



Prodigy Gold NL

ACN 009 127 020

Notice of Annual General Meeting

Explanatory Notes

Date of meeting

29 November 2021

Time of meeting

2:00pm (WST)

Place

BDO Audit (WA) Pty Ltd
38 Station Street
Subiaco, Western Australia

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

Notice of Annual General Meeting

Notice is given that Prodigy Gold NL ACN 009 127 020 (**Company**) will hold an annual general meeting at 2:00 pm (WST) on 29 November 2021 at BDO Audit (WA) Pty Ltd, 38 Station Street, Subiaco, Western Australia (**Annual General Meeting**).

IMPORTANT NOTICE REGARDING ATTENDANCE AND THE COVID-19 PANDEMIC

In the event that Government COVID-19 restrictions apply to restrict or prohibit attendance at the physical location of the meeting, shareholders will not be permitted to attend the meeting in person and those wishing to attend will be required to do so via an online platform the details for which will be made available at www.prodigygold.com.au.

The Company will inform shareholders through an ASX announcement as soon as is practicable in advance of the meeting if attendance in person at the meeting will be restricted or prohibited. The Company notes that online attendance is not available unless the Company has informed shareholders that they will not be able to attend the meeting in person. Whilst shareholders will be able to vote online during the meeting if the Company facilitates online attendance, shareholders are encouraged to lodge a proxy ahead of the meeting.

The Company considers that the above steps are necessary in circumstances where Government restrictions on attendance are in place to ensure all shareholders can participate in the meeting by electronic means while maintaining their health and safety, and abiding by Federal and State Government requirements and guidelines regarding COVID-19.

Your vote is important

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

Voting eligibility

The directors have determined pursuant to Regulation 7.11.37 of the *Corporations Regulations 2001* (Cth) that the persons eligible to vote at the Annual General Meeting are those who are registered shareholders at 2:00 pm (WST) on 27 November 2021. Accordingly, transactions registered after that time will be disregarded in determining entitlements to attend and vote at the Annual General Meeting.

Voting in person

To vote and/or speak at the meeting in person, attend the Annual General Meeting at the time, date and place set out above.

Voting by proxy

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

In accordance with section 249L of the *Corporations Act 2001* (Cth) (**Corporations Act**), members are advised that:

- each member has a right to appoint a proxy;
- the proxy need not be a member of the Company; and
- a member who is entitled to cast two or more votes may appoint two proxies and may specify the proportion or number of votes each proxy is appointed to exercise.

If a member appoints two 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.

The proxy form (and any power of attorney under which it is signed) must be received at the address set out below not later than 2:00 pm (WST) on 27 November 2021 (being not less than 48 hours before the commencement of the Annual General Meeting). Any proxy forms received after that time will not be valid for the Annual General Meeting.

Online:	https://investor.automic.com.au/#/loginsah
By mail:	Automic, GPO Box 5193, Sydney NSW 2001
In person	Automic, Level 5, 126 Phillip Street, Sydney NSW 2000
By fax:	+61 2 8583 3040
By email:	meetings@automicgroup.com.au

Voting by corporate representative

A shareholder that is a body corporate may appoint a representative to attend in accordance with the Corporations Act. A form of the certificate of appointment may be obtained from the Company's share registry, Automic Group, the contact details of which are set out in the proxy form.

AGENDA

GENERAL BUSINESS

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 directors' report and the auditor's report.

ORDINARY BUSINESS

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 ordinary resolution**:

“That, for the purpose of section 250R(2) of the Corporations Act and for all other purposes, the remuneration report as contained in the Company’s annual financial report for the financial year ended 30 June 2021 be adopted.”

Note: section 250R(3) of the Corporations Act provides that the vote on this Resolution is advisory only and does not bind the directors or the Company.

Voting Restrictions

A vote on this Resolution must not be cast (in any capacity) by or on behalf of any of the following persons:

- a member of the key management personnel (**KMP**), details of whose remuneration are included in the remuneration report; or
- a closely related party of such a member.

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:

- the voter is appointed as a proxy by writing that specifies the way the proxy is to vote on the Resolution; or
- the voter is the Chairman and the appointment of the Chairman as proxy:
 - does not specify the way the proxy is to vote on this Resolution; and
 - expressly authorises the Chairman to exercise the proxy even if the Resolution is connected directly or indirectly with the remuneration of a member of the KMP.

Resolution 2 – Re-election of Director – Mr Brett Smith

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 13.1(d) of the Company’s constitution, Listing Rule 14.4 and for all other purposes, Mr Brett Smith be re-elected as a Director.”

Resolution 3 – Election of Director – Mr Gerard McMahon

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

“That, for the purposes of clause 13.1(h)(iii) of the Company’s constitution and for all other purposes, Mr Gerard McMahon, having consented in writing to act as a director, be elected as a non-executive Director.”

Resolution 4 – Election of Director – Mr Nathan Featherby

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

“That, for the purposes of clause 13.1(h)(iii) of the Company’s constitution and for all other purposes, Mr Nathan Featherby, having consented in writing to act as a director, be elected as a non-executive Director.”

Resolution 5 – Election of Director – Mr Neale Edwards

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

“That, for the purposes of clause 13.1(h)(iii) of the Company’s constitution and for all other purposes, Mr Neale Edwards, having consented in writing to act as a director, be elected as a non-executive Director.”

SPECIAL BUSINESS
Resolution 6 – Approval of grant of options to Mr Matthew Briggs

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

“That, for the purpose of Listing Rule 10.14 and for all other purposes, approval is given for the grant of 450,000 options to the Managing Director Mr Matthew Briggs (and/or his nominees) on the terms and conditions set out in the Explanatory Statement.”

Voting Exclusions and Voting Restriction:

The Company will disregard any votes cast in favour of this resolution by or on behalf of 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, or an associate of those persons. However, this does not apply to a vote cast in favour of a resolution by:

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

- the holder votes on the resolution in accordance with directions given by the beneficiary to the holder to vote in that way.

Further, in accordance with the Corporations Act, a vote must not be cast on this resolution (and will be taken not to have been cast if cast contrary to this restriction) by a person appointed as proxy if the person is a member of the key management personnel, or any closely related party of such a member, unless:

- the proxy appointment specifies how the proxy is to vote on this resolution; or
- the person is the chair of the meeting at which the resolution is voted on and the proxy 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.

