
ALDERAN RESOURCES LIMITED

ACN 165 079 201

NOTICE OF GENERAL MEETING

Notice is given that the Meeting will be held at:

TIME: 10:30am (WST)

DATE: Friday, 2 September 2022

PLACE: Suite 23, 513 Hay Street, Subiaco WA 6008

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

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

The Directors have determined pursuant to Regulation 7.11.37 of the Corporations Regulations 2001 (Cth) that the persons eligible to vote at the Meeting are those who are registered Shareholders at 5:00pm (WST) on Wednesday, 31 August 2022.

BUSINESS OF THE MEETING

AGENDA

1. RESOLUTION 1 – RATIFICATION OF PRIOR ISSUE OF TRANCHE 1 SHARES – LISTING RULE 7.1

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

"That, for the purposes of Listing Rule 7.4 and for all other purposes, Shareholders ratify the issue of 63,800,000 Shares on the terms and conditions set out in the Explanatory Statement."

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

2. RESOLUTION 2 – RATIFICATION OF PRIOR ISSUE OF TRANCHE 1 SHARES – LISTING RULE 7.1A

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

"That, for the purposes of Listing Rule 7.4 and for all other purposes, Shareholders ratify the issue of 42,200,000 Shares on the terms and conditions set out in the Explanatory Statement."

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

3. RESOLUTION 3 – APPROVAL TO ISSUE TRANCHE 1 OPTIONS

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

"That, for the purposes of Listing Rule 7.1 and for all other purposes, approval is given for the Company to issue 53,000,000 Options on the terms and conditions set out in the Explanatory Statement."

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

4. RESOLUTION 4 – APPROVAL TO ISSUE TRANCHE 2 SECURITIES TO UNRELATED PARTIES

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

"That, for the purposes of Listing Rule 7.1 and for all other purposes, approval is given for the Company to issue up to 31,700,000 Shares and 15,850,000 Options on the terms and conditions set out in the Explanatory Statement."

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

5. RESOLUTION 5 – APPROVAL TO ISSUE TRANCHE 2 SECURITIES TO SCOTT CAITHNESS

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) of the Corporations Act, Listing Rule 10.11 and for all other purposes, approval is given for the Company to issue 5,000,000 Shares and 2,500,000 Options to Scott Caithness (or his nominee) on the terms and conditions set out in the Explanatory Statement.”

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

6. RESOLUTION 6 – APPROVAL TO ISSUE TRANCHE 2 SECURITIES TO TOM EADIE

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) of the Corporations Act, Listing Rule 10.11 and for all other purposes, approval is given for the Company to issue 5,000,000 Shares and 2,500,000 Options to Tom Eadie (or his nominee) on the terms and conditions set out in the Explanatory Statement.”

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

7. RESOLUTION 7 – APPROVAL TO ISSUE TRANCHE 2 SECURITIES TO PETER WILLIAMS

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) of the Corporations Act, Listing Rule 10.11 and for all other purposes, approval is given for the Company to issue 5,000,000 Shares and 2,500,000 Options to Peter Williams (or his nominee) on the terms and conditions set out in the Explanatory Statement.”

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

8. RESOLUTION 8 – APPROVAL TO ISSUE PLACEMENT FEE OPTIONS

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

“That, for the purposes of Listing Rule 7.1 and for all other purposes, approval is given for the Company to issue up to 34,425,000 Options on the terms and conditions set out in the Explanatory Statement.”

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

9. RESOLUTION 9 – APPROVAL TO ISSUE RIGHTS ISSUE FEE OPTIONS

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

“That, for the purposes of Listing Rule 7.1 and for all other purposes, approval is given for the Company to issue up to 17,347,982 Options on the terms and conditions set out in the Explanatory Statement.”

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

10. RESOLUTION 10 – REPLACEMENT OF CONSTITUTION

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

“That, for the purposes of section 136(2) of the Corporations Act and for all other purposes, approval is given for the Company to repeal its existing Constitution and adopt a new constitution in its place in the form as signed by the chairman of the Meeting for identification purposes.”

Dated: 2 August 2022

By order of the Board

**Mr Mathew O’Hara
Company Secretary**

Voting Exclusion Statements

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

Resolution 1 – Ratification of prior issue of Tranche 1 shares – Listing Rule 7.1	A person who participated in the issue or is a counterparty to the agreement being approved (namely the Tranche 1 Participants) or an associate of that person or those persons.
Resolution 2 – Ratification of prior issue of Tranche 1 shares – Listing Rule 7.1A	A person who participated in the issue or is a counterparty to the agreement being approved (namely the Tranche 1 Participants) or an associate of that person or those persons.
Resolution 3 – Approval to issue Tranche 1 Options	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) (namely the Tranche 1 Participants) or an associate of that person (or those persons).
Resolution 4 – Approval to issue Tranche 2 Securities to unrelated parties	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) (namely Unrelated Tranche 2 Participants) or an associate of that person (or those persons).
Resolution 5 – Approval to Issue Tranche 2 Securities to Scott Caithness	Scott Caithness (or their 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 reason of being a holder of ordinary securities in the Company) or an associate of that person or those persons.
Resolution 6 – Approval to Issue Tranche 2 Securities to Tom Eadie	Tom Eadie (or their 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 reason of being a holder of ordinary securities in the Company) or an associate of that person or those persons.
Resolution 7 – Approval to Issue Tranche 2 Securities to Peter Williams	Peter Williams (or their 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 reason of being a holder of ordinary securities in the Company) or an associate of that person or those persons.
Resolution 8 – Approval to issue Placement Fee Options	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) (namely DealAccess) or an associate of that person (or those persons).
Resolution 9 – Approval to issue Rights Issue Fee Options	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) (namely DealAccess) or an associate of that person (or those persons).

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

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

Voting by proxy

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

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

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

Shareholders and their proxies should be aware that:

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

Voting in person

To vote in person, attend the Meeting at the time, date and place set out above.

