



Canyon Resources Limited

ABN 13 140 087 261

NOTICE OF GENERAL MEETING AND EXPLANATORY MEMORANDUM TO SHAREHOLDERS

Date of Meeting

Wednesday, 10 August 2022

Time of Meeting

10.00am (AWST)

Place of Meeting

QV1 Conference Centre

Level 2, 250 St Georges Terrace, Perth, Western Australia

A Proxy Form is enclosed or has otherwise been provided to you

Please read this Notice and Explanatory Memorandum carefully.

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

CANYON RESOURCES LIMITED

ABN 13 140 087 261

NOTICE OF GENERAL MEETING

Notice is given that the General Meeting of Shareholders of Canyon Resources Limited ABN 13 140 087 261 will be held at QV1 Conference Centre, Level 2, 250 St Georges Terrace, Perth, WA on 10 August 2022 at 10.00am (AWST) for the purpose of transacting the following business referred to in this Notice of General Meeting.

The Company and the Board are aware of the current circumstances resulting from COVID-19 and the impact it is having, and is likely to continue to have, on physical meetings. The Board has made the decision that it will hold a physical Meeting with any appropriate social gathering and physical distancing measures in place to comply with State and Federal Government restrictions for physical gatherings.

The Company will update Shareholders if changing circumstances will impact the planning or arrangements for the General Meeting by way of announcement on ASX and the details will also be made available on our website at www.canyonresources.com.au.

AGENDA

1 Resolution 1 – Ratification of issue of Shares to unrelated places under Tranche 1 of Placement

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

“That, for the purpose of Listing Rule 7.4 and for all other purposes, Shareholders ratify the issue of 104,636,355 Shares (at an issue price of \$0.045 each) on 28 June 2022 to unrelated places on the terms and conditions set out in the Explanatory Memorandum.”

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

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

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

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

2 Resolution 2 – Proposed Issue of New Options to unrelated places under Tranche 2 of Placement

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

“That, for the purpose of Listing Rule 7.1 and all other purposes, Shareholders approve the issue of 104,636,355 New Options at an exercise price of \$0.07 per Option and an expiry date

two years after the date of issue to unrelated placees on the terms and conditions set out in the Explanatory Memorandum.”

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

- (a) a person who is expected to participate in, or who will obtain a material benefit as a result of, the proposed issue (except a benefit solely by reason of being a holder of ordinary securities in the Company); or
- (b) an Associate of those persons.

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

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

3 Resolution 3 – Proposed issue of Shares under Tranche 2 of Placement to a Listing Rule 10.11 Party (Mr Peter Su) (or his nominee(s)) To consider and, if thought fit, to pass the following resolution as an ordinary resolution:

“That, for the purposes of Listing Rule 10.11 and for all other purposes, Shareholders approve the issue of up to 5,474,757 Shares at an issue price of \$0.045 per Share to Mr Peter Su, Director of the Company (or his nominee(s)), on the terms and conditions set out in the Explanatory Memorandum.”

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

- (a) the person who is to receive the securities in question 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 Company) or his nominee; or
- (b) an Associate of that person.

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

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

4 Resolution 4 – Proposed issue of Shares under Tranche 2 of Placement to a Listing Rule 10.11 Party (Mr David Netherway) (or his nominee(s))

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

"That, for the purposes of Listing Rule 10.11 and for all other purposes, Shareholders approve the issue of up to 555,555 Shares at an issue price of \$0.045 per Share to Mr David Netherway, Director (or his nominee(s)), on the terms and conditions set out in the Explanatory Memorandum."

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

- (a) the person who is to receive the securities in question 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 Company) or his nominee; or
- (b) an Associate of that person.

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

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

5 Resolution 5 – Proposed issue of Shares under Tranche 2 of Placement to a Listing Rule 10.11 Party (Mr Steven Zaninovich) (or his nominee(s))

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

"That, for the purposes of Listing Rule 10.11 and for all other purposes, Shareholders approve the issue of up to 444,444 Shares at an issue price of \$0.045 per Share to Mr Steven Zaninovich, Director (or his nominee(s)), on the terms and conditions set out in the Explanatory Memorandum."

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

- (a) the person who is to receive the securities in question 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 Company) or his nominee; or
- (b) an Associate of that person.

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

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

6 Resolution 6 – Proposed issue of New Options under Tranche 2 of Placement to a Listing Rule 10.11 Party (Mr Peter Su) (or his nominee(s))

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

"That, for the purposes of Listing Rule 10.11 and for all other purposes, Shareholders approve the issue of up to 5,474,757 New Options for nil consideration at an exercise price of \$0.07 per New Option and an expiry date of two years after the date of issue to Mr Peter Su, Director (or his nominee(s)), on the terms and conditions set out in the Explanatory Memorandum."

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

- (a) the person who is to receive the securities in question 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 Company) or his nominee; or
- (b) an Associate of that person.

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

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

7 Resolution 7 – Proposed issue of New Options under Tranche 2 of Placement to a Listing Rule 10.11 Party (Mr David Netherway) (or his nominee(s))

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

"That, for the purposes of Listing Rule 10.11 and for all other purposes, Shareholders approve the issue of up to 555,555 New Options for nil consideration at an exercise price of \$0.07 per New Option and an expiry date of two years after the date of issue to Mr David Netherway, Director (or his nominee(s)), on the terms and conditions set out in the Explanatory Memorandum."

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

- (a) the person who is to receive the securities in question 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 Company) or his nominee; or
- (b) an Associate of that person.