Resolution 7 – Approval of grant of options to Mr Matthew Briggs

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

“That, for the purpose of Listing Rule 10.14 and for all other purposes, approval is given for the grant of 3,000,000 options to the Managing Director Mr Matthew Briggs (and/or his nominees) on the terms and conditions set out in the Explanatory Statement.”

Voting Exclusions and Voting Restriction:

The Company will disregard any votes cast in favour of this resolution by or on behalf of 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, or an associate of those persons. However, this does not apply to a vote cast in favour of a resolution by:

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

Further, in accordance with the Corporations Act, a vote must not be cast on this resolution (and will be taken not to have been cast if cast contrary to this restriction) by a person appointed as proxy if the person is a member of the key management personnel, or any closely related party of such a member, unless:

- the proxy appointment specifies how the proxy is to vote on this resolution; or
- the person is the chair of the meeting at which the resolution is voted on and the proxy 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.

Resolution 8 – Approval of amendment to terms of options granted under the employee share option plan

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

“That, for the purposes of Listing Rule 6.23.4 and for all other purposes, approval is given for the amendment of the terms of 400,000 options previously issued to Managing Director Mr Matthew Briggs, 400,000 options previously issued to Company Secretary Jutta Zimmermann and 200,000 options previously issued to an employee of the Company, on the terms and conditions set out in the Explanatory Statement.”

Voting Exclusion:

The Company will disregard any votes cast in favour of this resolution by or on behalf of Mr Briggs, Ms Zimmermann or Ms Alessandrino, and any of their associates. However, this does not apply to a vote cast in favour of a resolution by:

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

Further, in accordance with the Corporations Act, a vote must not be cast on this resolution (and will be taken not to have been cast if cast contrary to this restriction) by a person appointed as proxy if the person is a member of the key management personnel, or any closely related party of such a member, unless:

- the proxy appointment specifies how the proxy is to vote on this resolution; or
- the person is the chair of the meeting at which the resolution is voted on and the proxy 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.

Resolution 9 – Approval of 10% additional placement capacity

To consider and, if thought fit, to pass, with or without amendment, 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 have the additional capacity to issue equity securities totalling up to 10% of the issued capital of the Company, calculated in accordance with the formula prescribed in Listing Rule 7.1A.2 and on the terms and conditions set out in the Explanatory Statement.”

Voting Exclusion:

The Company will disregard any votes cast in favour of this resolution by or on behalf of any person who is expected to participate in, or who will obtain a material benefit as a result of, any proposed issue of securities under Listing Rule 7.1A.2 (except a benefit solely by reason of being a holder of Shares), and any of their associates. However, this does not apply to a vote cast in favour of a resolution by:

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

Resolution 10 – Approval to renew proportional takeover provisions

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

“That, for the purposes of section 648G of the Corporations Act and for all other purposes, the proportional takeover provisions contained in clause 35 of the Company’s constitution be renewed for a period of three years with effect from the close of this meeting.”

DATED: 23 OCTOBER 2021
BY ORDER OF THE BOARD



Jutta Zimmermann
Company Secretary

Explanatory Notes

This Explanatory Statement has been prepared to provide information the directors believe to be material to shareholders in deciding whether or not to pass the resolutions which are the subject of the business of the meeting.

The directors recommend shareholders read this Explanatory Statement in full before making any decision in relation to the resolution. The directors also recommend shareholders read the instructions on the proxy form in full if they intend to vote by proxy.

GENERAL BUSINESS

Financial statements and reports

In accordance with the Company's constitution (**Constitution**), 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 directors' 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 www.prodigygold.com.au.

ORDINARY BUSINESS

Resolution 1 – Adoption of Remuneration Report

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 of the Company. However, such a resolution is advisory only and does not bind the directors or 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 the financial year ending 30 June 2021.

A reasonable opportunity will be provided for discussion of the remuneration report at the Annual General Meeting.

Voting consequences

If at least 25% of the votes cast on a remuneration report resolution are voted against adoption of the remuneration report in two consecutive annual general meetings, the Company will be required to put to shareholders a resolution proposing the calling of an extraordinary general meeting to consider the appointment of directors of the Company (**Spill Resolution**) at the second annual general meeting.

If more than 50% of shareholders vote in favour of the Spill Resolution, the Company must convene an extraordinary general 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 financial year ended immediately before the second annual general meeting) was approved, other than the Managing Director, 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.

At the Company's 2020 annual general meeting the votes cast against the remuneration report considered at that annual general meeting were less than 25%. Accordingly, a Spill Resolution is not capable of being put for this Annual General Meeting.

Directors' Recommendation

The directors recommend that shareholders vote in favour of Resolution 1.

Resolution 2 – Re-election of Director – Mr Brett Smith**Background**

Clause 13.1(d) of the Constitution and Listing Rule 14.4 provide that a Director (excluding the Managing Director) must not hold office (without re-election) past the third annual general meeting following the Director's appointment or 3 years, whichever is longer.

Mr Smith was last re-elected at the Company's annual general meeting in 2018. As such, in accordance with clause 13.1(d) of the Constitution and Listing Rule 14.4, Mr Smith retires by rotation and seeks re-election.

Mr Smith has participated in the development and delivery of a number of mining and mineral processing projects including coal, iron ore, base and precious metals. He has also managed engineering and construction companies in Australia and internationally. Mr Smith has served on boards of both private and public mining and exploration companies. He is currently executive director of Hong Kong listed Dragon Mining Limited (since February 2014), deputy executive Chairman of Hong Kong listed APAC Resources Limited (since May 2016), executive director of Metals X Limited (board member since December 2019), non-executive director of Tanami Gold NL (since November 2018) and non-executive director of Elementos Limited (since January 2020). Overall, Mr Smith has over 30 years' international experience in the engineering, project development and organisational change management. Mr Smith is a nominee of APAC Resources Limited who are a substantial shareholder of Prodigy Gold.

Mr Smith is currently a non-executive director of the Company.

Directors' Recommendation

Other than Mr Smith (who is standing for re-election), the directors recommend that shareholders vote in favour of Resolution 2.

Resolution 3 – Election of Director – Mr Gerard McMahon**Background**

Clause 13.1(h)(iii) of the Constitution provides that a person is eligible for election to the office of a Director at a general meeting if nominated by members in accordance with the requirements of that clause.

