

28 October 2022

Dear Shareholder,

PEARL GULL IRON LIMITED (ASX:PLG) - 2022 ANNUAL GENERAL MEETING

The Board of Directors of Pearl Gull Iron Limited is pleased to invite shareholders to attend the Annual General Meeting on Tuesday 29 November 2022 at 1.30pm (AWST) at the Celtic Club, 48 Ord Street, West Perth, Western Australia (**Meeting**).

In accordance with section 110D(1) of the *Corporations Act 2001* (Cth), the Company will not be sending hard copies of the Notice of Meeting to shareholders unless a shareholder has made a valid election to receive such documents in hard copy. Instead, the Notice of Meeting can be viewed and downloaded from the following website link:

<https://www.pearlgulliron.com.au/>

The Notice of Meeting is important, and you should read it in its entirety. If you are in doubt about the course of action that you should follow, you should consult your adviser. If you have any difficulties accessing a copy of this Notice of Meeting, please contact the Company's share registry, Automic Group at Investor Services 1300 288 664 (within Australia) and +61 2 9698 5414 (Overseas).

How to submit your vote in advance of the Meeting:

A copy of your personalised proxy form is enclosed for your convenience. Please complete and return the attached proxy form to the Company's share registry, Automic Group. The instructions for returning your proxy vote are as follows:

Internet: <https://investor.automic.com.au/#loginsah>

Mail: Automic, GPO Box 5193 Sydney NSW 2001

In Person: Automic, Level 5, 126 Phillip Street, Sydney, NSW 2000

Email: meetings@automicgroup.com.au

Facsimile: +61 2 8583 3040

Your proxy voting instruction must be received by 1.30pm (AWST) on Sunday 27 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.



Electronic Communications

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 important Meeting documents. In order to be able to receive electronic communications from the Company in the future, or request to instead receive documents in physical form, please review and update your shareholder details (as appropriate) online at <https://investor.automic.com.au/#/home>

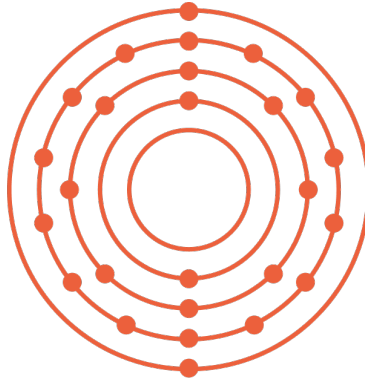
The Company will notify Shareholders via the Company's website at <https://www.pearlgulliron.com.au/investors/> and the Company's ASX Announcement Platform at asx.com.au (ASX: PLG) if changing circumstances impact the planning or arrangements for the Meeting.

Yours faithfully



Russell Clark
Non-Executive Chairman





PEARL GULL IRON

PEARL GULL IRON LIMITED

ACN 621 103 535

NOTICE OF ANNUAL GENERAL MEETING

The annual general meeting of the Company will be held at the Celtic Club, 48 Ord Street, West Perth, Western Australia at 1:30pm (AWST) on Tuesday, 29 November 2022

It may not be possible for Shareholders to physically attend the Meeting. As a result, the Company encourages Shareholders who cannot attend the Meeting in person to vote by directed proxy. Proxy forms for the meeting should be lodged before 1:30pm (AWST) on Sunday, 27 November 2022.

Shareholders can also submit, and are encouraged to submit, any questions in advance of the Meeting by emailing the questions to admin@pearlgulliron.com.au by no later than 5:00pm (AWST) on Friday, 25 November 2022.

If the above arrangements with respect to the Meeting change, Shareholders will be updated via the ASX Market Announcements Platform.

This Notice should be read in its entirety. If Shareholders are in doubt as to how they should vote, they should seek advice from their accountant, solicitor or other professional adviser prior to voting.

Should you wish to discuss any matter please do not hesitate to contact the Company by telephone on +61 8 6383 7988

PEARL GULL IRON LIMITED

ACN 621 103 535

NOTICE OF ANNUAL GENERAL MEETING

Notice is hereby given that the annual general meeting of shareholders of Pearl Gull Iron Limited (**Company**) will be held at the Celtic Club, 48 Ord Street, West Perth, Western Australia at 1.30pm (AWST) on Tuesday, 29 November 2022 (**Meeting**).

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

The Directors have determined pursuant to regulation 7.11.37 of the *Corporations Regulations 2001* (Cth) that the persons eligible to vote at the Meeting are those who are registered as Shareholders on Sunday, 27 November 2022 at 4.00pm (AWST).

