



26 October 2022

Dear Shareholder

### Annual General Meeting – Notice of Meeting and Proxies

Notice is given that the Annual General Meeting (**Meeting**) of Shareholders of Magnetic Resources NL (ABN 34 121 370 232) (**Company**) will be held as follows:

**Time and date:** 9.00am (Perth time) on Monday, 28 November 2022  
**Location:** Level 1, 44A Kings Park Road, West Perth WA 6005

#### Notice of Meeting

In accordance with the *Corporations Act 2001* (Cth) the Company will not be dispatching physical copies of the Notice of Meeting unless individual shareholders have made a valid election to receive documents in hard copy. Instead, the Notice of Meeting and accompanying explanatory statement (**Meeting Materials**) are being made available to shareholders electronically and can be viewed and downloaded from:

- the Company's website at [magres.com.au/investors-media/](https://magres.com.au/investors-media/); and
- the ASX market announcements page under the Company's code "MAU".

If you have nominated an email address and have elected to receive electronic communications from the Company, you will also receive an email to your nominated email address with a link to an electronic copy of the Notice of Meeting.

#### Voting at the Meeting or by proxy

**Shareholders are encouraged to vote by lodging a proxy form.**

Proxy forms can be lodged:

- **Online:** <https://investor.automic.com.au/#/loginsah>
- **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](mailto:meetings@automicgroup.com.au)
- **By fax:** +61 2 8583 3040
- **By mobile:** Scan the QR Code on your Proxy Form and follow the prompts

Your proxy voting instruction must be received by 9.00am (Perth time) on Saturday, 26 November 2022 being not less than 48 hours before the commencement of the Meeting. Any proxy voting instructions received after that time will not be valid for the Meeting.

The Meeting Materials should be read in their entirety. If shareholders are in doubt as to how they should vote, they should seek advice from their professional advisers prior to voting.

Authorised for release by:

**Ben Donovan**  
**Non-Executive Director & Company Secretary**  
**Magnetic Resources NL**



**magnetic resources**<sup>NL</sup>

**Magnetic Resources NL**  
**ABN 34 121 370 232**

## **Notice of Annual General Meeting**

**The Annual General Meeting of the Company will be held as follows:**

**Time and date: 9.00am (AWST) on Monday, 28 November 2022**

**Location: Level 1, 44A Kings Park Road, West Perth WA 6005**

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 accountant, solicitor or other professional advisor prior to voting.

**Should you wish to discuss any matter, please do not hesitate to contact the Company by telephone on (08) 9226 1777**

**Shareholders are urged to vote by lodging the Proxy Form attached to the Notice.**

**Magnetic Resources NL**  
**ABN 34 121 370 232**  
**(Company)**

## **Notice of Annual General Meeting**

Notice is given that the annual general meeting of Shareholders of Magnetic Resources NL (**Company**) will be held at Level 1, 44A Kings Park Road, West Perth WA 6005 on Monday, 28 November 2022 at 9.00am (AWST) (**Meeting**).

The Directors have determined pursuant to Regulation 7.11.37 of the *Corporations Regulations 2001* (Cth) that the persons eligible to vote at the Meeting are those who are registered Shareholders as at 4.00pm (AWST) on Saturday, 26 November 2022.

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.

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.

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

### **2 Resolutions**

#### **Resolution 1 – Adoption of Remuneration Report**

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

*“That, for the purposes of section 250R(2) of the Corporations Act, the Remuneration Report for the financial year ended 30 June 2022 be adopted by Shareholders, on the terms and conditions in the Explanatory Memorandum.”*

**Note:** The vote on this resolution is advisory only and does not bind the Directors of the Company.

## **Resolution 2 – Re-election of Director – Eric Lim**

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

*“That, Mr Eric Lim, who retires in accordance with Clause 14.2 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 – Election of Director – Ben Donovan**

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

*“That in accordance with Clause 14.4 of the Constitution, Listing Rule 14.4 and for all other purposes, Mr Ben Donovan, a Non-Executive Director who was appointed as a Director by the Board of Directors in accordance with Clause 14.4 of the Constitution on 31 March 2022, retires and, being eligible, is elected as a Director on the terms and conditions in the Explanatory Memorandum.”*

## **Resolution 4 – Approval of 10% Placement Facility (LR 7.1A)**

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.”*

## **Resolution 5 – Modification of existing 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, the constitution of the Company be modified by making the amendments contained in the document tabled at this Meeting and signed by the Chair for the purposes of identification, with effect from the date this Resolution 5 is passed.”*

## **Resolution 6 – Ratification of issue of December Placement Shares**

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 719,329 December Placement Shares, on the terms and conditions in the Explanatory Memorandum.”*

## **Resolution 7 – Ratification of issue of Shares to iDrilling Australia**

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 167,340 Shares to iDrilling Australia Pty Ltd (or its nominees) as part-consideration for the provision of drilling services, on the terms and conditions in the Explanatory Memorandum.”*

## **Resolution 8 – Ratification of issue of July Placement Shares**

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 800,285 July Placement Shares, on the terms and conditions in the Explanatory Memorandum.”*

## **Resolution 9 – Approval of issue of Director July Placement Shares**

To consider and, if thought fit, to pass without or without amendment, each as a **separate** ordinary resolution the following:

*“That, pursuant to and in accordance with Listing Rule 10.11 and section 195(4) of the Corporations Act and for all other purposes, Shareholders approve the issue of the Director July Placement Shares to the Directors (or their respective nominees) as follows:*

- (a) *up to 76,190 Director July Placement Shares to Eric Lim;*
- (b) *up to 57,142 Director July Placement Shares to George Sakalidis;*
- (c) *up to 19,047 Director July Placement Shares to Ben Donovan; and*
- (d) *up to 100,000 Director July Placement Shares to Hian Siang Chan,*

*on the terms and conditions in the Explanatory Memorandum.”*

## **Resolution 10 – Ratification of issue of September Placement Shares**

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 3,157,053 September Placement Shares, on the terms and conditions in the Explanatory Memorandum.”*

## **Resolution 11 – Approval of issue of Director September Placement Shares**

To consider and, if thought fit, to pass without or without amendment, each as a **separate** ordinary resolution the following:

*“That, pursuant to and in accordance with Listing Rule 10.11 and for all other purposes, Shareholders approve the issue of the Director September Placement Shares to the participating Directors (or their respective nominees) as follows:*

- (a) *up to 222,222 Director September Placement Shares to Eric Lim; and*
- (b) *up to 444,444 Director September Placement Shares to Hian Siang Chan,*

*on the terms and conditions in the Explanatory Memorandum.”*

## **Resolution 12 – Approval of issue of Director Options**

To consider and, if thought fit, to pass, with or without amendment, each as a **separate** ordinary resolution:

*“That, pursuant to and in accordance with Listing Rule 10.11, sections 195(4) and 208 of the Corporations Act and for all other purposes, Shareholders approve the issue of the Director Options to the Directors (or their respective nominees) as follows:*

- (a) *up to 750,000 Director Options to Eric Lim;*
- (b) *up to 1,500,000 Director Options to George Sakalidis;*
- (c) *up to 750,000 Director Options to Ben Donovan; and*
- (d) *up to 750,000 Director Options to Hian Siang Chan,*

*on the terms and conditions in the Explanatory Memorandum.”*

## **Voting exclusions**

Pursuant to the Listing Rules, the Company will disregard any votes cast in favour of:

- (a) **Resolution 4** if at the time of the Meeting, the Company is proposing to make an issue of Equity Securities under Listing Rule 7.1A.2, by or on behalf of any persons

who are 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 Shareholder), or any associate of those persons;

- (b) **Resolution 6** by or on behalf of a person who participated in the issue of the December Placement Shares, or any of their respective associates;
- (c) **Resolution 7** by or on behalf of iDrilling Australia Pty Ltd (or its nominees), and any person who participated in the issue of the securities or is a counterparty to the agreement being approved, or any of their associates;
- (d) **Resolution 8** by or on behalf of a person who participated in the issue of the July Placement Shares, or any of their respective associates;
- (e) **Resolution 9(a)** by or on behalf of Eric Lim (or his nominees) and any other person who will obtain a material benefit as a result of the issue of these Director July Placement Shares (except a benefit solely by reason of a being a Shareholder), or any of their respective associates;
- (f) **Resolution 9(b)** by or on behalf of George Sakalidis (or his nominees) and any other person who will obtain a material benefit as a result of the issue of these Director July Placement Shares (except a benefit solely by reason of a being a Shareholder), or any of their respective associates;
- (g) **Resolution 9(c)** by or on behalf of Ben Donovan (or his nominees) and any other person who will obtain a material benefit as a result of the issue of these Director July Placement Shares (except a benefit solely by reason of a being a Shareholder), or any of their respective associates;
- (h) **Resolution 9(d)** by or on behalf of Hian Siang Chan (or his nominees) and any other person who will obtain a material benefit as a result of the issue of these Director July Placement Shares (except a benefit solely by reason of a being a Shareholder), or any of their respective associates;
- (i) **Resolution 10** by or on behalf of a person who participated in the issue of the September Placement Shares, or any of their respective associates;
- (j) **Resolution 11(a)** by or on behalf of Eric Lim (or his nominees) and any other person who will obtain a material benefit as a result of the issue of these Director September Placement Shares (except a benefit solely by reason of a being a Shareholder), or any of their respective associates;
- (k) **Resolution 11(b)** by or on behalf of Hian Siang Chan (or his nominees) and any other person who will obtain a material benefit as a result of the issue of these Director September Placement Shares (except a benefit solely by reason of a being a Shareholder), or any of their respective associates;
- (l) **Resolution 12(a)** by or on behalf of Eric Lim (or his nominees), and any person who will obtain a material benefit as a result of the issue of these Director Options (except a benefit solely by reason of being a Shareholder), or any of their respective associates;
- (m) **Resolution 12(b)** by or on behalf of George Sakalidis (or his nominees), and any person who will obtain a material benefit as a result of the issue of these Director

Options (except a benefit solely by reason of being a Shareholder), or any of their respective associates;

- (n) **Resolution 12(c)** by or on behalf of Ben Donovan (or his nominees), and any person who will obtain a material benefit as a result of the issue of these Director Options (except a benefit solely by reason of being a Shareholder), or any of their respective associates; and
- (o) **Resolution 12(d)** by or on behalf of Hian Siang Chan (or his nominees), and any person who will obtain a material benefit as a result of the issue of these Director Options (except a benefit solely by reason of being a Shareholder), or any of their respective associates.