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

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

8 Resolution 8 – Proposed issue of New Options under Tranche 2 of Placement to a Listing Rule 10.11 Party (Mr Steven Zaninovich) (or his nominee(s))

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

"That, for the purposes of Listing Rule 10.11 and for all other purposes, Shareholders approve the issue of up to 444,444 New Options for nil consideration at an exercise price of \$0.07 per New Option and an expiry date of two years after the date of issue to Mr Steven Zaninovich, Director (or his nominee(s)), on the terms and conditions set out in the Explanatory Memorandum."

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

- (a) the person who is to receive the securities in question 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 Company) or his nominee; or
- (b) an Associate of that person.

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

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

9 Resolution 9 – Ratification of issue of Shares to MCA International Pty Ltd

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

"That, for the purpose of Listing Rule 7.4 and for all other purposes, Shareholders ratify the issue of 625,000 Shares (at a deemed issue price of \$0.091 each) on 7 February 2022 to MCA International Pty Ltd on the terms and conditions set out in the Explanatory Memorandum."

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

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

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

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

OTHER BUSINESS

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

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

By order of the Board

Matt Worner
Company Secretary

Dated: 11 July 2022

How to vote

Shareholders can vote by either:

- attending the General Meeting and voting in person or by attorney or, in the case of corporate Shareholders, by appointing a corporate representative to attend and vote; or
- appointing a proxy to attend and vote on their behalf using the Proxy Form accompanying this Notice of Meeting and by submitting their proxy appointment and voting instructions in person, by post, electronically via the internet or by facsimile.

Voting in person (or by attorney)

Shareholders, or their attorneys, who plan to attend the General Meeting are asked to arrive at the venue 15 minutes prior to the time designated for the General Meeting, if possible, so that their holding may be checked against the Company's share register and their attendance recorded. To be effective a certified copy of the Power of Attorney, or the original Power of Attorney, must be received by the Company in the same manner, and by the same time as outlined for proxy forms below.

Voting by a Corporation

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

Voting by proxy

- A Shareholder entitled to attend and vote is entitled to appoint not more than two proxies. Each proxy will have the right to vote on a poll and also to speak at the General Meeting.
- The appointment of the proxy may specify the proportion or the number of votes that the proxy may exercise. Where more than one proxy is appointed and the appointment does not specify the proportion or number of the Shareholder's votes each proxy may exercise, the votes will be divided equally among the proxies (i.e. where there are two proxies, each proxy may exercise half of the votes).
- A proxy need not be a Shareholder.
- The proxy can be either an individual or a body corporate.
- If a proxy is not directed how to vote on an item of business, the proxy may generally vote, or abstain from voting, as they think fit. However, where a Restricted Voter is appointed as a proxy, the proxy may only vote on the Resolutions in accordance with a direction on how the proxy is to vote or, if the proxy is the Chair of the General Meeting and the appointment expressly authorises the Chair to exercise the proxy even if the Resolution is

connected directly or indirectly with the remuneration of a member of the Key Management Personnel.

- Should any resolution, other than those specified in this Notice, be proposed at the General Meeting, a proxy may vote on that resolution as they think fit.
 - If a proxy is instructed to abstain from voting on an item of business, they are directed not to vote on the Shareholder's behalf on the poll and the Shares that are the subject of the proxy appointment will not be counted in calculating the required majority.
 - Shareholders who return their Proxy Forms with a direction how to vote, but who do not nominate the identity of their proxy, will be taken to have appointed the Chair of the General Meeting as their proxy to vote on their behalf. If a Proxy Form is returned but the nominated proxy does not attend the General Meeting, the Chair of the General Meeting will act in place of the nominated proxy and vote in accordance with any instructions. Proxy appointments in favour of the Chair of the General Meeting, the secretary or any Director that do not contain a direction how to vote will be used, where possible, to support each of the Resolutions proposed in this Notice, provided they are entitled to cast votes as a proxy under the voting exclusion rules which apply to some of the proposed Resolutions. These rules are explained in this Notice.
 - To be effective, proxies must be received by 10.00am (AWST time) on Monday, 8 August 2022. Proxies received after this time will be invalid.
 - Proxies may be lodged using any of the following methods:
 - by returning a completed Proxy Form in person or by post using the pre-addressed envelope provided with this Notice to:
Share Registry: Computershare Investor Services Pty Ltd, GPO Box 2975, Melbourne, VIC 3001
- or
- by faxing a completed Proxy Form to 1800 783 447 within Australia or +61 3 9473 2555 outside Australia
- or
- by recording the proxy appointment and voting instructions via the internet at using the details set out in Proxy Form attached to this Notice of Meeting. Only registered Shareholders may access this facility and will need their Holder Identification Number (**HIN**) or Securityholder Reference Number (**SRN**).

- The Proxy Form must be signed by the Shareholder or the Shareholder's attorney. Proxies given by corporations must be executed in accordance with the Corporations Act. Where the appointment of a proxy is signed by the appointer's attorney, a certified copy of the Power of Attorney, or the power itself, must be received by the Company at the above address, or by facsimile, and by 10.00am (AWST time) on Monday, 8 August 2022. If facsimile transmission is used, the Power of Attorney must be certified.

Shareholders who are entitled to vote

In accordance with paragraphs 7.11.37 and 7.11.38 of the Corporations Regulations, the Board has determined that a person's entitlement to vote at the General Meeting will be the entitlement of that person set out in the Register of Shareholders as at 5.00pm (AWST time) on Monday, 8 August 2022.