APAC Resources Limited has nominated Mr Gerard McMahon to be elected as a Director in accordance with clause 13.1(h)(iii) of the Constitution.

Gerard McMahon is qualified as a Barrister in Hong Kong and New South Wales and lived and worked in Hong Kong for over 35 years. He presently resides in Manly, NSW. He is a Non-Executive Director and member of the Audit, Remuneration and Nomination Committees of ASX listed Tanami Gold NL, having formerly been Chairman from 2013 to 2018.

He is Non-Executive Director and Chairman of the Audit Committee of Hong Kong listed GDH Guangnan (Holdings) Limited, which has substantial manufacturing and agricultural operations in China. He was first appointed in 2000. Mr McMahon is also a Director of ZZCI Corporate Finance Limited, a Hong Kong based corporate finance and advisory firm which he co-founded (formerly known as Asian Capital (Corporate Finance) Limited).

Over the past 30 years, Mr McMahon has been a Director of many other listed companies in the Asia Pacific region which are involved in the banking, manufacturing, retailing, information technology, medical, telecoms & mining industries. Mr McMahon's past experience includes extensive involvement in Hong Kong's Securities and Futures Commission as Chief Counsel, Member and Executive Director and has specialized in Hong Kong company law, securities and banking law and takeovers and mergers regulations.

Directors' Recommendation

The Company is in the process of undertaking relevant background checks in respect of Mr McMahon, including into his character, experience and education and, until such time as the outcome of those checks has been

determined, the directors do not make any recommendation to shareholders to vote in favour of or against Resolution 3.

Resolution 4 – Election of Director – Mr Nathan Featherby

Background

Clause 13.1(h)(iii) of the Constitution provides that a person is eligible for election to the office of a Director at a general meeting if nominated by members in accordance with the requirements of that clause.

APAC Resources Limited has nominated Mr Nathan Featherby to be elected as a Director in accordance with clause 13.1(h)(iii) of the Constitution.

Mr Nathan Featherby holds a Bachelor of Commerce from Curtin University. He has 9 years of investment banking and natural resource investment experience. Mr Featherby is executive chairman of Ochre Management Pty Ltd, a Western Australian merchant bank which focuses on advisory and investments in small to medium capitalisation mining and exploration companies, and a director of Gasfields Limited. Mr Featherby has previously worked as a stockbroker and independent financier in Australia with a specialisation in resources. He has an extensive AsiaPacific and US business development network in the global minerals sector.

Directors' Recommendation

The Company is in the process of undertaking relevant background checks in respect of Mr Featherby, including into his character, experience and education and, until such time as the outcome of those checks has been determined, the directors do not make any recommendation to shareholders to vote in favour of or against Resolution 4.

Resolution 5 – Election of Director – Mr Neale Edwards

Background

Clause 13.1(h)(iii) of the Constitution provides that a person is eligible for election to the office of a Director at a general meeting if nominated by members in accordance with the requirements of that clause.

APAC Resources Limited has nominated Mr Neale Edwards to be elected as a Director in accordance with clause 13.1(h)(iii) of the Constitution.

Mr Neale Edwards has over 30 years' experience in the mineral exploration and mining industry. Mr Edwards holds a Bachelor of Applied Science in Applied Geology and Bachelor of Science with Honours and is a Fellow of the Australian Institute of Geoscientists. Mr Edwards' experience covers projects ranging from grassroots level through to mine development and mining in major geological provinces in Australia, the Pacific Rim, northern Africa, northern Europe. Mr Edwards was responsible for the discovery of significant gold resources in the Southern Cross Province of Western Australia for Samantha Gold and the identification of project opportunities that resulted in Dragon Mining becoming an established gold producer in the Nordic Region.

Mr Edwards is currently Chief Geologist for HKEX listed Dragon Mining Limited and Non-Executive Director for ASX listed Tanami Gold NL.

Directors' Recommendation

The Company is in the process of undertaking relevant background checks in respect of Mr Edwards, including into his character, experience and education and, until such time as the outcome of those checks has been determined, the directors do not make any recommendation to shareholders to vote in favour of or against Resolution 5.

SPECIAL BUSINESS**Resolutions 6 and 7 – Approval of the grant of options to Matthew Briggs****Background**

In 2017, as part of the overall remuneration strategy of the Company, the Company established the Prodigy Gold Employee Share Option Plan (**ESOP**). The ESOP provides for the grant of options to 'eligible employees' (including directors) invited by the Board to participate in the ESOP. The exercise of options results in the issue of fully paid ordinary shares in the Company (**Shares**). A summary of the ESOP rules is annexed to this document.

Mr Briggs, the Managing Director of the Company has been invited to apply for separate issues of 450,000 options and 3,000,000 options under the ESOP as part of Mr Briggs's overall remuneration package.

Reason for approval

Listing Rule 10.14 requires that a company obtain shareholder approval for the issue of securities under an employee incentive scheme to a director, an associate of a director or a person whose relationship with the company, a director or an associate of a director is such that ASX considers approval should be obtained. Mr Briggs is a director of the Company and so the proposed issue of options to him requires approval under Listing Rule 10.14. If approval is given under Listing Rule 10.14, approval is not required under Listing Rule 7.1.

If Resolutions 6 and 7 are passed, the Company will proceed with the grant of options to Mr Briggs on the terms as set out below. If this resolution is not passed, then the Company will not proceed with the grant of options to Mr Briggs, and may need to consider alternative methods (such as cash payments) to remunerate and incentivise Mr Briggs.

Option Terms

The Company proposes to grant the options on a date within 3 business days of the Annual General Meeting determined by the Board or such later date as the Board may determine (**Grant Date**) for nil consideration and with an exercise price of nil (commonly known as ZEPOs), to be exercised as follows:

- (a) in respect of the 450,000 options to be granted to Mr Briggs:
 - (i) 225,000 options vesting on 1 July 2023; and
 - (ii) 225,000 options vesting on 1 July 2024,subject to Mr Briggs remaining in the employment of the Company until the relevant vesting date, and expiring on 1 July 2025; and
- (b) in respect of the 3,000,000 options to be granted to Mr Briggs:
 - (i) 1.5 million options vesting on the date that is the earlier of 28 February 2022 and completion of the scoping study for the Buccaneer deposit to the satisfaction of the Board; and
 - (ii) 1.5 million options vesting on 1 July 2022,subject to Mr Briggs remaining in the employment of the Company until the relevant vesting date, and expiring on 1 July 2026.

