

Estrella Resources Limited

ACN 151 155 207

NOTICE OF GENERAL MEETING AND EXPLANATORY MEMORANDUM

15 March 2022

10.00am (WST)

**Mining Corporate Boardroom
Level 11, 216 St Georges Terrace
Perth WA 6000**

This Notice of General Meeting and Explanatory Memorandum should be read in its entirety. If Shareholders are in doubt as to how to vote, they should seek advice from their accountant, solicitor or other professional adviser without delay.

Should you wish to discuss any matter please do not hesitate to contact the Company by telephone on +61 08 9481 0389.

NOTICE OF MEETING

Notice is given that the General Meeting of Shareholders of Estrella Resources Limited ACN 151 155 207 (**Company**) will be held at Level 11, 216 St Georges Terrace Perth WA on 15 March 2022 commencing at 10.00am (WST).

The Explanatory Memorandum to this Notice provides additional information on matters to be considered at the Meeting. The Explanatory Memorandum and the Proxy Form form part of this Notice.

The Directors have determined pursuant to regulation 7.11.37 of the Corporations Regulations 2001 (Cth) that the persons eligible to vote at the Meeting are those who are registered as Shareholders at 5.00pm (WST) on 13 March 2022.

Terms and abbreviations used in this Notice and Explanatory Memorandum are defined in Schedule 1.

AGENDA

1. Resolutions 1(a), (b), (c), (d) and (e) – Approval to issue Incentive Options to Directors

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

“That for the purposes of section 195(4) and section 208 of the Corporations Act and ASX Listing Rule 10.11, and for all other purpose, approval is given for the Company to issue:

- (a) *3,000,000 Director Incentive Options to Christopher John Daws (and/or his nominees);*
- (b) *2,000,000 Director Incentive Options to Leslie Shayne Pereira (and/or his nominees);*
- (c) *2,000,000 Director Incentive Options to John Timothy Kingswood (and/or his nominees);*
- (d) *2,000,000 Director Incentive Options to Neil Armstrong Hutchison (and/or his nominees); and*
- (e) *2,000,000 Director Incentive Options to Stephen Michael Brockhurst (and/or his nominees)*

on the terms and conditions set out in the Explanatory Memorandum.”

Voting Exclusion: The Company will disregard any votes cast in favour of:

- (a) Resolution 1(a) by or on behalf of :
 - (i) Mr. C Daws (and/or his nominees) and any other person who will obtain a material benefit as a result of the issue of the securities (except a benefit solely by reason of being a holder of ordinary securities in the entity); or
 - (ii) an associate of that person or those persons;
- (b) Resolution 1(b) by or on behalf of :
 - (i) Mr. Pereira (and/or his nominees) and any other person who will obtain a material benefit as a result of the issue of the securities (except a benefit solely by reason of being a holder of ordinary securities in the entity); or
 - (ii) an associate of that person or those persons;
- (c) Resolution 1(c) by or on behalf of :
 - (i) Mr. Kingswood (and/or his nominees) and any other person who will obtain a material benefit as a result of the issue of the securities (except a benefit solely by reason of being a holder of ordinary securities in the entity); or
 - (ii) an associate of that person or those persons;
- (d) Resolution 1(d) by or on behalf of :

- (i) Mr. Hutchison (and/or his nominees) and any other person who will obtain a material benefit as a result of the issue of the securities (except a benefit solely by reason of being a holder of ordinary securities in the entity); or
 - (ii) an associate of that person or those persons;
- (e) Resolution 1(e) by or on behalf of :
- (i) Mr. Brockhurst (and/or his nominees) and any other person who will obtain a material benefit as a result of the issue of the securities (except a benefit solely by reason of being a holder of ordinary securities in the entity); or
 - (ii) an associate of that person or those persons;

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

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

Voting Prohibition Statement

In accordance with section 224 of the Corporations Act, a vote on these Resolutions must not be cast (in any capacity) by or on behalf of a related party of the Company to whom the Resolution would permit a financial benefit to be given, or an associate of such a related party (**Resolution 1 Excluded Party**). However, this prohibition does not apply if the vote is cast by a person as proxy appointed by writing that specifies how the proxy is to vote on the Resolution and it is not cast on behalf of a Resolution 1 Excluded Party.

In accordance with section 250BD of the Corporations Act, a person appointed as a proxy must not vote, on the basis of that appointment, on these Resolutions if:

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

Provided the Chair is not a Resolution 1 Excluded Party, the above prohibition does not apply if:

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

2. Resolution 2 – Approval to issue Incentive Options to Consultant - Douglas Daws

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 10.11 and for all other purpose, approval is given for the Company to issue 750,000 Incentive Options to Douglas Daws (and/or his nominee(s)) on the terms and conditions set out in the Explanatory Memorandum.”

Voting Exclusion

The Company will disregard any votes cast in favour of this Resolution by or on behalf of Douglas Daws (or his nominee) and any other person who will obtain a material benefit as a result of the issue of the securities (except a benefit solely by reasons of being a holder of ordinary securities in the Company) or an associate of that person or those persons.

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

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

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

Voting Prohibition Statement

In accordance with section 224 of the Corporations Act, a vote on this Resolution must not be cast (in any capacity) by or on behalf of a related party of the Company to whom the Resolution would permit a financial benefit to be given, or an associate of such a related party (**Resolution 2 Excluded Party**). However, this prohibition does not apply if the vote is cast by a person as proxy appointed by writing that specifies how the proxy is to vote on the Resolution and it is not cast on behalf of a Resolution 2 Excluded Party.

In accordance with section 250BD of the Corporations Act, a person appointed as a proxy must not vote, on the basis of that appointment, on this Resolution if:

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

Provided the Chair is not a Resolution 2 Excluded Party, the above prohibition does not apply if:

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

3. Resolution 3 – Adoption of Employee Securities Incentive Plan

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

“That, for the purpose of ASX Listing Rule 7.2 (Exception 13) and for all other purposes, Shareholders approve:

- (a) the establishment of a plan, to be called the *“Employee Securities Incentive Plan”* on the terms and conditions set out in the Explanatory Memorandum; and
- (b) *the issue of up to 58,852,187 Securities under the Employee Securities Incentive Plan.”*

Voting Exclusion

The Company will disregard any votes cast in favour of this Resolution by or on behalf of:

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

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

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

Voting Prohibition Statement

In accordance with section 224 of the Corporations Act, a vote on this Resolution must not be cast (in any capacity) by or on behalf of a related party of the Company to whom the Resolution would permit a financial benefit to be given, or an associate of such a related party (**Resolution 3 Excluded Party**). However, this prohibition does not apply if the vote is cast by a person as proxy appointed by writing that specifies how the proxy is to vote on the Resolution and it is not cast on behalf of a Resolution 3 Excluded Party.

