

Notice of Annual General Meeting and Explanatory Memorandum

Brightstar Resources Limited

ABN 44 100 727 491

Date of Meeting: 29 November 2021

Time of Meeting: 3pm (Perth Time)

Place of Meeting: Country Comfort Perth

249-263 Great Eastern Highway, Belmont WA

THE COMPANY IS TAKING PRECAUTIONS TO FACILITATE AN IN-PERSON MEETING IN ACCORDANCE WITH COVID-19 RESTRICTIONS. IF THE SITUATION IN RELATION TO COVID-19 CHANGES IN ANY WAY THAT AFFECTS THE ABILITY OF THE COMPANY TO HOLD AN IN-PERSON MEETING THE COMPANY WILL PROVIDE AN IMMEDIATE UPDATE AHEAD OF THE MEETING BY WAY OF AN ASX ANNOUNCEMENT.

This is an important document. Please read it carefully. If Shareholders are in doubt as to how to vote in respect of any or all of the resolutions contained within this document, they are advised to seek advice from their accountant, solicitor, or other relevant professional adviser prior to voting.

Shareholders are encouraged to attend or complete the Proxy Form enclosed and return it in accordance with the instructions set out in the Proxy Form.

Notice of Annual General Meeting

Notice is given that the Annual General Meeting of Shareholders of Brightstar Resources Limited (ABN 44 100 727 491) (**Company**) will be held at Country Comfort Perth, 249-263 Great Eastern Highway, Belmont WA, on 29 November 2021 commencing at 3pm (Perth time).

The Board monitors the rapidly changing COVID-19 pandemic and regards the health of its shareholders, employees and stakeholders as being of paramount importance.

While the Board would like to host all Shareholders in person, in order to minimise risk to Shareholders and the Company's operations, the Board suggests that Shareholders do not attend the Meeting in person. Accordingly the Board strongly encourage Shareholders to lodge Proxy Forms prior to the Meeting.

The Board will continue to monitor Australian Government restrictions on public gatherings and if the situation in relation to COVID-19 changes in a way that affects the holding of an in-person meeting, the Company will provide a further update ahead of the Meeting by releasing an announcement to ASX.

To vote in person, attend the Meeting on the date and at the place set out above. If you wish to attend the Meeting, please arrive 20 minutes prior to the start of the Meeting to facilitate the registration process.

At the Meeting, the Company will comply with any social distancing Government COVID-19 requirements that may apply at the time. This may include limiting the number of attendees at the Annual General Meeting or refusing entry to visitors. We ask that you do not attend the Meeting if you feel unwell or have been in contact with someone who may have been affected by COVID-19.

Snapshot Time

Regulation 7.11.37 of the Corporations Regulations 2001 permits the Company to specify a time, not more than 48 hours before the Meeting, at which a "snapshot" of Shareholders will be taken for the purposes of determining Shareholders' entitlements to vote at the Meeting.

The Directors have determined that all Shares of the Company on the register as at 5.00 pm (Perth time) on 27 November 2021 shall, for the purposes of determining voting entitlements at the Meeting, be taken to be held by the persons registered as holding the Shares at that time.

Agenda

Ordinary Business

Financial Report

To receive and consider the Company's Annual Report comprising the Directors' Report and Auditors' Report, Directors' Declaration, Statement of Financial Performance, Balance Sheet, Statement of Cashflows and notes to and forming part of the accounts of the Company and its controlled entities for the financial year ended 30 June 2021.

1. Resolution 1 – Remuneration Report

To consider and, if thought fit, pass the following resolution as an advisory Resolution:

"That, the Remuneration Report for the year ended 30 June 2021 (as set out in the Directors' Report) is adopted."

Voting: The vote on this Resolution 1 is advisory only and does not bind the Directors of the Company.

Notice of Annual General Meeting

Voting Restriction pursuant to Section 250R(4) of the Corporations Act: A vote on Resolution 1 must not be cast (in any capacity) by or on behalf of either of the following persons:

- (a) a member of the Key Management Personnel details of whose remuneration are included in the Remuneration Report;*
- (b) a Closely Related Party of such a member.*

However, the above persons may cast a vote on Resolution 1 if:

- (a) the person does so as a proxy; and*
- (b) the vote is not cast on behalf of a member of the Key Management Personnel details of whose remuneration are included in the Remuneration Report or a Closely Related Party of such a member; and*
- (c) either:*
 - (1) the voter is appointed as a proxy by writing that specifies the way the proxy is to vote on the resolution; or*
 - (2) the voter is the chair of the meeting and the appointment of the chair as proxy:*
 - i. does not specify the way the proxy is to vote on the resolution; and*
 - ii. expressly authorises the chair to exercise the proxy even if the resolution is connected directly or indirectly with the remuneration of the Key Management Personnel for the Company or, if the Company is part of a consolidated entity, for the entity.*

2. Resolution 2 – Re-election of Mr Yongji Duan as a Director

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

“That, for the purposes of clause 14.2 of the Constitution, Listing Rule 14.5 and for all other purposes, Mr Yongji Duan, a Director, retires by rotation, and being eligible, is re-elected as a Director.”

3. Resolution 3 – Ratification of prior issue of Options to CGF

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

“That, for the purposes of ASX Listing Rule 7.4 and for all other purposes, the Shareholders approve and ratify the prior issue on 29 December 2020 of 12,000,000 Options to Canaccord Genuity (Australia) Limited on the terms and conditions set out in the Explanatory Memorandum which accompanies and forms part of this Notice of Meeting.”

Voting Exclusion: The Company will disregard any votes cast in favour of Resolution 3 by or on behalf of any person who participated in the issue, and any Associates of those persons. However, this does not apply to a vote cast in favour of Resolution 3 by:

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

4. Resolution 4 – Ratification of prior issue of Options to PCF Capital Group

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

Notice of Annual General Meeting

“That, for the purposes of ASX Listing Rule 7.4 and for all other purposes, the Shareholders approve and ratify the prior issue on 22 June 2021 of 5,000,000 Options to PCF Capital Group on the terms and conditions set out in the Explanatory Memorandum which accompanies and forms part of this Notice of Meeting.”

Voting Exclusion: The Company will disregard any votes cast in favour of Resolution 4 by or on behalf of PCF Capital Group or any nominee and any Associates of those persons. However, this does not apply to a vote cast in favour of Resolution 4 by:

- (d) a person as proxy or attorney for another 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;*
- (e) 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*
- (f) a holder acting solely in a nominee, trustee, custodial or other fiduciary capacity on behalf of a beneficiary provided the following conditions are met:*
 - (3) the beneficiary provides written confirmation to the holder that they are not excluded from voting, and is not an associate of a person excluded from voting, on the Resolution; and*
 - (4) the holder votes on the Resolution in accordance with directions given by the beneficiary to the holder to vote in that way.*

5. Resolution 5 – Ratification of prior issue of Shares and Mining Equities Options to Mining Equities

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

“That, for the purposes of ASX Listing Rule 7.4 and for all other purposes, the Shareholders approve and ratify the prior issue on 12 February 2021 of

- (a) 4,000,000 Shares; and*
- (b) 1,000,000 Mining Equities Options,*

to Mining Equities or its nominees on the terms set out in the Explanatory Memorandum.”

Voting Exclusion: The Company will disregard any votes cast in favour of Resolution 5 by or on behalf of Mining Equities, or any nominee and any Associates of those persons. However, this does not apply to a vote cast in favour of Resolution 5 by:

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

6. Resolutions 6(a) and 6(b) – Ratification of prior issue of Placement Shares

To consider and, if thought fit, to pass with or without amendment, the following resolutions as Ordinary Resolutions:

“That, for the purposes of ASX Listing Rule 7.4 and for all other purposes, the Shareholders approve and ratify the prior issue on 8 October 2021 of

- (a) 43,362,615 Shares under the Placement issued under Listing Rule 7.1; and*
- (b) 43,575,076 Shares under the Placement issued under Listing Rule 7.1A,*

Notice of Annual General Meeting

on the terms and conditions set out in the Explanatory Memorandum which accompanies and forms part of this Notice of Meeting.”

Voting Exclusion: The Company will disregard any votes cast in favour of Resolution 6 by or on behalf of any person who participated in the issue, and any Associates of those persons. However, this does not apply to a vote cast in favour of Resolution 6 by:

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

7. Resolution 7 – Approval of Issue of Shares to Tony Lau

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

“That, for the purposes of ASX Listing Rule 7.1 and for all other purposes, approval is given for the Company to issue a maximum of 5,172,414 Shares to Tony Lau on the terms set out in the Explanatory Memorandum.”

Voting Exclusion: The Company will disregard any votes cast in favour of Resolution 7 by or on behalf of any person who is expected to participate in, or who will obtain a material benefit as a result of, the proposed issue (except a benefit solely by reason of being the holder of ordinary securities in the Company), and any Associates of those persons. However, this does not apply to a vote cast in favour of Resolution 7 by:

- (d) a person as proxy or attorney for another 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;*
- (e) 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*
- (f) a holder acting solely in a nominee, trustee, custodial or other fiduciary capacity on behalf of a beneficiary provided the following conditions are met:*
 - (3) the beneficiary provides written confirmation to the holder that they are not excluded from voting, and is not an associate of a person excluded from voting, on the Resolution; and*
 - (4) the holder votes on the Resolution in accordance with directions given by the beneficiary to the holder to vote in that way.*

8. Resolution 8 – Approval of Issue of Service Options to Luke Wang

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

“That, for the purposes of ASX Listing Rule 7.1 and for all other purposes, approval is given for the Company to issue a maximum of 1,000,000 unlisted Service Options to Luke Wang or his nominee on the terms set out in the Explanatory Memorandum.”