Specific information required by Listing Rule 10.15

Listing Rule 10.15 requires that certain information be provided to shareholders for the purposes of obtaining shareholder approval under Listing Rule 10.14. This information is provided in respect of each proposed grant of options to Mr Briggs, as follows:

- (a) (**name of person**) the person to whom options will be granted if Resolutions 6 and 7 are passed is Mr Matthew Briggs (and/or his nominees);
- (b) (**category of person**) Mr Briggs is a director of the Company, meaning that approval is required in accordance with Listing Rule 10.14.1;

- (c) **(number and class of securities)** if Resolution 6 is passed Mr Briggs will be granted 450,000 options and if Resolution 7 is passed Mr Briggs will be granted 3,000,000 options;
- (d) **(total remuneration package)** see 'Total remuneration package' below;
- (e) **(securities previously issued under the ESOP)** Mr Briggs has previously been issued the following securities under the ESOP:
- 11,000,000 options issued during FY 2017, at a nil acquisition price and with exercise prices varying between \$0.09 and \$0.189. All options vested and lapsed unexercised on 24 August 2020;
 - 15,000,000 options issued during FY 2020 following shareholder approval at the 2019 annual general meeting. The options have a nil acquisition price and a nil exercise price and are subject to KPI's. 2,000,000 options vested and 500,000 options were cancelled on 1 July 2020 and 6,250,000 were cancelled on 1 July 2021 in accordance with their conditions. 6,250,000 options have not yet vested and all options expire on 1 July 2030; and
 - 400,000 options issued during FY 2021 following shareholder approval at the 2020 annual general meeting. The options have a nil issue price and a nil exercise price and are subject to KPIs. None of these options have yet vested as to date the vesting conditions have not been met. The vesting conditions must be satisfied by 1 July 2023 otherwise the options will be cancelled. These options will expire on 1 July 2025.
- (f) **(terms of options and the ESOP)** the options will be granted on the terms outlined above and otherwise under the terms of the ESOP, the material terms of which are described in the annexure;
- (g) **(why options are being used)** the directors consider that the grant of the options is a cost effective and efficient means for the Company to provide a reward and incentive to Mr Briggs. The options form a part of Mr Briggs' remuneration, which the Company notes the cash component of which has not been increased since his appointment in 2016, and provide an incentive to retention which the Company considers to be a significant risk;
- (h) **(value of options)** see 'Total remuneration package' below;
- (i) **(date of grant)** it is intended that the options will be granted within 3 business days of the date of the Annual General Meeting or such later date as may be determined by the Board, which will be no later than one month after the date of the date of the Annual General Meeting;
- (j) **(price)** the options will have a grant price of nil and will therefore be granted for nil consideration;
- (k) **(no loan)** no loan will be provided by the Company in relation to the grant of the options;
- (l) **(required statements)** details of any securities issued under the ESOP 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 Rules 10.14. Any additional persons covered by Listing Rule 10.14 who become entitled to participate in an issue of securities under the ESOP after the resolution is approved and who were not named in the notice of meeting will not participate until approval is obtained under that rule; and
- (m) **(voting exclusion statement)** a voting exclusion statement is included in the notice of meeting.

Total remuneration package

The Company estimates that the value of Mr Briggs' total remuneration package is \$442,000, comprising a base salary of \$312,500, superannuation contributions of \$27,500 and the issue of the options, the subject of Resolutions 6 and 7, with a value of \$102,000 (subject to shareholder approval), which vest progressively over a period so as to provide a short and long-term incentive and which cannot all be exercised in the current financial year. The value of the options set out is based on the Black-Scholes option pricing model that takes into account the exercise price, the anticipated vesting period of the options, the impact of dilution, the share price at grant date and expected price volatility of the underlying options, the expected dividend yield and the

risk-free interest rate for the term of the options. The valuation of the options has been prepared using the following assumptions:

Variable	Input
Date of valuation	20 October 2021
Share price	\$0.034
Exercise price	NIL
Risk Free Interest Rate	0.12%
Volatility	95.20%
Time (years to expiry)	less than one year
Value per	\$0.034

Any change in the variable applied in the Black-Scholes calculation between the date of the valuation and the date the options are granted would have an impact on their value.

The Company has not engaged a third party to provide an independent valuation report in respect of the options the subject of this Resolutions 6 and 7, however, the valuation was undertaken using the Black-Scholes option pricing model following the same approach used for previous share-based payments disclosed in the Company's 2021 annual report and shown as a key audit matter outlining the auditors assessment process.

It is important to note that the grant of options means that the actual value (if any) of the options that Mr Briggs will receive (if approval is obtained for the grant of those options) cannot be determined until the end of the performance period and will depend on the share price from the time the options vest until the time at which the options are either exercised or expire.

Directors' recommendation

Other than Mr Briggs (to whom the options are to be issued), the directors recommend that shareholders vote in favour of Resolutions 6 and 7.

Resolution 8 – Approval of amendment to terms of options granted under the employee share option plan

Background

The Company has previously issued:

- (a) 400,000 options to Managing Director Mr Matthew Briggs;
- (b) 400,000 options to Company Secretary Ms Jutta Zimmermann; and
- (c) 200,000 options to an employee of the Company,

(Amendment Options).

The Amendment Options are subject to key performance indicators, which the Company now considers do not provide an adequate incentive to performance and maximising returns to shareholders. Further, the Amendment Options were granted as a means of remuneration for those key personnel and staff for achieving reasonable performance hurdles.

The Company considers that the key performance indicators attaching to the Amendment Options are not reasonably achievable and, as such, will fail to adequately remunerate Mr Briggs, Ms Zimmermann and the staff member for their contributions to the Company and that appropriate option terms are required in order to appropriately remunerate these staff.

Further, a significant risk facing the Company is the retention of these key staff. The Company considers that amending the terms of the Amendment Options will provide an incentive to these staff to remain in the employment of the Company and help to mitigate the risk of non-retention.

As such, the Company intends to amend the terms of the Amendment Options to remove the key performance indicator vesting condition, and replace it with a continuity of employment vesting condition, such that if the staff member leaves the employment of the Company, the Amendment Options will not vest (**Continuity Condition**).