In accordance with section 250BD of the Corporations Act, a person appointed as a proxy must not vote, on the basis of that appointment, on this Resolution if:

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

Provided the Chair is not a Resolution 3 Excluded Party, the above prohibition does not apply if:

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

Dated 9 February 2022

BY ORDER OF THE BOARD

Steve Brockhurst
Company Secretary

EXPLANATORY MEMORANDUM

1. Introduction

This Explanatory Memorandum has been prepared for the information of Shareholders of the Company in connection with the business to be conducted at the Meeting to be held at Level 11, 216 St Georges Terrace, Perth WA on 15 March 2022 commencing at 10.00am (WST).

This Explanatory Memorandum should be read in conjunction with and forms part of the accompanying Notice. The purpose of this Explanatory Memorandum is to provide information to Shareholders in deciding whether or not to pass the Resolutions in the Notice.

A Proxy Form is located at the end of the Explanatory Memorandum.

2. Action to be taken by Shareholders

Shareholders should read the Notice and this Explanatory Memorandum carefully before deciding how to vote on the Resolutions.

2.1 Proxies

A Proxy Form is attached to the Notice. This is to be used by Shareholders if they wish to appoint a representative (a proxy) to vote in their place. All Shareholders are invited and encouraged to attend the Meeting or, if they are unable to attend in person, sign and return the Proxy Form to the Company in accordance with the instructions thereon. Lodgement of a Proxy Form will not preclude a Shareholder from attending and voting at the Meeting in person.

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.

Shareholders and their proxies should be aware that:

- (a) If proxy holders vote, they must cast all directed proxies as they are directed to; and
- (b) Any directed proxies which are not voted will automatically default to the Chair, who must vote the proxies as directed.

Further details are set out below.

Proxy vote if appointment specifies way to vote

Section 250BB(1) of the Corporations Act provides that an appointment of a proxy may specify the way the proxy is to vote on a particular resolution and, if it does:

- (a) the proxy need not vote on a show of hands, but if the proxy does so, the proxy must vote that way (i.e. as directed);

- (b) if the proxy has 2 or more appointments that specify different ways to vote on the resolution – the proxy must not vote on a show of hands;
- (c) if the proxy is the Chair of the meeting at which the resolution is voted on – the proxy must vote on a poll, and must vote that way (i.e. as directed); and
- (d) if the proxy is not the Chair – the proxy need not vote on the poll, but if the proxy does so, the proxy must vote that way (i.e. as directed).

Transfer of non-chair proxy to Chair in certain circumstances

Section 250BC of the Corporations Act provides that, if:

- (a) an appointment of a proxy specifies the way the proxy is to vote on a particular resolution at a meeting of the Company's members; and
- (b) the appointed proxy is not the Chair of the meeting; and
- (c) at the meeting, a poll is duly demanded on the resolution; and
- (d) either of the following applies:
 - (i) the proxy is not recorded as attending the meeting; or
 - (ii) the proxy does not vote on the resolution,

the Chair of the meeting is taken, before voting on the resolution closes, to have been appointed as the proxy for the purposes of voting on the resolution at the meeting.

The enclosed Proxy Form provides further details on appointing proxies and lodging Proxy Forms.

2.2 Voting Prohibition by Proxy Holders

In accordance with section 250R of the Corporations Act, a vote on Resolutions 1(a)-(e), 2 and 3 must not be cast (in any capacity) by, or on behalf of:

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

However, a person described above may cast a vote on Resolutions 1(a)-(e), 2 and 3 as proxy if the vote is not cast behalf of a person described in subparagraphs (a) or (b) above and either:

- (a) the person does so as a proxy appointed by writing that specifies how the proxy is to vote on Resolution; or
- (b) the person is the Chair and the appointment of the Chair as proxy:
 - (i) does not specify the way the proxy is to vote on Resolutions 1(a)-(e), 2 and 3; and
 - (ii) expressly authorises the Chair to exercise the proxy even if Resolutions 1(a)-(e), 2 and 3 are connected directly or indirectly with the remuneration of Key Management Personnel.

2.3 Corporate Representatives

A corporation may appoint an individual as a representative to exercise its powers as Shareholder or as a Shareholder's proxy. The representative must bring to the Meeting evidence of his or her appointment, including any authority under which it is signed, unless it has been previously given to the Company's share registry.

2.4 Submit your Proxy Vote Online

Vote online at <https://investor.automic.com.au/#/loginsah>, and simply follow the instructions on the enclosed proxy form.

Or alternatively:

2.5 Submit your Proxy Vote by Paper

If you do not wish to vote online, then it is necessary to complete in accordance with the detailed instructions set out on the enclosed Proxy Form.

The return of your completed form (ONLY if you do NOT vote online) can be done by one of the following ways:

BY MAIL

Automic
GPO Box 5193
Sydney NSW 2001

IN PERSON

Automic
Level 5, 126 Phillip Street
Sydney NSW 2000

BY EMAIL

meetings@automicgroup.com.au

2.6 Voting in Person

To vote in person, Shareholders are able to attend the Meeting at the time, date and place set out above. In light of on the status of the evolving COVID-19 situation and easing of Government restrictions on public gatherings in place at the time of the Notice and the number of Shareholders that normally attend Shareholder meetings for the Company, the Directors have made a decision that Shareholders will be able to physically attend the Meeting in person and accordingly, have arranged an appropriate meeting venue. If the Government restrictions and corresponding decision of the Director's changes prior to the Meeting, the Directors will update Shareholders via the Company's ASX platform.

Should you wish to discuss the matters in this Notice of Meeting please do not hesitate to contact the Company Secretary on +61 08 9481 0389.

3. Resolutions 1(a), (b), (c), (d) and (e) – Approval to Issue Incentive Options to Directors

3.1 General

Resolutions 1(a) to 1(e) seek the approval of Shareholders for the issue of a total of 11,000,000 Options to Directors (**Director Incentive Options**) comprising 3,000,000 Director Incentive Options to Mr C Daws and 2,000,000 Director Incentive Options to each of Mr Pereira, Mr Kingswood, Mr Hutchison and Mr Brockhurst (**Directors**) in accordance with section 208 of the Corporations Act and Listing Rule 10.11.