The Company advises that a poll will be conducted for all Resolutions.

Terms and abbreviations used in this Notice (including the Explanatory Memorandum) are defined in Schedule 1.

AGENDA

Annual Report

To consider the Annual Report of the Company and its controlled entities for the 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 these reports. Pursuant to the Corporations Act, Shareholders will be given a reasonable opportunity at the Meeting to ask questions about, or make comments in relation to, each of the aforementioned reports during consideration of these items.

1 Resolution 1 – Remuneration Report

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 section 250R(2) of the Corporations Act and for all other purposes, approval is given by the Shareholders for the adoption of the Remuneration Report on the terms and conditions in the Explanatory Memorandum."

Note: The vote on this resolution is advisory only and does not bind the Directors or the Company. The Directors will consider the outcome of the vote and comments made by Shareholders on the Remuneration Report at the Meeting when reviewing the Company's remuneration policies.

Voting Prohibition

A vote on this Resolution must not be cast:

- (a) by or on behalf of a member of the Key Management Personnel or a Closely Related Party of such member, regardless of the capacity in which the vote is cast; or
- (b) by a person appointed as a proxy, where that person is either a member of the Key Management Personnel or a Closely Related Party of such member.

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

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

2 Resolution 2 – Re-election of Mr Russell Clark as Director

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 14.5, rule 6.1(f) of the Constitution and for all other purposes, Mr Russell Clark, Director, retires and being eligible pursuant to rule 6.1(i) of the Constitution, is elected as a Director on the terms and conditions in the Explanatory Memorandum."

3 Resolution 3 – Approval of Potential Termination Benefits

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 Part 2D.2 of the Corporations Act (including sections 200B and 200E of the Corporations Act), Listing Rule 10.19 and for all other purposes, Shareholders approve the giving of benefits detailed in the Explanatory Memorandum to any person who from time to time is or has been a member of the Key Management Personnel or holds or has held a managerial or executive office (as defined in Section 200AA of the Corporations Act) in the Company or a related body corporate of the Company (**Relevant Personnel**), in connection with that person ceasing to hold that managerial or executive office. This approval applies for such benefits given in the period prior to the conclusion of the third annual general meeting of the Company after the date on which this Resolution 3 is passed."*

Voting Exclusion

The Company will disregard any votes cast in favour of this Resolution by or on behalf of an officer of the Company or any of its child entities who is entitled to participate in a termination benefit, or an associate of those persons.

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

- (a) a person as proxy or attorney for a person who is entitled to vote on this Resolution, in accordance with directions given to the proxy or attorney to vote on this Resolution in that way; or
- (b) the Chairperson as proxy or attorney for a person who is entitled to vote on this Resolution, in accordance with a direction given to the Chairperson to vote on the Resolution as the Chairperson decides; or
- (c) a Shareholder 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 Shareholder that the beneficiary is not excluded from voting, and is not an associate of a person excluded from voting, on this Resolution; and
 - (ii) the Shareholder votes on the Resolution in accordance with the directions given by the beneficiary to the Shareholder to vote in that way.

Voting Prohibitions

Any Shareholder who is:

- (a) Relevant Personnel (as detailed in this Resolution 3) or may become Relevant Personnel in the future, or
- (b) an associate of Relevant Personnel or of a person who may become Relevant Personnel in the future,

and wishes to preserve the benefit of this Resolution for that Relevant Personnel (or potential Relevant Personnel), must not vote on this Resolution. However, the Shareholder may cast a vote if the vote is cast as a proxy appointed by writing that specifies how the proxy is to vote on this Resolution and it is not cast on behalf of any person listed in (a) or (b) immediately above.

Further, a person appointed as a proxy must not vote, on the basis of that appointment, on this Resolution if:

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

However, the above prohibition does not apply if:

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

4 Resolution 4 – Approval of 10% Placement Facility

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

'That, pursuant to and in accordance with Listing Rule 7.1A and for all other purposes, Shareholders approve the issue of Equity Securities of up to 10% of the issued capital of the

Company (at the time of the issue) calculated in accordance with the formula prescribed in Listing Rule 7.1A.2 and on the terms and conditions in the Explanatory Memorandum.'

Voting Exclusion

The Company will disregard any votes cast in favour of the Resolution by or on behalf of a person who is expected to participate in the proposed issue or who will obtain a material benefit as a result of the proposed issue (except a benefit solely in the capacity of a holder of ordinary securities in the entity) or an associate of that person or those persons.