The wording to be inserted into deleted from the option terms for the Amendment Options in respect of each of Mr Briggs, Ms Zimmermann and the staff member is as follows:

	Wording inserted	Wording deleted
Mr Briggs	“Your entitlement to exercise these options is subject to continuity of employment until the relevant vesting date (Vesting Condition)”.	<p>“Your entitlement to exercise these Options is subject to the achievement of the “Long Term Incentive between 1 July 2020 and 1 July 2023”.</p> <p>”Subject to the achievement of the “Long Term Incentive” between 1 July 2020 and 1 July 2023”.</p> <p>The definitions of “Long Term Incentive” and “EHS Multiplier” are deleted.</p>
Ms Zimmerman	“Your entitlement to exercise these options is subject to continuity of employment until the relevant vesting date (Vesting Condition)”.	<p>“Your entitlement to exercise these Options is subject to the achievement of the “Long Term Incentive between 1 July 2020 and 1 July 2023. The Board, at its sole discretion, may determine the number of Options that vest at, or prior to the vesting date”.</p> <p>”Subject to the achievement of the “Long Term Incentive” between 1 July 2020 and 1 July 2023”.</p> <p>The definitions of “Long Term Incentive” and “EHS Multiplier” are deleted.</p>
Staff member	“Your entitlement to exercise these options is subject to continuity of employment until the relevant vesting date (Vesting Condition)”.	<p>In respect of 100,000 options:</p> <p>“Your entitlement to exercise these Options is subject to your KPI’s and company performance criteria. The Board, at its sole discretion, may determine the number of Options that vest at or prior to the vesting date”.</p> <p>“The Board shall in its sole discretion determine the number of Options that vest on and/or before the Vesting Date based on your performance on and from the Grant Date, as measured against your KPIs and the company performance criteria”.</p> <p>In respect of 100,000 options:</p> <p>“Your entitlement to exercise these Options is subject to the achievement of the “Long Term Incentive between 1 July 2020 and 1 July 2023. The Board, at its sole discretion, may determine the number of Options that vest at, or prior to the vesting date”.</p> <p>“Subject to the achievement of the “Long Term Incentive” between 1 July 2020 and July 2023”.</p> <p>The definitions of “Long Term Incentive” and “EHS Multiplier” are deleted.</p>

For each person listed above, the definition of “Long Term Incentive” is deleted from the option terms, as follows:

“Long Term Incentive”

“Long Term Incentive” means the achievement of KPIs, comprising the discovery and definition of a substantial new deposit of >1Moz JORC Resource within an optimised design and having an average cost of production of <A\$1200/oz (**Resource Target**) and total shareholder return (**TSR**) on the 5 day VWAP for the trading days prior to 1 July 2020 (**Base Price**), scored and weighted as follows:

KPI	100%	50%	0%	Weighting
Resource Target	1Moz or more added	At least 500koz, but less than 1Moz, added	Less than 500koz added	50%
TSR	At least two times the Base Price	At least 1.5 times the Base Price but less than two times the Base Price	Less than 1.5 times Base Price	50%

The Resource Target requires PRX to meet certain performance targets. For the proposed scheme this target is the safe discovery of new quality resources. This is directly linked to PRX’s strategy and it ensures that employees are rewarded when PRX meets its strategic objectives.

The TSR Target ensures that PRX’s shareholders receive a return on their investment. The payment of incentive based rewards must be strongly connected to our shareholders receiving a return.

The number of options that vest in accordance with the “Long Term Incentive” will be reduced by the “EHS Multiplier”.

“EHS Multiplier”

Options subject to the “Short Term Incentive” or “Long Term Incentive” are also subject to the “EHS Multiplier”, which aligns with PRX’s objective for there to be no major injuries, and no major reportable environmental or community incidents occurring during the assessment period. The EHS Multiplier applies as follows:

Percentage of options subject to “EHS Multiplier” that vest			
EHS Multiplier	100%	50%	0%
	No major injuries / incidents	Level 3 incident	Level 4 or 5 incident

Level	Rating	Health & Safety	Environmental	Community (Negative Perception)	Legal Compliance	Damage/Process Loss ¹
1	Insignificant	First Aid Injury (FAI) Minor injury	No or very low environmental impact. Impact confined to small area.	Isolated complaint No media enquiry	Minor technical/legal compliance issue unlikely to attract a regulatory response.	< \$5,000
2	Minor	Medical Treatment Injury (MTI) Restricted Work Injury (RWI)	Low environmental impact. Rapid cleanup by site staff and/or contractors Impact contained to area currently impacted by operations.	Small numbers of sporadic complaints. Local media enquiries.	Technical/legal compliance issue which may attract a low level administrative response from regulator. Incident requires reporting in routine reports (eg. monthly).	\$5,000 - \$50,000
3	Moderate	Single Lost Time Injury (LTI) <2 weeks	Moderate environmental impact. Cleanup by site staff and/or contractors. Impact confined within lease boundary.	Serious rate of complaints, repeated complaints from the same area (clustering). Increased local media interest.	Breach of regulation with possible prosecution and penalties. Continuing occurrences of minor breaches. Incident requires immediate (within 48 hours) notification.	\$50,000 - \$500,000
4	Major	Multiple Lost Time Injuries (LTI) Serious single LTI >2 weeks Permanent serious disability	Major environmental impact. Considerable cleanup effort required using site and external resources. Impact may extend beyond the lease boundary.	Increasing rate of complaints, repeated complaints from the same area (clustering). Increased local/national media interest.	Major breach of regulation resulting in investigation by regulator. Prosecution, penalties or other action likely.	\$500,000 - \$5,000,000
5	Catastrophic	Fatality(s)	Severe environmental impact. Local species destruction and likely long recovery period. Extensive cleanup involving external resources. Impact on a regional scale.	High level of concern or interest from local community. National and/or international media interest.	Serious breach of regulation resulting in investigation by regulator. Operation suspended, licenses revoked.	> \$5,000,000

¹ Cost - Includes estimated costs for cleanup, remedial measures

Reason for approval

The rules of the Plan provide that the rights attaching to options granted under the Plan may at any time be amended by the Board, subject to any approval required under the Corporations Act (or any other law) or the Listing Rules.

Listing Rule 6.23.4 provides that the Company may only make amendments to the terms of options if Shareholders approve the change. On that basis, the Company seeks the approval of Shareholders to amend the terms of options granted under the Plan so that the KPIs are replaced with continuity conditions.

There will be no changes to the exercise price, period for exercise, or number of securities received upon exercise in respect of the Amendment Options.