Voting Exclusion: The Company will disregard any votes cast in favour of Resolution 8 by or on behalf of any person who is expected to participate in, or who will obtain a material benefit as a result of, the proposed issue (except a benefit solely by reason of being the holder of ordinary securities in the Company), and any Associates of those persons. However, this does not apply to a vote cast in favour of Resolution 8 by:

- (g) a person as proxy or attorney for another 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;*

Notice of Annual General Meeting

- (h) 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
- (i) a holder acting solely in a nominee, trustee, custodial or other fiduciary capacity on behalf of a beneficiary provided the following conditions are met:
 - (5) the beneficiary provides written confirmation to the holder that they are not excluded from voting, and is not an associate of a person excluded from voting, on the Resolution; and
 - (6) the holder votes on the Resolution in accordance with directions given by the beneficiary to the holder to vote in that way.

9. Resolution 9 – Approval of Issue of Service Options to Craig Wales

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

“That, for the purposes of ASX Listing Rule 7.1 and for all other purposes, approval is given for the Company to issue a maximum of 1,200,000 unlisted Service Options to Craig Wales or his nominee on the terms set out in the Explanatory Memorandum.”

Voting Exclusion: The Company will disregard any votes cast in favour of Resolution 9 by or on behalf of any person who is expected to participate in, or who will obtain a material benefit as a result of, the proposed issue (except a benefit solely by reason of being the holder of ordinary securities in the Company), and any Associates of those persons. However, this does not apply to a vote cast in favour of Resolution 9 by:

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

10. Resolution 10 – Approval of Issue of Shares and Milford Options to Milford

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

“That, for the purposes of ASX Listing Rule 7.1 and for all other purposes, approval is given for the Company to issue

- (a) 15,000,000 Shares; and
- (b) 20,000,000 Milford Options,

to Milford or its nominees on the terms set out in the Explanatory Memorandum.”

Voting Exclusion: The Company will disregard any votes cast in favour of Resolution 10 by or on behalf of any person who is expected to participate in, or who will obtain a material benefit as a result of, the proposed issue (except a benefit solely by reason of being the holder of ordinary securities in the Company), and any Associates of those persons. However, this does not apply to a vote cast in favour of Resolution 10 by:

- (m) a person as proxy or attorney for another 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;
- (n) 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
- (o) a holder acting solely in a nominee, trustee, custodial or other fiduciary capacity on behalf of a beneficiary provided the following conditions are met:
 - (9) the beneficiary provides written confirmation to the holder that they are not excluded from voting, and is not an associate of a person excluded from voting, on the Resolution; and

Notice of Annual General Meeting

(10) the holder votes on the Resolution in accordance with directions given by the beneficiary to the holder to vote in that way.

11. Resolution 11 – Approval of 10% Placement Capacity

To consider and, if thought fit, to pass with or without amendment, the following resolution as a Special Resolution:

“That, for the purpose of Listing Rule 7.1A and for all other purposes, shareholders approve the Company to have the additional capacity to issue Shares totalling up 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 on the terms and conditions set out in the Explanatory Memorandum.”

Voting Exclusion: The Company will disregard any votes cast in favour of Resolution 11 by or on behalf of any person who is expected to participate in, or who will obtain a material benefit as a result of, the proposed issue (except a benefit solely by reason of being the holder of ordinary securities in the Company), and any Associates of those persons. However, this does not apply to a vote cast in favour of Resolution 11 by:

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

Other Business

To consider any other business that may be brought before the Meeting in accordance with the Company's Constitution.

Explanatory Memorandum

Shareholders are referred to the Explanatory Memorandum accompanying and forming part of this Notice of Annual General Meeting.

Poll

All Resolutions shall be conducted by poll.

Proxies

Please note that:

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

Completed Proxy Forms may be sent via:

Online: www.investorvote.com.au

By mail: Share Registry – Computershare Investor Services Pty Limited,
GPO Box 242,
Melbourne, Victoria 3001, Australia

By fax: 1800 783 447 (within Australia)
+61 3 9473 2555 (outside Australia)

By mobile: Scan the QR Code on your proxy form and follow the prompts

Notice of Annual General Meeting

Custodian voting for Intermediary Online subscribers only (custodians).

The enclosed proxy form for the Meeting provides further details on appointing proxies and lodging the proxy form. Proxies must be returned by 10 am (Perth time) on 27 November 2021.

Voting by Proxy

A Shareholder can direct its proxy to vote for, against or abstain from voting on each Resolution by marking the appropriate box in the voting directions section of the proxy form. If a proxy holder votes, they must cast all votes as directed. Any directed proxies that are not voted will automatically default to the Chairman, who must vote the proxies as directed.

If the Chairman is to act as your proxy in relation to the Meeting (whether by appointment or by default) and you have not given directions on how to vote by marking the appropriate box in the voting directions section of the proxy form, the Chairman intends to vote all valid undirected proxies in respect of each of the Resolutions in favour of the relevant resolution.

If you are in any doubt as to how to vote, you should consult your professional adviser.

Corporate Representative

If a representative of a Shareholder corporation is to attend the Meeting, a “Corporate Representative Certificate” should be completed and produced prior to the Meeting. Please contact the Company’s share registry for a pro forma certificate if required.

By Order of the Board
Brightstar Resources Limited

Luke Wang
Company Secretary

28 October 2021

Explanatory Memorandum

1. Introduction

This Explanatory Memorandum is provided to Shareholders of Stone Resources Australia Limited (**Stone Resources** or **Company**) to explain the Resolutions to be put to Shareholders at the Annual General Meeting to be held at Country Comfort Perth, 249-263 Great Eastern Highway, Belmont, on 29 November 2021 commencing at 3 pm (Perth time).

The Notice of Meeting sets out details of proposals concerning the Resolutions to be put to Shareholders.

The Directors recommend Shareholders read the accompanying Notice of Meeting and this Explanatory Memorandum in full before making any decision in relation to the Resolutions.

Resolution 1 relating to the Remuneration Report is an advisory Resolution and does not bind the Directors or the Company. All other Resolutions are Ordinary Resolutions, which require that a simple majority of votes cast by Shareholders present and entitled to vote on the Resolution must be in favour of the Resolution.

Unless otherwise defined, the Terms used in this Explanatory Memorandum are defined in section 13.

2. Consider the Company's Financial Report

The Company's Annual Report comprising the Directors' Report and Auditors' Report, Directors' Declaration, Statement of Financial Performance, Balance Sheet, Statement of Cashflows and notes to and forming part of the accounts for the Company and its controlled entities for the financial year ended 30 June 2021 were released to the ASX on 1 October 2021.

The Company's Annual Report is placed to the Shareholders for discussion.

No voting is required for this item.

3. Resolution 1 – Remuneration Report

3.1 Remuneration Report

In accordance with Section 250R of the Corporations Act, the Board has submitted its Remuneration Report to Shareholders for consideration and adoption by way of a non-binding advisory Resolution.

The Remuneration Report is set out in the Directors' Report section of the Annual Report for the period ending 30 June 2021.

The Remuneration Report:

- (a) explains the Board's policy for determining the nature and amount of remuneration of executive Directors and senior executives of the Company;
- (b) explains the relationship between the Board's remuneration policy and the Company's performance;
- (c) sets out remuneration details for each Director and the most highly remunerated senior executives of the Company; and
- (d) details and explains any performance conditions applicable to the remuneration of executive Directors and senior executives of the Company.

Explanatory Memorandum

A reasonable opportunity will be provided for the Shareholders to ask questions about, or make comments, on, the Remuneration Report at the Meeting.

3.2 Recommendation

The Board unanimously recommends that Shareholders vote in favour of adopting the Remuneration Report.

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

3.3 Voting restrictions on Key Management Personnel and their Closely Related Parties and their proxies

Members of the Key Management Personnel and their Closely Related Parties (**Restricted Voters**) and proxies of Restricted Voters are restricted from voting on a Resolution which is connected directly or indirectly with the remuneration of a member of the Key Management Personnel (**Voting Restriction**).

Key Management Personnel are those persons having authority and responsibility for planning, directing and controlling the activities of the entity, directly or indirectly, including any director (whether executive or otherwise) of that entity. The Company will disregard any votes cast in favour of the Resolution by any Restricted Voters.

The Voting Restriction applies to Resolution 1. However, it does not apply where:

- (a) the member of the Key Management Personnel is appointed in writing (by a Shareholder who is not a Restricted Voter) as a proxy where the appointment specifies the way the proxy is to vote on the Resolution; or
- (b) the Chair is appointed in writing (by a Shareholder who is not a Restricted Voter) as a proxy where the appointment does not specify the way the proxy is to vote on the Resolution and expressly authorises the Chair to exercise the proxy even if the Resolution is connected directly or indirectly with the remuneration of a member of the Key Management Personnel for the Company or, if the Company is part of a consolidated entity, for the entity.

Shareholders should be aware that any undirected proxies given to the Chair will be cast by the Chair and counted in favour of the Resolutions the subject of this Meeting, including Resolution 1, subject to compliance with the Corporations Act. In exceptional circumstances, the Chair may

Explanatory Memorandum

change their voting intention on any Resolution, in which case an ASX announcement will be made.

The Proxy Form attached to this Notice has been prepared on this basis.

4. Resolution 2 – Re-election of Mr Yongji Duan as a Director

4.1 General

ASX Listing Rule 14.5 provides that, a listed entity must hold an election at each Annual General Meeting and as such it has been determined that Mr Duan will retire and seek re-election at this Meeting.

