

# Sunshine Gold Limited ACN 063 388 821

## **Notice of Annual General Meeting**

The Annual General Meeting of the Company will be held at the Conference Centre, Epworth Room, Trinity on Hampden, 230 Hampden Road, Crawley, Western Australia on Friday, 11 November 2022 at 2.00 pm (WST).

The Notice of Annual General Meeting should be read in its entirety. If Shareholders are in doubt as to how to vote, they should seek advice from their suitably qualified advisor prior to voting.

Should you wish to discuss any matter, please do not hesitate to contact the Company Secretary by telephone on +61 8 6245 9828.

Shareholders are urged to vote by lodging the Proxy Form provided with this Notice.

## Sunshine Gold Limited ACN 063 388 821 (Company)

## **Notice of Annual General Meeting**

Notice is hereby given that the annual general meeting of Shareholders of Sunshine Gold Limited will be held at the Conference Centre, Epworth Room, Trinity on Hampden, 230 Hampden Road, Crawley, Western Australia on Friday, 11 November 2022 at 2.00 pm (WST) (**Meeting**).

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

The Directors have determined pursuant to regulation 7.11.37 of the *Corporations Regulations 2001* (Cth) that the persons eligible to vote at the Meeting are those who are registered as Shareholders on Wednesday, 9 November 2022 at 2.00 pm (WST).

Terms and abbreviations used in the Notice are defined in Schedule 1.

## **Agenda**

## 1 Annual Report

To consider the Annual Report of the Company and its controlled entities for the financial year ended 30 June 2022, which includes the Financial Report, the Directors' Report and the Auditor's Report.

## 2 Resolutions

## Resolution 1 – Remuneration Report

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

"That the Remuneration Report be adopted by Shareholders."

#### **Voting prohibition**

In accordance with sections 250BD and 250R of the Corporations Act, a vote on this Resolution must not be cast (in any capacity) by or on behalf of a member of the Key Management Personnel details of whose remuneration are included in the Remuneration Report, or a Closely Related Party of such a member.

A vote may be cast by such person if the vote is not cast on behalf of a person who is excluded from voting on this Resolution, and:

- (a) the person is appointed as a proxy by writing that specifies the way the proxy is to vote on this Resolution; or
- (b) the voter is the Chair and the appointment of the Chair as proxy does not specify the way the proxy is to vote on this Resolution, but expressly authorises the Chair to exercise the proxy even if this Resolution is connected with the remuneration of a member of the Key Management Personnel.

However, the above prohibition does not apply if:

- (a) the voter is appointed as a proxy by writing that specifies the way the proxy is to vote on this Resolution;
- (b) the voter is the Chair and the appointment of the Chair as proxy:
  - (i) does not specify the way the proxy is to vote on this Resolution; and
  - (ii) the appointment expressly authorises the Chair to exercise the proxy even though this Resolution is connected directly or indirectly with remuneration of a member of the Key Management Personnel.

## Resolution 2 – Re-election of Director – Mr Paul Chapman

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

"That Mr Paul Chapman, who retires in accordance with Article 13.2 of the Constitution and for all other purposes, retires and, being eligible and offering himself for re-election, is re-elected as a Director on the terms and conditions in the Explanatory Memorandum."

## Resolution 3 - Re-election of Director - Mr Alec Pismiris

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

"That Mr Alec Pismiris, who retires in accordance with Article 13.2 of the Constitution, Listing Rule 14.4 and for all other purposes, retires and, being eligible and offering himself for re-election, is re-elected as a Director on the terms and conditions in the Explanatory Memorandum."

## Resolution 4 – Ratification of Issue of Placement Shares – Listing Rule 7.1

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

"That pursuant to and in accordance with Listing Rule 7.4 and for all other purposes, Shareholders ratify the issue of 92,958,410 Shares on the terms and conditions in the Explanatory Memorandum."

#### Voting exclusion statement:

Pursuant to the Listing Rules, the Company will disregard any votes cast in favour of this Resolution by or on behalf of any person who participated in the issue of Equity Securities under this Resolution or any associates of that person (or those persons). However, the Company need not disregard a vote cast in favour of the Resolution by:

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

## Resolution 5 – Ratification of Issue of Placement Shares – Listing Rule 7.1A

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

"That pursuant to and in accordance with Listing Rule 7.4 and for all other purposes, Shareholders ratify the issue of 47,241,590 Shares on the terms and conditions in the Explanatory Memorandum."

#### Voting exclusion statement:

Pursuant to the Listing Rules, the Company will disregard any votes cast in favour of this Resolution by or on behalf of any person who participated in the issue of Equity Securities under this Resolution or any associates of that person (or those persons). However, the Company need not disregard a vote cast in favour of the Resolution by:

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

## Resolution 6 – Director's Participation in Placement - Mr Paul Chapman

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

"That, for the purpose of Listing Rule 10.11, and for all other purposes, Shareholders approve the issue of 4,000,000 Shares to Mr Paul Chapman, a Director, or his nominee(s) on the terms and conditions set out in the Explanatory Memorandum."

## Voting exclusion statement:

Pursuant to the Listing Rules, the Company will disregard any votes cast in favour of this Resolution by or on behalf of any person who is to receive Equity Securities under this Resolution and any other person who will obtain a

material benefit as a result of the issue of the Equity Securities (except a benefit solely by reason of being a Shareholder) or any associates of that person (or those persons). However, the Company need not disregard a vote cast in favour of the Resolution by:

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

## Resolution 7 – Director's Participation in Placement – Dr Damien Keys

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

"That, for the purpose of Listing Rule 10.11, and for all other purposes, Shareholders approve the issue of 800,000 Shares to Dr Damien Keys, a Director, or his nominee(s) on the terms and conditions set out in the Explanatory Memorandum."

## Voting exclusion statement:

Pursuant to the Listing Rules, the Company will disregard any votes cast in favour of this Resolution by or on behalf of any person who is to receive Equity Securities under this Resolution and any other person who will obtain a material benefit as a result of the issue of the Equity Securities (except a benefit solely by reason of being a Shareholder) or any associates of that person (or those persons). However, the Company need not disregard a vote cast in favour of the Resolution by:

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

## Resolution 8 – Director's Participation in Placement - Mr Leslie Davis

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

"That, for the purpose of Listing Rule 10.11, and for all other purposes, Shareholders approve the issue of 2,000,000 Shares to Mr Leslie Davis, a Director, or his nominee(s) on the terms and conditions set out in the Explanatory Memorandum."

#### Voting exclusion statement:

Pursuant to the Listing Rules, the Company will disregard any votes cast in favour of this Resolution by or on behalf of any person who is to receive Equity Securities under this Resolution and any other person who will obtain a material benefit as a result of the issue of the Equity Securities (except a benefit solely by reason of being a Shareholder) or any associates of that person (or those persons). However, the Company need not disregard a vote cast in favour of the Resolution by:

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

## Resolution 9 – Director's Participation in Placement - Mr Alec Pismiris

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

"That, for the purpose of Listing Rule 10.11, and for all other purposes, Shareholders approve the issue of 1,000,000 Shares to Mr Alec Pismiris, a Director, or his nominee(s) on the terms and conditions set out in the Explanatory Memorandum."

#### **Voting exclusion statement:**

Pursuant to the Listing Rules, the Company will disregard any votes cast in favour of this Resolution by or on behalf of any person who is to receive Equity Securities under this Resolution and any other person who will obtain a material benefit as a result of the issue of the Equity Securities (except a benefit solely by reason of being a Shareholder) or any associates of that person (or those persons). However, the Company need not disregard a vote cast in favour of the Resolution by:

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

- (b) the Chair as proxy or attorney for a person who is entitled to vote, 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.

## Resolution 10 - Director's Participation in Placement - Mr Antonio Torresan

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

"That, for the purpose of Listing Rule 10.11, and for all other purposes, Shareholders approve the issue of 2,000,000 Shares to Mr Antonio Torresan, a Director, or his nominee(s) on the terms and conditions set out in the Explanatory Memorandum."

#### Voting exclusion statement:

Pursuant to the Listing Rules, the Company will disregard any votes cast in favour of this Resolution by or on behalf of any person who is to receive Equity Securities under this Resolution and any other person who will obtain a material benefit as a result of the issue of the Equity Securities (except a benefit solely by reason of being a Shareholder) or any associates of that person (or those persons). However, the Company need not disregard a vote cast in favour of the Resolution by:

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

## Resolution 11 – Replacement of Constitution

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

"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, with effect from the close of the Meeting."

## Resolution 12 – Approval of 10% Placement Facility

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

"That pursuant to and in accordance with Listing Rule 7.1A and for all other purposes, Shareholders approve the issue of Equity Securities totalling up to 10% of the issued capital of the Company at the time of issue, calculated in accordance with the formula prescribed in Listing Rule 7.1A.2 and on the terms and conditions in the Explanatory Memorandum."

#### **Voting Exclusion Statement:**

The Company will disregard any votes cast in favour of this Resolution by or on behalf of 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 Shares) or any associates of that person (or those persons). However, the Company need not disregard a vote cast in favour of the Resolution by:

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

## Resolution 13 – Approval of Employee Securities Incentive Plan

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

"That, for the purposes of Exception 13(b) of Listing Rule 7.2 and for all other purposes, Shareholders approve the employee incentive scheme of the Company known as the "Employee Securities Incentive Plan" and the issue of Securities under that plan, on the terms and conditions in the Explanatory Memorandum."