CANYON RESOURCES LIMITED

ABN 13 140 087 261

EXPLANATORY MEMORANDUM

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

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

1 Resolution 1 – Ratification of issue of Shares to unrelated placees under Tranche 1 of Placement

As announced on 21 June 2022, the Company is undertaking a placement of up to 111,111,111 Shares at an issue price of \$0.045 per Share and the issue of up to 111,111,111 New Options on a 1-for-1 basis with an exercise price of \$0.07 and expiry date of two years from the date of issue (**Placement**) in two tranches:

- (b) the first tranche of the Placement (**Tranche 1**) comprised a total of 104,636,355 Shares which were issued on 28 June 2022, using the Company's capacity under Listing Rule 7.1 (**Tranche 1 Shares**), with each placee having the right (subject to Shareholder approval the subject of Resolution 2) to be issued a New Option on a 1-for-1 basis; and
- (c) subject to Shareholder approval, the second tranche of the Placement (**Tranche 2**) comprises a total of:
 - (i) 104,636,355 New Options;
 - (ii) up to 6,474,756 Shares, proposed to be issued to the following Directors of the Company: Mr Peter Su, Mr David Netherway and Mr Steven Zaninovich (or their nominee(s)) (**Tranche 2 Shares**); and
 - (iii) up to an additional 6,474,756 New Options, proposed to be issued to the following Directors of the Company: Mr Peter Su, Mr David Netherway and Mr Steven Zaninovich (or their nominee(s)).

On 28 June 2022, the Company issued 104,636,355 Tranche 1 Shares at an issue price of \$0.045 per Share, raising \$4,708,635.98 (before costs).

The \$4,708,635.98 (before costs) raised from the issue of the Tranche 1 Shares, and the \$291,364.02 expected to be raised via the proposed issue of the Tranche 2 Shares, will be used for advancement of the Company's Minim Martap Bauxite Project in Cameroon following release of the Company's Bankable Feasibility Study on 21 June 2022.

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

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

The Company wishes to retain as much flexibility as possible to issue additional Equity Securities into the future without having to obtain Shareholder approval for such issues under Listing Rule 7.1 and therefore seeks Shareholder approval to ratify the issue of Tranche 1 Shares pursuant to Tranche 1 of the Placement under and for the purposes of Listing Rule 7.4.

If this Resolution is passed, the Tranche 1 Shares will be excluded in calculating the Company's 15% limit in Listing Rule 7.1, effectively increasing the number of Equity Securities the Company can issue without Shareholder approval over the 12-month period following the date the Company issued Shares pursuant to the Placement. In addition, the Tranche 1 Shares will not be included in calculating the Company's 10% capacity in Listing Rule 7.1A, effectively increasing the number of Equity Securities the Company can issue without Shareholder approval under that rule.

If this Resolution is not passed, the Tranche 1 Shares will be included in calculating the Company's 15% limit in Listing Rule 7.1, effectively decreasing the number of Equity Securities the Company can issue without Shareholder approval over the 12-month period following the date the Company issued the Tranche 1 Shares. In addition, the Tranche 1 Shares will be included in calculating the Company's additional 10% capacity in Listing Rule 7.1A, effectively decreasing the number of Equity Securities the Company can issue without Shareholder approval under that rule.

The following information in relation to the Tranche 1 Shares is provided to Shareholders for the purposes of Listing Rule 7.5:

- (a) the Tranche 1 Shares were issued to sophisticated and professional investors and other investors qualifying under s 708 of the Corporations Act all of who is an unrelated party of the Company. The placees were selected following a bookbuild process by Ashanti Capital Pty Ltd and Foster Stockbroking Ltd. In accordance with paragraph 7.4 of ASX Guidance Note 21, the Company confirms that no related parties of the Company, members of the Company's Key Management Personnel, substantial holders of the Company, advisers of the Company or an Associate of any of these parties were issued more than 1% of the issued capital of the Company;
- (b) 104,636,355 Tranche 1 Shares were issued;
- (c) the Tranche 1 Shares issued were fully paid ordinary Shares in the capital of the Company and rank equally in all respects with the existing fully paid ordinary Shares on issue;
- (d) the Tranche 1 Shares were issued on 28 June 2022; and
- (e) the Tranche 1 Shares were issued at an issue price of \$0.045 each.

2 Resolution 2– Proposed Issue of New Options to unrelated placees under Tranche 2 of Placement

As set out above, the Company is conducting a Placement of up to 111,111,111 Shares and up to 111,111,111 New Options.

On 28 June 2022, the Company issued the Tranche 1 Shares. The placees of the Tranche 1 Shares have a right (subject to Shareholder approval) to be issued, for nil cash consideration, New Options on a 1-for-1 basis. This Resolution 2 seeks that Shareholder approval for the purposes of Listing Rule 7.1.

The Company is proposing to issue, under Tranche 2 of the Placement, 104,636,355 New Options to the unrelated placees who acquired the Tranche 1 Shares, for nil cash consideration, with an exercise price of \$0.07 each and with a two year expiry date after the date of issue.

Broadly speaking, and subject to a number of exceptions, Listing Rule 7.1 limits the amount of Equity Securities that the Company can issue without the approval of its Shareholders over any 12-month period to 15% of the Shares it had on issue at the start of that period.

The proposed issue of 104,636,355 New Options to the unrelated placees who acquired the Tranche 1 Shares does not fall within any of the exceptions set out in Listing Rule 7.2 and exceeds the 15% limit in Listing Rule 7.1. It therefore requires the approval of the Shareholders under Listing Rule 7.1.

Resolution 2 seeks the required Shareholder approval for the proposed issue of New Options under and for the purposes of Listing Rule 7.1.