You may still attend the meeting and vote in person even if you have appointed a proxy. If you have previously submitted a Proxy Form, your attendance will not revoke your proxy appointment unless you actually vote at the meeting for which the proxy is proposed to be used, in which case, the proxy's appointment is deemed to be revoked with respect to voting on that resolution.

Please bring your personalised Proxy Form with you as it will help you to register your attendance at the meeting. If you do not bring your Proxy Form with you, you can still attend the meeting but representatives from Automic Registry Services will need to verify your identity. You can register from 10:00am (WST) on the day of the meeting.

Should you wish to discuss the matters in this Notice of Meeting please do not hesitate to contact the Company Secretary on +61 8 6143 6711.

EXPLANATORY STATEMENT

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

1. BACKGROUND TO THE PLACEMENT

1.1 General

On 20 July 2022, the Company announced a capital raising comprising a two-tranche (each being a **Tranche**) placement of Securities to raise an aggregate of \$1,527,000 (**Placement**).

The Placement has been structured into two-tranches as follows:

- (a) **Tranche 1** - comprising of the following of Securities that have been/will be issued to unrelated professional and sophisticated investors (**Tranche 1 Participants**):
 - (i) 106,000,000 Shares at an issue price of \$0.01 per Share (being a 22.5% discount to the 15-day volume weighted average price) to raise \$1,060,000 (before costs) (**Tranche 1 Shares**). The Tranche 1 Shares were issued on 27 July 2022 using the Company's placement capacities under LR 7.1 and 7.1A; and
 - (ii) subject to Shareholder approval of Resolution 3, 53,000,000 Options, exercisable at \$0.016 per Option and expiring three years from the date of issue (**Tranche 1 Options**); and
- (b) **Tranche 2** – comprising of the following Securities to be issued to unrelated sophisticated and professional investors (**Unrelated Tranche 2 Participants**) and three Directors of the Company, being Tom Eadie, Peter Williams and Scott Caithness (together, the **Participating Directors**):
 - (i) subject to Shareholder approval of Resolutions 4 to 7, 46,700,000 Shares at an issue price of \$0.01 per Share (being a 22.5% discount to the 15-day volume weighted average price) to raise \$467,000 (before costs) (**Tranche 2 Shares**); and
 - (ii) subject to Shareholder approval of Resolutions 4 to 7, 23,350,000 Options exercisable at \$0.016 per Option and expiring three years from the date of issue (**Tranche 2 Options**).

The Participating Directors have subscribed for the following Securities under Tranche 2 of the Placement (on the same terms as the Unrelated Tranche 2 Participants):

Director	Subscription Amount	Tranche 2 Shares	Tranche 2 Options
Scott Caithness	\$50,000	5,000,000	2,500,000
Tom Eadie	\$50,000	5,000,000	2,500,000
Peter Williams	\$50,000	5,000,000	2,500,000

Funds raised under the Placement are proposed to be used to accelerate exploration at its Detroit copper-gold project in Utah and working capital purposes.

Upon successful completion of the Placement, the Company intends to undertake a pro rata rights issue to existing Shareholders comprising of one Option for every two (2) Shares held at a to be determined record date (**Rights Issue**). Assuming that there are 578,266,080 Shares on issue on the Rights Issue's record date, 289,133,040 Options will be issued under the Rights Issue (see the indicative capital structure set out in Section 1.3 for further information).

It is intended that the Options issued under the Rights Issue will be on the same terms as the Options that will, subject to Shareholder approval, be issued under the Placement.

As part of the Rights Issue process, the Company intends to apply for the quotation of the Placement and Rights Issue Options.

Under this Notice, Shareholders are being asked to:

- (a) to ratify the issue of the Tranche 1 Shares under Resolutions 1 and 2;
- (b) approve the issue of the Tranche 1 Options under Resolution 3;
- (c) approve the issue of the Tranche 2 Shares and Tranche 2 Options (together, the **Tranche 2 Securities**) to the Unrelated Tranche 2 Participants under Resolution 4; and
- (d) approve the issue of the Tranche 2 Securities to the Participating Directors under Resolutions 5 to 7.

1.2 Lead Manager

The Company has engaged DealAccess Pty Ltd, a Corporate Authorised Representative of PAC Partners Pty Ltd (ABN 72 648 994 067) (AFSL 335 374) (**DealAccess**) as lead manager and bookrunner to the Placement and Rights Issue under a lead manager mandate (**Lead Manager Mandate**).

The Company has agreed to pay the following fees to DealAccess:

- (a) a management fee of 2.0% of gross proceeds raised under the Placement (plus GST); and
- (b) a placement fee of 4.0% of the capital introduced in the Placement by DealAccess (plus GST).

The Company has agreed to issue the following Options to DealAccess (or its nominee/s):

- (a) on successful completion of the Placement, a total of 34,425,000 Options comprising of one Option for every four Shares issued under the Placement (**Placement Fee Options**); and
- (b) a shortfall placement fee comprising the issue of the amount of Options equal to 6% of the gross proceeds raised via the placement of the Rights Issue's shortfall (**Rights Issue Fee Options**) at a deemed issue price of \$0.001 per Rights Issue Fee Option,

(together, the **Lead Manager Options**).

A summary of the material terms of the Lead Manager Mandate is set out in Schedule 2.

Assuming that there are 578,266,080 Shares on issue on the Rights Issue's record date, 289,133,040 Options will be issued under the Rights Issue (see the indicative capital structure set out in Section 1.3 for further information). If this occurs, and all of the Rights Issue Options are placed under the shortfall offer, a maximum of 17,347,982 Rights Issue Fee Options will be issued by the Company to DealAccess.

The Company notes that it considers it highly unlikely that 100% of the Options issued under the Rights Issue will be placed under the shortfall offer, so the number of Rights Issue Fee Options to be issued will likely be less than 17,347,982.

The Lead Manager Options will be issued on the same terms as the Placement Options. The Company also intends to apply for the quotation of the Lead Manager Options.

Shareholders are being asked to approve the issue of the Lead Manager Options under Resolutions 8 and 9.