If shareholders approve Resolution 8, then the Amendment Options will adequately remunerate the staff for their contributions to the Company and, particularly in the case of Ms Zimmermann and the staff member, provide an incentive to these staff to remain in the employment of the Company and help to mitigate the risk of non-retention. If shareholders do not approve Resolution 8, then the Amendment Options will fail to adequately remunerate Mr Briggs, Ms Zimmermann and the staff member for their contributions to the Company and, in respect of Ms Zimmermann and the staff member, creates a risk of non-retention.

Directors' recommendation

Each of the Directors holds options under the Plan and, as such, the directors make no recommendation as to how Shareholders should vote in respect of Resolution 8.

Resolution 9 – Approval of 10% additional placement capacity**Background**

Listing Rule 7.1A enables eligible entities to issue equity securities up to 10% of its issued Share capital through placements over a period of up to 12 months after the annual general meeting at which approval of the issue is obtained (**10% Additional Placement Capacity**). This 10% Additional Placement Capacity is in addition to the Company's 15% placement capacity under Listing Rule 7.1 and will, if approved, allow the Company to issue up to 25% of its issued capital in total. If Resolution 9 is not passed, the Company will not be granted the 10% Additional Placement Capacity and will only be able to rely on its 15% placement capacity under Listing Rule 7.1.

An eligible entity for the purposes of Listing Rule 7.1A is an entity that is not included in the S&P/ASX300 Index and has a market capitalisation of \$300 million or less. On 17 September 2021, the closing price of Shares was \$0.041 per Share and the Company had 580,627,606 Shares on issue, meaning the market capitalisation of the Company on 17 September 2021 was approximately \$23,805,731.

As the market capitalisation of the Company is less than \$300 million and the Company is not included in the S&P/ASX 300 Index, the Company is an eligible entity. In order for the Company to utilise the additional capacity to issue equity securities under Listing Rule 7.1A, it must remain compliant with the requirements of Listing Rule 7.1A at the date of the Annual General Meeting.

The Company is now seeking shareholder approval by way of a special resolution, which requires approval of 75% of the votes cast by shareholders present and eligible to vote (in person, by proxy, by attorney or, in the case of a corporate shareholder, by a corporate representative), to have the ability to issue equity securities under the 10% Additional Placement Capacity. The exact number of equity securities to be issued under the 10% Additional Placement Capacity will be determined in accordance with the formula prescribed in Listing Rule 7.1A.2.

Number of equity securities

The formula for calculating the maximum number of equity securities that may be issued under the 10% Additional Placement Capacity is calculated as follows:

(A x D) – E

A is the number of Shares on issue 12 months before the date of issue or the date of agreement to issue (**Relevant Period**):

- plus the number of Shares issued in the Relevant Period under an exception in Listing Rule 7.2 other than exception 9, 16 or 17;
- plus the number of fully paid Shares issued in the Relevant Period on the conversion of convertible securities within Listing Rule 7.2 exception 9 where the convertible securities were issued or agreed to be issued before the commencement of the Relevant Period or the issue or agreement to issue the convertible securities was approved, or taken by the Listing Rules to have been approved, under Listing Rule 7.1 or 7.4;
- plus the number of Shares issued in the Relevant Period under an agreement to issue securities within Listing Rule 7.2 exception 16 where the agreement was entered into before the commencement of the Relevant Period or the agreement or issue was approved, or taken under the Listing Rules to have been approved, under Listing Rule 7.1 or 7.4;
- plus the number of Shares issued in the Relevant Period with approval under Listing Rule 7.1 or 7.4;
- plus the number of partly paid ordinary securities that became fully paid in the Relevant Period;
- less the number of Shares cancelled in the Relevant Period.

D is 10%.

E is the number of equity securities issued or agreed to be issued under Listing Rule 7.1A.2 in the Relevant Period where the issue or agreement has not been subsequently approved by shareholders under Listing Rule 7.4.

The ability to issue equity securities under Listing Rule 7.1A is in addition to the Company's 15% placement capacity under Listing Rule 7.1.

At the date of this notice, the Company has 580,627,606 Shares on issue. As such, provided that Resolution 9 is passed, the Company will have capacity to issue:

- (a) 87,094,140 equity securities under Listing Rule 7.1; and
- (b) 58,062,760 equity securities under Listing Rule 7.1A.

Any equity securities issued under the 10% Additional Placement Capacity must be in the same class as an existing quoted class of equity securities of the Company.

The Company, as at the date of this notice, has only one class of quoted equity securities on issue, being Shares. Accordingly, as at the date of this notice the only equity securities the Company may issue under Listing Rule 7.1A are Shares issued for cash consideration in accordance with Listing Rule 7.1A.3.

A number of scenarios showing potential issues under Listing Rule 7.1A are detailed in the table below under the heading 'Risk of economic and voting dilution'.

Specific information required by Listing Rule 7.3A

Pursuant to and in accordance with Listing Rule 7.3A, information is provided in relation to the approval of the 10% Additional Placement Capacity as follows:

(a) Period for which the approval will be valid

Subject to approval of this resolution, the approval commences on the date on which the approval is obtained and expires on the first to occur of the following:

- the date that is 12 months after the date of the Annual General Meeting;
- the time and date of the Company's next annual general meeting;
- the time and date of the approval by holders of the Company's ordinary securities of a transaction under Listing Rules 11.1.2 or 11.2.

(b) Minimum issue price

The issue price of Shares under this 10% Additional Placement Capacity will be no less than 75% of the volume weighted average market price for Shares calculated over the 15 trading days on which trades in that class were recorded immediately before:

- the date on which the price at which the Shares are to be issued is agreed by the Company and the recipient of the Shares; or
- if the Shares are not issued within 10 trading days of the date in the paragraph above, the date on which the Shares are issued.

(c) Purposes for which Shares may be issued

The Company may seek to issue the Shares for the purposes of an acquisition of new assets or investments (including expenses associated with such acquisition), continued exploration and development expenditure on the Company's current assets and/or general working capital.

(d) Risk of economic and voting dilution

If this resolution is approved by shareholders and the Company issues Shares under the 10% Additional Placement Capacity, the existing shareholders' voting power in the Company will be diluted as shown in the table below (in the case of unlisted options, only if the unlisted options are exercised).