If Resolution 2 is passed:

- the Company will be able to proceed with proposed issue of 104,636,355 New Options pursuant to Tranche 2 of the Placement and the Company will issue 104,636,355 New Options to the unrelated placees who acquired the Tranche 1 Shares; and
- the existing Shareholders holdings will be diluted as indicated in the table in the Explanatory Memorandum to Resolutions 3, 4 and 5. In addition, the 104,636,355 New Options issued to the unrelated placees who acquired the Tranche 1 Shares 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 2 is not passed:

- the Company will not be able to proceed with the proposed issue of 104,636,355 New Options to the placees who acquired the Tranche 1 Shares;
- the Company will not obtain the benefit of funds received from payment of the exercise price on conversion of those New Options;
- in circumstances where the Company is required to raise further funding, there can be no guarantee that those funds would be raised a price that is equal to or greater than the exercise price of the New Options or at all.

The following information in relation to the Shares to be issued is provided to Shareholders for the purposes of Listing Rule 7.3:

- the 104,636,355 New Options will be issued to sophisticated and professional investors and other investors qualifying under s 708 of the Corporations Act, all of who are unrelated parties of the Company. The placees were selected following a bookbuild process by Ashanti Capital Pty Ltd and Foster Stockbroking Ltd. In accordance with paragraph 7.4 of ASX Guidance Note 21, the Company confirms that no related parties of the Company, members of the Company's Key Management Personnel, substantial holders of the Company, advisers of the Company or an Associate of any of these parties will be issued more than 1% of the issued capital of the Company;
- the Company will issue 104,636,355 New Options to the unrelated placees who acquired the Tranche 1 Shares;
- the terms of the New Options are set out in Annexure A to this Explanatory Memorandum;
- the New Options will be issued no later than 3 months after the date of the General Meeting;
- the New Options will be issued for nil cash consideration;

- the New Options will follow the issue of Tranche 1 Shares the subject of Resolution 1. Any proceeds received by the Company on the exercise of the New Options will be used for the same purposes as proceeds of the Tranche 1 Shares outlined at Resolution 1 above; and
- a voting exclusion applies in respect of this Resolution as set out in the Notice of Meeting.

3 Resolutions 3, 4 and 5 – Issue of Shares to under Tranche 2 of Placement to Listing Rule 10.11 Parties (Mr Peter Su, Mr David Netherway and Mr Steven Zaninovich) (or their nominee(s))

As set out above, the Company is conducting a Placement of up to 111,111,111 Shares and up to 111,111,111 New Options.

Mr Peter Su, Mr David Netherway, and Mr Steven Zaninovich (or their nominee(s)) intend to participate in Tranche 2 of the Placement. As announced on 21 June 2022, Mr Peter Su has subscribed for, subject to Shareholder approval, up to \$246,364 worth of Shares in the Placement, being up to 5,474,757 Shares. Mr David Netherway has subscribed for, subject to Shareholder approval, up to \$25,000 worth of Shares in the Placement, being up to 555,555 Shares. Mr Steven Zaninovich has subscribed for, subject to Shareholder approval, up to \$20,000 worth of Shares in the Placement, being up to 444,444 Shares. Each of those Directors (or their nominee(s)) will have the right (subject to Shareholder approval the subject of Resolutions 6, 7 and 8) to be issued a New Option on a 1-for-1 basis.

Mr Peter Su, Mr David Netherway and Mr Steven Zaninovich are Directors of the Company (and therefore related parties for the purposes of Listing Rule 10.11.1). The issue of up to 5,474,757, 555,555 and 444,444 Shares to Mr Peter Su, Mr David Netherway and Mr Steven Zaninovich (or their nominee(s)) under Tranche 2 of the Placement respectively therefore requires Shareholder approval under Listing Rule 10.11.

Resolutions 3, 4 and 5 seek the required Shareholder approval for the proposed issue of up to 5,474,757, 555,555 and 444,444 Shares to Mr Peter Su, Mr David Netherway and Mr Steven Zaninovich (or their nominee(s)) under Tranche 2 of the Placement respectively for the purposes of Listing Rule 10.11.

Related Party Transactions Generally

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

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

For the purposes of Chapter 2E of the Corporations Act, Mr Peter Su, Mr David Netherway and Mr Steven Zaninovich are related parties of the Company. Resolutions 3, 4 and 5 relate to a proposed issue of Shares to each of them (or their nominee(s)), which is a financial benefit that requires Shareholder approval for the purposes of section 208 of the Corporations Act.

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

- obtain the approval of the public company's members; and
- 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.

Shareholder approval is not being sought for the purposes of section 208 of the Corporations Act on the basis that the benefit is considered by the Board (in the absence of Mr Peter Su (in relation to Resolution 3), Mr David Netherway (in relation to Resolution 4) and Mr Steven Zaninovich (in relation to Resolution 5)) to be on arms' length terms and, therefore, the exception in section 210 of the Corporations Act applies. Section 210 provides that Shareholder approval is not required for the purposes of section 208 in circumstances where the benefit would be reasonable in the circumstances if the Company and the Directors were dealing at arms' length.

Having considered the Company's circumstances and Mr Peter Su's, Mr David Netherway's and Mr Steven Zaninovich's position with the Company, the Board (in the absence of Mr Peter Su (in relation to Resolution 3), Mr David Netherway (in relation to Resolution 4) and Mr Steven Zaninovich (in relation to Resolution 5)) considers that the financial benefit conferred by the proposed issue of Shares to Mr Peter Su, Mr David Netherway and Mr Steven Zaninovich (or their nominee(s)) is at arms' length given the proposed issue will be on exactly the same terms as the Placement made to the unrelated placees, and therefore the exception in section 210 applies.