1.3 Capital Structure

If the Resolutions are passed, the Company's capital structure will change as follows.

Shares ¹	Number
Shares currently on issue ²	531,556,080
Tranche 2 Shares ³	46,700,000
Total Shares on issue after completion of the Offer	578,266,080

Notes:

1. Fully paid ordinary shares in the capital of the Company.
2. This includes the Tranche 1 Shares.
3. This assumes that \$467,000 is raised under Tranche 2 of the Placement.

Options	Number
Options currently on issue	91,307,292
Tranche 1 Options ¹	53,000,000
Tranche 2 Options ¹	23,350,000
Lead Manager Options ^{1,2}	51,772,982
Total Options on issue after completion of the Placement³	219,430,274

Notes:

1. Subject to Shareholder approval, each Option will be exercisable at exercisable at \$0.016 per Option and expiring three years from the date of issue.
2. This assumes that:
 - (a) \$1,337,000 is raised under the Placement;

- (b) 289,133,040 Options are issued under the Rights Issue (see note 3 below); and
- (c) all of the Options under the Rights Issue are placed by DealAccess under the Rights Issue's shortfall offer (which the Company considers to be highly unlikely).

Refer to Section 1.2 for further information.

3. This does not include the Options that are to be issued under the Rights Issue. Assuming that there are 578,266,080 Shares on issue on the Rights Issue's record date, 289,133,040 Options will be issued under the Rights Issue.

Performance Rights	Number
Performance Rights currently on issue	200,000
Performance Rights offered pursuant to the Placement	Nil
Total Performance Rights on issue after completion of the Placement	200,000

Notes:

1. Performance Rights issued on 31 December 2021 convertible into Shares on satisfaction of the Company's closing Share price as quoted on the ASX becoming greater than \$2.00 for more than a total of 120 trading days within 4 years from grant date, expiring on 24 August 2022.

2. RESOLUTION 1 AND RESOLUTION 2 – RATIFICATION OF PRIOR ISSUE OF TRANCHE 1 SHARES – LISTING RULES 7.1 AND 7.1A

2.1 General

On 27 July 2022, the Company issued 106,000,000 Tranche 1 Shares at an issue price of \$0.01 per Share to raise \$1,060,000 to the Tranche 1 Participants.

63,800,000 Tranche 1 Shares were issued pursuant to the Company's capacity under Listing Rule 7.1 (being, the subject of Resolution 1) and 42,200,000 Tranche 1 Shares were issued pursuant to the Company's 7.1A mandate (being, the subject of Resolution 2), which was approved by Shareholders at the annual general meeting held on 26 November 2021.

Resolutions 1 and 2 seek Shareholder ratification pursuant to Listing Rule 7.4 for the issue of the Tranche 1 Shares.

2.2 Listing Rules 7.1 and 7.1A

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

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

The Company obtained approval to increase its limit to 25% at the annual general meeting held on 26 November 2021.

The issue of the Tranche 1 Shares does not fit within any of the exceptions set out in Listing Rule 7.2 and, as it has not yet been approved by Shareholders, it effectively uses up part of the 25% limit in Listing Rules 7.1 and 7.1A, reducing the Company's capacity to issue further equity securities without Shareholder

approval under Listing Rule 7.1 and 7.1A for the 12 month period following the date of issue of the Tranche 1 Shares.

2.3 Listing Rule 7.4

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

The Company wishes to retain as much flexibility as possible to issue additional equity securities in the future without having to obtain Shareholder approval for such issues under Listing Rule 7.1. Accordingly, the Company is seeking Shareholder ratification pursuant to Listing Rule 7.4 for the issue of the Tranche 1 Shares.

2.4 Technical information required by Listing Rule 14.1A

If Resolutions 1 and 2 are passed, the Tranche 1 Shares will be excluded in calculating the Company's combined 25% limit in Listing Rules 7.1 and 7.1A, effectively increasing the number of equity securities the Company can issue without Shareholder approval over the 12 month period following the date of issue of the Tranche 1 Shares.

If Resolutions 1 and 2 are not passed, the Tranche 1 Shares will be included in calculating the Company's combined 25% limit in Listing Rules 7.1 and 7.1A, effectively decreasing the number of equity securities the Company can issue without Shareholder approval over the 12 month period following the date of issue of the Tranche 1 Shares.

2.5 Technical information required by Listing Rule 7.5

Pursuant to and in accordance with Listing Rule 7.5, the following information is provided in relation to Resolutions 1 and 2:

- (a) the Tranche 1 Shares were issued to unrelated professional and sophisticated investors. The recipients were identified through a bookbuild process, which involved DealAccess seeking expressions of interest to participate in the Placement from non-related parties of the Company;
- (b) in accordance with paragraph 7.4 of ASX Guidance Note 21, the Company confirms that none of the recipients were:
 - (i) related parties of the Company, members of the Company's Key Management Personnel, substantial holders of the Company, advisers of the Company or an associate of any of these parties; and
 - (ii) issued more than 1% of the issued capital of the Company;
- (c) 106,000,000 Tranche 1 Shares were issued on the following basis:
 - (i) 63,800,000 Shares issued pursuant to Listing Rule 7.1 (ratification of which is sought under Resolution 1); and

- (ii) 42,200,000 Shares issued pursuant to Listing Rule 7.1A (ratification of which is sought under Resolution 2);
- (d) the Tranche 1 Shares issued were all fully paid ordinary shares in the capital of the Company issued on the same terms and conditions as the Company's existing Shares;
- (e) the Tranche 1 Shares were issued on 27 July 2022;
- (f) the issue price was \$0.01 per Tranche 1 Share under both the issue of Shares pursuant to Listing Rule 7.1 and Listing Rule 7.1A. The Company has not and will not receive any other consideration for the issue of the Tranche 1 Shares;
- (g) the purpose and use of funds raised from the issue of the Tranche 1 Shares is set out in Section 1.1 above; and
- (h) the Tranche 1 Shares were issued under firm commitment letters that have standard terms and conditions for an agreement of this type.

