as to the disposal or other dealing by a Participant for a period, the Board may implement any procedure it deems appropriate to ensure the compliance by the Participant with this restriction.

For so long as Share Awards, Loan Funded Shares and/or Plan Shares held by any Participants are subject to any disposal restrictions under the Plan, the Participant will not:

- (i) transfer, encumber or otherwise dispose of, or have a security interest granted over that security; or
- (ii) take any action or permit another person to take any action to remove or circumvent the disposal restrictions without the express written consent of the Company.

(u) **Buy-back**

Subject to applicable law, the Company may at any time buy-back Awards and/or Plan Shares in accordance with the terms of the Plan.

(v) **Compliance with applicable law**

No act will be done or determination made in accordance with the Plan rules where to do so would be a breach of any applicable laws, and where any such act is done or determination made it will be considered void and to the extent possible be unwound and of no effect in respect of Awards and/or Plan Shares.

(w) **Amendment of Plan**

Subject to the following paragraph, the Board may at any time amend any provisions of the Plan rules, including (without limitation) the terms and conditions upon which any Awards that have been granted under the Plan and determine that any amendments to the Plan rules be given retrospective effect, immediate effect or future effect.

No amendment to any provision of the Plan rules may be made if the amendment materially reduces the rights of any Participant as they existed before the date of the amendment, other than an amendment introduced primarily for the purpose of complying with legislation or to correct manifest error or mistake, amongst other things, or is agreed to in writing by all Participants.

(x) **Plan duration**

The Plan continues in operation until the Board decides to end it. The Board may from time to time suspend the operation of the Plan for a fixed period or indefinitely and may end any suspension. If the Plan is terminated or suspended for any reason, that termination or suspension must not prejudice the accrued rights of the Participants.

If a Participant and the Company (acting by the Board) agree in writing that some or all of the Awards granted to that Participant are to be cancelled on a specified date or on the occurrence of a particular event, then those Awards may be cancelled in the manner agreed between the Company and the Participant.

SCHEDULE 3 – TERMS AND CONDITIONS OF PERFORMANCE RIGHTS

The principle terms of the Performance Rights to be issued to Mr Sergeant are summarised below:

- (a) **Eligibility and Grant of Performance Rights:** The Board may from time to time in its sole and absolute discretion determine that an Eligible Participant may participate in the Plan.
- (b) **Consideration:** Each Performance Right issued under the Plan will be issued for nil cash consideration.
- (c) **Vesting Conditions:** See above in Schedule 1.
- (d) **Conversion:** Each vested Performance Right entitles the Participant holding the Performance Right to subscribe for, or to be transferred, one Plan Share.
- (e) **Participant Rights:** An Eligible Participant who holds Performance Rights is not entitled as a result to notice of, or to vote at or attend, a meeting of the Shareholders unless and until Performance Rights are exercised and the Participant holds Plan Shares or receive any dividends declared by the Company in respect of such Performance Rights.
- (f) **Transfer of Performance Rights:** Performance Rights granted under this Plan may not be assigned, transferred, encumbered with a Security Interest in or over them, or otherwise disposed of by a Participant, unless the prior consent of the Board is obtained, which consent may impose such terms and conditions on such assignment, transfer, encumbrance or disposal as the Board sees fit or such assignment or transfer occurs by force of law upon the death of a Participant to the Participant's legal personal representative.
- (g) **Method of Exercise:** In the case of a Performance Right, following the issue of a Vesting Notification to the Participant, a vested Performance Right will be automatically exercised within the period specified by the Board in the Invitation Letter.
- (h) **Net settlement of Performance Rights in connection with Tax Liability:** Where a Tax Liability arises in connection with the vesting, exercise or settlement of a Performance Right, to the extent that the Participant has not entered into arrangements acceptable to the Company for the payment of that Tax Liability to the Company, or the relevant Group Company or former Group Company, the Board may determine in its sole and absolute discretion that the Company will only allot and issue or transfer that number of Plan Shares to the Participant that are equal in value to the difference between the Tax Liability and the then Market Value of the Plan Shares as at the time of vesting (with the number of Plan Shares rounded down).
- (i) **Actions on Exercise:** On completion of the exercise of Performance Rights the Performance Rights will automatically lapse and the Company will allot and issue or transfer the number of Plan Shares for which the Participant is entitled to subscribe for or acquire through the exercise of Performance Rights and issue a substitute Certificate for any remaining Performance Rights.
- (j) **Lapsing of Performance Rights:** Unless the Board otherwise determines in its sole and absolute discretion, the Performance Rights will lapse on the earlier of:
 - (i) the application of the Good Leaver or Bad Leaver clauses under the plan;

- (ii) any of the Forfeiture Conditions are met;
- (iii) a change of control event;
- (iv) if applicable Performance Hurdles and/or Vesting Conditions are not achieved by the relevant time;
- (v) if the Board determines in its reasonable opinion that the applicable Performance Hurdles and/or Vesting Conditions have not been met prior to the Expiry Date; or
- (vi) the Expiry Date.