Directors' recommendation

The Directors (in the absence of Mr Peter Su (in relation to Resolution 3), Mr David Netherway (in relation to Resolution 4) and Mr Steven Zaninovich (in relation to Resolution 5)) recommend that Shareholders vote in favour of these Resolutions. The Directors (in the absence of Mr Peter Su (in relation to Resolution 3), Mr David Netherway (in relation to Resolution 4) and Mr Steven Zaninovich (in relation to Resolution 5)) are not aware of any other information that would reasonably be required by the Shareholders to allow them to make a decision whether it is in the best interests of the Company to pass these Resolutions.

Information Requirements - Listing Rules 10.11 and 10.13

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

- a related party (Listing Rule 10.11.1);
- 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 (Listing Rule 10.11.2);
- 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 pursuant to a relevant agreement which gives them a right or expectation to do so (Listing Rule 10.11.3);
- an Associate of a person referred to in Listing Rules 10.11.1 to 10.11.3 (Listing Rule 10.11.4); or
- 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 Shareholders (Listing Rule 10.11.5),

unless it obtains the approval of its Shareholders.

The proposed issue of Shares to Mr Peter Su, Mr David Netherway and Mr Steven Zaninovich (or their nominee(s)) pursuant to Tranche 2 of the Placement falls within Listing Rule 10.11.1 and does not fall within any of the exceptions in Listing Rule 10.12. It therefore requires the approval of Shareholders under Listing Rule 10.11.

Resolutions 3, 4 and 5 seek Shareholder approval for the purposes of Listing Rule 10.11 and for all other purposes to allow Mr Peter Su, Mr David Netherway and Mr Steven Zaninovich (or their nominee(s)) to participate in Tranche 2 of the Placement by permitting them (or their nominee(s)) to subscribe for up to 5,474,757, 555,555 and 444,444 Shares respectively (in addition to the Tranche 1 Shares issued to unrelated placees the subject of Resolution 1, as detailed above). Mr Peter Su, Mr David Netherway and Mr Steven Zaninovich's (or their nominee(s)) participation will be on exactly the same terms as the Placement made to the unrelated placees.

If Resolutions 3, 4 and 5 are passed, the Company will be able to proceed with the issue of the Tranche 2 Shares to Mr Peter Su, Mr David Netherway and Mr Steven Zaninovich (or their nominee(s)) and the Company will raise up to \$291,364.02 (before costs) from the issue of those Shares .

The impact of passing Resolutions 3, 4 and 5 on Mr Peter Su, Mr David Netherway and Mr Steven Zaninovich's voting power in the Company, assuming they are issued 5,474,757, 555,555 and 444,444 Shares respectively, is set out in the following table:

Director	Number of Shares	Number of Options	Percentage voting power in the Company on an undiluted basis¹ <i>(Total issued share capital of the Company is 806,422,064)</i>	Percentage voting power in the Company on a fully diluted basis² <i>(Total issued share capital of the Company is 917,533,175)</i>
Mr Peter Su	68,576,263	5,474,757	8.50%	8.07%
Mr David Netherway	14,968,570	555,555	1.86%	1.69%
Mr Steven Zaninovich	1,644,444	444,444	0.20%	0.23%

If Resolutions 3, 4 and 5 are not passed, the Company will not be able to proceed with the issue of Shares to Mr Peter Su, Mr David Netherway and Mr Steven Zaninovich (or their nominee(s)) and the Company will not receive up to \$291,364.02 (before costs) from the issue of Shares them.

The following further information is provided to Shareholders for the purposes of Listing Rule 10.13:

- (a) up to 5,474,757 Shares, 555,555 Shares and 444,444 Shares will be issued to Mr Peter Su, Mr David Netherway and Mr Steven Zaninovich respectively (or their nominee(s)), as noted above;
- (b) Mr Peter Su, Mr David Netherway and Mr Steven Zaninovich are each Directors of the Company and, as such, fall within Listing Rule 10.11.1 as they are related parties of the Company;
- (c) the maximum number of Shares that will be issued is as follows:
 - (i) Resolution 3 – 5,474,757 Shares to Mr Peter Su (or his nominee(s));
 - (ii) Resolution 4 – 555,555 Shares to Mr David Netherway (or his nominee(s)); and

¹ Based on the 701,785,709 shares on issue at the date of this Notice of Meeting plus the 104,636,355 Tranche 1 shares the subject of Resolution 1, and assuming no existing convertible securities as at the date of this Notice of Meeting are converted.

² Assumes all Equity Securities (as defined in the Listing Rules) the subject of all Resolutions are on issue, all Options are exercised and no other Shares are issued.

- (iii) Resolution 5 – 444,444 Shares to Mr Steven Zaninovich (or his nominee(s));
- (d) the securities to be issued under Resolutions 3, 4 and 5 are fully paid ordinary shares in the Company;
- (e) the Shares will be issued on a date which will be no later than 1 month after the date of this General Meeting, unless otherwise extended by way of ASX granting a waiver to the Listing Rules;
- (f) the Shares will be issued at an issue price of \$0.45 per Share;
- (g) the Shares are being issued to Mr Peter Su, Mr David Netherway and Mr Steven Zaninovich (or their nominee(s)) for their participation in Tranche 2 of the Placement and a total of up to \$291,364.02 (before costs) will be raised by the issue of the Shares to them. The funds raised are intended to be used for the same purposes as the proceeds of the Tranche 1 Shares, the subject of Resolution 1; and
- (h) a voting exclusion statement applies to Resolutions 3, 4 and 5 as set out in the Notice of Meeting.

If approval is given for the grant of the Shares under Listing Rule 10.11, approval is not required under Listing Rule 7.1.

4 Resolutions 6, 7 and 8 – Issue of New Options under Tranche 2 of Placement to Listing Rule 10.11 Parties (Mr Peter Su, Mr David Netherway and Mr Steven Zaninovich) (or their nominee(s))

As set out above, the Company is conducting a Placement of up to 111,111,111 Shares and up to 111,111,111 New Options.