3. RESOLUTION 3 – APPROVAL TO ISSUE TRANCHE 1 OPTIONS

3.1 General

As summarised in Section 1.1 above, Resolution 3 seeks Shareholder approval for the issue of 53,000,000 free-attaching Tranche 1 Options to the Tranche 1 Participants.

3.2 Listing Rule 7.1

As summarised in Section 2.2 above, Listing Rule 7.1 limits the amount of equity securities that a listed company can issue without the approval of its shareholders over any 12 month period to 15% of the fully paid ordinary shares it had on issue at the start of that period.

The proposed issue of the Tranche 1 Options 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 Shareholders under Listing Rule 7.1.

3.3 Technical information required by Listing Rule 14.1A

If Resolution 3 is passed, the Company will be able to proceed with the issue of the Tranche 1 Options. In addition, the issue of the Tranche 1 Options will be excluded from the calculation of the number of equity securities that the Company can issue without Shareholder approval under Listing Rule 7.1.

If Resolution 3 is not passed, the Company will not be able to proceed with the issue of the Tranche 1 Options.

3.4 Technical information required by Listing Rule 7.3

Pursuant to and in accordance with Listing Rule 7.3, the following information is provided in relation to Resolution 3:

- (a) the Tranche 1 Options will be issued to unrelated professional and sophisticated investors. The recipients will be identified through a bookbuild process, which will involve DealAccess seeking expressions of

interest to participate in the Placement from non-related parties of DealAccess;

- (b) in accordance with paragraph 7.2 of ASX Guidance Note 21, the Company confirms that none of the recipients will be:
 - (i) related parties of the Company, members of the Company's Key Management Personnel, substantial holders of the Company, advisers of the Company or an associate of any of these parties; and
 - (ii) issued more than 1% of the issued capital of the Company;
- (c) the maximum number of Tranche 1 Options is 53,000,000 (being equal to 50% of the number of Tranche 1 Shares that have been issued) as the Options will be issued on a free attaching 1:2 basis;
- (d) the Tranche 1 Options will be issued on the terms and conditions set out in Schedule 1;
- (e) the Tranche 1 Options will be issued no later than 3 months after the date of the Meeting (or such later date to the extent permitted by any ASX waiver or modification of the Listing Rules) and it is intended that issue of the Tranche 1 Options will occur on the same date;
- (f) the issue price for the Tranche 1 Options will be nil. The Company will not receive any other consideration for the issue of the Tranche 1 Options (other than in respect of funds received on exercise of these Options);
- (g) the purpose and use of funds raised from the issue of Tranche 1 Shares (which the Tranche 1 Options are free-attaching to) are set out in Section 1.1 above;
- (h) the Tranche 1 Options are being issued under firm commitment letters that have standard terms and conditions for an agreement of this type; and
- (i) the Tranche 1 Options are not being issued under, or to fund, a reverse takeover.

4. RESOLUTION 4 – APPROVAL TO ISSUE TRANCHE 2 SECURITIES TO UNRELATED PARTIES

4.1 General

As summarised in Section 1.1 above, Resolution 4 seeks Shareholder approval for the issue of 31,700,000 Tranche 2 Shares and 15,850,000 Tranche 2 Options to the Unrelated Tranche 2 Participants.

4.2 Listing Rule 7.1

As summarised in Section 2.2 above, Listing Rule 7.1 limits the amount of equity securities that a listed company can issue without the approval of its shareholders over any 12 month period to 15% of the fully paid ordinary shares it had on issue at the start of that period.

The proposed issue of the Tranche 2 Securities 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 Shareholders under Listing Rule 7.1.

4.3 Technical information required by Listing Rule 14.1A

If Resolution 4 is passed, the Company will be able to proceed with the issue of the Tranche 2 Securities. In addition, the issue of the Tranche 2 Securities 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 4 is not passed, the Company will not be able to proceed with the issue of the Tranche 2 Securities.

Resolution 4 seeks Shareholder approval for the purposes of Listing Rule 7.1 for the issue of the Tranche 2 Securities.

4.4 Technical information required by Listing Rule 7.1

Pursuant to and in accordance with Listing Rule 7.3, the following information is provided in relation to Resolution 4:

- (a) the Tranche 2 Securities the subject of this Resolution 4 will be issued to unrelated professional and sophisticated investors. The recipients will be identified through a bookbuild process, which will involve DealAccess seeking expressions of interest to participate in the Placement from non-related parties of DealAccess;
- (b) in accordance with paragraph 7.2 of ASX Guidance Note 21, the Company confirms that none of the recipients will be:
 - (i) related parties of the Company, members of the Company's Key Management Personnel, substantial holders of the Company, advisers of the Company or an associate of any of these parties; and
 - (ii) issued more than 1% of the issued capital of the Company;
- (c) the maximum number of Securities to be issued to the Tranche 2 Participants in aggregate is 31,700,000 Shares and 15,850,000 Options;
- (d) the Shares issued will be fully paid ordinary shares in the capital of the Company issued on the same terms and conditions as the Company's existing Shares;
- (e) the Options will be issued on the terms and conditions set out in Schedule 1;
- (f) the Tranche 2 Securities will be issued no later than 3 months after the date of the Meeting (or such later date to the extent permitted by any ASX waiver or modification of the Listing Rules) and it is intended that issue of the Tranche 2 Securities will occur on the same date;
- (g) the issue price will be \$0.01 per Share and nil per Option. The Company will not receive any other consideration for the issue of the Shares and Options (other than in respect of funds received on exercise of the Options);
- (h) the purpose and use of funds raised from the issue of Tranche 2 Securities is set out in Section 1.1 above;

- (i) the Tranche 2 Securities will be issued pursuant to firm commitment letters that have standard terms and conditions for an agreement of this type; and
- (j) the Tranche 2 Securities are not being issued under, or to fund, a reverse takeover.

5. RESOLUTIONS 5 TO 7 – APPROVAL TO ISSUE TRANCHE 2 SECURITIES TO SCOTT CAITHNESS, TOM EADIE AND PETER WILLIAMS

5.1 General

As set out in Section 1.1 above, the Participating Directors wishes to participate in Tranche 2 of the Placement on the same terms as unrelated participants in the Placement (**Participation**).