The Company proposes to issue the Director Incentive Options as follows:

Director	Number	Exercise Price	Expiry Date
Christopher John Daws	3,000,000	\$0.06	21 January 2025
Leslie Shayne Pereira	2,000,000	\$0.06	21 January 2025
John Timothy Kingswood	2,000,000	\$0.06	21 January 2025
Neil Armstrong Hutchison	2,000,000	\$0.06	21 January 2025
Stephen Michael Brockhurst	2,000,000	\$0.06	21 January 2025

The Director Incentive Options are being issued to incentivise and reward the Directors of the Company.

3.2 Section 195(4) of the Corporations Act

Each of the Directors have a material personal interest in the outcome of Resolutions 1(a) to 1(e) (as applicable to each Director) by virtue of the fact that Resolutions 1(a) to 1(e) are concerned with the issue of Director Incentive Options to Directors. Section 195 of the Corporations Act essentially provides that a director of a public company may not vote or be present during meetings of directors when matters in which that director holds a material personal interest are being considered. In the absence of Shareholder approval under section 195(4) of the Corporations Act, the Directors may not be able to form a quorum at Board meetings necessary to carry out the terms of these Resolutions. The Directors have accordingly exercised their right under section 195(4) of the Corporations act to put the issue to Shareholders to determine.

3.3 Chapter 2E of the Corporations Act

Chapter 2E of the Corporations Act regulates the provision of financial benefits to related parties by a public company. Section 208 of the Corporations Act prohibits a public company giving a financial benefit to a related party of that public company unless one of a number of exceptions applies.

A “financial benefit” is defined in the Corporations Act in broad terms and includes the issue of securities. For the purpose of the General Meeting, a related party includes a director of the Company.

For the purposes of Chapter 2E of the Corporations Act, the Directors are related parties of the Company by virtue of the fact that they are Directors of the Company.

Section 208 of the Corporations Act provides that for a public company, or an entity that a public company controls, to give a financial benefit to a related third party of the public company, the public company or entity must:

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

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

For the avoidance of doubt, the Company is seeking the approval of Shareholders for the purposes of Chapter 2E of the Corporations Act in respect of the Director Incentive Options proposed to be issued to the Directors.

3.4 ASX Listing Rule 14.1A

If Resolutions 1(a) to 1(e) are passed, the Company will be able to proceed with issuing 11,000,000 Director Incentive Options. This will occur within one (1) month after the date of the Meeting (or such later date as permitted by an ASX waiver or modification of the Listing Rules). As approval pursuant to Listing Rule 7.1 is not required for the issue of the Director Incentive Options (because approval is being obtained under Listing Rule 10.11), the issue of the Director Incentive Options will not use up any of the Company's 15% placement capacity under Listing Rule 7.1.

If Resolutions 1(a) to 1(e) are not passed, the Company will not be able to proceed with the issue of the 11,000,000 Director Incentive Options to the Directors and the Company may consider alternative forms of remuneration in lieu of such issue.

3.5 ASX Listing Rule 10.11

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

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

unless it obtains the approval of its shareholders.

As the Directors participation by way of being issued the Director Incentive Options involves the issue of Options to Related Parties of the Company, Shareholder approval pursuant to ASX Listing Rule 10.11 is required unless an exception applies. It is the view of the Directors that the exceptions set out in ASX Listing Rule 10.12 do not apply in the current circumstances.

3.6 Technical Information required by Listing Rule 10.13 and section 219 of the Corporations Act

Pursuant to and in accordance with Listing Rule 10.13 and section 219 of the Corporations Act, the following information is provided in relation to Resolutions 1(a) to 1(e):

- (a) the Director Incentive Options will be issued to each of the existing Directors of the Company being Mr. C. Daws, Mr. Pereira, Mr. Kingswood, Mr. Hutchison and Mr. Brockhurst (and/or their nominees);
- (b) each of Mr. C. Daws, Mr. Pereira, Mr. Kingswood, Mr. Hutchison and Mr. Brockhurst fall within the category of Listing Rule 10.11.1 by virtue of being Directors of the Company;
- (c) the total number of Director Incentive Options to be issued to the Directors is 11,000,000 Director Incentive Options comprising:

- (i) 3,000,000 Director Incentive Options to be issued to Mr C Daws, (and/or his nominee);
 - (ii) 2,000,000 Director Incentive Options to be issued to Mr Pereira, (and/or his nominee);
 - (iii) 2,000,000 Director Incentive Options to be issued to Mr Kingswood, (and/or his nominee);
 - (iv) 2,000,000 Director Incentive Options to be issued to Mr Hutchison, (and/or his nominee); and
 - (v) 2,000,000 Director Incentive Options to be issued to Mr Brockhurst, (and/or his nominee).
- (d) a summary of the material terms of the Director Incentive Options is set out in Schedule 2;
- (e) the Director Incentive Options will be granted to the Directors no later than one (1) month after the date of the Meeting (or such later date as permitted by any ASX waiver or modification of the ASX listing Rules) and it is anticipated the Director Incentive Options will be allocated on one date;
- (f) the Director Incentive Options will be issued for nil cash consideration and accordingly no funds will be raised;
- (g) the Director Incentive Options have the values shown in Schedule 4;
- (h) the relevant interests of the Directors in securities of the Company as at the date of this Notice are:

Related Party	Shares	Options
Christopher John Daws	36,192,265	24,500,000
Leslie Shayne Pereira	6,545,769	8,550,000
John Timothy Kingswood	3,380,000	25,000,000
Neil Armstrong Hutchison	800,000	2,000,000
Stephen Michael Brockhurst	2,500,001	5,750,000

- (i) the remuneration from the Company to each Director and his associates for the prior financial year and the proposed remuneration for the current financial year are set out below:

Related Party	Current Financial Year (ending 30 June 2022)¹	Prior Financial year (ending 30 June 2021)¹
Christopher John Daws	\$290,000	\$273,729
Leslie Shayne Pereira	\$40,000	\$40,000
John Timothy Kingswood	\$40,000	\$40,000
Neil Armstrong Hutchison	\$40,000	\$24,889
Stephen Michael Brockhurst	\$40,000	\$40,000

¹ Excluding superannuation

- (j) the Director Incentive Options are not being issued under any agreement;
- (k) if the Director Incentive Options granted to the Directors are exercised, a total of 11,000,000 Shares would be allotted and issued. This will increase the number of Shares on issue from 1,177,043,740 to 1,188,043,740 (assuming that no other Options are exercised and no other Shares are issued) with the effect that the shareholding of existing shareholders would be diluted by an aggregate of 0.9%;