Where a Participant's Performance Rights have lapsed the Company will:

- (i) notify the Participant that the Performance Rights held by them have lapsed;
- (ii) do such things and enter such arrangements with the Company's share registry or otherwise as it considers necessary, and the Participant will be bound by any action by the Company; and
- (iii) not be liable for any damages, compensation or other amounts to the Participant in respect of the Performance Rights.

- (k) **Cancellation of Performance Rights:** Notwithstanding any other provisions of the Plan, and subject to Applicable Laws, if a Participant and the Board have agreed in writing that some or all of the Performance Rights granted to that Participant may be Cancelled on a specified date or on the occurrence of a particular event, then the Board may Cancel those Performance Rights on the relevant date or on the occurrence of the particular event (as the case may be).

Where Performance Rights are to be Cancelled by the Company, the Company may do such things and enter such arrangements with the Company's share registry or otherwise as it considers necessary to enforce any Cancellation and the relevant Participant will be bound by any action by the Company under the plan.

Proxy Voting Form

If you are attending the virtual Meeting please retain this Proxy Voting Form for online Securityholder registration.

Holder Number:

Your proxy voting instruction must be received by **3.00pm (WST) on Tuesday, 16 November 2021**, being **not later than 48 hours** before the commencement of the Meeting. Any Proxy Voting instructions received after that time will not be valid for the scheduled Meeting.

SUBMIT YOUR PROXY

Complete the form overleaf in accordance with the instructions set out below.

YOUR NAME AND ADDRESS

The name and address shown above is as it appears on the Company's share register. If this information is incorrect, and you have an Issuer Sponsored holding, you can update your address through the investor portal: <https://investor.automic.com.au/#/home> Shareholders sponsored by a broker should advise their broker of any changes.

STEP 1 – APPOINT A PROXY

If you wish to appoint someone other than the Chair of the Meeting as your proxy, please write the name of that Individual or body corporate. A proxy need not be a Shareholder of the Company. Otherwise if you leave this box blank, the Chair of the Meeting will be appointed as your proxy by default.

DEFAULT TO THE CHAIR OF THE MEETING

Any directed proxies that are not voted on a poll at the Meeting will default to the Chair of the Meeting, who is required to vote these proxies as directed. Any undirected proxies that default to the Chair of the Meeting will be voted according to the instructions set out in this Proxy Voting Form, including where the Resolutions are connected directly or indirectly with the remuneration of KMP.

STEP 2 - VOTES ON ITEMS OF BUSINESS

You may direct your proxy how to vote by marking one of the boxes opposite each item of business. All your shares will be voted in accordance with such a direction unless you indicate only a portion of voting rights are to be voted on any item by inserting the percentage or number of shares you wish to vote in the appropriate box or boxes. If you do not mark any of the boxes on the items of business, your proxy may vote as he or she chooses. If you mark more than one box on an item your vote on that item will be invalid.

APPOINTMENT OF SECOND PROXY

You may appoint up to two proxies. If you appoint two proxies, you should complete two separate Proxy Voting Forms and specify the percentage or number each proxy may exercise. If you do not specify a percentage or number, each proxy may exercise half the votes. You must return both Proxy Voting Forms together. If you require an additional Proxy Voting Form, contact Automic Registry Services.

SIGNING INSTRUCTIONS

Individual: Where the holding is in one name, the Shareholder must sign.

Joint holding: Where the holding is in more than one name, all Shareholders should sign.

Power of attorney: If you have not already lodged the power of attorney with the registry, please attach a certified photocopy of the power of attorney to this Proxy Voting Form when you return it.

Companies: To be signed in accordance with your Constitution. Please sign in the appropriate box which indicates the office held by you.

Email Address: Please provide your email address in the space provided.

By providing your email address, you elect to receive all communications despatched by the Company electronically (where legally permissible) such as a Notice of Meeting, Proxy Voting Form and Annual Report via email.

CORPORATE REPRESENTATIVES

If a representative of the corporation is to attend the Meeting the appropriate 'Appointment of Corporate Representative' should be produced prior to admission. A form may be obtained from the Company's share registry online at <https://automic.com.au>.

Lodging your Proxy Voting Form:

Online:

Use your computer or smartphone to appoint a proxy at <https://investor.automic.com.au/#/login> or scan the QR code below using your smartphone

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



BY MAIL:

Automic
GPO Box 5193
Sydney NSW 2001

IN PERSON:

Automic
Level 5, 126 Phillip Street
Sydney NSW 2000

BY EMAIL:

meetings@automicgroup.com.au

BY FACSIMILE:

+61 2 8583 3040

All enquiries to Automic:

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