## **Voting Exclusion Statement:**

The Company will disregard any votes cast in favour of this Resolution by or on behalf of a person who is eligible to participate in the employee incentive scheme, or any of their respective associates. However, the Company need not disregard a vote cast in favour of the Resolution by:

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

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

## Voting prohibition:

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

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

However, the above prohibition does not apply if:

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

## Resolution 14 – Approval of potential termination benefits under the Plan

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

"That, conditional on Resolution 13 being approved, for a period commencing from the date this Resolution is passed and ending upon the expiry of all Securities issued or to be issued under the "Employee Securities Incentive Plan", approval be given for all purposes including Part 2D.2 of the Corporations Act for the giving of benefits to any current or future person holding a managerial or executive office of the Company or a related body corporate in connection with that person ceasing to hold such office, on the terms and conditions in the Explanatory Memorandum."

#### Voting prohibition:

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

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

However, the above prohibition does not apply if:

(a) the proxy is the Chair; and

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

Further, in accordance with section 200E(2A) of the Corporations Act, a vote on this Resolution must not be cast by any participants or potential participants in the Plan and their associates, otherwise the benefit of this Resolution will be lost by such a person in relation to that person's future retirement.

However, a vote may be cast by such a person if:

- (a) the person is appointed as proxy by writing that specifies the way the proxy is to vote on the Resolution; and
- (b) it is not cast on behalf of the person or an associate of the person.

## BY ORDER OF THE BOARD

Alec Pismiris Director and Company Secretary Sunshine Gold Limited

Dated: 7 October 2022

## Sunshine Gold Limited ACN 063 388 821 (Company)

## **Explanatory Memorandum**

## 1. Introduction

The Explanatory Memorandum has been prepared for the information of Shareholders in connection with the business to be conducted at the Meeting to be held at the Conference Centre, Epworth Room, Trinity on Hampden, 230 Hampden Road, Crawley, Western Australia on Friday, 11 November 2022 at 2.00 pm (WST).

The Explanatory Memorandum forms part of the Notice which should be read in its entirety. The Explanatory Memorandum contains the terms and conditions on which the Resolutions will be voted.

The Explanatory Memorandum includes the following information to assist Shareholders in deciding how to vote on the Resolutions:

Section 2	Action to be taken by Shareholders
Section 3	Annual Report
Section 4	Resolution 1 – Remuneration Report
Section 5	Resolution 2 – Re-election of Director – Mr Paul Chapman
Section 6	Resolution 3 – Re-election of Director – Mr Alec Pismiris
Section 7	Resolutions 4 & 5 – Ratification of Issue of Placement Shares
Section 8	Resolutions 6 to 10 – Director's Participation in Placement
Section 9	Resolution 11 – Replacement of Constitution
Section 11	Resolution 12 – Approval of 10% Placement Facility
Section 12	Resolution 13 – Approval of Employee Securities Incentive Plan
Section 13	Resolution 14 – Approval of potential termination benefits under the Plan
Schedule 1	Definitions
Schedule 2	Summary of employee securities incentive plan

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

## 2. Action to be taken by Shareholders

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

## 2.1 Impact of COVID-19 on the Meeting

The health and safety of members and personnel, and other stakeholders, is the highest priority and the Company is acutely aware of the current circumstances resulting from COVID-19.

Based on the best information available to the Board at the time of the Notice, the Board considers it will be in a position to hold an 'in-person' meeting to provide Shareholders with a reasonable opportunity to participate in and vote at the Meeting, while complying with the COVID-19 restrictions regarding gatherings. The Company, however, strongly encourages Shareholders to submit proxies prior to the Meeting.

If the situation in relation to COVID-19 were to change in a way that affected the position above, the Company will provide a further update ahead of the Meeting by releasing an ASX announcement.

## 2.2 Voting in person

Given the current COVID-19 circumstances and in the interests of public health and safety of our Shareholders, the Company will implement arrangements to allow Shareholders to physically attend the Meeting in accordance with COVID-19 protocols and government advice.

The Company will strictly comply with applicable limitations on indoor gatherings in force at the time of the Meeting. If you attend the Meeting in person, you will be required to adhere to COVID-19 protocols in place at the time of the Meeting.

## 2.3 **Proxies**

Shareholders are encouraged to vote by voting online or by completing a Proxy Form.

Lodgement of a Proxy Form will not preclude a Shareholder from attending and voting at the Meeting in person.

Lodgement instructions (which include the ability to lodge proxies electronically) are set out in the Proxy Form to the Notice of Meeting.

Proxy Forms can be lodged:

Email: meetings@automicgroup.com.au

By mail: Share Registry – Automic Group Pty Ltd, GPO Box

5193, Sydney NSW 2001

In person: Share Registry – Automic Group Pty Ltd, Level 5,

126 Philip Street, Sydney NSW 2000

By fax: +61 2 8583 3040 (within Australia)

+61 2 8583 3040 (outside Australia)

By mobile: https://investor.automic.com.au/#/loginsah or scan

the QR Code available on the proxy form.

## 2.4 Chair's voting intentions

Subject to the voting prohibitions described above, the Chair intends to exercise all available proxies in favour of all Resolutions, unless the Shareholder has expressly indicated a different voting intention.

## 3. Annual Report

In accordance with section 317 of the Corporations Act, Shareholders will be offered the opportunity to discuss the Annual Report, including the Financial Report, the Directors' Report and the Auditor's Report for the financial year ended 30 June 2022.

There is no requirement for Shareholders to approve the Annual Report.

At the Meeting, Shareholders will be offered the opportunity to:

- (a) discuss the Annual Report which is available online at https://shngold.com.au/investors/annual-reports/;
- (b) ask questions about, or comment on, the management of the Company; and
- (c) ask the auditor questions about the conduct of the audit and the preparation and content of the Auditor's Report.

In addition to taking questions at the Meeting, written questions to the Chair about the management of the Company, or to the Company's auditor about:

- (a) the preparation and content of the Auditor's Report;
- (b) the conduct of the audit;
- (c) accounting policies adopted by the Company in relation to the preparation of the financial statements; and
- (d) the independence of the auditor in relation to the conduct of the audit,

may be submitted no later than five business days before the Meeting to the Company Secretary at the Company's registered office.

## 4. Resolution 1 – Remuneration Report

In accordance with subsection 250R(2) of the Corporations Act, the Company must put the Remuneration Report to the vote of Shareholders. The Directors' Report contains the Remuneration Report which sets out the remuneration policy for the Company and the remuneration arrangements in place for the executive Directors, specified executives and non-executive Directors.

In accordance with subsection 250R(3) of the Corporations Act, Resolution 1 is advisory only and does not bind the Directors. If Resolution 1 is not passed, the Directors will not be required to alter any of the arrangements in the Remuneration Report.

If the Company's Remuneration Report receives a 'no' vote of 25% or more (**Strike**) at two consecutive annual general meetings, Shareholders will have the opportunity to remove the whole Board, except the managing director (if any).

Where a resolution on the Remuneration Report receives a Strike at two consecutive annual general meetings, the Company will be required to put to Shareholders at the second annual general meeting a resolution on whether another meeting should be held (within 90 days) at which all Directors (other than the managing director, if any) who were in office at the date of approval of the applicable Directors' Report must stand for re-election.

The Company's Remuneration Report did not receive a Strike at the 2020 annual general meeting. If the Remuneration Report receives a Strike at this Meeting, Shareholders should be aware that if a second Strike is received at the 2022 annual general meeting, this may result in the re-election of the Board.

The Chair will allow a reasonable opportunity for Shareholders as a whole to ask about, or make comments on the Remuneration Report.

Resolution 1 is an ordinary resolution.

Given the personal interests of all Directors in this Resolution, the Board makes no recommendation to Shareholders regarding this Resolution.

## 5. Resolution 2 – Re-election of Director – Mr Paul Chapman

#### 5.1 **General**

Clause 13.2 of the Constitution provides that at each annual general meeting one third (or if that is not a whole number, the whole number nearest to one third rounded up) of the Directors must retire from office and are eligible for re-election.

The Directors who retire under clause 13.2 are those who have held office the longest since last being elected or appointed. If 2 or more Directors have been in office for the same period, those Directors may agree which of them will retire. If they do not agree, they must draw lots to decide which of them must retire.

The Company currently has 5 Directors. Accordingly 2 directors must retire by rotation at this Meeting.

Mr Paul Chapman retires by rotation and seeks re-election. Mr Davis was last elected by Shareholders to hold the position of Director at the annual general meeting held on 26 October 2020.

Mr Chapman is a chartered accountant with over 30 years in the resource sector. Mr Chapman has experience across a range of commodity businesses including gold, nickel, uranium, manganese, bauxite/alumina and oil/gas. Mr Chapman has held managing director and other senior management roles in public companies. Mr Chapman was a founding director of Reliance Mining, Encounter Resources, Rex Minerals, Silver Lake Resources, Black Cat Syndicate and Dreadnought Resources.