The market price of Shares during the term of the Director Incentive Options would normally determine whether or not the Director Incentive Options are exercised. If, at any time any of the Director Incentive Options are exercised and the Shares are trading on ASX at a price that is higher than the exercise price of the Director Incentive Options, there may be a perceived cost to the Company;

- (l) the trading history of the Shares on ASX in the twelve (12) months before the date of this Notice of General Meeting is set out below:

	Price	Date
Highest	\$0.086	2 June 2021
Lowest	\$0.019	20 December 2021
Last	\$0.033	9 February 2022

- (m) if Messrs C Daws, Pereira, Kingswood, Hutchison and Brockhurst exercise all Director Incentive Options the subject of resolutions 1(a) to 1(e) and no other Shares were issued by the Company, they would hold 3.3%, 0.7%, 0.4%, 0.2% and 0.4% respectively of the issue capital of the Company, on an undiluted basis;
- (n) in respect of Resolutions 1(a) to 1(e):
 - (i) the primary purpose of the grant of the Director Incentive Options is to reward the Directors and to provide cost effective consideration to the Directors for their ongoing commitment and contribution to the Company in their respective roles as Directors, whilst allowing the Company to maintain cash reserves for acquisitions and operations. In addition, the Board considers the grant of the Director Incentive Options to the Directors to be reasonable, given the necessity to attract high calibre professionals to the Company whilst maintaining the Company's cash reserves;
 - (ii) the Board (other than in respect of the relevant Resolution that they have an interest in) considered the extensive experience and reputation of the relevant Director within the industry, the current market price of Shares and current market practices when determining the number and exercise price of the Director Incentive Options to be issued to the Directors. Relevantly, the exercise price of the Director Incentive Options is the price that is approximately two hundred per cent (200%) higher than the price of the Shares on ASX on the date when the consideration of the grant of the Director Incentive Options was decided by the Board; and
 - (iii) the Board does not consider there are any significant opportunity costs to the Company in issuing the Director Incentive Options to the Directors.
- (o) each Director has a material personal interest in the outcome of Resolutions 1(a) to 1(e) on the basis that all the Directors (or their nominee/s) are to be issued Director Incentive Options. For this reason, the Directors do not believe that it is appropriate to make recommendations on Resolution 1(a) to 1(e) of this Notice;

- (p) the Board is not aware of any other information that would be reasonably required by Shareholders to allow them to make a decision whether it is in the best interests of the Company to pass these Resolutions; and
- (q) a voting exclusion statement is included for Resolutions 1(a) – 1(e) of this Notice.

4. Resolution 2 – Approval to issue Incentive Options to Consultant – Douglas Daws

4.1 General

Resolution 2 seeks the approval of Shareholders for the issue of 750,000 Options (exercisable at \$0.06 and expiring on 21 January 2025) to Douglas Daws (**Consultant Incentive Options**).

Douglas Daws has been engaged by the Company as a consultant on an as needed, informal basis (not on a term based consultancy) to provide onsite management of the Project facilities and other service providers (being on ground at the Carr Boyd Project) to ESR as and when required by the Board. Douglas Daws has been directed by the Board to assist with the following services over the last 5 months:

- (a) regular site access road inspections;
- (b) key stakeholder engagements on behalf of the Company;
- (c) sourcing contractor services and supplies;
- (d) water pump installation; and
- (e) assistance with the communications installation.

Douglas Daws has not received any remuneration or cash payments in respect of providing these services. Accordingly, the Board has agreed to remunerate Douglas Daws for his services provided by way of the issue of the Consultant Incentive Options under this Resolution 2.

The full terms and conditions of the Consultant Incentive Options are set out in Schedule 2 (being the same terms and conditions as the Options to be issued to the Directors pursuant to Resolutions 1(a) to 1(e)).

4.2 Chapter 2E of the Corporations Act

An overview of Chapter 2E of the Corporations Act is provided in Section 3.3 of this Notice.

The issue of the Consultant Incentive Options to the Douglas Daws constitutes giving a financial benefit and Douglas Daws is a related party of the Company by virtue of being a parent of Director, Christopher Daws.

The Directors (other than Christopher Daws) consider that Shareholder approval pursuant to Chapter 2E of the Corporations Act is not required in respect of the issue of the Consultant Incentive Options to Douglas Daws because they are being issued on arm's length terms and within the exception of section 210 of the Corporations Act, taking into account the services provided by Douglas Daws, the current market price of Shares, the current market practices when determining the number of incentive Options to be issued to consultants, as well as the valuation (as set out in Schedule 4) and the fact that the Consultant Incentive Options will be issued on the same terms as those options being issued to Company employees. Further, the non-cash form of benefit allows the Company to spend a greater proportion of its cash

reserves on its operations than it would if alternative, cash forms of payment were given to Douglas Daws.

4.3 ASX Listing Rule 14.1A

If Resolution 2 is passed, the Company will be able to proceed with issuing 750,000 Consultant Incentive Options to Douglas Daws. This will occur within one (1) month after the date of the Meeting (or such later date as permitted by an ASX waiver or modification of the Listing Rules). As approval pursuant to Listing Rule 7.1 is not required for the issue of the Consultant Incentive Options (because approval is being obtained under Listing Rule 10.11), the issue of the Consultant Incentive Options will not use up any of the Company's 15% placement capacity under Listing Rule 7.1.

If Resolution 2 is not passed, the Company will not be able to proceed with the issue of 750,000 Consultant Incentive Options to Douglas Daws and the Company may consider alternative forms of remuneration in lieu of such issue.

4.4 ASX Listing Rule 10.11

An overview of ASX Listing Rule 10.11 is provided in Section 3.5 of this Notice.

Douglas Daws is a related party by virtue of being a parent of a Director, as set out in Listing Rule 10.11.1. As the issue of the Related Party Options to Douglas Daws involves the issue of equity securities to a related party, Shareholder approval pursuant to Listing Rule 10.11 is required unless an exception applies. It is the view of the Directors that the exceptions set out in Listing Rule 10.12 do not apply in the current circumstances.