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

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

5 Resolution 5 – Amendment to Constitution

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 section 136 of the Corporations Act and for all other purposes, the Constitution be modified, on the terms and conditions in the Explanatory Memorandum."

Dated: 28 October 2022

By order of the Board



Chris Hunt

Company Secretary

PEARL GULL IRON LIMITED

ACN 621 103 535

EXPLANATORY MEMORANDUM

1 Introduction

This Explanatory Memorandum has been prepared for the information of Shareholders in connection with the business to be conducted at the Meeting.

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

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

Section 2	Action to be taken by Shareholders
Section 3	Annual Report
Section 4	Resolution 1 – Remuneration Report
Section 5	Resolution 2 – Re-election of Mr Russell Clark as Director
Section 6	Resolution 3 – Approval of Potential Termination Benefits
Section 7	Resolution 4 – Approval of 10% Placement Facility
Section 8	Resolution 5 – Amendment to Constitution
Schedule 1	Definitions and Interpretation

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

2 Action to be taken by Shareholders

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

2.1 Proxies

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

Please note that:

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

Proxy Forms must be received by the Company no later than 1:30pm (AWST) on Sunday, 27 November 2022, being at least 48 hours before the Meeting.

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

2.2 Voting Prohibition by Proxy holders (Remuneration of Key Management Personnel)

A vote on Resolutions 1 and 3 must not be cast:

- (a) by or on behalf of a member of the Key Management Personnel or a Closely Related Party of such member, regardless of the capacity in which the vote is cast; or
- (b) by a person appointed as a proxy, where that person is either a member of the Key Management Personnel or a Closely Related Party of such member.

However, a vote may be cast by such persons if the vote is not cast on behalf of a person who is excluded from voting on Resolutions 1 and 3 and:

- (c) the person is appointed as a proxy that specifies the way the proxy is to vote on Resolutions 1 and 3; or
- (d) the person is the Chairperson and the appointment of the Chairperson as proxy does not specify the way the proxy is to vote on Resolutions 1 and 3, but expressly authorises the Chairperson to exercise the proxy even if Resolutions 1 and 3 are connected with the remuneration of a member of the Key Management Personnel.

2.3 Attendance at Meeting

The Company advises Shareholders that the Meeting will be held in compliance with any government restriction on gatherings in Australia (and/or Western Australia).

If it becomes necessary or appropriate to make alternative arrangements to those detailed in this Notice, Shareholders will be updated via the ASX announcements platform and on the Company's website at <https://www.pearlgulliron.com.au/>.

3 Annual Report

In accordance with section 317(1) of the Corporations Act the Annual Report must be laid before the annual general meeting. There is no requirement for Shareholders to approve the Annual Report.

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

- (a) discuss the Annual Report which is available online at <https://www.pearlgulliron.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 Chairperson about the management of the Company, or to the Company's auditor about:

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

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

4 Resolution 1 – Remuneration Report

In accordance with section 250R(2) of the Corporations Act, the Company must put the Remuneration Report to the vote of Shareholders. The Remuneration Report is detailed on pages 14 to 21 of the Annual Report and is available on the Company's website at <https://www.pearlgulliron.com.au/>.

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

Shareholders will have the opportunity to remove the whole Board except the Managing Director (if applicable) if the Remuneration Report receives a 'no' vote of 25% or more (**Strike**) at two consecutive annual general meetings.

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) who were in office at the date of approval of the applicable Directors' Report must stand for re-election.

The Remuneration Report did not receive a Strike at the 2021 annual general meeting. Please note if the Remuneration Report receives a Strike at the Meeting and if a second Strike is received at the 2023 annual general meeting, this may result in the re-election of the Board.

The Chairperson will allow reasonable opportunity for Shareholders to ask questions about or comment on the Remuneration Report.

Resolution 1 is an ordinary resolution.

The Chairperson intends to exercise all available proxies in favour of Resolution 1.

If the Chairperson is appointed as your proxy and you have not specified the way the Chairperson is to vote on Resolution 1, by signing and returning the Proxy Form, you are considered to have provided the Chairperson with an express authorisation for the Chairperson to vote the proxy in accordance with the Chairperson's intention, even though the

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

5 Resolution 2 – Re-election of Mr Russell Clark as Director

Listing Rule 14.5 provides that an entity which has directors must hold an election of directors at each annual general meeting.

The Constitution sets out the following requirements for determining which Directors are to retire by rotation at an annual general meeting.