The above voting exclusions do not apply to a vote cast in favour of the relevant 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 prohibitions

**Resolution 1:** 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 these Resolutions, and:

- (a) the person is appointed as a proxy by writing that specifies the way the proxy is to vote on the 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 the Resolution, but expressly authorises the Chair to exercise the proxy even if the Resolution is connected with the remuneration of a member of the Key Management Personnel.

**Resolution 9(a) to (d) (inclusive) and Resolution 11(a) and (b):** In accordance with section 250BD of the Corporations Act, a person appointed as a proxy must not vote, on the basis of that appointment, on these Resolutions if:



- (a) the proxy is either 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 12(a) to (d) (inclusive):** 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 224 of the Corporations Act, a vote on this Resolution must not be cast (in any capacity) by or on behalf of a related party of the Company to whom the Resolution would permit a financial benefit to be given, or an associate of such a related party.

However, the above prohibition does not apply if:

- (a) it is cast by a person as a proxy appointed by writing that specifies how the proxy is to vote on the Resolution; and
- (b) it is not cast on behalf of a related party of the Company to whom the Resolution would permit a financial benefit to be given, or an associate of such a related party.

Please note: If the Chair is a person referred to in the section 224 Corporations Act voting prohibition statement above, the Chair will only be able to cast a vote as proxy for a person who is entitled to vote if the Chair is appointed as proxy in writing and the Proxy Form specifies how the proxy is to vote on the relevant Resolution.

If you purport to cast a vote other than as permitted above, that vote will be disregarded by the Company (as indicated above) and you may be liable for breaching the voting restrictions that apply to you under the Corporations Act.

**BY ORDER OF THE BOARD**

**Ben Donovan  
Non-Executive Director & Company Secretary  
Magnetic Resources NL  
Dated: 26 October 2022**

**Magnetic Resources NL**  
**ABN 34 121 370 232**  
**(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 Level 1, 44A Kings Park Road, West Perth WA 6005 on Monday, 28 November 2022 at 9.00am (AWST).

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	Voting and attendance information
Section 3	Annual Report
Section 4	Resolution 1 – Adoption of Remuneration Report
Section 5	Resolution 2 – Re-election of Director – Eric Lim
Section 6	Resolution 3 – Election of Director – Ben Donovan
Section 7	Resolution 4 – Approval of 10% Placement Facility (LR 7.1A)
Section 8	Resolution 5 – Modification of existing Constitution
Section 9	Resolution 6 – Ratification of issue of December Placement Shares
Section 10	Resolution 7 – Ratification of issue of Shares to iDrilling Australia
Section 11	Resolution 8 – Ratification of issue of July Placement Shares
Section 12	Resolution 9 – Approval of issue of Director July Placement Shares
Section 13	Resolution 10 – Ratification of issue of September Placement Shares
Section 14	Resolution 11 – Approval of issue of Director September Placement Shares
Section 15	Resolution 12 – Approval of issue of Director Options
Schedule 1	Definitions

Schedule 2	Terms and conditions of Director Options
Schedule 3	Valuation of Director Options

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

## 2. Voting and attendance information

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

### 2.1 Voting in person

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

### 2.2 Voting by proxy

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

Please note that:

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

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

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

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

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

- (i) an appointment of a proxy specifies the way the proxy is to vote on a particular resolution at a meeting of the Company's members;
- (ii) the appointed proxy is not the chair of the meeting;
- (iii) at the meeting, a poll is duly demanded on the resolution; and
- (iv) either the proxy is not recorded as attending the meeting or the proxy does not vote on the resolution,

the Chair of the meeting is taken, before voting on the resolution closes, to have been appointed as the proxy for the purposes of voting on the resolution at the meeting. Your proxy voting instruction must be received by 9.00am (AWST) on Saturday, 26 November 2022, being not later than 48 hours before the commencement of the Meeting.

### **2.3 Chair's voting intentions**

The Chair intends to exercise all available proxies in favour of all Resolutions, unless the Shareholder has expressly indicated a different voting intention. In exceptional circumstances, the Chair may change his/her voting intention on any Resolution, in which case an ASX announcement will be made.

Subject to the following paragraph, if the Chair is appointed as your proxy and you have not specified the way the Chair is to vote on Resolution 1, Resolution 9(a) to (d) (inclusive), Resolution 11(a) and (b) and Resolution 12(a) to (d) (inclusive) by signing and returning the Proxy Form, you are considered to have provided the Chair with an express authorisation for the Chair to vote the proxy in accordance with the Chair's intention, even though these Resolutions are connected directly or indirectly with the remuneration of a member of the Key Management Personnel of the Company.

If the Chair is a person referred to in the voting prohibition statement applicable to a Resolution (under section 224 of the Corporations Act), the Chair will only be able to cast a vote as proxy for you on the relevant Resolution if you are entitled to vote and have specified your voting intention in the Proxy Form.

### **2.4 Submitting questions**

Shareholders may submit questions in advance of the Meeting to the Company. Questions must be submitted by emailing the Company Secretary at [bdonovan@arguscorp.com.au](mailto:bdonovan@arguscorp.com.au) by 5:00pm (AWST) on Saturday, 26 November 2022.

Shareholders will also have the opportunity to submit questions during the Meeting in respect to the formal items of business. In order to ask a question during the Meeting, please follow the instructions from the Chair.

The Chair will attempt to respond to the questions during the Meeting. The Chair will request prior to a Shareholder asking a question that they identify themselves (including the entity name of their shareholding and the number of Shares they hold).

## **3. Annual Report**

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

There is no requirement for Shareholders to approve these reports.

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

- (a) discuss the Financial Report, Directors' Report and Auditor's Report, which are included in the Company's Annual Report available online at <https://magres.com.au/investors-media/> or on the ASX platform for "MAU" at [www.asx.com.au](http://www.asx.com.au);
- (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.

The Company will not provide a hard copy of the Company's Annual Report to Shareholders unless specifically requested to do so.

## **4. Resolution 1 – Adoption of Remuneration Report**

### **4.1 General**

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.

A Strike was not received by the Company at its previous year's 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 2023 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.

#### **4.2 Board recommendation**

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 – Eric Lim**

#### **5.1 General**

Clause 14.2 of the Constitution requires that one third of the Directors (excluding the Managing Director) must retire at each annual general meeting (or if that is not a whole number, the whole number nearest to one third) provided always that no Director except a Managing Director shall hold office for a period in excess of 3 years, or until the third annual general meeting following his or her appointment, whichever is the longer, without submitting himself or herself for re-election.

Clause 14.2 of the Constitution provides that the Directors to retire at an annual general meeting are those who have been longest in office since their last election, but, as between persons who became Directors on the same day, those to retire shall (unless they otherwise agree among themselves) be determined by drawing lots, and a Director who retires in accordance with that rule is eligible for re-election.

The Company currently has three Directors (excluding the Managing Director and Ben Donovan, who is retiring and seeking election pursuant to Resolution 3), and accordingly one must retire.

Directors Messrs Eric Lim and Hian Siang Chan were both last elected at the Company's annual general meeting held on 30 November 2020 and have therefore been longest in office.

Accordingly, Mr Eric Lim has elected to retire as a Director at this Meeting and, being eligible, seeks approval to be re-elected as a Director pursuant to Resolution 2.

#### **5.2 Mr Eric Lim**

Mr Lim is currently a senior executive officer with Standard Chartered Bank and holds the position Head of Wholesale Banking Finance, Southeast Asia. Prior to joining Standard Chartered, Mr Lim has held positions with OCBC Bank, General Electric and a number of executive positions in the US and Asia Pacific region including Finance Director of GE Money Japan and Global Financial Planning and Analyst for GE Commercial Finance (Healthcare Financial Services).

Mr Lim has also had extensive audit experience with GE Corporate Audit leading a variety of engagements ranging from process to financial audits.

Mr Lim is qualified with an MBA and a Bachelor of Accounting degree.

Mr Lim does not currently hold any other material directorships, other than as disclosed in this Notice.

The Company confirms that it took appropriate checks into Mr Lim's background and experience and that these checks did not identify any information of concern.

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

Mr Lim is the Non-Executive Chairman of the Company and has been a Director since 23 August 2011.

If elected, Mr Lim is considered by the Board (with Mr Lim abstaining) to be an independent Director. Mr Lim is not considered by the Board to hold any interest, position or relationship that might influence, or reasonably be perceived to influence, in a material respect his capacity to bring an independent judgement to bear on issues before the Board and to act in the best interests of the entity as a whole rather than in the interests of an individual security holder or other party.

### 5.3 **Board recommendation**

The Board (other than Mr Lim who has a personal interest in the outcome of this Resolution) recommends that Shareholders vote in favour of Resolution 2 for the following reasons:

- (a) Mr Lim's skills and significant experience in banking and financial markets are important additions to the Board's existing skills and experience; and
- (b) Mr Lim has an in-depth knowledge and understanding of the Company and its business, and his continuing role as a member of the Board will benefit the Company.