The Company is seeking Shareholder approval for the issue of Tranche 2 Securities (being the **Related Tranche 2 Securities**), to the Participating Directors (or their nominee) as follows:

Resolution	Director	Shares	Options
Resolution 5	Scott Caithness	5,000,000	2,500,000
Resolution 6	Tom Eadie	5,000,000	2,500,000
Resolution 7	Peter Williams	5,000,000	2,500,000

5.2 Chapter 2E 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 in the manner set out in sections 217 to 227 of the Corporations Act; and
- (b) give the benefit within 15 months following such approval,

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

The Participation will result in the issue of the Related Tranche 2 Securities which constitutes giving a financial benefit and the Participating Directors are related parties of the Company by virtue of being Directors.

The Directors (other than Mr Caithness who has a material personal interest in Resolution 5) consider that Shareholder approval pursuant to Chapter 2E of the Corporations Act is not required in respect of the issue of the Tranche 2 Securities to Mr Caithness because the Tranche 2 Securities will be issued to Mr Caithness (or his nominee) on the same terms as Tranche Securities issued to the Unrelated Tranche 2 Participants and as such the giving of the financial benefit is on arm's length terms.

The Directors (other than Mr Eadie who has a material personal interest in Resolution 6) consider that Shareholder approval pursuant to Chapter 2E of the Corporations Act is not required in respect of the issue of the Tranche 2 Securities to Mr Eadie because the Tranche 2 Securities will be issued to Mr Eadie (or his

nominee) on the same terms as Tranche Securities issued to the Unrelated Tranche 2 Participants and as such the giving of the financial benefit is on arm's length terms.

The Directors (other than Mr Williams who has a material personal interest in Resolution 7) consider that Shareholder approval pursuant to Chapter 2E of the Corporations Act is not required in respect of the issue of the Tranche 2 Securities to Mr Williams because the Tranche 2 Securities will be issued to Mr Williams (or his nominee) on the same terms as Tranche Securities issued to the Unrelated Tranche 2 Participants and as such the giving of the financial benefit is on arm's length terms.

5.3 Section 195(4) of the Corporations Act

Section 195 of the Corporations Act 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, except in certain limited circumstances. Section 195(4) relevantly provides that if there are not enough Directors to form a quorum for a Directors meeting because of this restriction, one or more of the Directors may call a general meeting and the general meeting may pass a resolution to deal with the matter.

It might be argued (but it is neither conceded nor, indeed, is it thought by the Board to be the case) three of the Company's four Directors have a material personal interest in the outcome of Resolutions 5 to 7. If each does have such an interest, then a quorum could not be formed to consider the matters contemplated by Resolutions 5 to 7 at a Board level.

Accordingly, for the avoidance of any doubt, and for the purpose of transparency and best practice corporate governance, the Company also seeks Shareholder approval for Resolutions 5 to 7 for the purposes of section 195(4) of the Corporations Act in respect of the reliance on the arm's length exception and the decision not to seek Shareholder approval under Chapter 2E of the Corporations Act.

5.4 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:

- 10.11.1 a related party;
- 10.11.2 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;
- 10.11.3 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;
- 10.11.4 an associate of a person referred to in Listing Rules 10.11.1 to 10.11.3; or
- 10.11.5 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.

The Participation 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 5, 6 and 7 seeks Shareholder approval for the Participation under and for the purposes of Listing Rule 10.11.

5.5 Technical information required by Listing Rule 14.1A

If Resolutions 5, 6 and 7 are passed, the Company will be able to proceed with the issue of Related Tranche 2 Securities under the Participation within one month after the date of the Meeting (or such later date as permitted by any ASX waiver or modification of the Listing Rules) and will raise additional funds which will be used in the manner set out in Section 1.1 above. As approval pursuant to Listing Rule 7.1 is not required for the issue of the Related Tranche 2 Securities in respect of the Participation (because approval is being obtained under Listing Rule 10.11), the issue of the Related Tranche 2 Securities will not use up any of the Company's 15% annual placement capacity.

If Resolution 5, Resolution 6 and Resolution 7 are not passed, the Company will not be able to proceed with the issue of the Related Tranche 2 Securities under the Participation and no further funds will be raised in respect of the Placement.

5.6 Technical Information required by Listing Rule 10.13

Pursuant to and in accordance with Listing Rule 10.13, the following information is provided in relation to Resolutions 5, 6 and 7:

- (a) the Related Tranche 2 Securities will be issued to Participating Directors (or their nominee), who fall within the category set out in Listing Rule 10.11.1, as the Participating Directors are related parties of the Company by virtue of being Directors;
- (b) the maximum number of Related Tranche 2 Securities that are to be issued to each Participating Director is set out below:

Director	Tranche 2 Shares	Tranche 2 Options
Scott Caithness	5,000,000	2,500,000
Tom Eadie	5,000,000	2,500,000
Peter Williams	5,000,000	2,500,000

- (c) the Tranche 2 Shares issued will be fully paid ordinary shares in the capital of the Company issued on the same terms and conditions as the Company's existing Shares;
- (d) the Tranche 2 Options will be issued on the terms and conditions set out in Schedule 1
- (e) the Related Tranche 2 Securities will be issued no later than 1 month after the date of the Meeting (or such later date to the extent permitted by any ASX waiver or modification of the Listing Rules) and it is intended that issue of the Options will occur on the same date;
- (f) the issue price for the Related Tranche 2 Securities will be \$0.01 per Tranche 2 Share and nil per Tranche 2 Option, being the same issue

prices as the Tranche 2 Securities issued to the Unrelated Tranche 2 Participants. The Company will not receive any other consideration for the issue of the Related Tranche 2 Securities to the Participating Directors;

- (g) the purpose of the issue of Related Tranche 2 Securities under the Participation is to raise capital, which the Company intends to use in the manner set out in Section 1.1 above;
- (h) the Related Tranche 2 Securities to be issued under the Participation are not intended to remunerate or incentivise the Director;
- (i) the Related Tranche 2 Securities will be issued to the Participating Directors under firm commitment letters that have standard terms and conditions for an agreement of this type; and
- (j) voting exclusion statements are included in the Notice under the Resolutions.