The Constitution sets out the requirements for determining which Directors are to retire by rotation at an annual general meeting.

Mr Yongji Duan, who has served as a Director since 4 November 2011 and was last re-elected on 16 November 2020, retires by rotation and seeks re-election.

4.2 Qualifications and other material directorships

Mr Duan joined Stone Group in 1985 and has served as Vice President and President prior to his promotion to Chairman of the Board in 1999. He was appointed President and Chief Executive Officer of Stone Group Holdings Limited and its subsidiaries in 2002. As a well-known entrepreneur and business leader in China, Mr Duan has built significant and successful businesses.

From 1999 to 2007, Mr Duan held the positions of Director of Beijing Centergate Technologies (Holding) Co Ltd, a company listed on the Shenzhen Stock Exchange. From 2003 to 2008, he also served as Director of SINA Corporation (NASDAQ: SINA). Mr Duan graduated from Tsinghua University and was a researcher at Beijing University of Aeronautics and Astronautics. He also acted as Vice Director of 621 Laboratory at China National Space Administration from 1982 to 1984.

Mr Duan holds no directorships in other listed companies in Australia.

4.3 Independence

If elected the Board does not consider that Mr Duan will be an independent director due to his personal shareholding in the Company.

4.4 Board recommendation

The Directors recommend that Shareholders vote in favour of Resolution 2 (Mr Yongji Duan declines to make a recommendation based on his material personal interest in Resolution 2). Any undirected proxies held by the Chairman will be voted in favour of Resolution 2.

5. Resolution 3 – Ratification of prior Issue of Options to CGF

5.1 Background

On 29 December 2020, the Company issued 12,000,000 CGF Options in three equal tranches, exercisable at \$0.06, \$0.08, and \$0.10 per CGF Option respectively, expiring on 31 December 2023 to Canaccord Genuity (Australia) Limited (**CGF**). The CGF Options were issued using the Company's existing placement capacity under Listing Rule 7.1.

Explanatory Memorandum

Resolution 3 seeks Shareholder approval to ratify the issue of the CGF Options pursuant to Listing Rule 7.4.

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

5.2 Listing Rules 7.1 and 7.4

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

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

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 Securities into the future without having to obtain Shareholder approval for such issues under Listing Rule 7.1.

To this end, Resolution 3 seeks Shareholder approval to issue the CGF Options under and for the purposes of Listing Rule 7.4.

If Resolution 3 is passed, the issue of the CGF Options will be excluded in calculating the Company's 15% limit in Listing Rule 7.1, effectively increasing the number of Securities it can issue without Shareholder approval over the 12 month period following the issue date.

If Resolution 3 is not passed, the issue of the Options will be included in calculating the Company's 15% limit in Listing Rule 7.1, effectively decreasing the number of securities it can issue without Shareholder approval over the 12 month period following the issue date.

5.3 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 Resolution 3:

- (a) the CGF Options were issued to CGF in consideration for corporate and fundraising services provided to the Company pursuant to a corporate advisory agreement between the Company and CGF dated 1 September 2020 (**CGF Mandate**). CGF is not a related party of the Company.
- (b) a total of 12,000,000 CGF Options were issued pursuant to the Company's placement capacity under Listing Rule 7.1;
- (c) the terms of the CGF Options are set out at Schedule 4;
- (d) the CGF Options were issued in three equal tranches of 4,000,000 CGF Options on 29 December 2021 and each tranche has exercise prices of \$0.06, \$0.08, \$0.10 respectively;
- (e) upon exercise, the CGF Options will convert into fully paid ordinary shares in the capital of the Company which are on the same terms and conditions as the Company's existing Shares;

Explanatory Memorandum

- (f) no funds were raised as the CGF Options were issued as consideration for services provided to the Company;
- (g) the CGF Options were issued to CGF pursuant to the CGF Mandate, as defined in Section 13 and
- (h) a voting exclusion statement is included in the Notice of Meeting.

5.4 Directors' Recommendation

The Directors recommend that Shareholders vote in favour of Resolution 3.

6. Resolution 4 – Ratification of prior Issue of Options to PCF Capital Group

6.1 Background

On 22 June 2021, the Company issued 5,000,000 unlisted PCF Options exercisable at \$0.045 per PCF Option, expiring on 22 June 2024 to PCF. The PCF Options were issued using the Company's existing placement capacity under Listing Rule 7.1.

Resolution 4 seeks Shareholder approval to ratify the issue of the PCF Options pursuant to Listing Rule 7.4.

Resolution 4 is an Ordinary Resolution. The Chair intends to exercise all available proxies in favour of Resolution 4.

6.2 Listing Rules 7.1 and 7.4

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

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

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 Securities into the future without having to obtain Shareholder approval for such issues under Listing Rule 7.1.

To this end, Resolution 4 seeks Shareholder approval to issue the PCF Options under and for the purposes of Listing Rule 7.4.

If Resolution 4 is passed, the issue of the PCF Options will be excluded in calculating the Company's 15% limit in Listing Rule 7.1, effectively increasing the number of Securities it can issue without Shareholder approval over the 12 month period following the issue date.

If Resolution 4 is not passed, the issue of the PCF Options will be included in calculating the Company's 15% limit in Listing Rule 7.1, effectively decreasing the number of securities it can issue without Shareholder approval over the 12 month period following the issue date.

Explanatory Memorandum

6.3 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 Resolution 4:

- (i) the PCF Options were issued to PCF in consideration for corporate advisory services provided to the Company pursuant to the PCF Mandate;
- (j) a total of 5,000,000 PCF Options were issued pursuant to the Company's placement capacity under Listing Rule 7.1;
- (k) the terms of the PCF Options are set out at Schedule 5;
- (l) the PCF Options were issued on 22 June 2021 and have an exercise price of \$0.045;
- (m) upon exercise, the PCF Options will convert into fully paid ordinary shares in the capital of the Company which are on the same terms and conditions as the Company's existing Shares;
- (n) no funds were raised as the PCF Options were issued as consideration for services provided to the Company;
- (o) the PCF Options were issued to PCF pursuant to the PCF Mandate, as defined in Section 13; and
- (p) a voting exclusion statement is included in the Notice of Meeting.

6.4 Directors' Recommendation

The Directors recommend that Shareholders vote in favour of Resolution 4.

7. Resolution 5 – Ratification of prior Issue of Shares and Mining Equities Options to Mining Equities

7.1 Background

The Company completed the purchase of the Mining Equities Tenement, E38/3438, from Mining Equities, as announced to the ASX on 12 February 2021.

On or about 12 February, the Company issued 4,000,000 Shares to Mining Equities and 1,000,000 Mining Equities Options as consideration for the Mining Equities Tenement. Resolution 5 seeks the approval of Shareholders in accordance with Listing Rule 7.4 to ratify the issue of 4,000,000 Shares and 1,000,000 Mining Equities Options to Mining Equities. The Shares rank equally with all other existing Shares on issue and the Mining Equities Option terms are set out in Schedule 1.

7.2 Listing Rules 7.1 and 7.4

A summary of Listing Rules 7.1 and 7.4 is provided above at paragraph 6.2 of this Explanatory Memorandum.

The Company wishes to retain as much flexibility as possible to issue additional equity securities into the future without having to obtain Shareholder approval for such issues under Listing Rule 7.1.

Ratification by the Shareholders of the Company of the Shares and Mining Equities Options is now sought pursuant to Listing Rule 7.4 in order to reinstate the Company's capacity to issue

Explanatory Memorandum

up to 15% of its issued capital under Listing Rule 7.1, if required, in the next 12 months without Shareholder approval, to the extent of the Shares.

The effect of this Resolution 5 **Error! Reference source not found.** is that the Company, for the purposes of Listing Rule 7.1 will be able to refresh its 15% placement capacity with effect from the date of the Meeting, to the extent of the Shares and Mining Equities Options that have been issued to Mining Equities.

If Resolution 5 is passed, the Shares and Mining Equities Options will be excluded in calculating the Company's 15% limit in Listing Rule 7.1, effectively increasing the number of equity securities it can issue without Shareholder approval over the 12 month period following the issue date.

If Resolution 5 is not passed, the Shares and Mining Equities Options will be included in calculating the Company's 15% limit in Listing Rule 7.1, effectively decreasing the number of equity securities it can issue without Shareholder approval over the 12 month period following the issue date.

7.3 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 Resolution 5:

- (a) the Company issued Shares and Mining Equities Options to Mining Equities in consideration for the Mining Equities Tenement;
- (b) a total of 4,000,000 Shares and 1,000,000 Mining Equities Options were issued to Mining Equities pursuant to the Company's placement capacity under Listing Rule 7.1;
- (c) the Shares are fully paid ordinary Shares and rank equally with all other existing Shares on issue;
- (d) the Mining Equities Option terms are set out at Schedule 1;
- (e) the Shares and Mining Equities Options were issued on 12 February 2021;
- (f) no funds were raised as the Shares and Mining Equities Options were issued as consideration for an asset, being the Mining Equities Tenement;
- (g) the Shares and Mining Equities Options were issued pursuant to a sale agreement as announced to ASX on 8 February 2021 with the following material terms:
 - (1) the Company acquired a 100% interest in E38/3438 and the acquisition completed on 12 February 2021;
 - (2) the consideration payable to Mining Equities was 4,000,000 Shares and 1,000,000 Mining Equities Options plus a 1% net smelter royalty over any minerals produced from E38/3438;
 - (3) the acquisition was not subject to any conditions;
 - (4) standard warranties were given by Mining Equities and there were otherwise no other material terms contained in the sale agreement; and
- (h) a voting exclusion statement is included in the Notice of Meeting.