#### 5.4 **Additional information**

Resolution 2 is an ordinary resolution.

### **6. Resolution 3 – Election of Director – Ben Donovan**

#### 6.1 **General**

Clause 14.4 of the Constitution provides that the Directors may at any time appoint any person to be a Director, either to fill a casual vacancy or as an addition to the existing Directors.

Clause 14.4 of the Constitution and Listing Rule 14.4 provides that any Director so appointed must not hold office without re-election past the next annual general meeting of the Company following the Director's appointment.

Clause 14.4 of the Constitution provides that a Director who retires in accordance with Clause 14.4 holds office until the conclusion of the Meeting but is eligible for election at the Meeting.

Accordingly, Mr Ben Donovan, a Director appointed on 31 March 2022, retires at this Meeting and, being eligible and offering himself for election, seeks election pursuant to Resolution 3.

If Resolution 3 is passed, Mr Ben Donovan will be elected as a Non-Executive Director of the Company.

If Resolution 3 is not passed, Mr Ben Donovan will not be elected as a Non-Executive Director of the Company.

#### 6.2 **Mr Ben Donovan**

Mr Donovan is a member of Chartered Secretaries Australia and provides corporate advisory, IPO and consultancy services to a number of companies.

Mr Donovan is currently a director and company secretary of several ASX listed and public unlisted companies involved in the resources and technology industries, including one company currently developing a large magnetite project in Australia.

Mr Donovan has extensive experience in listing rules compliance and corporate governance, having served as a Senior Adviser at the Australian Securities Exchange (ASX) in Perth for nearly 3 years, including as a member of the ASX JORC Committee.

In addition, Mr Donovan has experience in the capital markets having raised capital and assisted numerous companies in achieving an initial listing on the ASX, as well as for a period of time, as a private client adviser at a boutique stock broking group.

Mr Donovan is currently a director of Tambourah Resources Ltd and Basin Energy Ltd

Mr Donovan does not currently hold any other material directorships, other than as disclosed in this Notice.

The Company confirms that it took appropriate checks into Mr Donovan's background and experience and that these checks did not identify any information of concern.

If elected, Mr Donovan is considered by the Board (with Mr Donovan abstaining) to be an independent Director. Mr Donovan is not considered by the Board to hold any interest, position

or relationship that might influence, or reasonably be perceived to influence, in a material respect, his capacity to bring an independent judgement to bear on issues before the Board and to act in the best interests of the entity as a whole rather than in the interests of an individual security holder or other party.

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

### 6.3 **Board recommendation**

The Board (other than Mr Donovan who has a personal interest in the outcome of this Resolution) supports the election of Mr Donovan for the following reasons:

- (a) Mr Donovan's significant experience in respect to ASX Listing Rules, capital markets and corporate transactions are important additions to the Board's existing experience; and
- (b) Mr Donovan's wide-ranging board experience across a number of listed companies, including Tambourah Resources Ltd and Basin Energy Ltd, will be invaluable to the Board during the next stage of the Company's development.

### 6.4 **Additional information**

Resolution 3 is an ordinary resolution.

## 7. **Resolution 4 – Approval of 10% Placement Facility (LR 7.1A)**

### 7.1 **General**

Listing Rule 7.1A enables an eligible entity 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 4 seeks Shareholder approval to provide the Company with the ability to issue Equity Securities under the 10% Placement Facility during the 10% Placement Period (refer to Section 7.2(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 7.2(c) below).

If Resolution 4 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 4 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 in Listing Rule 7.1.

### 7.2 **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 \$210.19 million, based on the closing price of Shares (\$0.92) on 20 October 2022.

If on the date of the Meeting, the Company's has been included in the S&P/ASX 300 Index, this Resolution 4 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 two quoted classes of Equity Securities, being Shares and Partly Paid 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 fully paid 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 Listing 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 the Listing Rules to have been approved, under Listing Rule 7.1 or Listing Rule 7.4;
- (C) plus the number of fully paid Shares issued in the Relevant Period under an agreement to issue securities within Listing Rule 7.2 exception 16 where:
  - (1) the agreement was entered into before the commencement of the Relevant Period; or

- (2) the agreement or issue was approved, or taken under the Listing Rules to have been approved, under Listing Rule 7.1 or Listing Rule 7.4;
- (D) plus the number of partly paid Shares that became fully paid Shares 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, and 'Relevant Period' has the relevant meaning given in Listing Rule 7.1 and 7.1A.2, namely, the 12 month-period immediately preceding the date of the issue or agreement.

**D =** is 10%.

**E =** 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 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 Equity 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 7.2(e)(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 the Meeting and will expire on the earlier 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 4?**

The effect of Resolution 4 will be to allow the Company 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.

**7.3 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 7.2(f) above).

**(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 7.2(e) above).

**(c) Purposes of issues under the 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:

- (i) 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 4 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 table below shows the dilution of existing Shareholders based on the current market price of Shares and the current number of Shares for Variable 'A' calculated in accordance with the formula in Listing Rule 7.1A.2 (see Section 7.2(c) above) as at the date of this 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 (Variable A in Listing Rule 7.1A.2)	Dilution			
	Issue price per Share	\$0.46 50% decrease in Current Market Price	\$0.92 Current Market Price	\$1.84 100% increase in Current Market Price
<b>228,467,497 Shares  Variable A</b>	10% Voting Dilution	22,846,750 Shares	22,846,750 Shares	22,846,750 Shares
	Funds raised	\$10,509,505	\$21,019,010	\$42,038,019
<b>342,701,246 Shares  50% increase in Variable A</b>	10% Voting Dilution	34,270,125 Shares	34,270,125 Shares	34,270,125 Shares
	Funds raised	\$15,764,257	\$31,528,515	\$63,057,029
<b>456,934,994 Shares  100% increase in Variable A</b>	10% Voting Dilution	45,693,499 Shares	45,693,499 Shares	45,693,499 Shares
	Funds raised	\$21,019,010	\$42,038,019	\$84,076,039

**Notes:**

1. The table has been prepared on the following assumptions:
  - (a) The issue price is the current market price (\$0.92), being the closing price of the Shares on ASX on 20 October 2022, being the latest practicable date before this Notice was signed.
  - (b) Variable A comprises of 228,467,497 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.
  - (e) The issue of Equity Securities under the 10% Placement Facility consists only of Shares. If the issue of Equity Securities includes quoted Options or Partly

Paid Shares, it is assumed that those quoted Options or Partly Paid Shares are exercised/converted into Shares for the purpose of calculating the voting dilution effect on existing Shareholders.

2. The number of Shares on issue (i.e. 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.

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%. 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.

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 methods of raising funds that are available to the Company, including but not limited to, rights issues or other issues in which existing Shareholders can participate;
- (ii) the effect of the issue of the Equity Securities on the control of the Company;
- (iii) financial situation and solvency of the Company; and
- (iv) 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 this 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 did not seek Shareholder approval under Listing Rule 7.1A at its previous annual general meeting held on 12 November 2021, and has therefore not issued or agreed to issue any Equity Securities under Listing Rule 7.1A in the 12-month period preceding the date of the Meeting.

(g) **Voting exclusion statement**

At the date of this 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 this 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.

#### 7.4 **Additional information**

Resolution 4 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 4.

### 8. **Resolution 5 – Modification of existing Constitution**

#### 8.1 **General**

Under section 136(2) of the Corporations Act, a company may modify or repeal its constitution or a provision of its constitution by special resolution of Shareholders.

Resolution 5 seeks the approval of Shareholders to modify the Company's existing Constitution.

The proposed modifications to the existing Constitution will incorporate recent amendments to the Corporations Act regarding the holding of meetings of Shareholders using virtual meeting technology.

The Directors believe that it is preferable in the circumstances to simply modify one provision of the existing Constitution rather than repealing the entire existing Constitution and replacing it with a new constitution.

The Directors believe these amendments are not material nor will they have any significant impact on Shareholders.

A copy of the modified Constitution is available for review by Shareholders at the Company's website [www.magres.com.au](http://www.magres.com.au) and at the office of the Company. A copy of the modified Constitution can also be sent to Shareholders upon request to the Company Secretary at [bdonovan@arguscorp.com.au](mailto:bdonovan@arguscorp.com.au). Shareholders are invited to contact the Company if they have any queries or concerns.

If Resolution 5 is passed, the Company will adopt the modified Constitution with effect from the date this Resolution 5 is passed.

#### 8.2 **Summary of material proposed changes**

The modifications provide for the ability of the Company to hold general meetings using virtual technology only, as well as physical or hybrid meetings. This improved flexibility is necessary to ensure the Company is able to hold general meetings at times where physical meetings may not be practicable (such as during pandemics).