6. RESOLUTIONS 8 AND 9 – APPROVAL TO ISSUE PLACEMENT FEE OPTIONS AND RIGHTS ISSUE FEE OPTIONS

6.1 General

As summarised in Section 1.2 above, the Company has entered into the Lead Manager Mandate and has agreed to issue DealAccess (or its nominee):

- (a) 34,425,000 Placement Fee Options; and
- (b) a maximum of 17,347,982 Rights Issue Fee Options.

A summary of the material terms of the Lead Manager Mandate is set out in Schedule 2.

Resolutions 8 and 9 seek Shareholder approval for the issue of the Lead Manager Options to DealAccess.

6.2 Listing Rule 7.1

As summarised in Section 2.2 above, Listing Rule 7.1 limits the amount of equity securities that a listed company can issue without the approval of its shareholders over any 12 month period to 15% of the fully paid ordinary shares it had on issue at the start of that period.

The proposed issue of the Lead Manager Options 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 Shareholders under Listing Rule 7.1.

6.3 Technical information required by Listing Rule 14.1A

If Resolutions 8 and 9 are passed, the Company will be able to proceed with the issue of the Lead Manager Options. In addition, the issue of the Lead Manager Options will be excluded from the calculation of the number of equity securities that the Company can issue without Shareholder approval under Listing Rule 7.1.

If Resolutions 8 and 9 are not passed, the Company will not be able to proceed with the issue of the Lead Manager Options and the Company will be in breach of the Lead Manager Mandate. If DealAccess elects to terminate the Lead

Manager Mandate because of this breach, the Company must pay DealAccess any fees that have accrued under the Lead Manager Mandate prior to termination.

6.4 Technical information required by Listing Rule 7.1

Pursuant to and in accordance with Listing Rule 7.3, the following information is provided in relation to Resolutions 8 and 9:

- (a) the Lead Manager Placement Options will be issued to DealAccess (or its nominee/s);
- (b) the maximum number of Lead Manager Options to be issued is 51,772,982;
- (c) the terms and conditions of the Lead Manager Options are set out in Schedule 1;
- (d) the Lead Manager Options will be issued no later than 3 months after the date of the Meeting (or such later date to the extent permitted by any ASX waiver or modification of the Listing Rules) and it is intended that issue of the Lead Manager Options will occur on the same date;
- (e) the Lead Manager Options will be issued at a nil issue price, in consideration for lead manager and bookrunner services provided by DealAccess;
- (f) the purpose of the issue of the Lead Manager Options is to satisfy the Company's obligations under the Lead Manager Mandate;
- (g) the Lead Manager Options are being issued to DealAccess under the Lead Manager Mandate. A summary of the material terms of the Lead Manager Mandate is set out in Schedule 2; and
- (h) the Lead Manager Options are not being issued under, or to fund, a reverse takeover.

7. RESOLUTION 10 – REPLACEMENT OF CONSTITUTION

7.1 General

A company may modify or repeal its constitution or a provision of its constitution by special resolution of shareholders.

Resolution 10 is a special resolution which will enable the Company to repeal its existing Constitution and adopt a new constitution (**Proposed Constitution**) which is of the type required for a listed public company limited by shares updated to ensure it reflects the current provisions of the Corporations Act and Listing Rules.

This will incorporate amendments to the Corporations Act and Listing Rules since the current Constitution.

The Directors believe that it is preferable in the circumstances to replace the existing Constitution with the Proposed Constitution rather than to amend a multitude of specific provisions.

The Proposed Constitution is broadly consistent with the provisions of the existing Constitution. Many of the proposed changes are administrative or minor in nature including but not limited to:

- (a) updating references to bodies or legislation which have been renamed (e.g. references to the Australian Settlement and Transfer Corporation Pty Ltd, ASTC Settlement Rules and ASTC Transfer); and
- (b) expressly providing for statutory rights by mirroring these rights in provisions of the Proposed Constitution.

The Directors believe these amendments are not material nor will they have any significant impact on Shareholders. It is not practicable to list all of the changes to the Constitution in detail in this Explanatory Statement, however, a summary of the proposed material changes is set out below.

A copy of the Proposed Constitution is available for review by Shareholders at the Company's website www.alderanresources.com.au and at the office of the Company. A copy of the Proposed Constitution can also be sent to Shareholders upon request to the Company Secretary (+61 8 9388 8812). Shareholders are invited to contact the Company if they have any queries or concerns.

7.2 Summary of material proposed changes

7.3 Restricted Securities (clause 2.12)

The Proposed Constitution complies with the recent changes to Listing Rule 15.12 which took effect from 1 December 2019. As a result of these changes, ASX will require certain more significant holders of restricted securities and their controllers (such as related parties, promoters, substantial holders, service providers and their associates) to execute a formal escrow agreement in the form Appendix 9A, as is currently the case. However, for less significant holdings (such as non-related parties and non-promoters), ASX will permit the Company to issue restriction notices to holders of restricted securities in the form of the new Appendix 9C advising them of the restriction rather than requiring signed restriction agreements.

7.4 Minimum Shareholding (clause 3)

Clause 3 of the Constitution outlines how the Company can manage shareholdings which represent an "unmarketable parcel" of shares, being a shareholding that is less than \$500 based on the closing price of the Company's Shares on ASX as at the relevant time.

The Proposed Constitution is in line with the requirements for dealing with "unmarketable parcels" outlined in the Corporations Act such that where the Company elects to undertake a sale of unmarketable parcels, the Company is only required to give one notice to holders of an unmarketable parcel to elect to retain their shareholding before the unmarketable parcel can be dealt with by the Company, saving time and administrative costs incurred by otherwise having to send out additional notices.