Other current ASX directorships: Black Cat Syndicate Limited, Dreadnought Resources Ltd, Encounter Resources Ltd and Meeka Gold Ltd

Mr Chapman is considered to be an independent Director.

Mr Chapman has acknowledged to the Company that he will have sufficient time to fulfil his responsibilities as a Director.

Resolution 2 is an ordinary resolution.

The Chairman intends to exercise all available proxies in favour of Resolution 2.

Based on Mr Chapman's relevant experience and qualifications and his hands on experience in mine development and narrow vein mining the members of the Board support the election of Mr Chapman as a Director of the Company.

The Board (excluding Mr Paul Chapman) recommends that Shareholders vote in favour of Resolution 2.

## 6. Resolution 3 – Re-election of Director – Mr Alec Pismiris

#### 6.1 General

A summary of clause 13.2 of the Constitution is in Section 5.1 above. Clause 13.2 of the Constitution also provides that no Director except a Managing Director shall hold office (without re-election) for a period in excess of 3 years, or until the third AGM following his or her appointment, whichever is the longer.

Listing Rule 14.4 similarly provides that a director of an entity must not hold office (without reelection) past the third AGM following the director's appointment or 3 years, whichever is the longer.

Mr Alec Pismiris retires by rotation and seeks re-election. Mr Pismiris was first appointed to the Board of the Company on 24 March 2015 and was most recently elected by Shareholders to hold the position of Director at the annual general meeting held on 26 October 2020. Mr Pismiris also holds the roles of Company Secretary and acting CFO.

Mr Pismiris completed a Bachelor of Commerce degree at the University of Western Australia, is a member of the Australian Institute of Company Directors and a Fellow of The Governance Institute of Australia. Mr Pismiris has over 30 years' experience in the securities, finance and mining industries and has participated numerous times in the processes by which boards have assessed the acquisition and financing of a diverse range of assets and has participated in and become familiar with the range of evaluation criteria used and the due diligence processes commonly adopted in the commercial assessment of corporate opportunities.

Currently, Mr Pismiris is also a director of Agrimin Limited, The Market Herald Limited and Pacton Gold Inc.

Mr Pismiris is considered not to be an independent Director due to his roles of Company Secretary and acting CFO.

Mr Pismiris has acknowledged to the Company that he will have sufficient time to fulfil his responsibilities as a Director.

Resolution 3 is an ordinary resolution.

The Chairman intends to exercise all available proxies in favour of Resolution 3.

Based on Mr Pismiris' relevant experience and qualifications in the securities, finance and mining industries the members of the Board support the election of Mr Pismiris as a Director of the Company.

The Board (excluding Mr Antonio Torresan) recommends that Shareholders vote in favour of Resolution 3.

## 7. Resolutions 4 & 5 - Ratification of Issue of Placement Shares

#### 7.1 **General**

On 15 August 2022 the Company announced that it would place up to 150,000,000 Shares at an issue price of \$0.025 per Share to institutional and sophisticated investors and Directors, to raise \$3.75 million before costs of the issue ("Placement").

Of the Shares that form the Placement:

- (a) 92,958,410 Shares were issued under the Company's placement capacity available under Listing Rule 7.1;
- (b) 47,241,590 Shares were issued under the Company's placement capacity available under Listing Rule 7.1A; and
- (c) 9,800,000 Shares are to be issued to Directors subject to Shareholder approval being obtained (such approval being sought by Resolutions 6 to 10).

Resolutions 4 and 5 seek Shareholder ratification for the Shares issued as contemplated by (a) and (b) respectively for the purposes of Listing Rule 7.4 ("Ratification").

## 7.2 Listing Rules – Chapter 7

Listing Rule 7.1 provides, subject to certain exceptions, that Shareholder approval is required for any issue of securities by a listed company, where the securities proposed to be issued represent more than 15% of the company's ordinary securities then on issue (in the case of Listing Rule 7.1) and 10% of the company's ordinary securities then on issue (in the case of Listing Rule 7.1A).

Where an eligible entity obtains shareholder approval to increase its placement capacity under Listing Rule 7.1A, any equity securities issued under that additional placement capacity will not be counted in the variable upon which the 10% placement capacity until that issue has been ratified under Listing Rule 7.4 (or 12 months has passed since the issue). In addition, any equity securities issued under that additional placement capacity will reduce the balance of equity securities able to be issued under that additional capacity without prior shareholder approval until that issue has been ratified under Listing Rule 7.4 (or 12 months has passed since the issue).

Listing Rule 7.2 sets out the exceptions to Listing Rules 7.1 and 7.1A. It provides that where a company in a general meeting ratifies the previous issue of securities made pursuant to Listing Rule 7.1 and Listing Rule 7.1A (and provided that the previous issue did not breach Listing Rules 7.1 or 7.1A) those securities will be deemed to have been made with shareholder approval for the purpose of Listing Rule 7.1 or 7.1A (as the case may be).

By ratifying the issue of the Shares the subject of Resolutions 4 and 5, the Company will retain the flexibility to issue equity securities in the future up to the 15% annual placement capacity set out in Listing Rule 7.1, and the 10% placement capacity under Listing Rule 7.1A, without the requirement to obtain prior Shareholder approval.

If Resolution 4 is not passed, 92,958,410 Shares will be included in the Company's 15% limit under Listing Rule 7.1, effectively decreasing the number of Equity Securities the Company can issue or agree to issue without obtaining prior Shareholder approval over the 12 month period following the issue of those Shares.

In the event that Resolution 5 is not passed, 47,241,590 Shares will continue to be included in the Company's 10% limit under Listing Rule 7.1A, effectively decreasing the number of Equity Securities the Company can issue or agree to issue without obtaining prior Shareholder approval, while the Company retains the ability to issue Equity Securities pursuant to Listing Rule 7.1A.

Resolutions 4 and 5 are both ordinary resolutions.

## 7.3 Resolution 4 - 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 the ratification of the issue of Shares the subject of Resolution 4:

- (a) 92,958,410 Shares were issued.
- (b) The Shares were issued on 22 August 2022.
- (c) The issue price was \$0.025 per Share.
- (d) The Shares 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 Shares were issued to institutional and sophisticated investors who were eligible to be made disclosures under an exemption under section 708 of the Corporations Act who are clients of Shaw and Partners, and none of whom were related parties of the Company or Material Investors.
- (f) The funds raised from the issue of the Shares the subject of Resolution 4 (being approximately \$2.3 mill before costs) will be applied to exploration and evaluation of the Company's projects including: (i) focussed drilling at Wilburs Hill Au prospect, Ravenswood West; (ii) drilling at Gagarin & Bank Cu-Mo-Au-Ag prospects, Ravenswood West; (iii) Triumph resource drilling and work; (iv) Ravenswood West Auger/Aircore rareearth Elphinstone Creek; (v) geophysics and mapping at Investigator; and (vi) general working capital.
- (g) A voting exclusion applies to this Resolution, as set out in the Notice.

## 7.4 Resolution 5 - 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 the ratification of the issue of Shares the subject of Resolution 5:

- (a) 47,241,590 Shares were issued.
- (b) The Shares were issued on 22 August 2022.
- (c) The issue price was \$0.025 per Share.
- (d) The Shares 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 Shares were issued to institutional and sophisticated investors who were eligible to be made disclosures under an exemption under section 708 of the Corporations Act who are clients of Shaw and Partners, and none of whom were related parties of the Company or Material Investors.
- (f) The funds raised from the issue of the Shares the subject of Resolution 5 being approximately \$1.2 mill before costs) will be applied to exploration and evaluation of the Company's projects including: (i) focussed drilling at Wilburs Hill Au prospect, Ravenswood West; (ii) drilling at Gagarin & Bank Cu-Mo-Au-Ag prospects, Ravenswood West; (iii) Triumph resource drilling and work; (iv) Ravenswood West Auger/Aircore rareearth Elphinstone Creek; (v) geophysics and mapping at Investigator; and (vi) general working capital.
- (g) A voting exclusion applies to this Resolution, as set out in the Notice.

#### 7.5 **Board Recommendation**

The Directors unanimously recommend that Shareholders vote in favour of ratifying the above issue of equity securities. This will enable the Company to retain the flexibility to issue further equity securities representing up to 25% of the Company's share capital under ASX Listing Rules 7.1 and 7.1A during a 12 month period without seeking further Shareholder approval.

The Chairman intends to vote all available proxies in favour of Resolutions 4 and 5.

## 8. Resolutions 6 to 10 - Directors' Participation in Placement

#### 8.1 **General**

In addition to the Shares the subject of Resolutions 4 and 5, it is proposed that the Directors of the Company will participate in the Placement on the same terms and conditions as the other subscribers under the Placement.

Because Directors are related parties of the Company, Shareholder approval for the purpose of Listing Rule 10.11 is required before any Shares can be issued to the Directors.

If Resolutions 6 to 10 are passed, the Company will be able to proceed with the issue of the Shares to the Directors in the proportions specified in the relevant Resolutions.