4.5 ASX Listing Rule 10.13

Pursuant to and in accordance with the requirements of ASX Listing Rule 10.13, the following information is provided in relation to Resolution 2:

- (a) the Consultant Incentive Options will be issued to Douglas Daws (and/or his nominee);
- (b) Douglas Daws is a related party of the Company by virtue of being the parent of Director, Christopher Daws (and falls within the category set out in Listing Rule 10.11.1);
- (c) the number of Consultant Incentive Options to be issued to Douglas Daws (and/or his nominee) is 750,000;
- (d) the Consultant Incentive Options will be issued on the terms set out in Schedule 2;
- (e) the Consultant Incentive Options will be granted to Douglas Daws no later than one (1) month after the date of the Meeting (or such later date as permitted by any ASX waiver or modification of the ASX listing Rules) and it is anticipated the Consultant Incentive Options will be allocated on one date;
- (f) the Consultant Incentive Options will be issued for nil cash consideration and accordingly no funds will be raised;
- (g) the Consultant Incentive Options are being issued to Douglas Daws for the following reasons:
 - (i) the issue of the Consultant Incentive Options is a reasonable and appropriate method to provide cost effective remuneration. The non-cash form of this benefit will allow the Company to spend a greater proportion of its cash

reserves on its operations than it would if alternative cash forms of remuneration were given;

- (ii) the number of Consultant Incentive Options to be issued to Douglas Daws is appropriate in light of the services provided, the current market price of Shares, the current market practices when determining the number of incentive Options to be issued to consultants, as well as the valuation; and
 - (iii) it is not considered that there are any significant opportunity costs to the Company or benefits foregone by the Company in issuing the Incentive Options upon the terms proposed
- (h) the Company does not consider that Douglas Daws is an associate of Christopher Daws (i.e. he is not controlled by, or acting in concert with, Christopher Daws). However, Douglas Daws is a related party of the Company by virtue of being the parent of a Director. The current total remuneration package of Christopher Daws is set out in Section 3.6(i) above;
- (i) the Consultant Incentive Options are not being issued to Douglas Daws under an agreement; and
- (j) a voting exclusion statement is included in Resolution 2 of the Notice.

5. Resolution 3 – Adoption of Employee Securities Incentive Plan

5.1 Overview

Resolution 3 seeks Shareholder approval for the adoption of the employee incentive scheme titled Employee Securities Incentive Plan (**Plan**) in accordance with ASX Listing Rule 7.2 (Exception 13(b)).

The Company currently has in place an Employee Share Option Plan but wishes to adopt the new Plan to provide a range of Securities as incentives to employees.

The objective of the Plan is to attract, motivate and retain key employees and it is considered by the Company that the adoption of the Plan and the future issue of Securities under the Plan will provide selected employees with the opportunity to participate in the future growth of the Company.

A summary of the Employee Securities Incentive Plan is set out in Schedule 3.

The Employee Securities Incentive Plan will operate in accordance with ASIC class order CO 14/1000.

5.2 Regulatory Requirements

Shareholder approval is not required under the Corporations Act or the Listing Rules for the operation of the Plan. However, Shareholder approval is being sought to allow the Company to rely on an exception to the calculation of the Listing Rules 7.1 and 7.1A on the number of securities that may be issued without Shareholder Approval. Listing Rule 7.2 exception 13(b) provides that Listing Rules 7.1 and 7.1A do not apply to an issue of securities under an employee incentive scheme that has been approved by Shareholders, where the issue of securities is within 3 years from that date of Shareholder approval of the issue of securities under the employee incentive scheme.

The Plan participation is limited to Directors, contractors and employees of the Company. If an issue is to be made to Directors, then separate Shareholder approval will need to be obtained.

A summary of the key terms of the Plan is set out in Schedule 3. As this is a new Plan being put to Shareholders, no Securities have been issued under it to date. A maximum of 58,852,187 Securities would be available to be issued under the Plan if approved by Shareholders, determined as 5% of the ordinary shares on issue at 24 January 2022.

The passing of Resolution 3 will allow the Company to issue Securities for the benefit of participants of the Plan whilst preserving the Company's placement limits for issuing securities and provide flexibility in the manner in which the Plan is managed.

If Resolution 3 is not passed, the Company may still issue Securities to key personnel other than Directors on the terms as set out in Schedule 3, however those Securities will count towards the Company's 15% placement capacity under Listing Rule 7.1.

5.3 Voting Exclusion Statement

A Voting Exclusion applies to this Resolution.

5.4 Board recommendation

The Board recommends that Shareholders vote in favour of Resolution 3. The Chair intends to vote all undirected Proxies in favour of Resolution 3.

SCHEDULE 1 – Definitions

In this Notice and the Explanatory Memorandum:

\$ means Australian Dollars.

Associate has the meaning given in sections 12 and 16 of the Corporations Act. Section 12 is to be applied as if paragraph 12(1)(a) included a reference to the Listing Rules and on the basis that the Company is the “designated body” for the purposes of that section. A related party of a director or officer of the Company or of a Child Entity of the Company is to be taken to be an associate of the director or officer unless the contrary is established.

ASX means ASX Limited (ACN 008 624 691) and, where the context permits, the Australian Securities Exchange operated by ASX.

Board means the board of Directors.

Business Day means:

- (a) for determining when a notice, consent or other communication is given, a day that is not a Saturday, Sunday or public holiday in the place to which the notice, consent or other communication is sent; and
- (b) for any other purpose, a day (other than a Saturday, Sunday or public holiday) on which banks are open for general banking business in Perth.

Chair means the person appointed to chair the Meeting convened by this Notice.

Closely Related Party means:

- (a) a spouse or child of the member; or
- (b) has the meaning given in section 9 of the Corporations Act.

Company means Estrella Resources Ltd (ACN 155 151 207).

Constitution means the constitution of the Company as at the commencement of the Meeting.

Consultant Incentive Options has the meaning given in section 4.1 of the Explanatory Memorandum and having the terms and conditions set out in Schedule 2.

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

Director means a director of the Company.

Director Incentive Options has the meaning given in section 3.1 of the Explanatory Memorandum and having the terms and conditions set out in Schedule 2.

Equity Securities has the same meaning as in the Listing Rules.

Explanatory Memorandum means the explanatory memorandum attached to the Notice.

Incentive Options means Director Incentive Options and Consultant Incentive Options issued on the terms and conditions set out in Schedule 2.

Key Management Personnel means persons having authority and responsibility for planning, directing and controlling the activities of the Company, directly or indirectly, including any Director (whether executive or otherwise) of the Company.

Listing Rules means the listing rules of ASX.

Meeting has the meaning in the introductory paragraph of the Notice.

Notice means this notice of meeting.

Option means an option which entitles the holder to subscribe for one Share.