Set out below are the proposed modifications to Clause 12.3 of the existing Constitution:

Prior to modification:

**12.3 Convening of General Meetings of Shareholders by a Director or requisition**



*Any Director may, whenever he or she thinks fit, convene a general meeting of Shareholders, and a general meeting shall also be convened on requisition as is provided for by the Corporations Act, or in default, may be convened by such requisitions as empowered to do so by the Corporations Act. If there are no Directors for the time being, a Secretary may convene a general meeting of Shareholders for the purpose of enabling the election of Directors but for no other purpose. A general meeting may be held at two or more venues simultaneously using any technology that gives the Shareholders as a whole a reasonable opportunity to participate.*

After modification:

### **12.3 Convening of General Meetings of Shareholders by a Director or requisition**

*Any Director may, whenever he or she thinks fit, convene a general meeting of Shareholders, and a general meeting shall also be convened on requisition as is provided for by the Corporations Act, or in default, may be convened by such requisitions as empowered to do so by the Corporations Act. If there are no Directors for the time being, a Secretary may convene a general meeting of Shareholders for the purpose of enabling the election of Directors but for no other purpose. The Company may hold a meeting of Shareholders at a time determined by the Directors:*

- (a) at one or more physical venues;*
- (b) at one or more physical venues and using virtual meeting technology; and*
- (c) using virtual meeting technology only,*

*provided that, in each case, Shareholders as a whole are given a reasonable opportunity to participate in the meeting, and otherwise in the manner determined by the Directors. If the Directors elect to use virtual meeting technology for a general meeting of the Company, the Directors will determine the type of virtual meeting technology to be used, which may include any combination of telephone, video conferencing, messaging, smartphone application or any other audio and/or visual device which permits instantaneous communication.*

### **8.3 Additional information**

Resolution 5 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 5.

## **9. Resolution 6 – Ratification of issue of December Placement Shares**

### **9.1 General**

On 25 November 2021, the Company announced that it had received binding commitments for a placement to raise approximately \$1.02 million (before costs) through the issue of approximately 710,000 Shares at an issue price of \$1.42 per Share (**December Placement**).

On 2 December 2021, the Company issued a total of 719,329 Shares at an issue price of \$1.42 per Share (**December Placement Shares**) without Shareholder approval under the Company's available Listing Rule 7.1 placement capacity.

Resolution 6 seeks the approval of Shareholders pursuant to Listing Rule 7.4 to ratify the issue of the December Placement Shares.

### **9.2 Listing Rules 7.1 and 7.4**

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

The issue of the December Placement Shares does not fit within any of the exceptions to Listing Rule 7.1 and, as it has not yet been approved by Shareholders, effectively uses up part of the Company's 15% placement capacity under Listing Rule 7.1. This reduces the Company's capacity to issue further Equity Securities without Shareholder approval under Listing Rule 7.1 for the 12 month period following the issue of the December Placement Shares.

Listing Rule 7.4 provides an exception to Listing Rule 7.1. It provides that where a company in a general meeting ratifies the previous issue of securities made pursuant to Listing Rule 7.1 (and provided that the previous issue did not breach Listing Rule 7.1), those securities will be deemed to have been made with shareholder approval for the purpose of Listing Rule 7.1.

The effect of Shareholders passing Resolution 6 will be to allow the Company to retain the flexibility to issue Equity Securities in the future up to the 15% additional placement capacity set out in Listing Rule 7.1, without the requirement to obtain prior Shareholder approval.

If Resolution 6 is passed, 719,329 December Placement Shares will be excluded in calculating the Company's 15% limit in Listing Rule 7.1, effectively increasing the number of Equity Securities it can issue without Shareholder approval over the 12 month period following the issue date.

If Resolution 6 is not passed, 719,329 December Placement Shares will continue to 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, to the extent of 719,329 Equity Securities for the 12 month period following the issue of those December Placement Shares.

### 9.3 **Specific 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 the December Placement Shares:

- (a) The December Placement Shares were issued to sophisticated investors, none of whom is a related party or Material Investor of the Company. The participants in the December Placement were identified through a bookbuild process, which involved the Company seeking expressions of interest to participate in the December Placement from existing Shareholders and new investors.
- (b) A total of 719,329 December Placement Shares were issued using the Company's placement capacity under Listing Rule 7.1.
- (c) The December Placement Shares are fully paid ordinary shares in the capital of the Company and rank equally in all respects with the Company's existing Shares on issue.
- (d) The December Placement Shares were issued on 2 December 2021.
- (e) The December Placement Shares were issued at \$1.42 per Share.
- (f) The proceeds from the issue of the December Placement Shares have been and are intended to be applied towards:
  - (i) additional deep drilling, metallurgical, resource and scoping study work at the Company's Hawks Nest 9 and Lady Julie projects; and
  - (ii) additional working capital.
- (g) There are no other material terms to the agreement for the subscription of the December Placement Shares.
- (h) A voting exclusion statement is included in the Notice.

### 9.4 **Additional information**

Resolution 6 is an ordinary resolution.

The Board recommends that Shareholders vote in favour of Resolution 6.

## **10. Resolution 7 – Ratification of issue of Shares to iDrilling Australia**

### 10.1 **General**

On 7 July 2022, the Company issued 167,340 Shares under a standard drilling agreement entered into between the Company and iDrilling Australia Pty Ltd (**iDrilling Australia**)

**(Drilling Agreement)** as part consideration for the provision of drilling services conducted by iDrilling Australia under the Drilling Agreement (**Drill Shares**).

The Drill Shares were issued at a deemed issue price of \$1.42 per Share without Shareholder approval under the Company's available Listing Rule 7.1 placement capacity.

Resolution 7 seeks the approval of Shareholders pursuant to Listing Rule 7.4 to ratify the issue of the Drill Shares.

## 10.2 **Listing Rules 7.1 and 7.4**

A summary of Listing Rules 7.1 and 7.4 is set out in Section 9.2 above.

The effect of Shareholders passing Resolution 7 will be to allow the Company to retain the flexibility to issue Equity Securities in the future up to the 15% additional placement capacity set out in Listing Rule 7.1, without the requirement to obtain prior Shareholder approval.

If Resolution 7 is passed, 167,340 Drill Shares will be excluded in calculating the Company's 15% limit in Listing Rule 7.1, effectively increasing the number of Equity Securities it can issue without Shareholder approval over the 12 month period following the issue date.

If Resolution 7 is not passed, 167,340 Drill Shares will continue to 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, to the extent of 167,340 Equity Securities for the 12 month period following the issue of those Drill Shares.

## 10.3 **Specific 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 the Drill Shares:

- (a) The Drill Shares were issued to iDrilling Australia (or its nominees). None of whom are a related party or a Material Investor.
- (b) A total of 167,340 Shares were issued using the Company's placement capacity under Listing Rule 7.1.
- (c) The Drill Shares are fully paid ordinary shares in the capital of the Company and rank equally in all respects with the Company's existing Shares on issue.
- (d) The Drill Shares were issued on 7 July 2022.
- (e) The Drill Shares were issued for nil cash consideration but were issued at a deemed issue price of \$1.42 per Share as partial consideration for drilling services carried out by iDrilling Australia pursuant to the Drilling Agreement.
- (f) The Drill Shares were issued under the Drilling Agreement and the material terms of this agreement are that the Company would reimburse iDrilling Australia for drilling services through the issuance of Shares at commercial rates.
- (g) A voting exclusion statement is included in the Notice.

#### 10.4 **Additional information**

Resolution 7 is an ordinary resolution.

The Board recommends that Shareholders vote in favour of Resolution 7.

### 11. **Resolution 8 – Ratification of issue of July Placement Shares**

#### 11.1 **General**

On 13 July 2022, the Company announced that it had received binding commitments for a placement to raise approximately \$1.1 million (before costs) through the issue of 1,052,664 Shares at an issue price of \$1.05 per Share (**July Placement**) as follows:

- (a) 800,285 Shares to sophisticated investors (**July Placement Shares**); and
- (b) 252,379 Shares to participating Directors who wish to participate in the July Placement, subject to Shareholders approving Resolution 9(a) to (d) (inclusive) (**Director July Placement Shares**).

On 21 July 2022, the Company issued a total of 800,285 July Placement Shares without Shareholder approval under the Company's available Listing Rule 7.1 placement capacity.

Resolution 8 seeks the approval of Shareholders pursuant to Listing Rule 7.4 to ratify the issue of the July Placement Shares.

#### 11.2 **Listing Rules 7.1 and 7.4**

A summary of Listing Rules 7.1 and 7.4 is set out in Section 9.2 above.

The effect of Shareholders passing Resolution 8 will be to allow the Company to retain the flexibility to issue Equity Securities in the future up to the 15% additional placement capacity set out in Listing Rule 7.1, without the requirement to obtain prior Shareholder approval.

If Resolution 8 is passed, 800,285 July Placement Shares will be excluded in calculating the Company's 15% limit in Listing Rule 7.1, effectively increasing the number of Equity Securities it can issue without Shareholder approval over the 12 month period following the issue date.

If Resolution 8 is not passed, 800,285 July Placement Shares will continue to 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, to the extent of 800,285 Equity Securities for the 12 month period following the issue of those July Placement Shares.

#### 11.3 **Specific 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 the July Placement Shares:

- (a) The July Placement Shares were issued to sophisticated investors, none of whom is a related party or Material Investor of the Company. The participants in the July Placement were identified through a bookbuild process, which involved the Company

seeking expressions of interest to participate in the July Placement from existing Shareholders and new investors.

- (b) A total of 800,285 July Placement Shares were issued using the Company's placement capacity under Listing Rule 7.1.
- (c) The July Placement Shares are fully paid ordinary shares in the capital of the Company and rank equally in all respects with the Company's existing Shares on issue.
- (d) The July Placement Shares were issued on 21 July 2022.
- (e) The July Placement Shares were issued at \$1.05 per Share.
- (f) The proceeds from the issue of the July Placement Shares have been and are intended to be applied towards:
  - (i) resource and scoping study work and drilling at the Company's Lady Julie 4 deposit; and
  - (ii) additional working capital.
- (g) There are no other material terms to the agreement for the subscription of the July Placement Shares.
- (h) A voting exclusion statement is included in the Notice.

#### 11.4 **Additional information**

Resolution 8 is an ordinary resolution.

The Board recommends that Shareholders vote in favour of Resolution 8.

## 12. **Resolution 9 – Approval of issue of Director July Placement Shares**

### 12.1 **General**

The background to the proposed issue of the Director July Placement Shares is in Section 11.1 above.