7.4 Director's Recommendation

The Directors recommend that Shareholders vote in favour of Resolution 5.

Explanatory Memorandum

8. Resolutions 6(a) and 6(b) – Ratification of prior Issue of Shares under Placement

8.1 Background

On 1 October 2021, the Company announced that it had received binding commitments for a placement to raise a total of \$2,347,317 before costs by the issue of 86,937,691 Shares at an issue price of \$0.027 each (**Placement**).

The Placement was completed on 8 October 2021.

8.2 Listing Rules 7.1, 7.1A and 7.4

A summary of Listing Rules 7.1 and 7.4 is provided above at paragraph 6 of this Explanatory Memorandum.

Listing Rule 7.1A provides that an eligible entity may seek shareholder approval at its annual general meeting to allow it to issue Equity Securities comprising up to 10% of its issued capital (in addition to the placement capacity available under Listing Rule 7.1). The Company obtained this approval at its annual general meeting held on 16 November 2020. The issue of the Placement Shares does not fit within any of the exceptions to Listing Rules 7.1 and 7.1A and, as it has not yet been approved by Shareholders, effectively uses up part of the Company's placement capacity under each of Listing Rules 7.1 and 7.1A. This reduces the Company's capacity to issue further equity securities without Shareholder approval under those Listing Rules for the 12 month period following the issue of the Placement Shares.

The Company wishes to retain as much flexibility as possible to issue additional equity securities into the future without having to obtain Shareholder approval for such issues under Listing Rule 7.1 and 7.1A.

Ratification by the Shareholders of the Company of the Shares is now sought pursuant to Listing Rule 7.4 in order to reinstate the Company's capacity to issue up to 15% of its issued capital under Listing Rule 7.1, if required, in the next 12 months without Shareholder approval, to the extent of the Shares.

The effect of this Resolution 6(a) **Error! Reference source not found.** is that the Company, for the purposes of Listing Rule 7.1 will be able to refresh its 15% placement capacity with effect from the date of the Meeting, to the extent of the Shares that have been issued under the Placement.

The effect of this Resolution 6(b) **Error! Reference source not found.** is that the Company, for the purposes of Listing Rule 7.1A will be able to refresh its 10% capacity with effect from the date of the Meeting, to the extent of the Shares that have been issued under the Placement.

If Resolution 6(a) is passed, the Shares will be excluded in calculating the Company's 15% limit in Listing Rule 7.1, effectively increasing the number of equity securities it can issue without Shareholder approval over the 12 month period following the issue date.

If Resolution 6(a) is not passed, the Shares will be included in calculating the Company's 15% limit in Listing Rule 7.1, effectively decreasing the number of equity securities it can issue without Shareholder approval over the 12 month period following the issue date.

If Resolution 6(b) is passed, the Shares will be excluded in calculating the Company's 10% limit in Listing Rule 7.1A, effectively increasing the number of equity securities it can issue without Shareholder approval over the 12 month period following the issue date.

If Resolution 6(b) is not passed, the Shares will be included in calculating the Company's 10% limit in Listing Rule 7.1A, effectively decreasing the number of equity securities it can issue without Shareholder approval over the 12 month period following the issue date.

Explanatory Memorandum

8.3 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 6(a) and (b):

- (a) the Shares issued under the Placement were issued to sophisticated or professional investors, none of whom were or are a related party of the Company. The participants in the Placement were introduced by the lead manager to the Placement, CGF or were prospective investors already known to the Company. None of these investors are substantial Shareholders;
- (b) a total of 86,937,691 Shares were issued under the Placement, 43,362,615 under Listing Rule 7.1 capacity and 43,575,076 under Listing Rule 7.1A capacity;
- (c) the Shares issued under the Placement are fully paid ordinary Shares and rank equally with all other existing Shares on issue;
- (d) the Shares issued under the Placement were issued on 8 October 2021;
- (e) a total of \$2,347,317 before costs was raised under the Placement;
- (f) the Shares issued under the Placement were issued at \$0.027, a discount of 7% to the 15 day volume weighted average price of Shares, being \$0.029;
- (g) the proceeds of the Placement are to be used to continue drilling and exploration across the Company's projects situated in Laverton, Western Australia including significant drilling at the Cork Tree Well Project, and for general working capital;
- (h) there were no other material terms to the agreement to subscribe under the Placement; and
- (i) a voting exclusion statement is included in the Notice of Meeting.

8.4 Director's Recommendation

The Directors recommend that Shareholders vote in favour of Resolutions 6(a) and (b).

9. Resolution 7 – Approval of Issue of Shares to Tony Lau

9.1 Background

The Company and Tony Lau (former Company Secretary) have entered into a deed of settlement (**Deed**) in relation to amounts owed to Mr Lau accrued during the course of his employment with the Company from 29 April 2014 to 19 July 2021. Details of this Deed were announced to ASX on execution, being 27 September 2021.

The material terms of the Deed are that the Company will pay an amount equal to \$300,000 to Mr Lau in full and final settlement of all claims and unpaid remuneration and reimbursement. The Deed provides that the Company may elect to meet the settlement amount via the payment of cash or the issue of Shares. The Company has elected to issue 5,172,414 Shares, equating to \$150,000 and pay \$150,000 cash to settle under the Deed.

Resolution 7 is an Ordinary Resolution and seeks Shareholder approval for the issue of 5,172,414 Shares as part payment of the settlement amount under the Deed.

Explanatory Memorandum

9.2 Listing Rule 7.1

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

Resolution 7 seeks shareholder approval to the issue of Shares to Mr Lau for the purposes of Listing Rule 7.1, so that the issue of those Shares does not count towards the Company's 15% Capacity.

If Resolution 7 is passed, the Share will be excluded from the calculation of the number of equity securities that the Company can issue without Shareholder approval under Listing Rule 7.1.

If Resolution 7 is not passed, the Company will not proceed with the issue of the Shares and will instead pay the entire amount due under the Deed in cash.

9.3 Technical information required by Listing Rule 7.3

Pursuant to and in accordance with Listing Rule 7.3, the following information is provided in relation to the issue of the Options:

- (a) The Shares under Resolution 7 will be issued to Tony Lau or his nominee;
- (b) the Shares will be issued as part of the settlement payment under the Deed;
- (c) 5,172,414 Shares will be issued under this Resolution;
- (d) the Shares are ordinary fully paid shares;
- (e) the Shares are anticipated to be issued within 7 days of the date of this Meeting, but in no case will they be issued later than 3 months after the date of this Meeting;
- (f) the Shares will be issued at a deemed issue price of \$0.029 as agreed in the Deed, being the 10 day VWAP for Shares in the 10 days preceding the execution of the Deed;
- (g) no funds are raised or due to the Company as a result of the issue;
- (h) other than set out above there are no other material terms of the Deed, being 27 September 2021; and
- (i) a voting exclusion statement is included in the Notice of Meeting.

9.4 Directors' Recommendation

The Directors recommend that Shareholders vote in favour of Resolution 7. Any undirected proxies held by the Chairman will be voted in favour of Resolution 7. Any undirected proxies held by the Chairman will be voted in favour of Resolution 7.

10. Resolutions 8 and 9 – Approval of Issue of Service Options

10.1 Background

Resolutions 8 and 9 propose the issue of Service Options to two individuals who provide services to the Company and have been serving the Company for an extended period of time. The Service Options have the same terms and these terms are set out in Schedule 3.

Explanatory Memorandum

Resolution 8 proposes the issue of 1,000,000 Service Options to Mr Luke Wang who has provided accounting services to the Company for 10 years and is currently acting as Company Secretary of the Company.

Resolution 9 proposes the issue of 1,200,000 Service Options to Mr Wales who has worked at the Company's mine site for 12 years and is currently acting as Mine Manager of the Company.

Resolutions 8 and 9 are Ordinary Resolutions and seek Shareholder approval for the issue of the Service Options.

10.2 Listing Rule 7.1

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

Resolutions 8 and 9 seeks shareholder approval to the issue of the Service Options for the purposes of Listing Rule 7.1, so that the issue of those Options does not count towards the Company's 15% Capacity.

If Resolutions 8 and 9 are passed, the Service Options will be excluded from the calculation of the number of equity securities that the Company can issue without Shareholder approval under Listing Rule 7.1.

If Resolution 8 and 9 are not passed, the Company will not proceed with the issue of the Service Options and will need to examine alternative payment possibilities to compensate Mr Wang and Mr Wales.

10.3 Technical information required by Listing Rule 7.3

Pursuant to and in accordance with Listing Rule 7.3, the following information is provided in relation to the issue of the Service Options:

- (a) the Service Options will be issued for the provision of services by Mr Wang and Mr Wales;
- (b) 1,000,000 Service Options will be issued under Resolution 8 to Mr Wang;
- (c) 1,200,000 Service Options will be issued under Resolution 9 to Mr Wales;
- (d) the terms of the Service Options are set out in Schedule 3 of this Explanatory Memorandum;
- (e) the Service Options are anticipated to be issued within 7 days of the date of this Meeting, in any event, no later than 3 months after the date of the Meeting;
- (f) the Service Options will be issued for nil consideration but will have an exercise price of \$0.05 each;
- (g) the Service Options are being issued in recognition for services provided and as such no funds are being raised by the issue of the Service Options; and
- (h) a voting exclusion statement is included in the Notice of Meeting.

Explanatory Memorandum

10.4 Directors' Recommendation

The Directors recommend that Shareholders vote in favour of Resolutions 8 and 9. Any undirected proxies held by the Chairman will be voted in favour of Resolutions 8 and 9. Any undirected proxies held by the Chairman will be voted in favour of Resolutions 8 and 9.