Proxy Form means the proxy form attached to the Notice.

Related Party has the meaning set out in the ASX Listing Rule 10.11.

Remuneration Report means the remuneration report of the Company contained in the Directors' Report.

Resolution means resolution contained in the Notice.

Security means a security in the capital of the Company, including a Share or Option or other convertible security.

Schedule means a schedule to this Notice.

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

Shareholder means a shareholder of the Company.

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

WST means Western Standard Time, being the time in Perth, Western Australia.

In this Notice and the Explanatory Memorandum words importing the singular include the plural and vice versa.

SCHEDULE 2 – Terms and conditions of Incentive Options

The rights and liabilities attaching to the Incentive Options are as follows:

(a) **Entitlement**

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

(b) **Exercise Price**

Subject to paragraph (i), the amount payable upon exercise of each Option will be \$0.06 (**Exercise Price**).

(c) **Expiry Date**

Each Option will expire at 5:00 pm (WST) on 21 January 2025 (**Expiry Date**). An Option not exercised before the Expiry Date will automatically lapse on the Expiry Date.

(d) **Exercise Period**

Subject to the Options having vested under paragraph (m), the Options are exercisable at any time on or prior to the Expiry Date (**Exercise Period**).

(e) **Notice of Exercise**

The Options may be exercised during the Exercise Period by notice in writing to the Company in the manner specified on the Option certificate (**Notice of Exercise**) and payment of the Exercise Price for each Option being exercised in Australian currency by electronic funds transfer or other means of payment acceptable to the Company.

(f) **Exercise Date**

A Notice of Exercise is only effective on and from the later of the date of receipt of the Notice of Exercise and the date of receipt of the payment of the Exercise Price for each Option being exercised in cleared funds (**Exercise Date**).

(g) **Timing of issue of Shares on exercise**

Within 15 Business Days after the Exercise Date, the Company will:

- (i) issue the number of Shares required under these terms and conditions in respect of the number of Options specified in the Notice of Exercise and for which cleared funds have been received by the Company;
- (ii) if required, give ASX a notice that complies with section 708A(5)(e) of the Corporations Act, or, if the Company is unable to issue such a notice, lodge with ASIC a prospectus prepared in accordance with the Corporations Act and do all such things necessary to satisfy section 708A(11) of the Corporations Act to ensure that an offer for sale of the Shares does not require disclosure to investors; and
- (iii) if admitted to the official list of ASX at the time, apply for official quotation on ASX of Shares issued pursuant to the exercise of the Options.

If a notice delivered under (g)(ii) for any reason is not effective to ensure that an offer for sale of the Shares does not require disclosure to investors, the Company must, no later than 20 Business Days after becoming aware of such notice being ineffective, lodge with ASIC a prospectus prepared in accordance with the Corporations Act and do all such things

necessary to satisfy section 708A(11) of the Corporations Act to ensure that an offer for sale of the Shares does not require disclosure to investors.

(h) **Shares issued on exercise**

Shares issued on exercise of the Options rank equally with the then issued shares of the Company.

(i) **Reconstruction of capital**

If at any time the issued capital of the Company is reconstructed, all rights of an Optionholder are to be changed in a manner consistent with the Corporations Act and the ASX Listing Rules at the time of the reconstruction.

(j) **Participation in 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 without exercising the Options.

(k) **Change in exercise price**

An Option does not confer the right to a change in Exercise Price or a change in the number of underlying securities over which the Option can be exercised.

(l) **Transferability**

The Options are transferable subject to any restriction or escrow arrangements imposed by ASX or under applicable Australian securities laws.

(m) **Vesting of Options**

The Options will vest and be able to be exercised upon satisfaction of the following conditions:

- (i) after a period of twelve (12) months from the date the Options are issued; or
- (ii) immediately if:
 - (A) a Change of Control (as defined in paragraph (p)) in respect of the Company's Shares; or
 - (B) the market capitalisation of the Company reaches \$150,000,000 (or more) for 5 consecutive trading days.

(n) **Lapse of Options**

The Options will immediately lapse if (as relevant):

- (i) the holder's employment with the Company ceases; or
- (ii) the holder is no longer engaged to provide consulting, technical or other services to the Company.

(o) **Change in exercise price**

An Option does not confer the right to a change in Exercise Price or a change in the number of underlying securities over which the Option can be exercised.

(p) **Change of Control**

A Change of Control occurs where:

- (i) an offer is made for Shares pursuant to a takeover bid under Chapter 6 of the Corporations Act and is, or is declared, unconditional and the person making the takeover bid has a relevant interest in 50% or more of the Company's Shares;
- (ii) the Court sanctions under Part 5.1 of the Corporations Act a compromise or arrangement relating to the Company or a compromise or arrangement proposed for the purposes of or in connection with a scheme for the reconstruction of the Company or its amalgamation with any other company or companies; or
- (iii) any person acquires a relevant interest in 50.1% or more of the Shares in the Company by any other means.

SCHEDULE 3 – Summary Terms of Employee Securities Incentive Plan

A summary of the terms of the Plan is set out below:

- (a) **(Eligible Participant):** Eligible Participant means a person that:
- (i) is an "eligible participant" (as that term is defined in ASIC Class Order 14/1000) in relation to the Company or an Associated Body Corporate (as that term is defined in ASIC Class Order 14/1000); and
 - (ii) has been determined by the Board to be eligible to participate in the Plan from time to time.
- (b) **(Purpose):** The purpose of the Plan is to:
- (i) assist in the reward, retention and motivation of Eligible Participants;
 - (ii) link the reward of Eligible Participants to Shareholder value creation; and
 - (iii) align the interests of Eligible Participants with shareholders of the Group (being the Company and each of its Associated Bodies Corporate), by providing an opportunity to Eligible Participants to receive an equity interest in the Company in the form of Securities.
- (c) **(Plan administration):** The Plan will be administered by the Board. The Board may exercise any power or discretion conferred on it by the Plan rules in its sole and absolute discretion. The Board may delegate its powers and discretion.
- (d) **(Eligibility, invitation and application):** The Board may from time to time determine that an Eligible Participant may participate in the Plan and make an invitation to that Eligible Participant to apply for Securities on such terms and conditions as the Board decides.

On receipt of an Invitation, an Eligible Participant may apply for the Securities the subject of the invitation by sending a completed application form to the Company. The Board may accept an application from an Eligible Participant in whole or in part. If an Eligible Participant is permitted in the invitation, the Eligible Participant may, by notice in writing to the Board, nominate a party in whose favour the Eligible Participant wishes to renounce the invitation.