If Resolutions 6 to 10 are not passed, the Company will not be able to proceed with the issue of the Director Placement Shares. Alternate funding sources may need to considered, however the Company's existing cash reserves will provide sufficient working capital to carry out its objective of assessing the open-pit potential of the Queensland projects whilst testing for large-scale mineralisation.

## 8.2 Listing Rules Chapter 10

Listing Rule 10.11 requires a listed company to obtain shareholder approval by ordinary resolution prior to the issue of securities to a related party.

Furthermore, Shareholder approval of the issue of Shares to Directors under Listing Rule 10.11 means that the issue of Shares to the Directors will not reduce the Company's 15% placement capacity under Listing Rule 7.1.

The Directors consider that participation in the Placement will be on arms' length terms as the placement to the Directors will be made on the same terms to all other parties who participate in the Placement, regardless of whether they are associated with the Company or not. Accordingly, the proposed participation by Messrs Leslie Davis, Alec Pismiris and Antonio Torresan (or their respective nominees) falls within the "arm's length terms" exemption provided by section 210 of the Corporations Act to the requirement to obtain shareholder approval under Chapter 2E of the Corporations Act.

## 8.3 Information Required by Listing Rule 10.13 – Resolution 6

Pursuant to and in accordance with Listing Rule 10.13, the following information is provided in relation to the issue of Shares the subject of Resolution 6:

- (a) The Shares the subject of Resolution 6 will be issued to Mr Paul Chapman, a Director (or his nominee(s));
- (b) A maximum of 4,000,000 Shares will be issued pursuant to Resolution 6;
- (c) The proposed issue of Shares the subject of Resolution 6 fall within category 10.11.1 of the Listing Rules because Mr Paul Chapman is a Director;
- (d) The Shares the subject of Resolution 6 will be issued at an issue price of \$0.025;
- (e) The Shares the subject of Resolution 6 will be issued no later than 1 month after the date of the Meeting (or such other later date as permitted by any ASX waiver or modification of the Listing Rules) and it is anticipated that allotment will occur on the same date;
- (f) The Shares the subject of Resolution 6 are fully paid ordinary shares in the capital of the Company and will rank equally with the Company's current issued Shares;
- (g) The funds raised from issue of the Shares the subject of Resolution 6 (being \$100,000) will be applied towards exploration and evaluation work on the Company's projects and for general working capital; and
- (h) There are no other material terms to the agreement by to subscribe for the Shares.

## 8.4 Information Required by Listing Rule 10.13 – Resolution 7

Pursuant to and in accordance with Listing Rule 10.13, the following information is provided in relation to the issue of Shares the subject of Resolution 7:

- (a) The Shares the subject of Resolution 6 will be issued to Dr Damien Keys, a Director (or his nominee(s));
- (b) A maximum of 800,000 Shares will be issued pursuant to Resolution 7;
- (d) The proposed issue of Shares the subject of Resolution 7 fall within category 10.11.1 of the Listing Rules because Dr Damien Keys is a Director;
- (d) The Shares the subject of Resolution 7 will be issued at an issue price of \$0.025;

- (e) The Shares the subject of Resolution 7 will be issued no later than 1 month after the date of the Meeting (or such other later date as permitted by any ASX waiver or modification of the Listing Rules) and it is anticipated that allotment will occur on the same date:
- (f) The Shares the subject of Resolution 7 are fully paid ordinary shares in the capital of the Company and will rank equally with the Company's current issued Shares;
- (g) The funds raised from issue of the Shares the subject of Resolution 7 (being \$20,000) will be applied towards exploration and evaluation work on the Company's projects and for general working capital; and
- (h) There are no other material terms to the agreement by to subscribe for the Shares.

## 8.5 Information Required by Listing Rule 10.13 – Resolution 8

Pursuant to and in accordance with Listing Rule 10.13, the following information is provided in relation to the issue of Shares the subject of Resolution 8:

- (a) The Shares the subject of Resolution 8 will be issued to Mr Leslie Davis, a Director (or his nominee(s));
- (b) A maximum of 2,000,000 Shares will be issued pursuant to Resolution 8;
- (e) The proposed issue of Shares the subject of Resolution 8 fall within category 10.11.1 of the Listing Rules because Mr Leslie Davis is a Director;
- (d) The Shares the subject of Resolution 8 will be issued at an issue price of \$0.025;
- (e) The Shares the subject of Resolution 8 will be issued no later than 1 month after the date of the Meeting (or such other later date as permitted by any ASX waiver or modification of the Listing Rules) and it is anticipated that allotment will occur on the same date:
- (f) The Shares the subject of Resolution 8 are fully paid ordinary shares in the capital of the Company and will rank equally with the Company's current issued Shares;
- (g) The funds raised from issue of the Shares the subject of Resolution 8 (being \$50,000) will be applied towards exploration and evaluation work on the Company's projects and for general working capital; and
- (h) There are no other material terms to the agreement by to subscribe for the Shares.

## 8.6 Information Required by Listing Rule 10.13 – Resolution 9

Pursuant to and in accordance with Listing Rule 10.13, the following information is provided in relation to the issue of Shares the subject of Resolution 9:

- (a) The Shares the subject of Resolution 9 will be issued to Mr Alec Pismiris, a Director (or his nominee(s));
- (b) A maximum of 1,000,000 Shares will be issued pursuant to Resolution 9;

- (c) The proposed issue of Shares the subject of Resolution 6 fall within category 10.11.1 of the Listing Rules because Mr Alec Pismiris is a Director;
- (d) The Shares the subject of Resolution 9 will be issued at an issue price of \$0.025;
- (e) The Shares the subject of Resolution 9 will be issued no later than 1 month after the date of the Meeting (or such other later date as permitted by any ASX waiver or modification of the Listing Rules) and it is anticipated that allotment will occur on the same date;
- (f) The Shares the subject of Resolution 9 are fully paid ordinary shares in the capital of the Company and will rank equally with the Company's current issued Shares;
- (g) The funds raised from issue of the Shares the subject of Resolution 9 (being \$25,000) will be applied towards exploration and evaluation work on the Company's projects and for general working capital; and
- (h) There are no other material terms to the agreement by to subscribe for the Shares.

## 8.7 Information Required by Listing Rule 10.13 – Resolution 10

Pursuant to and in accordance with Listing Rule 10.13, the following information is provided in relation to the issue of Shares the subject of Resolution 10:

- (a) The Shares the subject of Resolution 10 will be issued to Mr Antonio Torresan, a Director (or his nominee(s));
- (b) A maximum of 2,000,000 Shares will be issued pursuant to Resolution 10;
- (c) The proposed issue of Shares the subject of Resolution 6 fall within category 10.11.1 of the Listing Rules because Mr Antonio Torresan is a Director;
- (d) The Shares the subject of Resolution 10 will be issued at an issue price of \$0.025;
- (e) The Shares the subject of Resolution 10 will be issued no later than 1 month after the date of the Meeting (or such other later date as permitted by any ASX waiver or modification of the Listing Rules) and it is anticipated that allotment will occur on the same date;
- (f) The Shares the subject of Resolution 10 are fully paid ordinary shares in the capital of the Company and will rank equally with the Company's current issued Shares;
- (g) The funds raised from issue of the Shares the subject of Resolution 10 (being \$50,000) will be applied towards exploration and evaluation work on the Company's projects and for general working capital; and
- (h) There are no other material terms to the agreement by to subscribe for the Shares.

## 9. Resolution 11 - Replacement of Constitution

#### 9.1 **General**

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

Resolution 11 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 was adopted on 11 November 2019.

The Proposed Constitution is broadly consistent with the provisions of the existing Constitution. Many of the proposed changes are administrative or minor in nature. The Directors believe these amendments are not material nor will they have any significant impact on Shareholders. A summary of the proposed material changes is below.

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 copy of the Proposed Constitution is available for review by Shareholders at the Company's website www.shngold.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 6245 9828). Shareholders are invited to contact the Company if they have any queries or concern.

## 9.2 Summary of material proposed changes

#### (a) General meetings

The Proposed Constitution more clearly articulates the Company's ability to hold meetings virtually, physically, or using a hybrid structure.

## (b) Maximum number of Directors

The existing Constitution stipulates that the number of Directors must be not less than three, or more than 9.

The Proposed Constitution provides that unless otherwise determined by the Company in general meeting, the number of Directors is to be not less than 3. The Proposed Constitution therefore provides for no maximum number of Directors, subject to the applicable provisions in the Corporations Act. This is a more common provision in current constitutions.

## (c) Partial (proportional) takeover provisions

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.

## 9.3 Information required by section 648G of the Corporations Act

## (a) 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.

## (b) 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.

#### (c) Knowledge of any acquisition proposals

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

## (d) 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:

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

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

## (e) 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 11.

#### 9.4 Additional information

Resolution 11 is a special resolution and therefore requires approval of 75% of the votes cast by Shareholders present and eligible to vote (in person, by proxy, by attorney or, in the case of a corporate Shareholder, by a corporate representative).

The Board recommends that Shareholders vote in favour of Resolution 11.

## 10. Resolution 12 - Approval of 10% Placement Facility

#### 10.1 **General**

Broadly speaking, and subject to a number of exceptions, Listing Rule 7.1 limits the amount of equity securities that a listed entity 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.