Resolution 9(a) to (d) (inclusive) seek Shareholder approval pursuant to Listing Rule 10.11 and section 195(4) of the Corporations Act for the issue of up to 252,379 Director July Placement Shares to the Directors (or their respective nominees) on the same terms as the other participants under the July Placement.

The Directors have committed a total of \$265,000 under the July Placement. The Director July Placement Shares will be issued in the following proportions:

<b>Director</b>	<b>Amount committed (\$)</b>	<b>Number of Director July Placement Shares</b>
Eric Lim	80,000	76,190
George Sakalidis	60,000	57,142

Ben Donovan	20,000	19,047
Hian Siang Chan	105,000	100,000
<b>Total</b>	<b>265,000</b>	<b>252,379</b>

## 12.2 Listing Rule 10.11

Listing Rule 10.11 provides that unless one of the exceptions in Listing Rule 10.12 applies, a listed company must not issue or agree to issue Equity Securities to any of the following persons without the approval of its Shareholders:

- (a) a related party (Listing Rule 10.11.1);
- (b) a person who is, or was at any time in the 6 months before the issue or agreement, a substantial holder (30%+) in the company (Listing Rule 10.11.2);
- (c) a person who is, or was at any time in the 6 months before the issue or agreement, a substantial holder (10%+) in the company and who has nominated a director to the board of the company pursuant to a relevant agreement which gives them a right or expectation to do so (Listing Rule 10.11.3);
- (d) an associate of a person referred to in Listing Rules 10.11.1 to 10.11.3 (Listing Rule 10.11.4); or
- (e) a person whose relation with the company or a person referred to in Listing Rule 10.11.1 or 10.11.4 is such that, in ASX's opinion, the issue or agreement should be approved by its shareholders (Listing Rule 10.11.5).

The Directors are related parties of the Company by virtue of each being a Director of the Company. Shareholder approval pursuant to Listing Rule 10.11 is therefore required unless an exception applies. It is the view of the Board that the exceptions set out in Listing Rule 10.12 do not apply in the current circumstances.

Approval pursuant to Listing Rule 7.1 is not required for the issue of the as approval is being obtained under Listing Rule 10.11. Accordingly, the issue of the Director July Placement Shares to the Directors (or their respective nominees) will not be included in the Company's 15% annual placement capacity pursuant to Listing Rule 7.1.

The effect of Shareholders passing Resolution 9(a) to (d) (inclusive) will be to allow the Company to issue the Director July Placement Shares, raising \$265,000 (before costs).

If Resolution 9(a) to (d) (inclusive) is not passed, the Company will not be able to proceed with the issue of the Director July Placement Shares, and will not receive the additional \$265,000 committed by the Directors.

## 12.3 Specific information required by Listing Rule 10.13

Pursuant to and in accordance with Listing Rule 10.13, the following information is provided in relation to the proposed issue of the Director July Placement Shares:

- (a) The Director July Placement Shares will be issued to the Directors (or their respective nominees), as follows:

Director	Amount committed (\$)	Number of Director July
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		<b>Placement Shares</b>
Eric Lim	80,000	76,190
George Sakalidis	60,000	57,142
Ben Donovan	20,000	19,047
Hian Siang Chan	105,000	100,000
<b>Total</b>	<b>265,000</b>	<b>252,379</b>

- (b) The Directors fall into the category stipulated by Listing Rule 10.11.1 by virtue of each being a Director of the Company. In the event the Director July Placement Shares are issued to a nominee of a Director, that nominee will fall into the category stipulated by Listing Rule 10.11.4.
- (c) A maximum of 252,379 Director July Placement Shares will be issued to the Directors (or their respective nominees) in the manner and form set out in Section 12.1 above.
- (d) The Director July Placement Shares are fully paid ordinary shares in the capital of the Company and rank equally in all respects with the Company's existing Shares on issue.
- (e) The Director July Placement Shares will be issued no later than one month after the date of the Meeting.
- (f) The Director July Placement Shares will be issued at \$1.05 per Share, being the same price at which the July Placement Shares were issued to the other participants in the July Placement.
- (g) The proceeds from the issue of the Director July Placement Shares are intended to be applied towards:
  - (i) resource and scoping study work and drilling at the Company's Lady Julie 4 deposit; and
  - (ii) additional working capital.
- (h) The proposed issue of the Director July Placement Shares are not intended to remunerate or incentivise the Directors.
- (i) There are no other material terms to the proposed issue of the Director July Placement Shares.
- (j) A voting exclusion statement is included in the Notice.

#### 12.4 **Section 195 of the Corporations Act**

Section 195(1) of the Corporations Act prohibits a director of a public company who has a material personal interest in a matter that is being considered at a meeting of directors from being present while the matter is being considered at the meeting or voting on the matter. If there is not a quorum of directors who are eligible to vote on a matter because of the operation of section 195(1) of the Corporations Act, one or more directors may call a general meeting and the general meeting may deal with the matter.

The Directors have a personal interest in the outcome of each of their respective Resolutions



under Resolution 9(a) to (d) (inclusive) and have exercised their right under section 195(4) of the Corporations Act to put the issue of the Director July Placement Shares to the Directors to Shareholders to resolve upon.

## 12.5 Chapter 2E of the Corporations Act

In accordance with Chapter 2E of the Corporations Act, in order to give a financial benefit to a related party, the Company must:

- (a) obtain Shareholder approval in the manner set out in section 217 to 227 of the Corporations Act; and
- (b) give the benefit within 15 months following such approval,

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

The proposed issue of the Director July Placement Shares constitutes giving a financial benefit to related parties of the Company.

The Board considers that Shareholder approval pursuant to Chapter 2E of the Corporations Act is not required in respect of the issue of the Director July Placement Shares because the Director July Placement Shares will be issued on the same terms as those July Placement Shares issued to non-related party participants in the July Placement and as such the giving of the financial benefit is on arm's length terms.

## 12.6 Additional information

Resolution 9(a) to (d) (inclusive) are separate independent resolutions and are each an ordinary resolution.

The Board declines to make a recommendation in respect of Resolution 9(a) to (d) (inclusive) as each of the Directors have a personal interest in the Resolutions.

## 13. Resolution 10 – Ratification of issue of September Placement Shares

### 13.1 General

On 7 September 2022, the Company announced that it had received binding commitments for a placement to raise approximately \$3.44 million (before costs) through the issue of 3,823,719 Shares at an issue price of \$0.90 per Share (**September Placement**) as follows:

- (a) 3,157,053 Shares to sophisticated investors (**September Placement Shares**); and
- (b) 666,666 Shares to participating Directors who wish to participate in the September Placement, subject to Shareholders approving Resolution 11(a) and (b) (**Director September Placement Shares**).

On 16 September 2022, the Company issued a total of 3,157,053 September Placement Shares without Shareholder approval under the Company's available Listing Rule 7.1 placement capacity.

Resolution 10 seeks the approval of Shareholders pursuant to Listing Rule 7.4 to ratify the issue of the September Placement Shares.

### 13.2 **Listing Rules 7.1 and 7.4**

A summary of Listing Rules 7.1 and 7.4 is set out in Section 9.2 above.

The effect of Shareholders passing Resolution 10 will be to allow the Company to retain the flexibility to issue Equity Securities in the future up to the 15% additional placement capacity set out in Listing Rule 7.1, without the requirement to obtain prior Shareholder approval.

If Resolution 10 is passed, 3,157,053 September Placement Shares will be excluded in calculating the Company's 15% limit in Listing Rule 7.1, effectively increasing the number of Equity Securities it can issue without Shareholder approval over the 12 month period following the issue date.

If Resolution 10 is not passed, 3,157,053 September Placement Shares will continue to 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, to the extent of 3,157,053 Equity Securities for the 12 month period following the issue of those September Placement Shares.

### 13.3 **Specific 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 the September Placement Shares:

- (a) The September Placement Shares were issued to sophisticated investors, none of whom is a related party or Material Investor of the Company. The participants in the September Placement were identified through a bookbuild process, which involved the Company seeking expressions of interest to participate in the September Placement from existing Shareholders and new investors.
- (b) A total of 3,157,023 September Placement Shares were issued using the Company's placement capacity under Listing Rule 7.1.
- (c) The September Placement Shares are fully paid ordinary shares in the capital of the Company and rank equally in all respects with the Company's existing Shares on issue.
- (d) The September Placement Shares were issued on 16 September 2022.
- (e) The September Placement Shares were issued at \$0.90 per Share.
- (f) The proceeds from the issue of the September Placement Shares have been and are intended to be applied towards:
  - (i) advancing the development approvals, economic studies, evaluate nearby processing facilities, drilling extensions on the Company's Lady Julie 4 Gold Deposit; and

- (ii) additional working capital.
- (g) There are no other material terms to the agreement for the subscription of the September Placement Shares.
- (h) A voting exclusion statement is included in the Notice.

#### 13.4 **Additional information**

Resolution 10 is an ordinary resolution.

The Board recommends that Shareholders vote in favour of Resolution 10.

### 14. **Resolution 11 – Approval of issue of Director September Placement Shares**

#### 14.1 **General**

The background to the proposed issue of the Director September Placement Shares is in Section 13.1 above.

Resolution 11(a) and (b) seek Shareholder approval pursuant to Listing Rule 10.11 for the issue of up to 666,666 Director September Placement Shares to Eric Lim and Hian Siang Chan (or their respective nominees) on the same terms as the other participants under the September Placement.