11. Resolution 10 – Approval of Issue of Shares and Milford Options to Milford

11.1 Background

The Company announced an agreement with Milford to purchase the Milford Tenements on 25 October 2021 and Shareholders should refer to that announcement for further details.

The relevant terms of the acquisition of the Milford Tenements are:

- (a) The Company to acquire 100% of the Milford Tenements including any mining information;
- (b) The consideration payable is 15,000,000 fully paid ordinary Shares, 20,000,000 Milford Options, \$50,000 cash and a 1% net smelter royalty on minerals produced from the Milford Tenements;
- (c) Completion is conditional upon due diligence and regulatory approvals to any transfer of the Milford Tenements; and
- (d) The Shares and Milford Options be subject to a 12 month voluntary escrow period from the date of issue.

It is anticipated that all Shares and Milford Options will be issued to Milford or its nominees within 5 business days of the Meeting. The Shares rank equally with all other existing Shares on issue and the Milford Options terms are set out in Schedule 2.

Neither Milford or any of its Associates are related parties of the Company and to the best of the knowledge of the Company they do not as at the date of the Meeting hold any Securities in the Company.

Listing Rule 7.1

Listing Rule 7.1 limits the amount of equity securities that a listed company can issue without the approval of its shareholders over any 12 month period to 15% of the fully paid ordinary shares it had on issue at the start of that period.

Resolution 10 seeks shareholder approval to the issue of Shares and Milford Options to Milford or its nominees for the purposes of Listing Rule 7.1, so that the issue of those Shares and Milford Options do not count towards the Company's 15% Capacity.

If Resolution 10 is passed, the Shares and Milford Options will be excluded from the calculation of the number of equity securities that the Company can issue without Shareholder approval under Listing Rule 7.1.

If Resolution 10 is not passed, the Company will still proceed with the purchase of the Milford Tenements however the Shares and Milford Options will be issued under the 15% capacity of the Company under Listing Rule 7.1.

Explanatory Memorandum

11.2 Technical information required by Listing Rule 7.3

Pursuant to and in accordance with Listing Rule 7.3, the following information is provided in relation to the issue of the Shares and Milford Options:

- (i) The Shares and Milford Options under Resolution 10 will be issued to Milford or its nominees;
- (j) the Shares and Milford Options will be issued as part consideration for the Milford Tenements;
- (k) 15,000,000 Shares will be issued under this Resolution 10;
- (l) 20,000,000 Milford Options will be issued under this Resolution 10;
- (m) the Shares are ordinary fully paid shares and the terms of the Milford Options are set out in Schedule 2;
- (n) the Shares and Milford Options are anticipated to be issued within 5 business days of the date of this Meeting, but in no case will they be issued later than 3 months after the date of this Meeting;
- (o) the Shares will be issued at a deemed price of \$0.046 as per the agreement with Milford, being the 10 day volume weighted average price for Shares in the 10 days preceding the execution of the Deed;
- (p) the Milford Options are issued at a deemed issue price of \$0.0001;
- (q) no funds are raised or due to the Company as a result of the issue;
- (r) other than set out above there are no other material terms of the acquisition of the Milford Tenement or the agreement with Milford; and
- (s) a voting exclusion statement is included in the Notice of Meeting.

11.3 Directors' Recommendation

The Directors recommend that Shareholders vote in favour of Resolution 10. Any undirected proxies held by the Chairman will be voted in favour of Resolution 10. Any undirected proxies held by the Chairman will be voted in favour of Resolution 10.

12. Resolution 11 - Approval of 10% Placement Capacity

12.1 Background

ASX Listing Rule 7.1A provides that an Eligible Entity (defined below) may seek Shareholder approval by special resolution passed at an annual general meeting to have the capacity to issue up to that number of Equity Securities (as defined below) equal to 10% of its issued capital (**10% Placement Capacity**) without using that company's existing 15% annual placement capacity granted under ASX Listing Rule 7.1.

If Shareholders approve Resolution 111, the number of Equity Securities the Eligible Entity may issue under the 10% Placement Capacity will be determined in accordance with the formula prescribed in ASX Listing Rule 7.1A.2 (as set out below).

The effect of Resolution 11 will be to allow the Directors to issue Shares up to 10% of the Company's fully paid ordinary securities on issue under the 10% Placement Capacity during

Explanatory Memorandum

the period up to 12 months after the Meeting, without subsequent Shareholder approval and without using the Company's 15% annual placement capacity granted under Listing Rule 7.1.

Resolution 111 is a Special Resolution. Accordingly, at least 75% of votes cast by Shareholders present and eligible to vote at the Meeting must be in favour of Resolution 11 for it to be passed.

If Resolution 11 is not passed, the Company's capacity to issue Equity Securities without any further Shareholder's approval will be decreased from a combined limit of 25% to 15%.

The Chair intends to exercise all available proxies in favour of Resolution 111.

12.2 Applicable Listing Rules

ASX Listing Rule 7.1A came into effect on 1 August 2012 and enables an Eligible Entity to seek shareholder approval at its annual general meeting to issue Equity Securities in addition to those under the Eligible Entity's 15% annual placement capacity.

An Eligible Entity is one that, as at the date of the relevant annual general meeting:

- (a) is not included in the S&P/ASX 300 Index; and
- (b) has a maximum market capitalisation (excluding restricted securities and securities quoted on a deferred settlement basis) of \$300,000,000,

(Eligible Entity).

The Company is an Eligible Entity.

12.3 Information on Additional Placement Capacity

As at the date of this Notice, the Company currently has on issue 526,688,455 Shares and the last recorded closing price of the Shares on 21 October 2021 was \$0.049. 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 approximately \$25,807,734.

An Equity Security is a share, a unit in a trust, a right to a share or unit in a trust or option, an option over an issued or unissued security, a convertible security, or, any security that ASX decides to classify as an equity security

Any Equity Securities issued must be in the same class as an existing class of quoted Equity Securities. The Company currently has one class of quoted Equity Securities on issue, being Shares (ASX: BTR).

The exact number of Equity Securities that the Company may issue under an approval under Listing Rule 7.1A will be calculated according to the following formula:

$$\text{Additional Placement Capacity} = (A \times D) - E$$

where:

A = the number of fully paid ordinary securities on issue 12 months before the issue date or date of agreement to issue:

- plus the number of fully paid ordinary securities issued in the 12 months under an exception in Listing Rule 7.2, other than exception 9, 16 or 17;
- plus the number of fully paid ordinary securities issued in the relevant period on the conversion of convertible securities within rule 7.2 exception 9 where:

Explanatory Memorandum

- the convertible securities were issued or agreed to be issued before the commencement of the relevant period; or
 - the issue of, or agreement to issue, the convertible securities was approved, or taken under these rules to have been approved, under rule 7.1 or rule 7.4,
- plus the number of fully paid ordinary securities issued in the relevant period under an agreement to issue securities within 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 these rules to have been approved, under rule 7.1 or rule 7.4,
- plus the number of partly paid ordinary securities that became fully paid in the 12 months;
- plus the number of fully paid ordinary securities issued in the 12 months with approval of holders of ordinary securities under Listing Rule 7.1 or Listing Rule 7.4;
- less the number of fully paid ordinary securities cancelled in the 12 months.

D = 10%

E = 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 the holders of its ordinary securities under rule 7.4..

12.4 Technical information required by ASX Listing Rule 7.3A

Pursuant to and in accordance with Listing Rule 7.3A, the following information is provided in relation to Resolution 11:

(a) Period of approval validity

Shareholder approval of the 10% Additional Placement Capacity under Listing Rule 7.1A is valid from the date of the annual general meeting at which the approval is obtained and expires on the earlier of:

- (1) the date that is 12 months after the date of the annual general meeting at which the approval is obtained; or
- (2) the date of the approval by shareholders of a transaction under Listing Rules 11.1.2 (a significant change to the nature or scale or activities) or 11.2 (disposal of main undertaking) (**10% Placement Period**).

(b) Minimum issue price

The issue price of any Equity Security under the Additional Placement Capacity will not be less than 75% of the VWAP for securities in the same class, calculated over the 15 trading days on which trades in that class were recorded immediately before:

- (1) the date on which the price at which the securities are to be issued is agreed; or

Explanatory Memorandum

- (2) if the securities are not issued within 10 trading days of the date above, the date on which the securities are issued.

(c) Purposes of funds

Any funds raised from an issue of Shares under Listing Rule 7.1A would be used to progress the Company's three-year plan including resources expansion and Brightstar plant refurbishment.

(d) Risk of Economic and Voting Dilution

If Resolution 111 is passed and the Company issues securities under the Additional Placement Capacity, then there is a risk to existing Shareholders of economic and voting dilution, including the risk that:

- (1) the market price for Shares in the same class may be significantly lower on the issue date of the new Shares than on the date of this Meeting; and
- (2) the equity securities may be issued at a price that is at a discount to the market price for those equity securities on the issue date.

If Resolution 11 is approved by Shareholders and the Company issues the maximum number of equity securities available under the 10% Placement Capacity, the economic and voting dilution of existing Shares would be as shown in the table below.

The table below shows the potential dilution of existing Shareholders calculated in accordance with the formula outlined in Listing Rule 7.1A(2), on the basis of the market price of the Shares and the number of Shares on issued as at 21 October 2021.

The table also shows the voting dilution impact where the number of Shares on issue (**Variable A** in the formula) changes and the economic dilution where there are changes in the issue price of Shares issued under Listing Rule 7.1A.