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 issue Equity Securities up to 10% of its issued share capital through placements over a 12 month period after the annual general meeting (10% Placement Facility). The 10% Placement Facility is in addition to the Company's 15% annual placement capacity under Listing Rule 7.1.

Resolution 12 seeks Shareholder approval by way of a special resolution to provide the Company the ability to issue Equity Securities under the 10% Placement Facility during the 10% Placement Period (refer to Section 11.2(f) below). The number of Equity Securities to be issued under the 10% Placement Facility will be determined in accordance with the formula prescribed in Listing Rule 7.1A.2 (refer to Section 11.2(c) below).

If Resolution 12 is passed, the Company will be able to issue Equity Securities up to the combined 25% limit in Listing Rules 7.1 and 7.1A without any further Shareholder approval.

If Resolution 12 is not passed, the Company will not be able to access the additional 10% capacity to issue Equity Securities without Shareholder approval provided for in

Listing Rule 7.1A and will remain subject to the 15% limit on issuing Equity Securities without Shareholder approval set out in Listing Rule 7.1.

## 10.2 Listing Rule 7.1A

## (a) Is the Company an eligible entity?

An eligible entity for the purposes of Listing Rule 7.1A is an entity that is not included in the S&P/ASX 300 Index and has a market capitalisation of \$300 million or less.

The Company is an eligible entity as it is not included in the S&P/ASX 300 Index and has a market capitalisation of approximately \$18.2 million, based on the closing price of Shares \$0.024 on 6 October 2022.

If on the date of the Meeting, the Company's market capitalisation exceeds \$300 million or it has been included in the S&P/ASX 300 Index, this Resolution 12 will no longer be effective and will be withdrawn.

## (b) What Equity Securities can be issued?

Any Equity Securities issued under the 10% Placement Facility must be in the same class as an existing quoted class of Equity Securities of the eligible entity.

As at the date of the Notice, the Company has on issue one quoted class of Equity Securities; Shares.

## (c) How many Equity Securities can be issued?

Listing Rule 7.1A.2 provides that under the approved 10% Placement Facility, the Company may issue or agree to issue a number of Equity Securities calculated in accordance with the following formula:

$$(A \times D) - E$$

Where:

- A is the number of Shares on issue at the commencement of the relevant period:
  - (A) plus the number of fully paid Shares issued in the relevant period under an exception in Listing Rule 7.2 other than exception 9, 16 or 17;
  - (B) plus the number of fully paid Shares issued in the relevant period on the conversion of convertible securities within rule 7.2 exception 9 where:
    - (1) the convertible securities were issued or agreed to be issued before the commencement of the relevant period; or
    - (2) the issue of, or agreement to issue, the convertible securities was approved, or taken under these rules to have been approved, under rule 7.1 or rule 7.4;
  - (C) plus the number of fully paid Shares issued in the relevant period under an agreement to issue securities within rule 7.2 exception 16 where:

- (1) the agreement was entered into before the commencement of the relevant period; or
- the agreement or issue was approved, or taken under these rules to have been approved, under rule 7.1 or rule 7.4;
- (D) plus the number of partly paid Shares that became fully paid in the relevant period;
- (E) plus the number of fully paid Shares issued in the relevant period with approval under Listing Rules 7.1 and 7.4; and
- (F) less the number of fully paid Shares cancelled in the relevant period.

Note that 'A' has the same meaning in Listing Rule 7.1 when calculating the Company's 15% annual placement capacity.

- **D** is 10%.
- is the number of Equity Securities issued or agreed to be issued under Listing Rule 7.1A.2 in the relevant period where the issue or agreement to issue has not been subsequently approved by Shareholders under Listing Rule 7.4.

## (d) What is the interaction with Listing Rule 7.1?

The Company's ability to issue Equity Securities under Listing Rule 7.1A will be in addition to its 15% annual placement capacity under Listing Rule 7.1.

## (e) At what price can the Equity Securities be issued?

Any Equity Securities issued under Listing Rule 7.1A must be issued for a cash consideration per security which is not less than 75% of the VWAP of Equity Securities in the same class calculated over the 15 Trading Days on which trades in that class were recorded immediately before:

- (i) the date on which the price at which the Equity Securities are to be issued is agreed by the Company and the recipient of the Equity Securities; or
- (ii) if the Equity Securities are not issued within 10 Trading Days of the date in paragraph (i) above, the date on which the Equity Securities are issued,

(Minimum Issue Price).

#### (f) When can Equity Securities be issued?

Shareholder approval of the 10% Placement Facility under Listing Rule 7.1A will be valid from the date of Meeting and will expire on the earlier to occur of:

- (i) the date that is 12 months after the date of the Meeting;
- (ii) the time and date of the Company's next annual general meeting; or
- (iii) the time and date of Shareholder approval of a transaction under Listing Rules 11.1.2 (a significant change to the nature or scale of activities) or 11.2 (disposal of main undertaking),

(10% Placement Period).

## (g) What is the effect of Resolution 12?

The effect of Resolution 12 will be to allow the Directors to issue the Equity Securities under Listing Rule 7.1A during the 10% Placement Period without further Shareholder approval or using the Company's 15% annual placement capacity under Listing Rule 7.1.

## 10.3 Specific information required by Listing Rule 7.3A

Pursuant to and in accordance with Listing Rule 7.3A, the following information is provided in relation to the 10% Placement Facility:

#### (a) Final date for issue

The Company will only issue the Equity Securities under the 10% Placement Facility during the 10% Placement Period (refer to Section 11.2(f) above).

Shareholder approval of the 10% Placement Facility will cease to be valid if Shareholders approve a transaction under Listing Rule 11.1.2 or 11.2.

## (b) Minimum issue price

Where the Company issues Equity Securities under the 10% Placement Facility, it will only do so for cash consideration and the issue price will be not less than the Minimum Issue Price (refer to Section 11.2(e) above).

## (c) Purposes of issues under 10% Placement Facility

The Company may seek to issue Equity Securities under the 10% Placement Facility for the purposes of raising funds for continued investment in the Company's current assets, the acquisition of new assets or investments (including expenses associated with such an acquisition), and/or for general working capital.

## (d) Risk of economic and voting dilution

Shareholders should note that there is a risk that:

- the market price for the Company's Equity Securities may be significantly lower on the date of the issue of the Equity Securities than on the date of the Meeting; and
- (ii) the Equity Securities may be issued at a price that is at a discount to the market price for the Company's Equity Securities on the issue date,

which may have an effect on the amount of funds raised by the issue of the Equity Securities.

If this Resolution is approved by Shareholders and the Company issues Equity Securities under the 10% Placement Facility, the existing Shareholders' economic and voting power in the Company may be diluted as shown in the below table (in the case of Options, only if the Options are converted into Shares).

The below table shows the dilution of existing Shareholders based on the current market price of Shares and the current number of Shares for 'A' calculated in accordance with the formula in Listing Rule 7.1A.2 (see Section 911.2(c)) as at the date of the Notice (**Variable A**), with:

- (i) two examples where Variable A has increased, by 50% and 100%; and
- (ii) two examples of where the issue price of Shares has decreased by 50% and increased by 100% as against the current market price.

Shares on	Dilution					
issue (Variable A in Listing Rule 7.1A.2)	Issue price per Share	\$0.012 50% decrease in Current Market Price	\$0.024  Current  Market Price	\$0.048 100% increase in Current Market Price		
704,822,730 Shares Variable A	10% Voting Dilution	70,482,273 Shares	70,482,273 Shares	70,482,273 Shares		
	Funds raised	\$845,787	\$1,691,575	\$3,383,149		
1,057,234,095 Shares 50%	10% Voting Dilution	105,723,410 Shares	105,723,410 Shares	105,723,410 Shares		
increase in Variable A	Funds raised	\$1,268,681	\$2,537,362	\$5,074,724		
1,409,645,460 Shares 100%	10% Voting Dilution	140,964,546 Shares	140,964,546 Shares	140,964,546 Shares		
increase in Variable A	Funds raised	\$1,691,575	\$3,383,149	\$6,766,298		

#### Notes:

- 1. The table has been prepared on the following assumptions:
  - (a) the issue price is the current market price \$0.024 being the closing price of the Shares on ASX on 6 October 2022, being the last day that the Company's Shares traded on the ASX before the date of this Notice;
  - (b) Variable A comprises of 704,822,730 existing Shares on issue as at the date of this Meeting, assuming the Company has not issued any Shares in the 12 months prior to the Meeting that were not issued under an exception in Listing Rule 7.2 or with Shareholder approval under Listing Rule 7.1 and 7.4;
  - (c) the Company issues the maximum number of Equity Securities available under the 10% Placement Facility;
  - (d) no convertible securities (including any issued under the 10% Placement Facility) are exercised or converted into Shares before the date of the issue of the Equity Securities; and
  - (e) the issue of Equity Securities under the 10% Placement Facility consists only of Shares. If the issue of Equity Securities includes Quoted Options, it is

assumed that those Quoted Options are exercised into Shares for the purpose of calculating the voting dilution effect on existing Shareholders.