Eric Lim and Hian Siang Chan have committed a total of \$600,000 under the September Placement. The Director September Placement Shares will be issued in the following proportions:

<b>Director</b>	<b>Amount committed (\$)</b>	<b>Number of Director September Placement Shares</b>
Eric Lim	200,000	222,222
Hian Siang Chan	400,000	444,444
<b>Total</b>	<b>600,000</b>	<b>666,666</b>

#### 14.2 **Listing Rule 10.11**

A summary of Listing Rule 10.11 is set out in Section 12.2 above.

Eric Lim and Hian Siang Chan are each a related party of the Company by virtue of each being a Director of the Company. Shareholder approval pursuant to Listing Rule 10.11 is therefore required unless an exception applies. It is the view of the Board that the exceptions set out in Listing Rule 10.12 do not apply in the current circumstances.

Approval pursuant to Listing Rule 7.1 is not required for the issue of the as approval is being obtained under Listing Rule 10.11. Accordingly, the issue of the Director September Placement Shares will not be included in the Company's 15% annual placement capacity pursuant to Listing Rule 7.1.

The effect of Shareholders passing Resolution 9(a) will be to allow the Company to issue

222,222 Director September Placement Shares to Eric Lim (or his nominees), raising \$200,000 (before costs).

The effect of Shareholders passing Resolution 9(b) will be to allow the Company to issue 444,444 Director September Placement Shares to Hian Siang Chan (or his nominees), raising \$400,000 (before costs).

If Resolution 9(a) is not passed, the Company will not be able to proceed with the issue of 222,222 Director September Placement Shares to Eric Lim (or his nominees), and will not receive the additional \$200,000 committed by Eric Lim.

If Resolution 9(b) is not passed, the Company will not be able to proceed with the issue of 444,444 Director September Placement Shares to Hian Siang Chan (or his nominees), and will not receive the additional \$400,000 committed by Hian Siang Chan.

#### 14.3 **Specific information required by Listing Rule 10.13**

Pursuant to and in accordance with Listing Rule 10.13, the following information is provided in relation to the proposed issue of the Director September Placement Shares:

- (a) The Director September Placement Shares will be issued to Eric Lim and Hian Siang Chan (or their respective nominees), as follows:

<b>Director</b>	<b>Amount committed (\$)</b>	<b>Number of Director September Placement Shares</b>
Eric Lim	200,000	222,222
Hian Siang Chan	400,000	444,444
<b>Total</b>	<b>600,000</b>	<b>666,666</b>

- (b) Eric Lim and Hian Siang Chan fall into the category stipulated by Listing Rule 10.11.1 by virtue of each being a Director of the Company. In the event the Director September Placement Shares are issued to a nominee, that nominee will fall into the category stipulated by Listing Rule 10.11.4.
- (c) A maximum of 666,666 Director September Placement Shares will be issued.
- (d) The Director September Placement Shares are fully paid ordinary shares in the capital of the Company and rank equally in all respects with the Company's existing Shares on issue.
- (e) The Director September Placement Shares will be issued no later than one month after the date of the Meeting.
- (f) The Director September Placement Shares will be issued at \$0.90 per Share, being the same price at which the September Placement Shares were issued to the other participants in the September Placement.
- (g) The proceeds from the issue of the Director September Placement Shares are intended to be applied towards:

- (i) advancing the development approvals, economic studies, evaluate nearby processing facilities, drilling extensions on the Company's Lady Julie 4 Gold Deposit; and
  - (ii) additional working capital.
- (h) The proposed issue of the Director September Placement Shares are not intended to remunerate or incentivise Eric Lim or Hian Siang Chan.
- (i) There are no other material terms to the proposed issue of the Director September Placement Shares.
- (j) A voting exclusion statement is included in the Notice.

#### 14.4 **Chapter 2E of the Corporations Act**

In accordance with Chapter 2E of the Corporations Act, in order to give a financial benefit to a related party, the Company must:

- (a) obtain Shareholder approval in the manner set out in section 217 to 227 of the Corporations Act; and
- (b) give the benefit within 15 months following such approval,

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

The proposed issue of the Director September Placement Shares constitutes giving a financial benefit to related parties of the Company.

The Board (other than Eric Lim and Hian Siang Chan who each have a personal interest in the outcome of the Resolutions) considers that Shareholder approval pursuant to Chapter 2E of the Corporations Act is not required in respect of the issue of the Director September Placement Shares because the Director September Placement Shares will be issued on the same terms as those September Placement Shares issued to non-related party participants in the September Placement and as such the giving of the financial benefit is on arm's length terms.

#### 14.5 **Additional information**

Resolution 11(a) and (b) are separate independent resolutions and are each an ordinary resolution.

The Board (other than Eric Lim and Hian Siang Chan who each have a personal interest in the outcome of the Resolutions) recommends that Shareholders vote in favour of Resolution 11(a) and (b).

## 15. Resolution 12 – Approval of issue of Director Options

### 15.1 General

The Company is proposing, subject to obtaining Shareholder approval, to issue up to a total of 3,750,000 Options to Directors, Eric Lim, George Sakalidis, Ben Donovan and Hian Siang Chan, or their respective nominees, (**Director Options**) as follows

<b>Director</b>	<b>Director Options<sup>(1)</sup></b>
Eric Lim ( <i>Non-Executive Chairman</i> )	750,000
George Sakalidis ( <i>Managing Director</i> )	1,500,000
Ben Donovan ( <i>Non-Executive Director &amp; Company Secretary</i> )	750,000
Hian Siang Chan ( <i>Non-Executive Director</i> )	750,000
<b>TOTAL</b>	<b>3,750,000</b>

- The Director Options are exercisable at the price equivalent to 150% of the 5-day VWAP of the Company's shares actually traded on the ASX, calculated up to and including the date of the Meeting. The Directors Options expire on the date that is 3 years from the date of issue and will vest immediately upon issue. The terms and conditions of the Director Options are in Schedule 2.*

The Company is in an important stage of development with significant opportunities and challenges in both the near and long-term, and the proposed issue of the Director Options seeks to align the efforts of the Directors in seeking to achieve growth of the Share price and in the creation of Shareholder value. In addition, the Board also believes that incentivising with Options is a prudent means of conserving the Company's available cash reserves. The Board believes it is important to offer these Director Options to continue to attract and maintain highly experienced and qualified Board members in a competitive market.

Resolution 12(a) to (d) (inclusive) seeks Shareholder approval pursuant to Listing Rule 10.11 and sections 195(4) and 208 of the Corporations Act for the issue of up to 3,750,000 Director Options to the Directors or their respective nominees.

### 15.2 Listing Rule 10.11

A summary of Listing Rule 10.11 is set out in Section 12.2 above.

Each of Messrs Eric Lim, George Sakalidis, Ben Donovan and Hian Siang Chan is a related party of the Company by virtue of being a Director. Shareholder approval pursuant to Listing Rule 10.11 is therefore required unless an exception applies. It is the view of the Board that the exceptions set out in Listing Rule 10.12 do not apply in the current circumstances.

Approval pursuant to Listing Rule 7.1 is not required for the issue of the as approval is being obtained under Listing Rule 10.11. Accordingly, the issue of the Director Options to the

Directors (or their respective nominees) will not be included in the Company's 15% annual placement capacity pursuant to Listing Rule 7.1.

The effect of Shareholders passing Resolution 12(a) to (d) (inclusive) will be to allow the Company to issue the Director Options to the Directors (or their respective nominees) in the proportions listed above.

If Resolution 12(a) to (d) (inclusive) are not passed, the Company will not be able to proceed with the issue of the Director Options to the Directors (or their respective nominees) and the Company will consider other alternative commercial means to incentivise the Directors, including by the payment of cash, subject to the requirements of the Constitution, Corporations Act and Listing Rules.

### 15.3 **Specific information required by Listing Rule 10.13**

Pursuant to and in accordance with Listing Rule 10.13, the following information is provided in relation to the proposed issue of the Director Options:

- (a) The Director Options will be issued to:
  - (i) Eric Lim pursuant to Resolution 12(a);
  - (ii) George Sakalidis pursuant to Resolution 12(b);
  - (iii) Ben Donovan pursuant to Resolution 12(c); and
  - (iv) Hian Siang Chan pursuant to Resolution 12(d),or their respective nominees.
- (b) Each of Eric Lim, George Sakalidis, Ben Donovan and Hian Siang Chan are a related party of the Company by virtue of being a Director of the Company and fall into the category stipulated by Listing Rule 10.11.1. In the event the Director Options are issued to a nominee of a Director, that nominee will fall into the category stipulated by Listing Rule 10.11.4.
- (c) An aggregate maximum of 3,750,000 Director Options will be issued to the Directors (or their respective nominees) in the proportions set out in Section 15.1 above.
- (d) The Director Options will be issued on the terms and conditions set out in Schedule 2.
- (e) The Director Options will be issued to the Directors (or their respective nominees) as soon as practicable following the Meeting and in any event not later than one month after the Meeting.
- (f) The Director Options will be issued for nil cash consideration as they will be issued as part of each Directors' remuneration package. Accordingly, no funds will be raised as a result of the issue.
- (g) The current total annual remuneration package for each of the Directors as at the date of this Notice is set out in the table below:

<b>Director</b>	<b>Salary and fees (inclusive of superannuation)</b>
Eric Lim ( <i>Non-Executive Chairman</i> )	\$52,900
George Sakalidis ( <i>Managing Director</i> )	\$330,635
Ben Donovan ( <i>Non-Executive Director &amp; Company Secretary</i> )	\$22,000
Hian Siang Chan ( <i>Non-Executive Director</i> )	\$52,900

- (h) There are no other material terms to the proposed issue of the Director Options.
- (i) A voting exclusion statement is included in the Notice.