There is a risk that:

- the market price for the Shares may be significantly lower on the date of the issue of the Shares than on the date on which the approval under Listing Rule 7.1A is given; and

- the Shares may be issued at a price that is at a discount to the market price for the Shares on the issue date.

The table also shows:

- two examples where variable “A” has increased, by 50% and 100%. Variable “A” is based on the number of Shares the Company has on issue. The number of Shares on issue may increase as a result of Shares that do not require shareholder approval (for example, a pro rata entitlements issue or scrip issued under a takeover offer) or future specific placements under Listing Rule 7.1 that are approved at a future meeting of shareholders; and
- two examples where the issue price of Shares has decreased by 50% and increased by 100% as against the current market price.

The Table does not show an example of dilution that may be caused to a particular shareholder by reason of placements under the 10% Additional Placement Capacity, based on that shareholder’s holding at the date of the annual general meeting. The Table also shows only the effect of issues of Shares under Listing Rule 7.1A, not under the 15% placement capacity under Listing Rule 7.1.

The Table has been prepared on the following assumptions:

- the Company issues the maximum number of Shares available under the 10% Additional Placement Capacity;
- no unlisted options (including any unlisted options issued under the 10% Additional Placement Capacity) are exercised into Shares before the date of the issue of the equity securities;
- the 10% voting dilution reflects the aggregate percentage dilution against the issued capital at the time of issue. This is why the voting dilution is shown in each example as 10%; and
- the issue price of 4.1 cents per Share, being the closing price of Shares on 17 September 2021.

Variable “A” in Listing Rule 7.1A.2		Dilution		
		\$0.0205 50% decrease in issue price	\$0.041 Issue Price	\$0.082 100% increase in issue price
Current Variable A 580,627,606 Shares	10% voting dilution Funds raised	58,062,760 Shares \$1,190,286.58	58,062,760 Shares \$2,380,573.16	58,062,760 Shares \$4,761,146.32
50% increase in current Variable A 870,941,409 Shares	10% voting dilution Funds raised	87,094,140 Shares \$1,785,429.87	87,094,140 Shares \$3,570,859.74	87,094,140 Shares \$7,141,719.48
100% increase in current Variable A 1,161,255,212 Shares	10% voting dilution Funds raised	116,125,521 Shares \$2,380,573.18	116,125,521 Shares \$4,761,146.36	116,125,521 Shares \$9,522,292.72

(e) Allocation policy

The Company’s allocation policy is dependent upon the prevailing market conditions at the time of any proposed issue pursuant to the 10% Additional Placement Capacity. The intended allottees, usually sophisticated and professional investors, will be determined on a case-by-case basis having regard to, but not limited to, the following factors:

- the methods of raising funds that are available to the Company, including but not limited to, rights issues or other issues in which existing security holders can participate;
- the effect of the issue of the Shares on control of the Company;
- the financial situation and solvency of the Company; and
- advice from corporate, financial and broking advisors (if applicable).

The allottees under the 10% Additional Placement Capacity have not been determined as at the date of this notice, but may include existing substantial shareholders and/or new shareholders who are not related parties or associates of a related party of the Company.

(f) Equity securities issued by the Company

No equity securities have been issued or agreed to be issued under Listing Rules 7.1A.2 in the 12 months preceding the date of the annual general meeting.

(g) Voting Exclusion

A voting exclusion statement is set out in this notice. As at the date of this annual general meeting, the Company is not proposing to make an issue of equity securities under Listing Rule 7.1A.2 and as such, no shareholders will be excluded from voting on Resolution 9.

Directors' Recommendation

The directors recommend that shareholders vote in favour of Resolution 9.

Resolution 10 – Approval to renew proportional takeover provisions

Background

A proportional takeover offer is a takeover offer sent to all shareholders with respect to only a specified portion of each shareholder's Shares. If a shareholder accepts the offer under a proportional takeover offer, the shareholder will only dispose of the specified portion of its Shares in the company and retain the balance of their Shares. The specified portion must be the same for each shareholder's Shares.

The Corporations Act permits a company to include provisions in its constitution dealing with a proportional takeover offer of the company's Shares (known as proportional takeover provisions). Under such provisions, if offers are made under a proportional takeover bid for securities of the company, the registration of a transfer giving effect to a takeover contract for the bid is prohibited unless and until a resolution to approve the bid is passed in accordance with the provisions.

The Corporations Act provides that the proportional takeover provisions apply for up to three years. Clause 35 of the Constitution includes such proportional takeover provisions which if not approved at the General Meeting will cease to be in effect and, as such, the Company is seeking approval under this Resolution 10 to renew the proportional takeover provisions in the Constitution. If Resolution 10 is approved, these proportional takeover provisions will have effect until 29 November 2024, being 3 years from the approval of this resolution.

Effect of the provisions to be renewed

The effect of renewing the proportional takeover provisions in the Constitution is that where a proportional takeover offer is made, the directors will be required to convene a meeting of shareholders, to vote on a resolution to approve the proportional takeover offer. This resolution must be voted on before the 14th day before the last day of the bid period. If the resolution to approve the bid is not voted on by this deadline, the Corporations Act deems the resolution to have been passed.

In order for the resolution to be passed, the proportion of the number of votes in favour of the resolution must be greater than 50% of the total votes. If the resolution to approve the bid is passed, the transfers resulting from the takeover offer may be registered, provided they comply with other applicable provisions in the Corporations Act and the Constitution. If the resolution to approve the bid is not passed, all binding contracts resulting from

acceptances of offers made under the takeover offer are required to be rescinded by the bidder and all unaccepted offers (and offers failing to result in binding contracts) are taken to have been withdrawn.

The proportional takeover provisions will not apply to a full takeover bid.

The reasons for proposing the resolution

A proportional takeover may result in a person or entity acquiring control of the Company notwithstanding that the person or entity does not hold a majority interest and without shareholders having the opportunity to sell all of their Shares to the bidder. This may result in the existing shareholders being exposed to the risk of being left as minority shareholders in the Company and of the bidder being able to acquire control of the Company without payment of an adequate, or any, premium for control of their Shares. As there is a risk that the market price of the Company's Shares will decrease as a result of a proportional takeover bid, there is also a risk that shareholders may suffer loss without having had an opportunity to dispose of their Shares. The directors consider that, given this risk, it is appropriate that shareholders be given the opportunity to determine whether or not to approve a proposed takeover offer. Accordingly, the directors seek approval for the renewal of those provisions.