- 2. The number of Shares on issue (ie Variable A) may increase as a result of issues of Shares that do not require Shareholder approval (for example, a pro rata entitlements issue, scrip issued under a takeover offer or upon exercise of convertible securities) or future specific placements under Listing Rule 7.1 that are approved at a future Shareholders' meeting.
- 3. The 10% voting dilution reflects the aggregate percentage dilution against the issued share capital at the time of issue. This is why the voting dilution is shown in each example as 10%.
- 4. The table does not show an example of dilution that may be caused to a particular Shareholder by reason of placements under the 10% Placement Facility, based on that Shareholder's holding at the date of the Meeting.
- 5. The table shows only the effect of issues of Equity Securities under Listing Rule 7.1A, not under the 15% placement capacity under Listing Rule 7.1.

#### (e) Allocation policy

The Company's allocation policy is dependent on the prevailing market conditions at the time of any proposed issue pursuant to the 10% Placement Facility. The identity of the allottees of Equity Securities will be determined on a case-by-case basis having regard to the factors including but not limited to the following:

- (i) the purpose of the issue;
- (ii) the methods of raising funds that are available to the Company, including but not limited to, rights issue or other issue in which existing security holders can participate;
- (iii) the effect of the issue of the Equity Securities on the control of the Company;
- (iv) the circumstances of the Company, including, but not limited to, the financial situation and solvency of the Company;
- (v) prevailing market conditions; and
- (vi) advice from corporate, financial and broking advisers (if applicable).

The allottees under the 10% Placement Facility have not been determined as at the date of the Notice but may include existing substantial Shareholders and/or new investors who are not related parties of or associates of a related party of the Company.

## (f) Issues in the past 12 months

The Company has previously obtained Shareholder approval under Listing Rule 7.1A at its annual general meeting held on 18 November 2021.

In accordance with Listing Rule 7.3A.6, the Company is required to provide the following information to Shareholders on any additional capacity to issue Equity Securities under rule 7.1A previously obtained:

- the total number of Equity Securities issued by the Company in the 12 months preceding the date of Meeting was 47,241,590 Shares, representing 8.41 % of the total number of Equity Securities on issue at the commencement of period;
- (ii) details of all issues of Equity Securities by the Company during the 12 months preceding the Meeting are set out in the following table:

Date of issue	22/08/2022
Number of Equity Securities issued	47,241,590
Class of Equity Securities issued	Fully paid ordinary shares
Allottees	Placement to institutional and sophisticated investors who are clients of Shaw and Partners, none of whom were related parties of the Company or Material Investors.
Issue price	\$0.025
Discount to closing price on the date of issue	3.85%
Details of consideration	Total cash consideration: \$1,181,040  Amount of cash spent: \$Nil  Use of cash spent to date: Not applicable  Intended use of remaining cash: Exploration and evaluation of the Company's projects including: (i) focussed drilling at Wilburs Hill Au prospect, Ravenswood West; (ii) drilling at Gagarin & Bank Cu-Mo-Au-Ag prospects, Ravenswood West; (iii) Triumph resource drilling and work; (iv) Ravenswood West Auger/Aircore rare-earth Elphinstone Creek; (v) geophysics and mapping at Investigator; and (vi) general working capital.

## (g) Voting exclusion statement

At the date of the Notice, the Company is not proposing to make an issue of Equity Securities under Listing Rule 7.1A and has not approached any particular existing Shareholder or security holder or an identifiable class of existing security holder to participate in any such issue.

However, in the event that between the date of the Notice and the date of the Meeting, the Company proposes to make an issue of Equity Securities under Listing Rule 7.1A to one or more existing Shareholders, those Shareholders' votes will be excluded under the voting exclusion statement in the Notice.

### 10.4 Board recommendation

Resolution 12 is a special resolution and therefore requires approval of 75% of the votes cast by Shareholders present and eligible to vote (in person, by proxy, by attorney or, in the case of a corporate Shareholder, by a corporate representative).

The Board recommends that Shareholders vote in favour of Resolution 12.

## 11. Resolution 13 – Approval of Employee Securities Incentive Plan

#### 11.1 General

On 1 October 2022, amendments to the Corporations Act will commence, simplifying the process for incentivising participants under employee share schemes (**ESS**). Division 1A will be introduced into Part 7.12 of the Corporations Act, providing a separate regime for the making of offers in connection with an ESS (**New Regime**). This regime will replace the current relief afforded by ASIC Class Order 14/1000 (**Class Order**), which commenced on 30 October 2014.

To ensure that the Company is afforded the relief provided by the New Regime, the Company considers it necessary to adopt a new ESS that makes reference to the New Regime and includes the changes that come into effect on 1 October 2022.

Resolution 13 seeks Shareholder approval for the adoption of the new ESS titled the 'Employee Securities Incentive Plan' (**Plan**) in accordance with Listing Rule 7.2 exception 13(b), for the sole purpose of ensuring that the Company is afforded the relief provided by the New Regime.

Under the Plan, the Board may offer to eligible persons the opportunity to subscribe for such number of Equity Securities in the Company as the Board may decide and on the terms set out in the rules of the Plan, a summary of the key terms and conditions is in Schedule 2. In addition, a copy of the Plan is available for review by Shareholders at the registered office of the Company until the date of the Meeting. A copy of the Plan can also be sent to Shareholders upon request to the Company. Shareholders are invited to contact the Company if they have any queries or concerns.

## 11.2 Key changes between the Class Order and New Regime

The following table summarises the key changes that will be implemented by the New Regime for "Invitations" (within the meaning given in the Plan) made on or after 1 October 2022:

	Current position under the Class Order	Position from 1 October 2022
Disclosure obligations	The Class Order mandates certain information that must be provided to ESS participants.	If the offer of ESS Interests is for no monetary consideration: There are no prescribed disclosure obligations, other than a statement
	There is no difference between the disclosure requirements where ESS Interests are offered for monetary	that the offer is made under Division 1A.
	consideration or for no monetary consideration.	If the offer of ESS Interests is for monetary consideration:
		Certain prescribed disclosure requirements apply. These disclosure requirements are similar (although different) to the

		<ul> <li>current disclosure requirements under the Class Order.</li> <li>The participant cannot acquire the ESS Interests until 14 days after receiving the above disclosure. This mandates a waiting period ensuring a participant has time to consider their decision and seek legal financial advice.</li> <li>Any associated trust, contribution plan and loan arrangement will need to comply with specified requirements.</li> </ul>
Eligible participants	<ul> <li>Directors;</li> <li>Full-time and part-time employees;</li> <li>Casual employees and contractors, provided they work the number of hours that are the pro-rata equivalent of 40% or more of a comparable full-time position with the entity.</li> </ul>	<ul> <li>Directors;</li> <li>Full-time and part-time employees;</li> <li>Any service providers to the entity (with no minimum requirement of hours of service provided);</li> <li>Certain 'related persons' to the above.</li> </ul>
5% limit	The maximum number of ESS Interests that can be issued under the Class Order relief over a three-year period is 5% of the issued share capital.	If the offer of ESS Interests is for no monetary consideration: There is no limit on the number of such ESS Interests that may be issued.  If the offer of ESS Interests is for monetary consideration: The number of ESS Interests issued over a three-year period must not exceed 5% of the issued share capital. Entities may specify a different issue cap in their constitution.
Quotation requirement	An entity's shares must have been quoted for three months before the Class Order relief is available.	Newly listed entities can offer ESS Interests under the new regime without any minimum quotation period. This will make it much simpler for newly listed entities to offer ESS Interests.
Suspension	For the Class Order relief to be available, the entity's shares must not have been suspended for more	The new regime permits an entity to offer ESS Interests regardless of any

	than 5 days over the previous 12 months.	suspension to the trading of its shares.
On-sale relief	Relief is provided from the on-sale provisions for securities issued under the Class Order.	There is no equivalent relief under the new provisions.
ASIC involvement	A 'Notice of Reliance' must be submitted to ASIC to rely on the Class Order relief.	There are no ASIC lodgement requirements.  ASIC has the power to require the provision of documents necessary in order to form an opinion about whether the regime has been complied with.  ASIC has also been given express enforcement powers including the ability to issue 'stop orders'.
Criminal offences	N/A	New ESS related criminal offences have been introduced regarding certain misleading or deceptive statements or omissions.

## 11.3 Listing Rules 7.1 and 7.2, exception 13(b)

Broadly speaking, Listing Rule 7.1 limits the ability of a listed entity from issuing or agreeing to issue Equity Securities over a 12-month period which exceeds 15% of the number of fully paid ordinary Shares it had on issue at the start of the 12 month period.

Listing Rule 7.2, exception 13(b), provides an exception to Listing Rule 7.1 such that issues of Equity Securities under an employee incentive scheme are exempt for a period of three years from the date on which Shareholders approve the issue of Equity Securities under the scheme as an exception to Listing Rule 7.1.

Listing Rule 7.2, exception 13(b), ceases to be available to the Company if there is a material change to the terms of the Plan from those set out in this Notice in Schedule 2.

If Resolution 13 is passed, the Company will be able to issue up to a maximum of 88,672,273 Equity Securities under the Plan pursuant to Listing Rule 7.2, exception 13(b), to eligible participants over a period of three years without using the Company's 15% annual placement capacity under Listing Rule 7.1.