Variable A in Listing Rule 7.1A		Nominal issue price		
		50% decrease 0.025	Issue price 0.049	100% increase in issue price 0.098
Current issued capital A 526,688,455	Shares issued under LR7.1A	52,668,846	52,668,846	52,668,846
	Voting dilution	10%	10%	10%
	Funds raised	\$1,316,721	\$2,580,773	\$5,161,547
50% increase in issued capital A 790,032,683	Shares issued under LR7.1A	79,003,268	79,003,268	79,003,268
	Voting dilution	10%	10%	10%
	Funds raised	\$1,975,082	\$3,871,160	\$7,742,320
100% increase in issued capital A 1,053,376,910	Shares issued under LR7.1A	105,337,691	105,337,691	105,337,691
	Voting dilution	10%	10%	10%
	Funds raised	2,633,442	5,161,547	10,323,094

The table above uses the following assumptions:

Explanatory Memorandum

- (i) The current Shares on issue are the Shares on issue as at 21 October 2021.
- (ii) The issue price set out above is the closing price of the Shares on the ASX on 21 October 2021.
- (iii) The Company issues the maximum possible number of Equity Securities under the 10% Placement Capacity and no options on issue are exercised.
- (iv) The Company has not issued any Equity Securities in the 12 months prior to the Meeting that were not issued under an exception in Listing Rule 7.2 or with approval under Listing Rule 7.1.
- (v) 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.
- (vi) This table does not set out any dilution pursuant to approvals under Listing Rule 7.1.
- (vii) 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%.

(e) Allocation Policy

The Company's allocation policy is dependent on the prevailing market conditions at the time of any proposed issue under the Additional Placement Capacity. the identity of the recipients of Shares will be determined on a case-by-case basis having regard to factors including but not limited to:

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

The recipients under the 10% 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.

If Resolution 111 is approved by Shareholders, the Company may issue Equity Securities under the 10% Additional Placement Capacity during the 10% Placement Period, as and when the circumstances of the Company require.

(f) Past Equity Security Issues

In the 12 months prior to the proposed Meeting date of 29 November 2021, the Company has issued 43,575,076 ordinary fully paid shares via a Placement under Listing Rule 7.1A, representing 5.21% of the total number of Shares on issue at the commencement of that 12 month period. The Placement Shares were issued at an issue price of \$0.027 per share, representing a 7% discount to the 15 day volume weighted average price of \$0.029. \$1,176,527 (before costs) was raised from the Placement and the funds will be used to fund the Company's exploration activities at its Laverton Project including the underway RC drilling program at Cork Tree Well, further

Explanatory Memorandum

drilling and exploration programs and working capital. The full balance of \$1,176,527 was available to spend as at 21 October 2021 as other costs incurred by the Company were funded out of its existing cash balance.

(g) Voting Exclusion Statement

A voting exclusion statement is provided above in the body of the notice in accordance with ASX Listing Rules.

12.5 **Directors' recommendation**

The Board unanimously recommends that Shareholders vote in favour of Resolution 11 as it will provide the Company with the flexibility to raise additional capital.

Explanatory Memorandum

13. Interpretation

Annual Report means the Annual Report of the Company.

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

ASX means ASX Limited ACN 008 624 691 or the Australian Securities Exchange.

A\$ means Australian Dollar as the currency of the Commonwealth of Australia.

Board means the Board of Directors of the Company.

Brightstar Plant means the 300,000 tpa plant and associated camp and equipment located in South Laverton, Western Australia owned by the Company.

CGF means Canaccord Genuity (Australia) Limited (ACN 075 071 466).

CGF Mandate means corporate advisory and capital markets advice agreement between the Company and CGF dated 1 September 2020. Relevant terms of the mandate are:

- The 2020 CGF Mandate is for a minimum term of 12 months from 1 September 2020;
- CGF will be paid a selling fee from sales of listed asset held by the Company completed by CGF;
- CGF to be issued the CGF Options.

CGF Options means Options on the terms set out in Schedule 4.

Chairman means the person appointed chairman of the Company convened by the Notice.

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

Company means Brightstar Resources Limited.

Company Secretary means Luke Wang.

Constitution means the constitution of the Company from time to time.

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

Director means a director of the Company.

Explanatory Memorandum means this explanatory memorandum accompanying the Notice of Meeting.

Key Management Personnel has the meaning given to that term in the Corporations Act.

Listing Rule means the official listing rules of the ASX as amended from time to time.

Meeting or **Annual General Meeting** means the annual general meeting to be held on 29 November 2021.

Milford means Milford Resources Pty Ltd (ACN 126 650 413).

Milford Options means options to acquire Shares with an exercise price of \$0.05 and an expiry date of 31 December 2024 at a deemed issue price of \$0.0001 per option on the terms set out in Schedule 2.

Milford Royalty means a 1% net smelter return royalty over minerals produced and mined from the Milford Tenements.

Milford Shares means 15,000,000 ordinary fully paid Shares to be issued to Milford or its nominees.

Explanatory Memorandum

Milford Tenements means E38/3500 and E38/3504.

Mining Equities means Mining Equities Pty Ltd (ACN 627 501 491).

Mining Equities Options means Options on the terms set out in Schedule 1.

Mining Equities Shares means at total of 4,000,000 Shares

Mining Equities Tenement means E38/3438.

Notice of Meeting or **Notice** means the notice of meeting giving notice to shareholders of the Meeting, accompanying this Explanatory Memorandum.

Option means an option to acquire a Share.

Ordinary Resolution means a resolution passed by more than 50% of the votes cast at a general meeting of shareholders.

PCF Capital Group or **PCF** means PCF Capital Group Pty Ltd ACN 089 188 063.

PCF Mandate means corporate advisory agreement between the Company and PCF dated 8 September 2020. Relevant terms of the mandate are:

- The term of the 2020 PCF Mandate is 12 months from 1 September 2020;
- PCF will be paid a \$15,000 per month retainer fee by the Company;
- PCF to be issued the PCF Options.

PCF Options means Options on the terms set out in Schedule 5.

Placement means the placement to institutional, sophisticated and professional investors, through the issue of 86,937,691 Shares at an issue price of \$0.027 per Share completed on 8 October 2021.

Proxy Form means the proxy form to the Notice.

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

Remuneration Report means the section of the Directors' Report in the 2021 Annual Report dealing with the remuneration of the Company's Directors, Company Secretary, and senior executives described as 'Remuneration Report'.

Resolution means a resolution proposed at the Meeting.

Service Options means Options on the terms set out in Schedule 3.

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

Shareholder means a holder of Shares in the Company.

Special Resolution means a resolution passed by more than 75% of the votes cast at a general meeting of shareholders.

Voting Power has the meaning given in the Corporations Act.

Any inquiries in relation to the Resolutions or the Explanatory Memorandum should be directed to Luke Wang (Company Secretary):

Suite 3, 25 Belgravia Street

Belmont WA 6104

Telephone Phone: +61 8 9277 6008

Email: lukew@brightstarresources.com.au

Explanatory Memorandum

Schedule 1 — Mining Equities Option Terms

2. Entitlement

Each Option entitles the holder to subscribe for one Share upon exercise of the Option.

3. Exercise Price

Options	Exercise Price
Resolution 5 Options	\$0.10 per Option

4. Vesting

Each Option will vest immediately (**Vesting Date**).

5. Expiry Date

Options	Expiry Date
Resolution 5 Options	Expire at 5.00pm (WST) on 12 February 2024

6. Exercise Period

Subject to paragraph 6, an Option may only be exercised after the Option has vested. The Options are exercisable at any time after the Vesting Date and on or prior to the Expiry Date (“Exercise Period”).

7. Exercise of Options

Notwithstanding paragraph 5, Options may be exercised:

- i) during a Takeover Period;
- ii) at any time after a Change of Control Event has occurred;
- iii) at any time after the announcement of a proposed capital reconstruction referred to in paragraph 12;
- iv) in the Board’s absolute discretion, following the occurrence and announcement by the Company of an event that in the opinion of the Board is likely to lead to the Company being removed from the official list of ASX; or
- v) in the Board’s absolute discretion, within 12 months, in the event of the death or permanent disablement of an eligible participant, in respect of Options held by or on behalf of that Eligible Participant.

8. Notice of Exercise

Options may only be exercised by notice in writing to the Company which is signed by the Holder and delivered to the registered office of the Company. The notice must specify the number of Options being exercised and must be accompanied by:

Explanatory Memorandum

- i) the Exercise Price for the number of Options specified in the notice; and
- ii) the certificate or holding statement for those Options, for cancellation by the Company.

A notice of exercise only becomes effective when the Company has received the full amount of the Exercise Price for the number of Options specified in the notice in cleared funds.

9. **Timing of issue of Shares on exercise**

Within 10 Business Days of the notice referred to in paragraph 7 above becoming effective, the Board must:

- i) acquire or allot and issue the number of Shares specified in the notice to the Holder;
- ii) cancel the certificate or holding statement for the Options being exercised; and
- iii) if applicable, issue a new certificate or holding statement for any remaining unexercised Options covered by the certificate or holding statement accompanying the notice.

10. **Allotment of Shares**

All Shares allotted upon the exercise of Options will be credited as fully paid and will be of the same class and rank equally in all respects with other Shares.

11. **Quotation on ASX**

If existing Shares are officially quoted by ASX, the Company must apply for official quotation by ASX of all Shares allotted pursuant to the exercise of Options not later than 10 Business Days after the date of allotment.

12. **New issues**

There are no participation rights or entitlements inherent in the Options and holders will not be entitled to participate in new issues of capital offered to Shareholders during the currency of the Options.