Clause 3 of the Proposed Constitution continues to outline in detail the process that the Company must follow for dealing with unmarketable parcels.

7.5 Fee for registration of off market transfers (clause 8.4(c))

On 24 January 2011, ASX amended Listing Rule 8.14 with the effect that the Company may now charge a "reasonable fee" for registering paper-based transfers, sometimes referred to "off-market transfers".

Clause 8.4 of the Proposed Constitution is being made to enable the Company to charge a reasonable fee when it is required to register off-market transfers from Shareholders. The fee is intended to represent the cost incurred by the Company in upgrading its fraud detection practices specific to off-market transfers.

Before charging any fee, the Company is required to notify ASX of the fee to be charged and provide sufficient information to enable ASX to assess the reasonableness of the proposed amount.

7.6 Direct Voting (clause 13, specifically clauses 13.35 – 13.40)

The Proposed Constitution includes a new provision which allows Shareholders to exercise their voting rights through direct voting (in addition to exercising their existing rights to appoint a proxy). Direct voting is a mechanism by which Shareholders can vote directly on resolutions which are to be determined by poll. Votes cast by direct vote by a Shareholder are taken to have been cast on the poll as if the Shareholder had cast the votes on the poll at the meeting. In order for direct voting to be available, Directors must elect that votes can be cast via direct vote for all or any resolutions and determine the manner appropriate for the casting of direct votes. If such a determination is made by the Directors, the notice of meeting will include information on the application of direct voting.

7.7 Dividends (clause 22)

Section 254T of the Corporations Act was amended effective 28 June 2010.

There is now a three-tiered test that a company will need to satisfy before paying a dividend replacing the previous test that dividends may only be paid out of profits.

The amended requirements provide that a company must not pay a dividend unless:

- (a) the company's assets exceed its liabilities immediately before the dividend is declared and the excess is sufficient for the payment of the dividend;
- (b) the payment of the dividend is fair and reasonable to the company's shareholders as a whole; and
- (c) the payment of the dividend does not materially prejudice the company's ability to pay its creditors.

The existing Constitution reflects the former profits test and restricts the dividends to be paid only out of the profits of the Company. The Proposed Constitution is updated to reflect the new requirements of the Corporations Act. The Directors consider it appropriate to update the Constitution for this amendment to allow more flexibility in the payment of dividends in the future should the Company be in a position to pay dividends.

7.8 Partial (proportional) takeover provisions (new clause 36)

A proportional takeover bid is a takeover bid where the offer made to each shareholder is only for a proportion of that shareholder's shares.

Pursuant to section 648G of the Corporations Act, the Company has included in the Proposed Constitution a provision whereby a proportional takeover bid for Shares may only proceed after the bid has been approved by a meeting of Shareholders held in accordance with the terms set out in the Corporations Act.

This clause of the Proposed Constitution will cease to have effect on the third anniversary of the date of the adoption of last renewal of the clause.

Information required by section 648G of the Corporations Act

Effect of proposed proportional takeover provisions

Where offers have been made under a proportional off-market bid in respect of a class of securities in a company, the registration of a transfer giving effect to a contract resulting from the acceptance of an offer made under such a proportional off-market bid is prohibited unless and until a resolution to approve the proportional off-market bid is passed.

Reasons for proportional takeover provisions

A proportional takeover bid may result in control of the Company changing without Shareholders having the opportunity to dispose of all their Shares. By making a partial bid, a bidder can obtain practical control of the Company by acquiring less than a majority interest. Shareholders are exposed to the risk of being left as a minority in the Company and the risk of the bidder being able to acquire control of the Company without payment of an adequate control premium. These amended provisions allow Shareholders to decide whether a proportional takeover bid is acceptable in principle, and assist in ensuring that any partial bid is appropriately priced.

Knowledge of any acquisition proposals

As at the date of this Notice of Meeting, no Director is aware of any proposal by any person to acquire, or to increase the extent of, a substantial interest in the Company.

Potential advantages and disadvantages of proportional takeover provisions

The Directors consider that the proportional takeover provisions have no potential advantages or disadvantages for them and that they remain free to make a recommendation on whether an offer under a proportional takeover bid should be accepted.

The potential advantages of the proportional takeover provisions for Shareholders include:

- (a) the right to decide by majority vote whether an offer under a proportional takeover bid should proceed;
- (b) assisting in preventing Shareholders from being locked in as a minority;
- (c) increasing the bargaining power of Shareholders which may assist in ensuring that any proportional takeover bid is adequately priced; and

- (d) each individual Shareholder may better assess the likely outcome of the proportional takeover bid by knowing the view of the majority of Shareholders which may assist in deciding whether to accept or reject an offer under the takeover bid.

The potential disadvantages of the proportional takeover provisions for Shareholders include:

- (a) proportional takeover bids may be discouraged;
- (b) lost opportunity to sell a portion of their Shares at a premium; and
- (c) the likelihood of a proportional takeover bid succeeding may be reduced.

Recommendation of the Board

The Directors do not believe the potential disadvantages outweigh the potential advantages of adopting the proportional takeover provisions and as a result consider that the proportional takeover provision in the Proposed Constitution is in the interest of Shareholders and unanimously recommend that Shareholders vote in favour of Resolution 10.

GLOSSARY

\$ means Australian dollars.

ASIC means the Australian Securities & Investments Commission.

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

Board means the current board of directors of the Company.

Business Day means Monday to Friday inclusive, except New Year's Day, Good Friday, Easter Monday, Christmas Day, Boxing Day, and any other day that ASX declares is not a business day.

Chair means the chair of the Meeting.

Company means Alderan Resources Limited (ACN 165 079 201).

Constitution means the Company's constitution.

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

Directors means the current directors of the Company.

Explanatory Statement means the explanatory statement accompanying the Notice.

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

Lead Manager Options has the meaning given to that term in Sections 1.2 and 6.

Listing Rules means the Listing Rules of ASX.

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

Option means an option to acquire a Share with the terms and conditions set out in Schedule 1.