However, any future issues of Equity Securities under the Plan to a related party or a person whose relationship with the Company or the related party is, in ASX's opinion, such that approval should be obtained will require additional Shareholder approval under Listing Rule 10.14 at the relevant time.

If Resolution 13 is not passed, the Company will not be able to adopt the Plan and, instead,

any issues will be made either with Shareholder approval under Listing Rule 7.1 or, in default of Shareholder approval, pursuant to the Company's placement capacity under Listing Rule 7.1.

## 11.4 Specific information required by Listing Rule 7.2, exception 13(b)

Pursuant to and in accordance with Listing Rule 7.2, exception 13(b), the following information is provided in relation to the Plan:

- (a) A summary of the material terms of the Plan is in Schedule 2.
- (b) As at the date of this Notice, no Equity Securities have been issued under the Plan.
- (c) Shareholders approved the Company's existing equity incentive plan under Listing Rule 7.2, exception 13(b) at the annual general meeting on 26 October 2020 (**Existing Plan**). Since that date, the Company has issued the following Equity Securities under the Existing Plan:

Issue date	Equity Security	Number of Equity Securities
24 November 2020	Performance Rights	17,000,000
4 January 2021	Options	1,000,000
1 October 2021	Options	1,000,000
9 December 2021	Options	700,000

- (d) The maximum number of Equity Securities proposed to be issued under the Plan pursuant to Listing Rule 7.2, exception 13(b), following approval of Resolution 13 is 88,672,273 (subject to adjustment in the event of a reorganisation of capital and further subject to applicable laws and the Listing Rules). This number comprises approximately 10% of the Company's Equity Securities currently on issue.
- (e) A voting exclusion statement is included in the Notice.

#### 11.5 Additional information

Resolution 13 is an ordinary resolution.

The Board recommends Shareholders vote in favour of Resolution 13.

## 12. Resolution 14 – Approval of potential termination benefits under the Plan

## 12.1 **General**

The Corporations Act contains certain limitations concerning the payment of 'termination

benefits' to persons who hold a 'managerial or executive office'. The Listing Rules also provides certain limitations on the payment of 'termination benefits' to officers of listed entities.

As is common with employee incentive schemes, the Plan provides the Board with the discretion to, amongst other things, determine that some or all of the Equity Securities granted to a participant under the Plan (**Plan Securities**) will not lapse in the event of that participant ceasing their engagement with the Company before such Plan Securities have vested. This 'accelerated vesting' of Plan Securities may constitute a 'termination benefit' prohibited under the Corporations Act, regardless of the value of such benefit, unless Shareholder approval is obtained.

If Resolution 14 is not passed, the Company will not be able to offer 'termination benefits' to persons who hold a 'managerial or executive office' pursuant to the terms of the Plan.

## 12.2 Part 2D.2 of the Corporations Act

Under section 200B of the Corporations Act, a company may only give a person a benefit in connection with them ceasing to hold a 'managerial or executive office' (as defined in the Corporations Act) if an exemption applies or if the benefit is approved by Shareholders in accordance with section 200E of the Corporations Act.

Subject to Shareholder approval of Resolution 14, Shareholder approval is sought for the purposes of Part 2D.2 of the Corporations Act to approve the giving of benefits under the Plan to a person by the Company in connection with that person ceasing to be an officer of, or ceasing to hold a managerial or executive office in, the Company (or subsidiary of the Company) on the terms and conditions in this Explanatory Memorandum.

As noted above, under the terms of the Plan and subject to the Listing Rules, the Board possesses the discretion to vary the terms or conditions of the Plan Securities. Notwithstanding the foregoing, without the consent of the participant in the Plan, no amendment may be made to the terms of any granted Plan Security which reduces the rights of the participant in respect of that Plan Security, other than an amendment introduced primarily to comply with legislation, to correct any manifest error or mistake or to take into consideration possible adverse tax implications.

As a result of the above discretion, the Board has the power to determine that some or all of a participant's Plan Securities will not lapse in the event of the participant ceasing employment or office before the vesting of their Plan Securities.

The exercise of this discretion by the Board may constitute a 'benefit' for the purposes of section 200B of the Corporations Act. The Company is therefore seeking Shareholder approval for the exercise of the Board's discretion in respect of any current or future participant in the Plan who holds:

- a managerial or executive office in, or is an officer of, the Company (or subsidiary of the Company) at the time of their leaving or at any time in the three years prior to their leaving; and
- (b) Plan Securities at the time of their leaving.

## 12.3 Valuation of the termination benefits

Provided Shareholder approval is given, the value of the termination benefits may be disregarded when applying section 200F(2)(b) or section 200G(1)(c) of the Corporations Act

(i.e. the approved benefit will not count towards the statutory cap under the legislation).

The value of the termination benefits that the Board may give under the Plan cannot be determined in advance. This is because various matters will or are likely to affect that value. In particular, the value of a particular benefit will depend on factors such as the Company's Share price at the time of vesting and the number of Plan Securities that will vest or otherwise be affected. The following additional factors may also affect the benefit's value:

- (a) the participant's length of service and the status of the vesting conditions attaching to the relevant Plan Securities at the time the participant's employment or office ceases; and
- (b) the number of unvested Plan Securities that the participant holds at the time they cease employment or office.

In accordance with Listing Rule 10.19, the Company will ensure that no officer of the Company or any of its child entities will, or may be, entitled to termination benefits if the value of those benefits and the terminations benefits that are or may be payable to all officers together exceed 5% of the equity interests of the Company as set out in the latest accounts given to ASX under the Listing Rules.

#### 12.4 Additional information

Resolution 14 is conditional on the passing of Resolution 13.

If Resolution 13 is not approved at the Meeting, Resolution 14 will not be put to the Meeting. Resolution 14 is an ordinary resolution.

The Board declines to make a recommendation in relation to Resolution 14 due to their potential personal interests in the outcome of the Resolution.

#### Schedule 1 **Definitions**

In the Notice, words importing the singular include the plural and vice versa.

\$ or A\$ means Australian Dollars.

10% Placement Facility has the meaning given in Section 11.1.

10% Placement Period has the meaning given in Section 11.2(f).

means the Directors' Report, the Financial Report, and Auditor's Report, **Annual Report** 

in respect to the year ended 30 June 2022.

**ASX** means the ASX Limited (ABN 98 008 624 691) and, where the context

permits, the Australian Securities Exchange operated by ASX Limited.

**Auditor's Report** means the auditor's report on the Financial Report.

**Board** means the board of Directors.

Chair means the person appointed to chair the Meeting of the Company

convened by the Notice.

**Closely Related Party** means:

> a spouse or child of the member; or (a)

has the meaning given in section 9 of the Corporations Act. (b)

Company means Sunshine Gold Limited (ACN 063 388 821).

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

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

**Director** means a director of the Company.

**Directors' Report** means the annual directors' report prepared under Chapter 2M of the

Corporations Act for the Company and its controlled entities.

**Equity Security** has the same meaning as in the Listing Rules.

**Explanatory** Memorandum means the explanatory memorandum which forms part of the Notice.

**Financial Report** means the annual financial report prepared under Chapter 2M of the

Corporations Act for the Company and its controlled entities.

**Key Management** 

has the same meaning as in the accounting standards issued by the Personnel Australian Accounting Standards Board and means those persons having

authority and responsibility for planning, directing and controlling the activities of the Company, or if the Company is part of a consolidated entity, of the consolidated entity, directly or indirectly, including any Director (whether executive or otherwise) of the Company, or if the Company is part of a consolidated entity, of an entity within the

consolidated group.

**Listing Rules** means the listing rules of ASX. **Material Investor** means, in relation to the Company:

(a) a related party;

(b) Key Management Personnel;

(c) a substantial Shareholder;

(d) an advisor; or

(e) an associate of the above,

who received or will receive Securities in the Company which constitute more than 1% of the Company's anticipated capital structure at the time

of issue.

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

**Minimum Issue Price** has the meaning given in Section 11.2(e).

**Notice** means this notice of annual general meeting.

**Option** means an option to acquire a Share.

**Proxy Form** means the proxy form attached to the Notice.

Remuneration Report means the remuneration report of the Company contained in the

Directors' Report.

**Resolution** means a resolution referred to in the Notice.

**Schedule** means a schedule to the Notice.

**Section** means a section of the Explanatory Memorandum.

Securities means any Equity Securities of the Company (including Shares, Options

and/or Performance Rights).

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

**Shareholder** means the holder of a Share.

Strike means a 'no' vote of 25% or more on the resolution approving the

Remuneration Report.

**Trading Day** has the meaning given in the Listing Rules.

**VWAP** means volume weighted average market price.

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

Australia.