13. **Reorganisation of capital**

In the event of a reorganisation (including a consolidation, subdivision, reduction or return) of the issued capital of the Company, the number of Options to which each Holder is entitled or the Exercise Price (if any) or both will be changed in the manner required by the Listing Rules and, in any case, in a manner which will not result in any benefits being conferred on holders of Options which are not conferred on Shareholders.

14. **Transferability**

Options can only be transferred with the prior written consent of the Company, which consent may be withheld in the Company's sole discretion.

Explanatory Memorandum

Schedule 2 – Milford Option Terms

1. Entitlement

Each Option entitles the holder to subscribe for one Share upon exercise of the Option.

2. Exercise Price

Options	Exercise Price
Resolution 10 Options	\$0.05 per Option

3. Vesting

Each Option will vest immediately (**Vesting Date**).

4. Expiry Date

Options	Expiry Date
Resolution 10 Options	Expire at 5.00pm (WST) on 31 December 2024

5. Exercise Period

Subject to paragraph 6, an Option may only be exercised after the Option has vested. The Options are exercisable at any time after the Vesting Date and on or prior to the Expiry Date (“Exercise Period”).

6. Exercise of Options

Notwithstanding paragraph 5, Options may be exercised:

- i) during a Takeover Period;
- ii) at any time after a Change of Control Event has occurred;
- iii) at any time after the announcement of a proposed capital reconstruction referred to in paragraph 12;
- iv) in the Board’s absolute discretion, following the occurrence and announcement by the Company of an event that in the opinion of the Board is likely to lead to the Company being removed from the official list of ASX; or
- v) in the Board’s absolute discretion, within 12 months, in the event of the death or permanent disablement of an eligible participant, in respect of Options held by or on behalf of that Eligible Participant.

7. Notice of Exercise

Options may only be exercised by notice in writing to the Company which is signed by the Holder and delivered to the registered office of the Company. The notice must specify the number of Options being exercised and must be accompanied by:

Explanatory Memorandum

- i) the Exercise Price for the number of Options specified in the notice; and
- ii) the certificate or holding statement for those Options, for cancellation by the Company.

A notice of exercise only becomes effective when the Company has received the full amount of the Exercise Price for the number of Options specified in the notice in cleared funds.

8. **Timing of issue of Shares on exercise**

Within 10 Business Days of the notice referred to in paragraph 7 above becoming effective, the Board must:

- i) acquire or allot and issue the number of Shares specified in the notice to the Holder;
- ii) cancel the certificate or holding statement for the Options being exercised; and
- iii) if applicable, issue a new certificate or holding statement for any remaining unexercised Options covered by the certificate or holding statement accompanying the notice.

9. **Allotment of Shares**

All Shares allotted upon the exercise of Options will be credited as fully paid and will be of the same class and rank equally in all respects with other Shares.

10. **Quotation on ASX**

If existing Shares are officially quoted by ASX, the Company must apply for official quotation by ASX of all Shares allotted pursuant to the exercise of Options not later than 10 Business Days after the date of allotment.

11. **New issues**

There are no participation rights or entitlements inherent in the Options and holders will not be entitled to participate in new issues of capital offered to Shareholders during the currency of the Options.

12. **Reorganisation of capital**

In the event of a reorganisation (including a consolidation, subdivision, reduction or return) of the issued capital of the Company, the number of Options to which each Holder is entitled or the Exercise Price (if any) or both will be changed in the manner required by the Listing Rules and, in any case, in a manner which will not result in any benefits being conferred on holders of Options which are not conferred on Shareholders.

13. **Transferability**

Options can only be transferred with the prior written consent of the Company, which consent may be withheld in the Company's sole discretion.

Schedule 3 – Service Option Terms

1. **Entitlement**

Each Option entitles the holder to subscribe for one Share upon exercise of the Option.

Explanatory Memorandum

2. Exercise Price

Options	Exercise Price
Resolution 8 Options	\$0.05 per Option
Resolution 9 Options	\$0.05 per Option

3. Vesting

Each Option will vest immediately (**Vesting Date**).

4. Expiry Date

Options	Expiry Date
Resolution 8 Options	Expire (3) three years from the issue date.
Resolution 9 Options	Expire (3) three years from the issue date.

5. Exercise Period

Subject to paragraph 6, an Option may only be exercised after the Option has vested. The Options are exercisable at any time after the Vesting Date and on or prior to the Expiry Date ("Exercise Period").

6. Exercise of Options

Notwithstanding paragraph 5, Options may be exercised:

- i) during a Takeover Period;
- ii) at any time after a Change of Control Event has occurred;
- iii) at any time after the announcement of a proposed capital reconstruction referred to in paragraph 12;
- iv) in the Board's absolute discretion, following the occurrence and announcement by the Company of an event that in the opinion of the Board is likely to lead to the Company being removed from the official list of ASX; or
- v) in the Board's absolute discretion, within 12 months, in the event of the death or permanent disablement of an eligible participant, in respect of Options held by or on behalf of that Eligible Participant.

7. Notice of Exercise

Options may only be exercised by notice in writing to the Company which is signed by the Holder and delivered to the registered office of the Company. The notice must specify the number of Options being exercised and must be accompanied by:

- i) the Exercise Price for the number of Options specified in the notice; and
- ii) the certificate or holding statement for those Options, for cancellation by the Company.

Explanatory Memorandum

A notice of exercise only becomes effective when the Company has received the full amount of the Exercise Price for the number of Options specified in the notice in cleared funds.

8. **Timing of issue of Shares on exercise**

Within 10 Business Days of the notice referred to in paragraph 7 above becoming effective, the Board must:

- i) acquire or allot and issue the number of Shares specified in the notice to the Holder;
- ii) cancel the certificate or holding statement for the Options being exercised; and
- iii) if applicable, issue a new certificate or holding statement for any remaining unexercised Options covered by the certificate or holding statement accompanying the notice.

9. **Allotment of Shares**

All Shares allotted upon the exercise of Options will be credited as fully paid and will be of the same class and rank equally in all respects with other Shares.

10. **Quotation on ASX**

If existing Shares are officially quoted by ASX, the Company must apply for official quotation by ASX of all Shares allotted pursuant to the exercise of Options not later than 10 Business Days after the date of allotment.

11. **New issues**

There are no participation rights or entitlements inherent in the Options and holders will not be entitled to participate in new issues of capital offered to Shareholders during the currency of the Options.

12. **Reorganisation of capital**

In the event of a reorganisation (including a consolidation, subdivision, reduction or return) of the issued capital of the Company, the number of Options to which each Holder is entitled or the Exercise Price (if any) or both will be changed in the manner required by the Listing Rules and, in any case, in a manner which will not result in any benefits being conferred on holders of Options which are not conferred on Shareholders.

13. **Transferability**

Options can only be transferred with the prior written consent of the Company, which consent may be withheld in the Company's sole discretion.

Schedule 4 – CGF Option Terms

1. **Entitlement**

Each Option entitles the holder to subscribe for one Share upon exercise of the Option.

2. **Exercise Price**

Explanatory Memorandum

Options	Exercise Price
Resolution 3 Options – Tranche 1	\$0.06 per Option
Resolution 3 Options – Tranche 2	\$0.08 per Option
Resolution 3 Options – Tranche 3	\$0.10 per Option

3. Vesting

Each Option will vest immediately (**Vesting Date**).

4. Expiry Date

Options	Expiry Date
Resolution 3 Options	Expire at 5.00pm (WST) on 31 December 2023

5. Exercise Period

Subject to paragraph 6, an Option may only be exercised after the Option has vested. The Options are exercisable at any time after the Vesting Date and on or prior to the Expiry Date (“Exercise Period”).

6. Exercise of Options

Notwithstanding paragraph 5, Options may be exercised:

- i) during a Takeover Period;
- ii) at any time after a Change of Control Event has occurred;
- iii) at any time after the announcement of a proposed capital reconstruction referred to in paragraph 12;
- iv) in the Board’s absolute discretion, following the occurrence and announcement by the Company of an event that in the opinion of the Board is likely to lead to the Company being removed from the official list of ASX; or
- v) in the Board’s absolute discretion, within 12 months, in the event of the death or permanent disablement of an eligible participant, in respect of Options held by or on behalf of that Eligible Participant.

7. Notice of Exercise

Options may only be exercised by notice in writing to the Company which is signed by the Holder and delivered to the registered office of the Company. The notice must specify the number of Options being exercised and must be accompanied by:

- i) the Exercise Price for the number of Options specified in the notice; and

Explanatory Memorandum

- ii) the certificate or holding statement for those Options, for cancellation by the Company.

A notice of exercise only becomes effective when the Company has received the full amount of the Exercise Price for the number of Options specified in the notice in cleared funds.

8. **Timing of issue of Shares on exercise**

Within 10 Business Days of the notice referred to in paragraph 7 above becoming effective, the Board must:

- i) acquire or allot and issue the number of Shares specified in the notice to the Holder;
- ii) cancel the certificate or holding statement for the Options being exercised; and
- iii) if applicable, issue a new certificate or holding statement for any remaining unexercised Options covered by the certificate or holding statement accompanying the notice.

9. **Allotment of Shares**

All Shares allotted upon the exercise of Options will be credited as fully paid and will be of the same class and rank equally in all respects with other Shares.

10. **Quotation on ASX**

If existing Shares are officially quoted by ASX, the Company must apply for official quotation by ASX of all Shares allotted pursuant to the exercise of Options not later than 10 Business Days after the date of allotment.

11. **New issues**

There are no participation rights or entitlements inherent in the Options and holders will not be entitled to participate in new issues of capital offered to Shareholders during the currency of the Options.