- (a) Rule 6.1(f) provides that an election of Directors must take place each year.
- (b) Rule 6.1(f)(i)(A) provides that, at each election of Directors required under rule 6.1(f), one-third of the Directors must retire as Directors (excluding any Director who is required to retire at that meeting under rule 6.1(e)).
- (c) Rule 6.1(f)(i)(B) provides that any Director must retire from office as Director who, if he or she does not retire, will at the conclusion of the Meeting required under rule 6.1(f), have been in office for three or more years since he or she was last elected to office.
- (d) Rule 6.1(f)(ii) provides that if no Director is required to retire under rules 6.1(e) or 6.1(f)(i), at least one Director, excluding the managing director (or if there is more than one managing director, the first of them to be appointed), must retire from office as a Director.
- (e) Rule 6.1(i) provides that a Director retiring from office under rule 6.1(f) is eligible for re-election and that Director may by resolution of the Company be re-elected to that office.

Under rule 6.1(f)(ii), at least one Director must retire from office at the Meeting. Pursuant to rule 6.1(g), the Director or Directors who must retire at the Meeting in accordance with rule 6.1(f)(i)(A) or 6.1(f)(ii) (as the case may be) is the Director who has, or are the Directors who have, been longest in office since their last election but, as between persons who were last elected as Directors on the same day, the Director or Directors to retire must be determined by agreement among themselves or, in the absence of agreement, by lot. All of the Directors were last elected on the same day at the 2021 annual general meeting on 30 November 2021. The Directors have determined by agreement that Mr Russell Clark will retire as a Director at the Meeting pursuant to rule 6.1(f)(ii) of the Constitution.

Under Resolution 2, Mr Clark is seeking re-election as a Director under rule 6.1(i) of the Constitution.

Mr Clark is an internationally experienced executive mining professional with over 40 years' experience in board, senior corporate, operational and project development roles. He holds a Bachelor of Science (Hons) in Mineral Resources Engineering from the Royal School of Mines and a Graduate Diploma in Finance and Investment Analysis from the Securities Institute of Australia. Mr Clark is a Fellow of the Australian Institute of Company Directors.

Mr Clark has held Board and management roles and has been Chief Executive Officer at various ASX listed mining companies. Mr Clark is currently non-executive chairman of CZR Resources Limited and a non-executive director of Tungsten Mining Limited.

If Resolution 2 is passed, Mr Clark will be a Director of the Company, subject to retirement, for the next three years.

If Resolution 2 is not passed, Mr Clark will cease to be a Director of the Company.

Resolution 2 is an ordinary resolution.

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

The Board (excluding Mr Clark) supports the election of Mr Clark and recommends that Shareholders vote in favour of Resolution 2.

6 Resolution 3 – Approval of Potential Termination Benefits

6.1 General

Resolution 3 seeks Shareholder approval in accordance with Part 2D.2 of the Corporations Act (including sections 200B and 200E of the Corporations Act), Listing Rule 10.19 and for all other purposes, for the Company to give certain termination benefits to any person in connection with that person ceasing to be an officer of, or ceasing to hold a managerial or executive office in, the Company or a subsidiary of the Company.

If Shareholder approval is obtained, it will give the maximum flexibility to provide the benefits detailed in this Notice to Relevant Personnel who cease to be appointed as Relevant Personnel. “Relevant Personnel” (as detailed in Resolution 3) include both current and future personnel who hold or have held during the three years prior to cessation of their employment or engagement, a managerial or executive office in the Company or a related body corporate of the Company. The Relevant Personnel also includes Key Management Personnel from time to time.

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

If the Chairperson is appointed as your proxy and you have not specified the way the Chairperson is to vote on Resolution 3, by signing and returning the Proxy Form, you are considered to have provided the Chairperson with an express authorisation for the Chairperson to vote the proxy in accordance with the Chair's intention, even though the Resolution is connected directly or indirectly with the remuneration of a member of the Key Management Personnel.

6.2 Chapter 2D.2 of the Corporations Act and Listing Rule 10.19

The Corporations Act restricts the benefits which can be given to individuals who hold a managerial or executive office (as defined in the Corporations Act) in connection with the retirement from their position in the Company or its related bodies corporate.

In accordance with section 200B of the Corporations Act, to give a benefit in connection with a relevant person's retirement from an office, the Company must, subject to various exceptions, obtain the approval of Shareholders in the manner set out in section 200E of the Corporations Act.