Optionholder means a holder of an Option.

Participating Directors means Scott Caithness, Tom Eadie and Peter Williams.

Participation has the meaning given to that term in Section 5.1.

Proxy Form means the proxy form accompanying the Notice.

Placement has the meaning given to that term in Section 1.1.

Placement Fee Option has the meaning given to that term in Section 1.2 and Section 6.

Related Tranche 2 Securities means the Tranche 2 Securities to be issued to the Participating Directors.

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

Rights Issue has the meaning given to that term in Section 1.1.

Rights Issue Fee Option has the meaning given to that term in Section 1.2.

Section means a section of the Explanatory Statement.

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

Shareholder means a registered holder of a Share.

Tranche means a tranche of the Placement.

Tranche 1 Securities means the Tranche 1 Shares and the Tranche 1 Options.

Tranche 1 Shares has the meaning given to that term in Section 1.1.

Tranche 1 Options has the meaning given to that term in Section 1.1.

Tranche 1 Participants means the unrelated professional and sophisticated investors that participated in Tranche 1 of the Placement.

Tranche 2 Securities means the Tranche 2 Shares and the Tranche 2 Options.

Tranche 2 Shares has the meaning given to that term in Section 1.1.

Tranche 2 Options has the meaning given to that term in Section 1.1.

Unrelated Tranche 2 Participants means the unrelated professional and sophisticated investors that will participate in Tranche 2 of the Placement (subject to Resolution 4).

WST means Western Standard Time as observed in Perth, Western Australia.

SCHEDULE 1 – TERMS AND CONDITIONS OF OPTIONS

(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 \$0.016 (**Exercise Price**).

(c) **Expiry Date**

Each Option will expire at 5:00 pm (WST) on the date that is three years following the date of issue (**Expiry Date**). An Option not exercised before the Expiry Date will automatically lapse on the Expiry Date.

(d) **Exercise Period**

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 five 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.

SCHEDULE 2 – SUMMARY OF LEAD MANAGER MANDATE

The material terms and conditions of the mandate with Lead Manager Mandate are as follows:

(a) **Fees**

The Company has agreed to pay the following fees to DealAccess (or its nominee/s):

- (i) a management fee of 2.0% of gross proceeds raised under the Placement (plus GST); and
- (ii) a placement fee of 4.0% of the capital introduced in the Placement by DealAccess (plus GST).

The Company has agreed to issue DealAccess (or its nominee/s) up to:

- (i) 34,425,000 Placement Fee Options; and
- (ii) a shortfall placement fee comprising the issue of the number of Rights Issue Fee Options equal to 6% of the gross proceeds raised via the placement of the Rights Issue's shortfall at a deemed issue price of \$0.001 per Rights Issue Fee Option,

(together, the **Lead Manager Options**).

Assuming that there are 578,266,080 Shares on issue at the Rights Issue's record date, 289,133,040 Options will be issued under the Rights Issue (see the indicative capital structure set out in Section 1.3 for further information).

If this occurs, and all of the Rights Issue Options are placed under the shortfall offer, a maximum of 17,347,982 Rights Issue Fee Options will be issued by the Company to DealAccess. The Company notes that it considers it highly unlikely that 100% of the Options issued under the Rights Issue will be placed under the shortfall offer, so the number of Rights Issue Fee Options to be issued to DealAccess will likely be less than 17,347,982.

The number of Rights Issue Fee Options to be issued will be equal to 6% of the funds raised from the placement of shortfall Rights Issue Options by DealAccess (at a deemed issue price of \$0.001 per Option).

(b) **Expenses**

The Company has agreed to reimburse DealAccess for all reasonable out-of-pocket expenses (including GST) incurred by DealAccess in connection with the Lead Manager Mandate, which includes ASX fees, associated facilitation fees of approximately \$2,200, marketing and communication costs, printing, couriers, postage and distribution, roadshow expenses, accommodation, travel and legal fees (plus GST).

DealAccess must obtain the written consent of the Company prior to incurring any costs in excess of \$1,000. DealAccess may obtain external legal advice in relation to their role as lead manager to the Placement and Rights Issue of which the Company will reimburse DealAccess up to \$5,000 (plus GST) of these legal fees, subject to the Company's approval.

(c) **Termination**

The Lead Manager Mandate will terminate upon the earlier of:

- (i) the completion of the Placement and Rights Issue; or
- (ii) twelve (12) months after the date of the Lead Manager Mandate, unless terminated earlier by mutual written agreement.

Either party may terminate the Lead Manager Mandate by giving written notice, at any time prior to a trading halt, the signing of an Offer Management Agreement or Underwriting Agreement in connection with the Placement and Rights Issue.

Any fees that are accrued under the Lead Manager Mandate prior to termination must be paid by the Company.

The Lead Manager Mandate contains otherwise standard terms and conditions for an agreement of this nature.

Proxy Voting Form

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

Your proxy voting instruction must be received by **10.30am (AWST) on Wednesday, 31 August 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 in transit.
- ✓ **Receive Vote Confirmation:** instant confirmation that your vote has been processed. It also allows you to amend your vote if required.



SUBMIT YOUR PROXY VOTE BY PAPER

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

YOUR NAME AND ADDRESS

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

STEP 1 – APPOINT A PROXY

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

DEFAULT TO THE CHAIR OF THE MEETING

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

STEP 2 - VOTES ON ITEMS OF BUSINESS

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

APPOINTMENT OF SECOND PROXY

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

SIGNING INSTRUCTIONS

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

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

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

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

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

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

CORPORATE REPRESENTATIVES

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

SIGNATURE OF SECURITYHOLDERS – THIS MUST BE COMPLETED		
Individual or Securityholder 1	Securityholder 2	Securityholder 3
Sole Director and Sole Company Secretary	Director	Director / Company Secretary

Contact Name:

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Email Address:

Contact Daytime Telephone

--	--	--	--	--	--	--	--	--	--

Date (DD/MM/YY)

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By providing your email address, you elect to receive all of your communications despatched by the Company electronically (where legally permissible).