12. **Reorganisation of capital**

In the event of a reorganisation (including a consolidation, subdivision, reduction or return) of the issued capital of the Company, the number of Options to which each Holder is entitled or the Exercise Price (if any) or both will be changed in the manner required by the Listing Rules and, in any case, in a manner which will not result in any benefits being conferred on holders of Options which are not conferred on Shareholders.

13. **Transferability**

Options can only be transferred with the prior written consent of the Company, which consent may be withheld in the Company's sole discretion.

Explanatory Memorandum

Schedule 5 – PCF Option Terms

1. Entitlement

Each Option entitles the holder to subscribe for one Share upon exercise of the Option.

2. Exercise Price

Options	Exercise Price
Resolution 4 Options	\$0.045 per Option

3. Vesting

Each Option will vest immediately (**Vesting Date**).

4. Expiry Date

Options	Expiry Date
Resolution 4 Options	Expire at 5.00pm (WST) on 22 June 2024

5. Exercise Period

Subject to paragraph 6, an Option may only be exercised after the Option has vested. The Options are exercisable at any time after the Vesting Date and on or prior to the Expiry Date (“Exercise Period”).

6. Exercise of Options

Notwithstanding paragraph 5, Options may be exercised:

- i) during a Takeover Period;
- ii) at any time after a Change of Control Event has occurred;
- iii) at any time after the announcement of a proposed capital reconstruction referred to in paragraph 12;
- iv) in the Board’s absolute discretion, following the occurrence and announcement by the Company of an event that in the opinion of the Board is likely to lead to the Company being removed from the official list of ASX; or
- v) in the Board’s absolute discretion, within 12 months, in the event of the death or permanent disablement of an eligible participant, in respect of Options held by or on behalf of that Eligible Participant.

7. Notice of Exercise

Options may only be exercised by notice in writing to the Company which is signed by the Holder and delivered to the registered office of the Company. The notice must specify the number of Options being exercised and must be accompanied by:

Explanatory Memorandum

- i) the Exercise Price for the number of Options specified in the notice; and
- ii) the certificate or holding statement for those Options, for cancellation by the Company.

A notice of exercise only becomes effective when the Company has received the full amount of the Exercise Price for the number of Options specified in the notice in cleared funds.

8. **Timing of issue of Shares on exercise**

Within 10 Business Days of the notice referred to in paragraph 7 above becoming effective, the Board must:

- i) acquire or allot and issue the number of Shares specified in the notice to the Holder;
- ii) cancel the certificate or holding statement for the Options being exercised; and
- iii) if applicable, issue a new certificate or holding statement for any remaining unexercised Options covered by the certificate or holding statement accompanying the notice.

9. **Allotment of Shares**

All Shares allotted upon the exercise of Options will be credited as fully paid and will be of the same class and rank equally in all respects with other Shares.

10. **Quotation on ASX**

If existing Shares are officially quoted by ASX, the Company must apply for official quotation by ASX of all Shares allotted pursuant to the exercise of Options not later than 10 Business Days after the date of allotment.

11. **New issues**

There are no participation rights or entitlements inherent in the Options and holders will not be entitled to participate in new issues of capital offered to Shareholders during the currency of the Options.

12. **Reorganisation of capital**

In the event of a reorganisation (including a consolidation, subdivision, reduction or return) of the issued capital of the Company, the number of Options to which each Holder is entitled or the Exercise Price (if any) or both will be changed in the manner required by the Listing Rules and, in any case, in a manner which will not result in any benefits being conferred on holders of Options which are not conferred on Shareholders.

13. **Transferability**

Options can only be transferred with the prior written consent of the Company, which consent may be withheld in the Company's sole discretion.

Need assistance?



Phone:

1300 850 505 (within Australia)
+61 3 9415 4000 (outside Australia)



Online:

www.investorcentre.com/contact



YOUR VOTE IS IMPORTANT

For your proxy appointment to be effective it must be received by **3:00pm (AWST) on Saturday, 27 November 2021.**

Proxy Form

How to Vote on Items of Business

All your securities will be voted in accordance with your directions.

APPOINTMENT OF PROXY

Voting 100% of your holding: Direct your proxy how to vote by marking one of the boxes opposite each item of business. If you do not mark a box your proxy may vote or abstain as they choose (to the extent permitted by law). If you mark more than one box on an item your vote will be invalid on that item.

Voting a portion of your holding: Indicate a portion of your voting rights by inserting the percentage or number of securities you wish to vote in the For, Against or Abstain box or boxes. The sum of the votes cast must not exceed your voting entitlement or 100%.

Appointing a second proxy: You are entitled to appoint up to two proxies to attend the meeting and vote on a poll. If you appoint two proxies you must specify the percentage of votes or number of securities for each proxy, otherwise each proxy may exercise half of the votes. When appointing a second proxy write both names and the percentage of votes or number of securities for each in Step 1 overleaf.

A proxy need not be a securityholder of the Company.

SIGNING INSTRUCTIONS FOR POSTAL FORMS

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

Joint Holding: Where the holding is in more than one name, all of the securityholders 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 form when you return it.

Companies: Where the company has a Sole Director who is also the Sole Company Secretary, this form must be signed by that person. If the company (pursuant to section 204A of the Corporations Act 2001) does not have a Company Secretary, a Sole Director can also sign alone. Otherwise this form must be signed by a Director jointly with either another Director or a Company Secretary. Please sign in the appropriate place to indicate the office held. Delete titles as applicable.

PARTICIPATING IN THE MEETING

Corporate Representative

If a representative of a corporate securityholder or proxy is to participate in the meeting you will need to provide the appropriate "Appointment of Corporate Representative". A form may be obtained from Computershare or online at www.investorcentre.com/au and select "Printable Forms".

Lodge your Proxy Form:

XX

Online:

Lodge your vote online at www.investorvote.com.au using your secure access information or use your mobile device to scan the personalised QR code.

Your secure access information is



Control Number: 186283

SRN/HIN:

For Intermediary Online subscribers (custodians) go to www.intermediaryonline.com

By Mail:

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

By Fax:

1800 783 447 within Australia or
+61 3 9473 2555 outside Australia



PLEASE NOTE: For security reasons it is important that you keep your SRN/HIN confidential.

☐ **Change of address.** If incorrect, mark this box and make the correction in the space to the left. Securityholders sponsored by a broker (reference number commences with 'X') should advise your broker of any changes.

Proxy Form

Please mark ☒ to indicate your directions

Step 1 Appoint a Proxy to Vote on Your Behalf

XX

I/we being a member/s of Brightstar Resources Limited hereby appoint

☐ the Chairman of the Meeting OR

PLEASE NOTE: Leave this box blank if you have selected the Chairman of the Meeting. Do not insert your own name(s).

or failing the individual or body corporate named, or if no individual or body corporate is named, the Chairman of the Meeting, as my/our proxy to act generally at the meeting on my/our behalf and to vote in accordance with the following directions (or if no directions have been given, and to the extent permitted by law, as the proxy sees fit) at the Annual General Meeting of Brightstar Resources Limited to be held at Country Comfort Perth, 249-263 Great Eastern Highway, Belmont, WA 6104 on Monday, 29 November 2021 at 3:00pm (AWST) and at any adjournment or postponement of that meeting.

Chairman authorised to exercise undirected proxies on remuneration related resolutions: Where I/we have appointed the Chairman of the Meeting as my/our proxy (or the Chairman becomes my/our proxy by default), I/we expressly authorise the Chairman to exercise my/our proxy on Resolutions 1 and 7 (except where I/we have indicated a different voting intention in step 2) even though Resolutions 1 and 7 are connected directly or indirectly with the remuneration of a member of key management personnel, which includes the Chairman.

Important Note: If the Chairman of the Meeting is (or becomes) your proxy you can direct the Chairman to vote for or against or abstain from voting on Resolutions 1 and 7 by marking the appropriate box in step 2.

Step 2 Items of Business

PLEASE NOTE: If you mark the **Abstain** box for an item, you are directing your proxy not to vote on your behalf on a show of hands or a poll and your votes will not be counted in computing the required majority.

		For	Against	Abstain			For	Against	Abstain
1	Remuneration Report	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	8	Approval of Issue of Service Options to Luke Wang	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
2	Re-election of Mr Yongji Duan as a Director	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	9	Approval of Issue of Service Options to Craig Wales	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
3	Ratification of prior issue of Options to CGF	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	10	Approval of Issue of Shares and Milford Options to Milford	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
4	Ratification of prior issue of Options to PCF Capital Group	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	11	Approval of 10% Placement Capacity	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
5	Ratification of prior issue of Shares and Mining Equities Options to Mining Equities	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>					
6(a)	Ratification of prior issue of Placement Shares - 43,362,615 Shares - LR 7.1	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>					
6(b)	Ratification of prior issue of Placement Shares - 43,575,076 - LR 7.1A	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>					
7	Approval of Issue of Shares to Tony Lau	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>					

The Chairman of the Meeting intends to vote undirected proxies in favour of each item of business. In exceptional circumstances, the Chairman of the Meeting may change his/her voting intention on any resolution, in which case an ASX announcement will be made.

Step 3 Signature of Securityholder(s) *This section must be completed.*

Individual or Securityholder 1

Sole Director & Sole Company Secretary

Securityholder 2

Director

Securityholder 3

Director/Company Secretary

/ /

Date

Update your communication details (Optional)

Mobile Number

Email Address

By providing your email address, you consent to receive future Notice of Meeting & Proxy communications electronically

B T R

2 8 2 4 0 3 A



Computershare