- (e) **(Grant of Securities):** The Company will, to the extent that it has accepted a duly completed application, grant the Participant the relevant number of Securities, subject to the terms and conditions set out in the invitation, the Plan rules and any ancillary documentation required.
- (f) **(Terms of Convertible Securities):** Each 'Convertible Security' represents a right to acquire one or more Shares (for example, under an option or performance right), subject to the terms and conditions of the Plan.

Prior to a Convertible Security being exercised a Participant does not have any interest (legal, equitable or otherwise) in any Share the subject of the Convertible Security by virtue of holding the Convertible Security. A Participant may not sell, assign, transfer, grant a security interest over or otherwise deal with a Convertible Security that has been granted to them. A Participant must not enter into any arrangement for the purpose of hedging their economic exposure to a Convertible Security that has been granted to them.

- (g) **(Vesting of Convertible Securities):** Any vesting conditions applicable to the grant of Convertible Securities will be described in the invitation. If all the vesting conditions are satisfied and/or otherwise waived by the Board, a vesting notice will be sent to the Participant by the Company informing them that the relevant Convertible Securities have vested. Unless

and until the vesting notice is issued by the Company, the Convertible Securities will not be considered to have vested. For the avoidance of doubt, if the vesting conditions relevant to a Convertible Security are not satisfied and/or otherwise waived by the Board, that Convertible Security will lapse.

- (h) **(Exercise of Convertible Securities and cashless exercise):** To exercise an Convertible Security, the Participant must deliver a signed notice of exercise and, subject to a cashless exercise of Convertible Securities (see below), pay the exercise price (if any) to or as directed by the Company, at any time prior to the earlier of any date specified in the vesting notice and the expiry date as set out in the invitation.

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

Market Value means, at any given date, the volume weighted average price per Share traded on the ASX over the 5 trading days immediately preceding that given date, unless otherwise specified in an invitation.

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

- (i) **(Delivery of Shares on exercise of Convertible Securities):** As soon as practicable after the valid exercise of a Convertible Security by a Participant, the Company will issue or cause to be transferred to that Participant the number of Shares to which the Participant is entitled under the Plan rules and issue a substitute certificate for any remaining unexercised Convertible Securities held by that Participant.
- (j) **(Forfeiture of Convertible Securities):** Where a Participant who holds Convertible Securities ceases to be an Eligible Participant or becomes insolvent, all unvested Convertible Securities will automatically be forfeited by the Participant, unless the Board otherwise determines in its discretion to permit some or all of the Convertible Securities to vest.

Where the Board determines that a Participant has acted fraudulently or dishonestly, or wilfully breached his or her duties to the Group, the Board may in its discretion deem all unvested Convertible Securities held by that Participant to have been forfeited.

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

- (i) any Convertible Securities which have not yet vested will be forfeited immediately on the date that the Board determines (acting reasonably and in good faith) that any applicable vesting conditions have not been met or cannot be met by the relevant date; and
- (ii) any Convertible Securities which have not yet vested will be automatically forfeited on the expiry date specified in the invitation.
- (k) **(Change of control):** If a change of control event occurs in relation to the Company, or the Board determines that such an event is likely to occur, the Board may in its discretion determine the manner in which any or all of the Participant's Convertible Securities will be dealt with, including, without limitation, in a manner that allows the Participant to participate in and/or benefit from any transaction arising from or in connection with the change of control event.

- (l) **(Rights attaching to Plan Shares):** All Shares issued under the Plan, or issued or transferred to a Participant upon the valid exercise of a Convertible Security, (**Plan Shares**) will rank pari passu in all respects with the Shares of the same class. A Participant will be entitled to any dividends declared and distributed by the Company on the Plan Shares and may participate in any dividend reinvestment plan operated by the Company in respect of Plan Shares. A Participant may exercise any voting rights attaching to Plan Shares.
- (m) **(Disposal restrictions on Plan Shares):** If the invitation provides that any Plan Shares are subject to any restrictions as to the disposal or other dealing by a Participant for a period, the Board may implement any procedure it deems appropriate to ensure the compliance by the Participant with this restriction.

For so long as a Plan Share is subject to any disposal restrictions under the Plan, the Participant will not:

- (i) transfer, encumber or otherwise dispose of, or have a security interest granted over that Plan Share; or
 - (ii) take any action or permit another person to take any action to remove or circumvent the disposal restrictions without the express written consent of the Company.
- (n) **(Adjustment of Convertible Securities):** If there is a reorganisation of the issued share capital of the Company (including any subdivision, consolidation, reduction, return or cancellation of such issued capital of the Company), the rights of each Participant holding Convertible Securities will be changed to the extent necessary to comply with the Listing Rules applicable to a reorganisation of capital at the time of the reorganisation.

If Shares are issued by the Company by way of bonus issue (other than an issue in lieu of dividends or by way of dividend reinvestment), the holder of Convertible Securities is entitled, upon exercise of the Convertible Securities, to receive an allotment of as many additional Shares as would have been issued to the holder if the holder held Shares equal in number to the Shares in respect of which the Convertible Securities are exercised.

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

- (o) **(Participation in new issues):** There are no participation rights or entitlements inherent in the Convertible Securities and holders are not entitled to participate in any new issue of Shares of the Company during the currency of the Convertible Securities without exercising the Convertible Securities.
- (p) **(Trust):** The Board may, in its discretion, use an employee share trust or other mechanism for the purposes of holding Shares and Plan Shares (or other Securities) before or after the exercise of a Convertible Security or delivering any Plan Shares arising from exercise of a Convertible Security under these Rules on such terms and conditions as determined by the Board. For the avoidance of doubt, the Board may do all things necessary for the establishment, administration, operation and funding of an employee share trust.
- (q) **(Compliance with Applicable Laws):** Notwithstanding the Plan rules or any terms of a Security, no Security may be offered, granted, vested or exercised, and no Share may be issued or transferred, if to do so would contravene any applicable laws. In particular, the Company must have reasonable grounds to believe, when making an Invitation, that the total number of Plan Shares that may be acquired upon exercise of the Convertible Securities offered, under an Invitation, when aggregated with the number of Shares issued or that may be issued as a result of offers made in reliance on ASIC Class Order 14/ 1000 at any time during the previous 3 year period under:

- (i) an employee incentive scheme covered by ASIC Class Order 14/1000; or

(ii) an ASIC exempt arrangement of a similar kind to an employee incentive scheme,

but disregarding any offer made or securities issued in the capital of the Company by way of or as a result of:

(iii) an offer to a person situated at the time of receipt of the offer outside Australia;

(iv) an offer that did not need disclosure to investors because of section 708 of the Corporations Act (exempts the requirement for a disclosure document for the issue of securities in certain circumstances to investors who are deemed to have sufficient investment knowledge to make informed decisions, including professional investors, sophisticated investors and senior managers of the Company); or

(v) an offer made under a disclosure document,

would not exceed 5% (or such other maximum permitted under any Applicable Law) of the total number of Shares on issue at the date of the Invitation.