No current proposals

At the date of this notice of meeting, none of the directors of the Company are aware of a proposal by a person to acquire, or to increase the extent of, a substantial interest in the Company.

Potential advantages for shareholders

The advantages of these provisions during the period which the provisions have been in effect, and the potential advantages for shareholders of renewing these provisions, are that the provisions:

- provide the shareholders with greater control over the management and control of their Company by having an opportunity to consider a proportional takeover offer and vote on whether to approve a proportional takeover bid;
- give shareholders the opportunity to prevent the bid from proceeding if shareholders so desire by voting against the bid, which should in turn increase the likelihood that the terms of any proportional takeover offers are attractive to a majority of shareholders;
- may dissuade bidders considering a proportional takeover bid for the Company that will not be favourable to shareholders on the basis that such a bid is unlikely to receive approval from the shareholders;
- may increase the likelihood that that any takeover bid would be a full takeover bid, therefore giving shareholders an opportunity to sell all of their Shares rather than a proportion; and
- enable the directors to ascertain the views of shareholders in respect of a proportional takeover offer through a meeting.

Potential disadvantages for shareholders

The disadvantages of these provisions during the period which the provisions have been in effect, and the potential disadvantages for shareholders of renewing these provisions, are that the provisions:

- place procedural hurdles in the way of proportional takeover bids, potentially denying shareholders an opportunity to sell some of their Shares at an attractive price to persons seeking control of the Company;
- may discourage those considering making proportional takeover bids in respect of the Company from making such a bid because of the uncertainty of whether shareholders will approve the bid, again potentially denying the shareholders an opportunity to sell their Shares;
- may diminish the prospective takeover element of the market price of the Shares by their existence; and

- may deny an individual shareholder the opportunity to accept a proportional takeover bid if a majority of shareholders do not vote in favour of approving the bid.

However, the directors believe that the views of shareholders being obtained should not adversely affect any offer which is attractive to the majority of shareholders.

Potential advantages and disadvantages for directors

The directors do not consider that there have been any advantages or disadvantages specific to the directors of these provisions during the period which the provisions have been in effect, or that there are any potential advantages or potential disadvantages specific to the directors through the renewal of these provisions, other than those potential advantages and potential disadvantages that arise because a director is also a shareholder.

Directors' Recommendation

The directors recommend that shareholders vote in favour of Resolution 10.

ANNEXURE – Terms of the Employee Share Option Plan

Eligibility	<p>The Board may, in its absolute discretion, issue written invitations to Eligible Employees selected by the Board inviting them to apply for options under the ESOP.</p> <p>“Eligible Employees” under the ESOP are any person considered by the Board to be an employee of the Company, directors of the Company, and other persons determined by the Board to be treated as employees.</p>
Grant of options	<p>If the Company receives a valid application for options from an Eligible Employee under the Rules of the ESOP, the Company may at the discretion of the Board grant options to that Eligible Employee.</p> <p>The grant of options under the ESOP is subject to receipt of any necessary shareholder or other approvals under the Listing Rules, the Corporations Act and any other law applicable to the Company.</p>
Maximum number of options	<p>The Company must not grant options if such grant would result in any maximum threshold specified under any applicable Listing Rules, under the Corporations Act, or any other law applicable to the Company being exceeded.</p>
No quotation	<p>The Company will not apply to the ASX for the quotation of any options granted under the ESOP. The Company will make an application for the quotation of Shares issued upon the exercise of any options under the ESOP.</p>
Expiry of options	<p>Options will expire and lapse on the expiry date determined by the Board.</p> <p>Where a participant ceases to be an employee of the Company, unvested options held by that participant will automatically expire and lapse, and the expiry and lapse of vested options held by the participant will accelerate.</p>
Exercise of options	<p>An option granted under the ESOP may only be exercised if it has vested and has not expired. An option will automatically vest upon a change in control event occurring, regardless of the vesting date has been reached or whether an applicable vesting condition has been achieved.</p> <p>If a participant does not exercise all of their options, they must only exercise options in multiples of 1,000 and not less than 25,000 options.</p> <p>Shares issued on exercise of the options will rank equally with all existing Shares from the date of the issue of such Shares.</p>
Transfer	<p>The rights and entitlements of a participant to options may not be transferred, assigned, encumbered or otherwise disposed of by the participant except by transmission on death of the participant.</p>
Loan	<p>The directors may offer a loan to a participant who holds an option for the amount of the exercise price in order to enable the participant to pay the exercise price.</p> <p>Where the participant:</p> <ul style="list-style-type: none"> • ceases to be an Eligible Employee; • fails to comply with a term or condition of the loan or the ESOP; or • becomes bankrupt, <p>the Company may purchase the Shares from the participant or direct that such Shares be sold to a nominee of the Company at a price that is the lesser of the</p>

	<p>purchase price of the Shares paid by the participant and the market price at the date of such disposition.</p> <p>The Company will then apply the proceeds from the disposal of the Shares towards satisfaction of any amounts outstanding under or in connection with the Loan.</p>
Participation rights	<p>A Participant may only participate in issues of securities by the Company if the option has been exercised and a Share allotted in respect of the exercise of that option before the closing date for determining entitlements to the security issue.</p>
Reconstruction of capital	<p>In the event of any reconstruction of the issued capital of the Company between the date of grant of the options and the exercise of the options, the number of Shares to which the holder will become entitled on the exercise of the options and their exercise price will be adjusted.</p>
Termination	<p>The ESOP may be determined at any time by resolution of the Board.</p>
Governing law	<p>The ESOP is governed by the laws of Western Australia, Australia. Subdivision 83A-C of the <i>Income Tax Assessment Act 1997</i> (Cth) applies to the ESOP and all options granted under the ESOP.</p>

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

Holder Number:

Your proxy voting instruction must be received by **2.00pm (WST) on Saturday, 27 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 VOTE ONLINE

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

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

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



SUBMIT YOUR PROXY VOTE BY PAPER

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

YOUR NAME AND ADDRESS

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

STEP 1 – APPOINT A PROXY

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

DEFAULT TO THE CHAIR OF THE MEETING

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

STEP 2 - VOTES ON ITEMS OF BUSINESS

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

APPOINTMENT OF SECOND PROXY

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

SIGNING INSTRUCTIONS

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

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

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

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

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

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

CORPORATE REPRESENTATIVES

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