Mr Peter Su, Mr David Netherway, and Mr Steven Zaninovich (or their nominee(s)) intend to participate in the Tranche 2 of the Placement. As announced on 21 June 2022, Mr Peter Su has subscribed for, subject to Shareholder approval, up to \$246,364 worth of Shares in the Placement, being up to 5,474,757 Shares. Mr David Netherway has subscribed for, subject to Shareholder approval, up to \$25,000 worth of Shares in the Placement, being up to 555,555 Shares. Mr Steven Zaninovich has subscribed for, subject to Shareholder approval, up to \$20,000 worth of Shares in the Placement, being up to 444,444 Shares. Each of those Directors (or their nominee(s)) will have the right (subject to Shareholder approval the subject of Resolutions 6, 7 and 8) to be issued a New Option on a 1-for-1 basis.

Mr Peter Su, Mr David Netherway and Mr Steven Zaninovich are Directors of the Company (and therefore related parties for the purposes of Listing Rule 10.11.1). The issue of up to 5,474,757, 555,555 and 444,444 New Options to Mr Peter Su, Mr David Netherway and Mr Steven Zaninovich (or their nominee(s)) under Tranche 2 of the Placement respectively therefore requires Shareholder approval under Listing Rule 10.11.

Resolutions 6, 7 and 8 seek the required Shareholder approval for the proposed issue of up to 5,474,757, 555,555 and 444,444 New Options to Mr Peter Su, Mr David Netherway and Mr Steven Zaninovich (or their nominee(s)) under Tranche 2 of the Placement respectively for the purposes of Listing Rule 10.11.

Related Party Transactions Generally

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

- (i) the giving of the financial benefits falls within one of the nominated exceptions to the provision; or

- (j) Shareholder approval is obtained prior to the giving of the financial benefit and the benefit is given within 15 months after obtaining such approval.

For the purposes of Chapter 2E of the Corporations Act, Mr Peter Su, Mr David Netherway and Mr Steven Zaninovich are related parties of the Company. Resolutions 6, 7 and 8 relate to a proposed issue of New Options to each of them, which is a financial benefit that requires Shareholder approval for the purposes of section 208 of the Corporations Act.

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

- (a) obtain the approval of the public company's members; 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.

Shareholder approval is not being sought for the purposes of section 208 of the Corporations Act on the basis that the benefit is considered by the Board (in the absence of Mr Peter Su (in relation to Resolution 6), Mr David Netherway (in relation to Resolution 7) and Mr Steven Zaninovich (in relation to Resolution 8)) to be on arms' length terms and, therefore, the exception in section 210 of the Corporations Act applies. Section 210 provides that Shareholder approval is not required for the purposes of section 208 in circumstances where the benefit would be reasonable in the circumstances if the Company and the Directors were dealing at arms' length.

Having considered the Company's circumstances Mr Peter Su's, Mr David Netherway's and Mr Steven Zaninovich's position with the Company, the Board considers (in the absence of Mr Peter Su (in relation to Resolution 6), Mr David Netherway (in relation to Resolution 7) and Mr Steven Zaninovich (in relation to Resolution 8)) that the financial benefit conferred by the proposed issue of Shares to Mr Peter Su, Mr David Netherway and Mr Steven Zaninovich (or their nominee(s)) is at arms' length given the proposed issue will be on exactly the same terms as the Placement made to the unrelated placees, and therefore the exception in section 210 applies.

Directors' recommendation

The Directors (in the absence of Mr Peter Su (in relation to Resolution 6), Mr David Netherway (in relation to Resolution 7) and Mr Steven Zaninovich (in relation to Resolution 8)) recommend that Shareholders vote in favour of these Resolutions. The Directors (in the absence of Mr Peter Su (in relation to Resolution 6), Mr David Netherway (in relation to Resolution 7) and Mr Steven Zaninovich (in relation to Resolution 8)) are not aware of any other information that would reasonably be required by the Shareholders to allow them to make a decision whether it is in the best interests of the Company to pass these Resolutions.

Information Requirements - Listing Rules 10.11 and 10.13

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

- a related party (Listing Rule 10.11.1);
- 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 (Listing Rule 10.11.2);
- 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

pursuant to a relevant agreement which gives them a right or expectation to do so (Listing Rule 10.11.3);

- an Associate of a person referred to in Listing Rules 10.11.1 to 10.11.3 (Listing Rule 10.11.4); or
- 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 Shareholders (Listing Rule 10.11.5),

unless it obtains the approval of its Shareholders.

The proposed issue of New Options to Mr Peter Su, Mr David Netherway and Mr Steven Zaninovich (or their nominee(s)) pursuant to Tranche 2 of the Placement falls within Listing Rule 10.11.1 and does not fall within any of the exceptions in Listing Rule 10.12. It therefore requires the approval of Shareholders under Listing Rule 10.11.

Resolutions 6, 7 and 8 seek Shareholder approval for the purposes of Listing Rule 10.11 and for all other purposes to allow Mr Peter Su, Mr David Netherway and Mr Steven Zaninovich (or their nominee(s)) to participate in Tranche 2 of the Placement by permitting them to acquire up to 5,474,757, 555,555 and 444,444 New Options respectively (in addition to the 104,636,355 New Options to be issued to unrelated places the subject of Resolution 2, as detailed above). Mr Peter Su, Mr David Netherway and Mr Steven Zaninovich's (or their nominee(s)) participation will be on exactly the same terms as the Placement made to the unrelated places.