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

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

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

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

SCHEDULE 4 – Value of Incentive Options

The Director Incentive Options and Consultant Incentive Options to be issued pursuant to Resolutions 1 to 2 (**Related Party Options**) have been valued by internal management. Using the Black & Scholes option pricing model and based on the assumptions set out below, the Related Party Options were ascribed the following value range

Assumptions:	
Valuation date	25 January 2022
Market price of Shares	\$0.033
Exercise price	\$0.06
Expiry date	21 January 2025
Risk free interest rate	0.25%
Volatility (discount)	100%
Indicative value per Related Party Option	\$0.016
Total value of Related Party Options	\$191,620
- Christopher Daws	\$48,924
- Neil Hutchison	\$32,616
- John Kingswood	\$32,616
- Stephen Brockhurst	\$32,616
- Leslie Pereira	\$32,616
- Douglas Daws	\$12,232

Proxy Voting Form

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

Holder Number:

Your proxy voting instruction must be received by **10.00am (WST) on Sunday, 13 March 2022**, being **not later than 48 hours** before the commencement of the Meeting. Any Proxy Voting instructions received after that time will not be valid for the scheduled Meeting.

SUBMIT YOUR PROXY VOTE ONLINE

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

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

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



SUBMIT YOUR PROXY VOTE BY PAPER

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

YOUR NAME AND ADDRESS

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

STEP 1 – APPOINT A PROXY

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

DEFAULT TO THE CHAIR OF THE MEETING

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

STEP 2 - VOTES ON ITEMS OF BUSINESS

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

APPOINTMENT OF SECOND PROXY

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

SIGNING INSTRUCTIONS

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

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

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

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

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

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

CORPORATE REPRESENTATIVES

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



Contact	Return your completed form		All enquiries to Automic	
	BY MAIL Automic GPO Box 5193 Sydney NSW 2001	IN PERSON Automic Level 5, 126 Phillip Street Sydney NSW 2000	BY EMAIL meetings@automicgroup.com.au BY FACSIMILE +61 2 8583 3040	WEBCHAT https://automic.com.au/ PHONE 1300 288 664 (Within Australia) +61 2 9698 5414 (Overseas)

STEP 1: Appoint Your Proxy	Complete and return this form as instructed only if you do not vote online
	<p>I/we being a Shareholder entitled to attend and vote at the General Meeting of Estrella Resources Limited, to be held at 10.00am (WST) on Tuesday, 15 March 2022 at Level 11, 216 St Georges Terrace, Perth WA 6000 hereby:</p> <p>Appoint the Chairman of the Meeting (Chair) OR if you are not appointing the Chairman of the Meeting as your proxy, please write in the box provided below the name of the person or body corporate you are appointing as your proxy or failing the person so named or, if no person is named, the Chair, or the Chair's nominee, to vote in accordance with the following directions, or, if no directions have been given, and subject to the relevant laws as the proxy sees fit and at any adjournment thereof.</p> <div style="border: 1px solid black; height: 20px; width: 100%;"></div> <p>The Chair intends to vote undirected proxies in favour of all Resolutions in which the Chair is entitled to vote. Unless indicated otherwise by ticking the "for," "against" or "abstain" box you will be authorising the Chair to vote in accordance with the Chair's voting intention.</p> <p>AUTHORITY FOR CHAIR TO VOTE UNDIRECTED PROXIES ON REMUNERATION RELATED RESOLUTIONS Where I/we have appointed the Chair as my/our proxy (or where the Chair becomes my/our proxy by default), I/we expressly authorise the Chair to exercise my/our proxy on Resolutions 1(a) – 1(e), 2 and 3 (except where I/we have indicated a different voting intention below) even though Resolutions 1(a) – 1(e), 2 and 3 are connected directly or indirectly with the remuneration of a member of the Key Management Personnel, which includes the Chair.</p>

STEP 2: Your Voting Direction	Resolutions	For	Against	Abstain
	1(a). Approval to issue Incentive Options to Directors – Christopher John Daws (and/or his nominees)	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
	1(b). Approval to issue Incentive Options to Directors – Leslie Shayne Pereira (and/or his nominees)	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
	1(c). Approval to issue Incentive Options to Directors – John Timothy Kingswood (and/or his nominees)	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
	1(d). Approval to issue Incentive Options to Directors – Neil Armstrong Hutchison (and/or his nominees)	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
	1(e). Approval to issue Incentive Options to Directors – Stephen Michael Brockhurst (and/or his nominees)	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
	2. Approval to issue Incentive Options to Consultant – Douglas Daws	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
	3. Adoption of Employee Securities Incentive Plan	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
<p><i>Please note: If you mark the abstain box for a particular Resolution, you are directing your proxy not to vote on that Resolution on a show of hands or on a poll and your votes will not be counted in computing the required majority on a poll.</i></p>				

STEP 3: Sign Here + Contact Details	SIGNATURE OF SECURITYHOLDERS – THIS MUST BE COMPLETED		
	Individual or Securityholder 1	Securityholder 2	Securityholder 3
	<div style="border: 1px solid black; height: 30px; width: 100%;"></div>	<div style="border: 1px solid black; height: 30px; width: 100%;"></div>	<div style="border: 1px solid black; height: 30px; width: 100%;"></div>
	Sole Director and Sole Company Secretary	Director	Director / Company Secretary
	Contact Name:		
	<div style="border: 1px solid black; height: 20px; width: 100%;"></div>		
Email Address:			
<div style="border: 1px solid black; height: 20px; width: 100%;"></div>			
Contact Daytime Telephone			
<div style="border: 1px solid black; height: 20px; width: 100%;"></div>			
Date (DD/MM/YY)			
<div style="border: 1px solid black; height: 20px; width: 100%;"></div>			
By providing your email address, you elect to receive all of your communications despatched by the Company electronically (where legally permissible).			