#### 15.4 **Section 195 of the Corporations Act**

A summary of section 195(1) of the Corporations Act is set out in Section 12.4 above.

The Directors have a personal interest in the outcome of each of their respective Resolutions under Resolution 12(a) to (d) (inclusive) and have exercised their right under section 195(4) of the Corporations Act to put the issue of the Director Options to the Directors to Shareholders to resolve upon.

#### 15.5 **Chapter 2E of the Corporations Act**

In accordance with Chapter 2E of the Corporations Act, in order to give a financial benefit to a related party, the Company must:

- (a) obtain Shareholder approval in the manner set out in section 217 to 227 of the Corporations Act; and
- (b) give the benefit within 15 months following such approval, unless the giving of the financial benefit falls within an exception set out in sections 210 to 216 of the Corporations Act.

The proposed issue of the Director Options constitutes giving a financial benefit to related parties of the Company.

It is the view of the Board that the exceptions set out in sections 210 to 216 of the Corporations Act do not apply in the current circumstances. Accordingly, the Company is seeking approval for the purposes of Chapter 2E of the Corporations Act in respect of the Director Options proposed to be issued to the Directors pursuant to Resolution 12(a) to (d) (inclusive).

#### 15.6 **Information required under Chapter 2E of the Corporations Act**

Pursuant to and in accordance with section 219 of the Corporations Act, the following



information is provided in relation to the proposed issue of the Director Options:

(a) **Identity of the related parties to whom Resolution 12(a) to (d) (inclusive) would permit financial benefits to be given**

Refer to Section 15.3(a) above.

(b) **Nature of the financial benefit**

Resolution 12(a) to (d) (inclusive) seeks Shareholder approval to allow the Company to issue the Director Options in the amounts specified in Section 15.1 to the Directors (or their respective nominees).

The Director Options are to be issued on the terms and conditions in Schedule 2.

The Shares to be issued upon conversion of the Director Options will be fully paid ordinary Shares in the capital of the Company on the same terms and conditions as the Company's existing Shares and will rank equally in all respects with the Company's existing Shares. The Company will apply for official quotation of the Shares on ASX.

(c) **Board recommendations**

Given the personal interests of all the Directors in the outcome of this Resolution, the Board declines to make a recommendation to Shareholders in relation to Resolution 12(a) to (d) (inclusive).

(d) **Valuation of financial benefit**

Using a Black and Scholes valuation model, the Company's valuation of the Director Options is in Schedule 3 with a summary below:

<b>Director</b>	<b>Director Options</b>	<b>Valuation</b>
Eric Lim ( <i>Non-Executive Chairman</i> )	750,000	\$285,000
George Sakalidis ( <i>Managing Director</i> )	1,500,000	\$570,000
Ben Donovan ( <i>Non-Executive Director &amp; Company Secretary</i> )	750,000	\$285,000
Hian Siang Chan ( <i>Non-Executive Director</i> )	750,000	\$285,000
<b>TOTAL</b>	<b>3,750,000</b>	<b>\$1,425,000</b>

(e) **Remuneration of the Directors**

Refer to Section 15.3(g) above.

(f) **Existing relevant interest of the Directors**

At the date of this Notice, the Directors hold the following relevant interests in Equity Securities of the Company:

<b>Director</b>	<b>Shares</b>	<b>Partly Paid Shares<sup>(1)</sup></b>	<b>Options<sup>(2)</sup></b>
Eric Lim ( <i>Non-Executive Chairman</i> )	9,491,794	Nil	900,000
George Sakalidis ( <i>Managing Director</i> )	7,944,336	3,135,714	1,800,000
Ben Donovan ( <i>Non-Executive Director &amp; Company Secretary</i> )	Nil	60,000	600,000
Hian Siang Chan ( <i>Non-Executive Director</i> )	29,064,538	Nil	Nil

1. *Partly Paid Shares are convertible to Shares at \$0.20 each.*

2. *Options are exercisable at \$1.515 each and expire on 31 December 2024.*

Assuming that Resolution 12(a) to (d) (inclusive) are approved by Shareholders, all of the Director Options are issued, vested and exercised into Shares, and no other Equity Securities are issued or exercised (including any existing Options or Partly Paid Shares held by the Directors as at the date of this Notice), the interests of each of the Directors in the Company would (based on the Share capital as at the date of this Notice) be as follows:

- (i) Eric Lim would hold approximately 4.41% of the Company's issued Share capital;
- (ii) George Sakalidis would hold approximately 4.07% of the Company's issued Share capital;
- (iii) Ben Donovan would hold approximately 0.32% of the Company's issued Share capital; and
- (iv) Hian Siang Chan would hold approximately 12.84% of the Company's issued Share capital.

(g) **Dilution**

The issue of the Director Options will have a diluting effect on the percentage interest of existing Shareholders' holdings if the Director Options vest and are exercised. The potential dilution if all Director Options vest and are exercised into Shares is 1.61%. This figure assumes the current Share capital structure as at the date of this Notice and that no Shares are issued other than the Shares issued on exercise of the Director Options.

The exercise of all of the Director Options will result in a total dilution of all other Shareholders' holdings of 1.46% on a fully diluted basis (assuming that all other Securities are exercised and converted to Shares). The actual dilution will depend on the extent that additional Shares are issued by the Company.

(h) **Trading history**

The highest and lowest closing market sale prices of the Shares on ASX during the 12 months prior to the date of this Notice were:

**Highest:** \$1.66 per Share on 25 to 28 October 2021 and 18 November 2021

**Lowest:** \$0.795 per Share on 27 September 2022

The latest available closing market sale price of the Shares on ASX prior to the date of this Notice was \$0.92 per Share on 20 October 2022.

(i) **Corporate governance**

George Sakalidis is an Executive Director of the Company and therefore the Board (other than George Sakalidis) believe that the grant of those Director Options to George Sakalidis is in line with Recommendation 8.2 of the 4<sup>th</sup> Edition of the ASX Corporate Governance Council's Corporate Governance Principles and Recommendations (**Recommendations**).

The Board notes that the grant of those Director Options to Eric Lim, Ben Donovan and Hian Siang Chan (together, the **Non-Executive Directors**) is in line with Recommendation 8.2 of the Recommendations and that the grant does not affect the independence of the Non-Executive Directors as there are no performance-based milestones attaching to those Director Options.

(j) **Taxation consequences**

There are no taxation consequences for the Company arising from the issue of the Director Options (including fringe benefits tax).

(k) **Other information**

The Board is not aware of any other information that would be reasonably required by Shareholders to allow them to make a decision whether it is in the best interests of the Company to pass Resolution 12(a) to (d) (inclusive).

## 15.7 **Additional information**

Each of Resolution 12(a) to (d) (inclusive) are separate independent resolutions and are each an ordinary resolution.

## Schedule 1 Definitions

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

<b>\$</b>	means Australian Dollars.
<b>10% Placement Facility</b>	has the meaning given in Section 6.
<b>10% Placement Period</b>	has the meaning given in Section 7.2(f).
<b>Annual Report</b>	means the Directors' Report, the Financial Report, and Auditor's Report, in respect to the year ended 30 June 2022.
<b>ASIC</b>	means the Australian Securities and Investments Commission.
<b>ASX</b>	means the ASX Limited (ABN 98 008 624 691) and, where the context permits, the Australian Securities Exchange operated by ASX Limited.
<b>Auditor's Report</b>	means the auditor's report on the Financial Report.
<b>AWST</b>	means Australian Western Standard Time, being the time in Perth, Western Australia.
<b>Board</b>	means the board of Directors.
<b>Chair</b>	means the person appointed to chair the Meeting of the Company convened by the Notice.
<b>Closely Related Party</b>	means: <ul style="list-style-type: none"><li>(a) a spouse or child of the member; or</li><li>(b) has the meaning given in section 9 of the Corporations Act.</li></ul>
<b>Company</b>	means Magnetic Resources NL (ABN 34 121 370 232).
<b>Constitution</b>	means the constitution of the Company as at the date of the Meeting.
<b>Corporations Act</b>	means the <i>Corporations Act 2001</i> (Cth) as amended or modified from time to time.
<b>December Placement</b>	means a capital raising of approximately \$1.02 million (before costs) through the issue of 719,329 December Placement Shares, as announced by the Company on 25 November 2021.
<b>December Placement Shares</b>	means 719,329 Shares issued under the December Placement at an issue price of \$1.42 per Share, the subject of Resolution 6.
<b>Director</b>	means a director of the Company.
<b>Director July Placement Shares</b>	means 252,379 Shares to be issued to the Directors (or their respective nominees) at an issue price of \$1.05 per Share, the subject of Resolution 9(a) to (d) (inclusive).