## Schedule 2 Summary of employee securities incentive plan

A summary of the material terms and conditions of the Plan is set out below:

- (b) (Eligible Participant): Eligible Participant means a person that has been determined by the Board to be eligible to participate in the Plan from time to time and is an "ESS participant" (as that term is defined in Division 1A) in relation to the Company or an associated entity of the Company. This relevantly includes, amongst others:
  - (i) an employee or director of the Company or an individual who provides services to the Company;
  - (ii) an employee or director of an associated entity of the Company or an individual who provides services to such an associated entity;
  - (iii) a prospective person to whom paragraphs (i) or (ii) apply;
  - (iv) a person prescribed by the relevant regulations for such purposes; or
  - (v) certain related persons on behalf of the participants described in paragraphs (i) to (iv) (inclusive).
- (c) (Maximum allocation) The Company must not make an offer of Securities under the Plan in respect of which monetary consideration is payable (either upfront, or on exercise of convertible securities) where:
  - (i) the total number of Plan Shares (as defined in paragraph (n) below) that may be issued or acquired upon exercise of the convertible securities offered; plus
  - (ii) the total number of Plan Shares issued or that may be issued as a result of offers made under the Plan at any time during the previous 3 year period,

would exceed 5% of the total number of Shares on issue at the date of the offer or such other limit as may be specified by the relevant regulations or the Company's Constitution from time to time.

The maximum number of equity securities proposed to be issued under the Plan for the purposes of Listing Rule 7.2, Exception 13 will be as approved by Shareholders from time to time (**ASX Limit**). This means that, subject to the following paragraph, the Company may issue up to the ASX Limit under the Plan without seeking Shareholder approval and without reducing its placement capacity under Listing Rule 7.1.

The Company will require prior Shareholder approval for the acquisition of equity securities under the Plan to Directors, their associates and any other person whose relationship with the Company or a Director or a Director's associate is such that, in ASX's opinion, the acquisition should be approved by Shareholders. The issue of Securities with Shareholder approval will not count towards the ASX Limit.

- (d) (Purpose): The purpose of the Plan is to:
  - (i) assist in the reward, retention and motivation of Eligible Participants;
  - (ii) link the reward of Eligible Participants to Shareholder value creation; and
  - (iii) align the interests of Eligible Participants with shareholders of the Group (being the Company and each of its Associated Bodies Corporate), by providing an opportunity to Eligible Participants to receive an equity interest in the Company in the form of Securities.

- (e) (**Plan administration**): The Plan will be administered by the Board. The Board may exercise any power or discretion conferred on it by the Plan rules in its sole and absolute discretion, subject to compliance with applicable laws and the Listing Rules. The Board may delegate its powers and discretion.
- (f) (Eligibility, invitation and application): The Board may from time to time determine that an Eligible Participant may participate in the Plan and make an invitation to that Eligible Participant to apply for Securities on such terms and conditions as the Board decides. An invitation issued under the Plan will comply with the disclosure obligations pursuant to Division 1A.

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

A waiting period of at least 14 days will apply to acquisitions of Securities for monetary consideration as required by the provisions of Division 1A.

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

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

- (i) (Vesting of Convertible Securities): Any vesting conditions applicable to the grant of Convertible Securities will be described in the invitation. If all the vesting conditions are satisfied and/or otherwise waived by the Board, a vesting notice will be sent to the Participant by the Company informing them that the relevant Convertible Securities have vested. Unless and until the vesting notice is issued by the Company, the Convertible Securities will not be considered to have vested. For the avoidance of doubt, if the vesting conditions relevant to a Convertible Security are not satisfied and/or otherwise waived by the Board, that Convertible Security will lapse.
- (j) (Exercise of Convertible Securities and cashless exercise): To exercise a Convertible Security, the Participant must deliver a signed notice of exercise and, subject to a cashless exercise of Convertible Securities (see below), pay the exercise price (if any) to or as directed by the Company, at any time prior to the earlier of any date specified in the vesting notice and the expiry date as set out in the invitation.

At the time of exercise of the Convertible Securities, and subject to Board approval, the Participant may elect not to be required to provide payment of the exercise price for the number of Convertible Securities specified in a notice of exercise, but that on exercise of those Convertible Securities the Company will transfer or issue to the Participant that number of Shares equal in value to the positive difference between the Market Value of the Shares at

the time of exercise and the exercise price that would otherwise be payable to exercise those Convertible Securities.

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

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

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

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

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

- (i) any Convertible Securities which have not yet vested will be forfeited immediately on the date that the Board determines (acting reasonably and in good faith) that any applicable vesting conditions have not been met or cannot be met by the relevant date; and
- (ii) any Convertible Securities which have not yet vested will be automatically forfeited on the expiry date specified in the invitation.
- (m) (Change of control): If a change of control event occurs in relation to the Company, or the Board determines that such an event is likely to occur, the Board may in its discretion determine the manner in which any or all of the Participant's Convertible Securities will be dealt with, including, without limitation, in a manner that allows the Participant to participate in and/or benefit from any transaction arising from or in connection with the change of control event.
- (n) (Rights attaching to Plan Shares): All Shares issued under the Plan, or issued or transferred to a Participant upon the valid exercise of a Convertible Security, (Plan Shares) will rank pari passu in all respects with the Shares of the same class. A Participant will be entitled to any dividends declared and distributed by the Company on the Plan Shares and may participate in any dividend reinvestment plan operated by the Company in respect of Plan Shares. A Participant may exercise any voting rights attaching to Plan Shares.
- (o) (Disposal restrictions on Securities): If the invitation provides that any Plan Shares or Convertible Securities are subject to any restrictions as to the disposal or other dealing by a Participant for a period, the Board may implement any procedure it deems appropriate to ensure the compliance by the Participant with this restriction.
- (p) (Adjustment of Convertible Securities): If there is a reorganisation of the issued share capital of the Company (including any subdivision, consolidation, reduction, return or cancellation of such issued capital of the Company), the rights of each Participant holding

Convertible Securities will be changed to the extent necessary to comply with the Listing Rules applicable to a reorganisation of capital at the time of the reorganisation.

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

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

- (q) (Participation in new issues): There are no participation rights or entitlements inherent in the Convertible Securities and holders are not entitled to participate in any new issue of Shares of the Company during the currency of the Convertible Securities without exercising the Convertible Securities.
- (r) (Amendment of Plan): Subject to the following paragraph, the Board may at any time amend any provisions of the Plan rules, including (without limitation) the terms and conditions upon which any Securities have been granted under the Plan and determine that any amendments to the Plan rules be given retrospective effect, immediate effect or future effect.

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

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

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



Sunshine Gold Limited | ACN 063 388 821

# **Proxy Voting Form**

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

Holder Number:

Your proxy voting instruction must be received by **2.00pm (WST) on Wednesday, 9 November 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**

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.

## **Lodging your Proxy Voting Form:**

#### Online:

Use your computer or smartphone to appoint a proxy at

https://investor.automic.com.au/#/log insah

or scan the QR code below using your smartphone

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



#### BY MAIL:

Automic GPO Box 5193 Sydney NSW 2001

#### IN PERSON:

Automic Level 5, 126 Phillip Street Sydney NSW 2000

#### BY EMAIL:

meetings@automicgroup.com.au

## BY FACSIMILE:

+61 2 8583 3040

#### All enquiries to Automic:

WEBCHAT: https://automicgroup.com.au/

**PHONE:** 1300 288 664 (Within Australia) +61 2 9698 5414 (Overseas)

STEP 1- How to vote							
APPOINT A PROXY:  I/We being a Shareholder entitled on Friday, 11 November 2022 at Australia hereby:				_			
Appoint the Chair of the Meeting (C below the name of the person or be the Chair, or the Chair's nominee, to relevant laws as the proxy sees fit	ody corpord o vote in acc	ite you are a	ippointing as th the follow	your proxy or failing the person	so named or	, if no person	is named,
The Chair intends to vote undirected Unless indicated otherwise by tick Chair's voting intention.	•					in accordanc	e with the
AUTHORITY FOR CHAIR TO VOTE Where I/we have appointed the Ch Chair to exercise my/our proxy on I Resolutions 1 and 13-14 are connect includes the Chair.  STEP 2 — Your voting directi	nair as my/o Resolutions cted directly	ur proxy (or 1 and 13-14 (	where the C except wher	hair becomes my/our proxy by d e l/we have indicated a different	efault), I/we e voting intenti	on below) ev	en though
Resolutions	For	Against	Abstain	Resolutions	For	Against	Abstain
Remuneration Report				8. Director's Participation Placement - Mr Leslie Davis	in		
Re-election of Director — Mr Paul Chapman				9. Director's Participation Placement - Mr Alec Pismiris	in		
Re-election of Director — Mr Alec Pismiris				10. Director's Participation Placement - Mr Antonio Torres	in an		
1. Ratification of Issue of Placement Shares — Listing Rule 7.1				11. Replacement of Constitution			
5. Ratification of Issue of Placement Shares — Listing Rule 7.1A				12. Approval of 10% Placem Facility	nent		
Director's Participation in Placement - Mr Paul Chapman				13. Approval of Employee Securi Incentive Plan	ties		
7 Director's Participation in Placement – Dr Damien Keys				14. Approval of potential termina benefits under the Plan	tion		
<b>Please note:</b> If you mark the abstain bo					Resolution on a	show of hand	's or on a
	, ,		3 3				
STEP 3 – Signatures and co	ntact deta	iils					
Individual or Securityholder 1		Secur	ityholder 2	Securityho	older 3		
Sole Director and Sole Company Sec		rirector		Director / Compa	nu Secretaru		

ompany Secretary
YY)

SHN