If Resolutions 6, 7 and 8 are passed, the Company will be able to proceed with the issue of New Options to Mr Peter Su, Mr David Netherway and Mr Steven Zaninovich (or their nominee(s)).

If Resolutions 6, 7 and 8 are not passed, the Company will not be able to proceed with the issue of New Options to Mr Peter Su, Mr David Netherway and Mr Steven Zaninovich (or their nominee(s)) and the Company will not obtain the benefit of funds received from payment of the exercise price by Mr Peter Su, Mr David Netherway and Mr Steven Zaninovich (or their nominee(s)) on conversion of the respective New Options.

The following further information is provided to Shareholders for the purposes of Listing Rule 10.13:

- (a) the New Options will be issued to Mr Peter Su, Mr David Netherway and Mr Steven Zaninovich (or their nominee(s)) respectively as noted above;
- (b) Mr Peter Su, Mr David Netherway and Mr Steven Zaninovich are each Directors of the Company and, as such, fall within Listing Rule 10.11.1 as they are related parties of the Company;
- (c) the maximum number of New Options that will be issued is as follows:
 - (i) Resolution 6 – 5,474,757 New Options to Mr Peter Su (or his nominee(s));
 - (ii) Resolution 7 – 555,555 New Options to Mr David Netherway (or his nominee(s)); and
 - (iii) Resolution 8 – 444,444 New Options to Mr Steven Zaninovich (or his nominee(s));
- (d) the terms of the New Options are set out in Annexure A to this Explanatory Memorandum;
- (e) the New Options will be issued no later than 3 months after the date of the General Meeting;
- (f) the New Options will be issued for nil cash consideration;
- (g) the New Options will follow the issue of the Tranche 2 Shares the subject of Resolutions 3, 4 and 5. Any proceeds received by the Company on the exercise of the New Options will be used

for the same purposes as proceeds of the Tranche 2 Shares outlined at Resolutions 3, 4 and 5 above; and

- (h) a voting exclusion statement applies to Resolutions 6, 7 and 8 as set out in the Notice of Meeting.

If approval is given for the grant of the Shares under Listing Rule 10.11, approval is not required under Listing Rule 7.1

5 Resolution 9 – Ratification of issue of Shares to MCA International Pty Ltd

On 7 February 2022, the Company issued 625,000 Shares to MCA International Pty Ltd in lieu of fees to the value of \$56,875 for consulting services rendered to the Company, at a deemed issue price of \$0.091 per Share.

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 625,000 Shares does not fit within any of these exceptions and, as it has not yet been approved by the Company's Shareholders, it effectively uses up part of the 15% limit in Listing Rule 7.1, reducing the Company's capacity to issue further Equity Securities without Shareholder approval under Listing Rule 7.1 for the 12-month period following the date the Company issued the 625,000 Shares.

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

The Company wishes to retain as much flexibility as possible to issue additional Equity Securities into the future without having to obtain Shareholder approval for such issues under Listing Rule 7.1 and therefore seeks Shareholder approval to ratify the issue of the 625,000 Shares under and for the purposes of Listing Rule 7.4.

If this Resolution is passed, the issue of the 625,000 Shares will be excluded in calculating the Company's 15% limit in Listing Rule 7.1, effectively increasing the number of Equity Securities the Company can issue without Shareholder approval over the 12 month period following the date the Company issued the 625,000 Shares. In addition, the issue of the 625,000 Shares will not be included in calculating the Company's 10% capacity in Listing Rule 7.1A, effectively increasing the number of Equity Securities the Company can issue without Shareholder approval under that rule.

If this Resolution is not passed, the issue of the 625,000 Shares will be included in calculating the Company's 15% limit in Listing Rule 7.1, effectively decreasing the number of Equity Securities the Company can issue without Shareholder approval over the 12 month period following the date the Company issued the 625,000 Shares. In addition, the issue of the 625,000 Shares will be included in calculating the Company's additional 10% capacity in Listing Rule 7.1A, effectively decreasing the number of Equity Securities the Company can issue without Shareholder approval under that rule.

The following information in relation to issue of the 625,000 Shares is provided to Shareholders for the purposes of Listing Rule 7.5:

- (a) The 625,000 Shares were issued to MCA International Pty Ltd who is an unrelated party of the Company. In accordance with paragraph 7.4 of ASX Guidance Note 21, the Company confirms that no related parties of the Company, members of the Company's Key Management Personnel, substantial holders of the Company, advisers of the Company or an associate of any of these parties were issued more than 1% of the issued capital of the Company;

- (b) 625,000 Shares were issued;
- (c) the 625,000 Shares issued were fully paid ordinary Shares in the capital of the Company and rank equally in all respects with the existing fully paid ordinary Shares on issue;
- (d) the 625,000 Shares were issued on 7 February 2022;
- (e) the 625,000 Shares were issued in lieu of fees to the value of \$56,875 for consulting services rendered to the Company, at a deemed issue price of \$0.091 per Share.

GLOSSARY

\$ means Australian dollars.

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

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

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

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

Board means the Directors.

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

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

Company means Canyon Resources Limited ABN 13 140 087 261.

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

Corporations Act means Corporations Act 2001 (Cth).

Directors means the directors of the Company.

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

Explanatory Memorandum means the explanatory memorandum accompanying this Notice.

General Meeting means the General Meeting convened by the Notice.

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

Listing Rules means the ASX Listing Rules.

New Option means a free-attaching option to the Tranche 1 Shares and Tranche 2 Shares, with an exercise price of \$0.07 per New Option and an expiry date of two years from the date of issue on the terms contained at Annexure A to this Explanatory Memorandum.

Notice or **Notice of Meeting** means this Notice of General Meeting.