<b>Director September Placement Shares</b>	means 666,666 Shares to be issued to Directors, Eric Lim and Hian Siang Chan (or their respective nominees) at an issue price of \$0.90 per Share, the subject of Resolution 11(a) and (b).
<b>Director Options</b>	means up to 3,750,000 Options to be issued to the Directors (or their respective nominees), the subject of Resolution 12(a) to (d) (inclusive).
<b>Directors' Report</b>	means the annual directors' report prepared under Chapter 2M of the Corporations Act for the Company and its controlled entities.
<b>Drill Shares</b>	means the issue of 167,340 Shares to iDrilling Australia as part consideration for the provision of drilling services conducted by iDrilling Australia under the Drilling Agreement, the subject of Resolution 7.
<b>Drilling Agreement</b>	has the meaning given in Section 10.1.
<b>Equity Security</b>	has the same meaning as in the Listing Rules.
<b>Explanatory Memorandum</b>	means the explanatory memorandum which forms part of the Notice.
<b>Financial Report</b>	means the annual financial report prepared under Chapter 2M of the Corporations Act for the Company and its controlled entities.
<b>iDrilling Australia</b>	means iDrilling Australia Pty Ltd (ACN 632 452 325).
<b>July Placement</b>	means a capital raising of approximately \$1.1 million (before costs) through the issue of 800,285 July Placement Shares and proposed issue of 252,379 Director July Placement Shares, as announced by the Company on 13 July 2022.
<b>July Placement Shares</b>	means 800,285 Shares issued under the July Placement at an issue price of \$1.05 per Share, the subject of Resolution 8.
<b>Key Management Personnel</b>	has the same meaning as in the accounting standards issued by the 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.
<b>Listing Rules</b>	means the listing rules of ASX.
<b>Material Investor</b>	means in relation to the Company: <ul style="list-style-type: none"> <li>(a) a related party;</li> <li>(b) Key Management Personnel;</li> <li>(c) a substantial Shareholder;</li> <li>(d) an advisor; or</li> <li>(e) an associate of the above,</li> </ul>

who received Shares which constituted more than 1% of the Company's issued capital at the time of issue.

<b>Meeting</b>	has the meaning given in the introductory paragraph of the Notice.
<b>Notice</b>	means this notice of annual general meeting.
<b>Option</b>	means an option to acquire a Share.
<b>Partly Paid Shares</b>	means a partly paid contributing share in the capital of the Company, paid to Nil and unpaid to \$0.20.
<b>Proxy Form</b>	means the proxy form attached to the Notice.
<b>Remuneration Report</b>	means the remuneration report of the Company contained in the Directors' Report.
<b>Resolution</b>	means a resolution referred to in the Notice.
<b>Schedule</b>	means a schedule to the Notice.
<b>Section</b>	means a Section of this Notice.
<b>Securities</b>	means any Equity Securities of the Company (including Shares, Partly Paid Shares, Options and/or Performance Rights).
<b>September Placement</b>	means a capital raising of approximately \$3.44 million (before costs) through the issue of 3,157,053 September Placement Shares and proposed issue of 666,666 Director September Placement Shares, as announced by the Company on 7 September 2022.
<b>September Placement Shares</b>	means 3,157,053 Shares issued under the September Placement at an issue price of \$0.90 per Share, the subject of Resolution 10.
<b>Share</b>	means a fully paid ordinary share in the capital of the Company.
<b>Shareholder</b>	means the holder of a Share.
<b>Strike</b>	has the meaning given in Section 4.1.
<b>VWAP</b>	means volume-weighted average price of Shares traded on ASX.

## Schedule 2 Terms and conditions of Director Options

The terms and conditions of the Director Options (**Options**) are as follows:

1. (**Entitlement**): Each Option entitles the holder to subscribe for one Share upon exercise of the Option.
2. (**Expiry Date**): Each Option will expire at 5:00pm (AWST) on the date that is 3 years from the date of issue (**Expiry Date**). An Option not exercised before the Expiry Date will automatically lapse on the Expiry Date.
3. (**Exercise Period**): The Options are exercisable at any time on or prior to the Expiry Date.
4. (**Exercise Price**): Subject to adjustment in accordance with paragraph 14, the amount payable upon exercise of each Option will be 150% of the 5-day VWAP of the Company's shares actually traded on the ASX, calculated up to and including the date of the Meeting (**Exercise Price**).
5. (**Quotation of the Options**): The Company will not apply for quotation of the Options on any securities exchange.
6. (**Transferability**): The Options are not transferable.
7. (**Notice of Exercise**): The Options may be exercised by notice in writing to the Company in the manner specified on the Option certificate (**Notice of Exercise**) and, if applicable, payment of the Exercise Price for each Option being exercised in Australian currency by electronic funds transfer or other means of payment acceptable to the Company.

Any Notice of Exercise of an Option received by the Company will be deemed to be a notice of the exercise of that Option as at the date of receipt of the Notice of Exercise and, if applicable, the date of receipt of the payment of the Exercise Price for each Option being exercised in cleared funds (**Exercise Date**).

8. (**Timing of issue of Shares on exercise**): Within 5 Business Days after the Exercise Date the Company will, subject to paragraphs 9 and 12:
  - (a) allot and issue the number of Shares required under these terms and conditions in respect of the number of Options specified in the Notice of Exercise and for which, if applicable, cleared funds have been received by the Company; and
  - (b) if required, give ASX a notice that complies with section 708A(5)(e) of the Corporations Act.
9. (**Restrictions on transfer of Shares**): If the Company is unable to give ASX a notice that complies with section 708A(5)(e) of the Corporations Act, Shares issued on exercise of the Options may not be traded and will be subject to a holding lock until 12 months after their issue unless the Company, at its sole discretion, elects to issue a prospectus pursuant to section 708A(11) of the Corporations Act.
10. (**Timing of application for quotation**): If admitted to the official list of ASX at the time, the Company must apply for official quotation on ASX of Shares issued pursuant to the exercise of the Options within 10 Business Days of the end of the quarter in which the exercise occurred, or within such other time period required by the Listing Rules.
11. (**Shares issued on exercise**): Shares issued on exercise of the Options rank equally with the then issued shares of the Company.

12. **(Cashless exercise of Options):** The holder of Options may elect not to be required to provide payment of the Exercise Price for the number of Options specified in a Notice of Exercise but that on exercise of those Options the Company will transfer or allot to the holder that number of Shares equal in value to the positive difference between the then Market Value of the Shares at the time of exercise and the Exercise Price that would otherwise be payable to exercise those Options (with the number of Shares rounded down to the nearest whole Share).
- Market Value** means, at any given date, the VWAP per Share traded on the ASX over the five (5) trading days immediately preceding that given date
13. **(Takeovers prohibition):**
- (a) the issue of Shares on exercise of the Options is subject to and conditional upon the issue of the relevant Shares not resulting in any person being in breach of section 606(1) of the Corporations Act; and
  - (b) the Company will not be required to seek the approval of its members for the purposes of item 7 of section 611 of the Corporations Act to permit the issue of any Shares on exercise of the Options.
14. **(Reconstruction of capital):** If at any time the issued capital of the Company is reconstructed, all rights of an Option holder are to be changed in a manner consistent with the Corporations Act and the Listing Rules at the time of the reconstruction.
15. **(Participation in new issues):** There are no participation rights or entitlements inherent in the Options and holders will not be entitled to participate in new issues of capital offered to Shareholders during the currency of the Options without exercising the Options.
16. **(Entitlement to dividends):** The Options do not confer any entitlement to a dividend, whether fixed or at the discretion of the directors, during the currency of the Options without exercising the Options.
17. **(Entitlement to capital return):** The Options do not confer any right to a return of capital, whether in a winding up, upon a reduction of capital or otherwise, and similarly do not confer any right to participate in the surplus profit or assets of the Company upon a winding up, in each case, during the currency of the Options without exercising the Options.
18. **(Adjustments for reorganisation):** If there is any reorganisation of the issued share capital of the Company, the rights of the Option holder will be varied in accordance with the Listing Rules.
19. **(Adjustment for bonus issues of Shares):** If the Company makes a bonus issue of Shares or other securities to existing Shareholders (other than an issue in lieu or in satisfaction of dividends or by way of dividend reinvestment):
- (a) the number of Shares which must be issued on the exercise of an Option will be increased by the number of Shares which the Option holder would have received if the Option holder had exercised the Option before the record date for the bonus issue; and
  - (b) no change will be made to the Exercise Price.
20. **(Change in exercise price):** There will be no change to the exercise price of the Options or the number of Shares over which the Options are exercisable in the event of the Company making a pro-rata issue of Shares or other securities to the holders of Shares in the Company (other than a bonus issue).



21. **(Voting rights):** The Options do not confer any right to vote at meetings of members of the Company, except as required by law, during the currency of the Options without first exercising the Options.
22. **(Constitution):** Upon the issue of Shares on exercise of the Options, the holder agrees to be bound by the Company's constitution.

## Schedule 3 Valuation of Director Options

The Director Options have been valued by the Company according to a Black-Scholes valuation model on the following assumptions:

Director	Eric Lim	George Sakalidis	Ben Donovan	Hian Siang Chan
Number of Director Options	750,000	1,500,000	750,000	750,000
Grant Date	29-Nov-22	29-Nov-22	29-Nov-22	29-Nov-22
Spot Price	\$0.920	\$0.920	\$0.920	\$0.920
Assumed Exercise Price	\$1.380	\$1.380	\$1.380	\$1.380
Assumed Expiry Date	29-Nov-25	29-Nov-25	29-Nov-25	29-Nov-25
Volatility	80%	80%	80%	80%
Risk Free Interest Rate	0.0325%	0.0325%	0.0325%	0.0325%
Annualised Dividend Yield	Nil	Nil	Nil	Nil
Value of each Director Option	\$0.38	\$0.38	\$0.38	\$0.38
Total Fair Value of Options Granted	\$285,000	\$570,000	\$285,000	\$285,000

**Notes:**

1. The Director Options will vest immediately upon issue should Shareholder approval be received.
2. The Australian Government 3-year bond rate as at the grant date was used.
3. A nil dividend yield was assumed on the basis that the Company is unlikely to pay a dividend during the life of the Director Options.
4. An Exercise Price (\$1.380) equal to 150% of the Spot Price, has been assumed for the purposes of the valuation.



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# Proxy Voting Form

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

Your proxy voting instruction must be received by **9.00am (AWST) on Saturday, 26 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/#/login>

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](mailto:meetings@automicgroup.com.au)

#### BY FACSIMILE:

+61 2 8583 3040

All enquiries to Automic:

**WEBSITE:** <https://automicgroup.com.au/>

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