Option means an option to acquire a Share.

Placement has the meaning set out on page 10.

Proxy Form means the proxy form accompanying the Notice by way of email where the Shareholder has elected to receive notices by email, or the personalised proxy form accompanying the postcard circulated by

way of post where the Shareholder has not elected to receive notices by email.

Resolution means a resolution contained in the Notice.

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

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

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

Tranche 1 has the meaning set out on page 10.

Tranche 1 Shares has the meaning set out on page 10.

Tranche 2 has the meaning set out on page 10.

Tranche 2 Shares has the meaning set out on page 10.

Annexure A – Terms and Conditions of New Options

- (a) Each New Option entitles the holder to subscribe for one Share upon the payment of the exercise price of \$0.07 per New Option.
- (b) The New Options will lapse at 5.00pm AWST on 10 August 2024 (**Expiry Date**).
- (c) The New Options are not transferrable.
- (d) The New Options are not quoted and the Company will not apply for their quotation.
- (e) There are no participating rights or entitlements inherent in these New Options and holders of the New Options will not be entitled to participate in new issues of capital that may be offered to Shareholders during the currency of the New Options.
- (f) Optionholders have the right to exercise their New Options prior to the date of determining entitlements to any capital issues to the then existing Shareholders of the Company made during the currency of the New Options.
- (g) In the event of any re-organisation (including reconstruction, consolidation, subdivision, reduction or return of capital) of the issued capital of the Company, the New Options will be re-organised as required by the Listing Rules, but in all other respects the terms of exercise will remain unchanged.
- (h) The New Options shall be exercisable at any time before the Expiry Date (**Exercise Period**) by the delivery to the registered office of the Company of a notice in writing (**Notice**) stating the intention of the holder of the New Options (**Optionholder**) to exercise all or a specified number of New Options held by them accompanied by a New Option certificate and a cheque made payable to the Company or an electronic payment, of the aggregate Exercise Price of the New Options being exercised. The Notice and cheque or BSB payment must be received by the Company during the Exercise Period. An exercise of only some New Options shall not affect the rights of the Optionholder to the balance of the New Options held by the Optionholder.
- (i) The Company shall issue the resultant Shares and deliver a statement of shareholdings with a holders' identification number within 5 business days of exercise of the New Options.
- (j) The Shares issued shall rank, from the date of issue, equally with the existing ordinary Shares of the Company in all respects.
- (k) If there is a bonus share issue (**Bonus Issue**) to the holders of Shares, the number of Shares over which a New Option is exercisable will be increased by the number of Shares which the Optionholder would have received if the New Option had been exercised before the record date for the Bonus Issue (**Bonus Shares**). The Bonus Shares must be paid up by the Company out of the profits or reserves (as the case may be) in the same manner as was applied in the Bonus Issue and upon issue rank pari passu in all respects with the other Shares of that class on issue at the date of issue of the Bonus Shares.
- (l) If there is a pro rata issue (other than a bonus issue) to the holders of Shares during the currency of, and prior to the exercise of any New Options, the Exercise Price of a New Option will be reduced according to the formula provided for in the Listing Rules (whether or not the Company is listed on the ASX at the time).
- (m) The New Options will not give any right to participate in dividends until Shares are issued pursuant to the exercise of the relevant New Options.



Canyon Resources Limited
ABN 13 140 087 261

CAY

MR SAM SAMPLE
FLAT 123
123 SAMPLE STREET
THE SAMPLE HILL
SAMPLE ESTATE
SAMPLEVILLE VIC 3030



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 **10:00am (AWST) on Monday, 8 August 2022.**

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: 999999

SRN/HIN: I9999999999

PIN: 99999

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.

You may elect to receive meeting-related documents, or request a particular one, in electronic or physical form and may elect not to receive annual reports. To do so, contact Computershare.

MR SAM SAMPLE
 FLAT 123
 123 SAMPLE STREET
 THE SAMPLE HILL
 SAMPLE ESTATE
 SAMPLEVILLE VIC 3030

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.



I 9999999999

I ND

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 Canyon 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 General Meeting of Canyon Resources Limited to be held at QV1 Conference Centre, Level 2, 250 St Georges Terrace, Perth, WA 6000 on Wednesday, 10 August 2022 at 10:00am (AWST) and at any adjournment or postponement of that meeting.

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
Resolution 1 Ratification of issue of Shares to unrelated placees under Tranche 1 of Placement	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Resolution 2 Proposed Issue of New Options to unrelated placees under Tranche 2 of Placement	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Resolution 3 Proposed issue of Shares under Tranche 2 of Placement to a Listing Rule 10.11 Party (Mr Peter Su) (or his nominee(s))	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Resolution 4 Proposed issue of Shares under Tranche 2 of Placement to a Listing Rule 10.11 Party (Mr David Netherway) (or his nominee(s))	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Resolution 5 Proposed issue of Shares under Tranche 2 of Placement to a Listing Rule 10.11 Party (Mr Steven Zaninovich) (or his nominee(s))	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Resolution 6 Proposed issue of New Options under Tranche 2 of Placement to a Listing Rule 10.11 Party (Mr Peter Su) (or his nominee(s))	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Resolution 7 Proposed issue of New Options under Tranche 2 of Placement to a Listing Rule 10.11 Party (Mr David Netherway) (or his nominee(s))	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Resolution 8 Proposed issue of New Options under Tranche 2 of Placement to a Listing Rule 10.11 Party (Mr David Netherway) (or his nominee(s))	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Resolution 9 Ratification of issue of Shares to MCA International Pty Ltd	<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 Securityholder 2 Securityholder 3 / /
 Sole Director & Sole Company Secretary Director 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