A benefit includes (among other things) automatic, or accelerated, vesting of share-based payments for a person or the exercise of discretion to allow a person to maintain a benefit they would not otherwise be entitled to retain, on, or as a result of, retirement from their position in the company. A benefit also includes the exercise of a Board discretion to accelerate vesting of share-based payments. Such share-based payments include (without limitation) Employee Incentives which have previously been issued under the Existing Plan.

Listing Rule 10.19 provides that without approval of shareholders, an entity must ensure that no officer of the entity or any of its child entities will be, or may be, entitled to termination benefits if the value of those benefits and the termination benefits that may become payable to all officers together exceed 5% of the equity interests of the entity as set out in the latest accounts given to ASX under the Listing Rules. For the purpose of the Listing Rules, termination benefits include payments, property and advantages that are receivable on

termination of employment, engagement or office, except those from any superannuation or provident fund and those required by law to be made.

Depending upon the value of the termination benefits (as detailed below), and the equity interests of the Company at the time such benefits may crystallise, it is uncertain if the value of the termination benefits the subject of Resolution 3 would exceed this 5% threshold. Shareholder approval is being sought under Listing Rule 10.19 in order to give the Company flexibility, in case the value of the termination benefits exceeds this 5% threshold.

The benefits for which approval is sought under Resolution 3 include (together the **Potential Retirement Benefits**) all potential retirement benefits that may result from automatic vesting of Existing Options or new Employee Incentives to be issued in future under the Plan or from the Board exercising discretions conferred under the Plan rules, including but not limited to, the discretion of the Board to determine that a holder of Existing Options or Employee Incentives can retain some or all of their Options when they cease employment with the Company.

Information in respect to the Existing Options issued under the Existing Plan can be found in the Annual Report (and particularly the Remuneration Report). The approval in Resolution 3 also extends to Existing Options which have been granted to Relevant Personnel who are not named in the Remuneration Report.

Accordingly, for the purposes of section Part 2D.2 of the Corporations Act (including sections 200B and 200E of the Corporations Act), Listing Rule 10.19 and for all other purposes, Resolution 3 seeks Shareholder approval for all Potential Retirement Benefits.

If Shareholders approve Resolution 3, it will be effective until the conclusion of the third annual general meeting of the Company after the date on which this Resolution 3 is passed. This means that the approval will be effective (including in relation to Existing Options and all future Employee Incentives):

- (i) if any benefit is given or any discretion to give any benefit is exercised (including a Board discretion); and/or
- (ii) if any Relevant Personnel ceases to hold the position of Relevant Personnel,

during the period expiring at the conclusion of the 2025 annual general meeting of the Company. If considered appropriate, the Board will seek a new approval from Shareholders at the Company's annual general meeting in 2025.

6.3 **The amount or value of the potential termination benefits**

The amount or value of the benefits that may be provided to Relevant Personnel in accordance with Resolution 3 cannot be ascertained in advance. However, the manner in which the amount or value of the potential benefits will be calculated, and the matters, events and circumstances that will, or are likely to affect the calculation of that amount or value include:

- (a) the number of Existing Options or Employee Incentives (as applicable) held prior to the Relevant Personnel ceasing employment or engagement with the Company or its related bodies corporate, the conditions (if any) of vesting and exercise of the Existing Options or Employee Incentives (as applicable) and the number that the Board determines to (or which automatically) vest, lapse or leave on foot;
- (b) the Relevant Personnel's entitlement to Employee Incentives at the time of cessation of employment or engagement and the conditions of such entitlement;
- (c) the circumstances of, or reasons for the Relevant Personnel, ceasing employment or engagement with the Company or its related bodies corporate and the extent to which they served the applicable notice period;

- (d) the length of service with the Company or its related bodies corporate and performance over that period of time;
- (e) any applicable performance measures and the achievement of such measures (and the personal performance and contributions of the Relevant Personnel);
- (f) the portion of any relevant performance periods for Existing Options or Employee Incentives (as applicable) that have expired at the time they cease employment or engagement;
- (g) the length of any restriction period during which Shares issued, or to be issued, following vesting of Existing Options or Employee Incentives (as applicable) may not be transferred, and any waiver of such restriction period;
- (h) any other factors that the Board determines to be relevant when exercising its discretion to provide Potential Retirement Benefits;
- (i) the manner in which the Board exercises its discretions;
- (j) the market price of the Company's Shares on ASX at the relevant time when the amount or value of any Employee Incentive is determined, and the terms of those Employee Incentives (including performance conditions);
- (k) the exercise price of any relevant Employee Incentives which are Options (including the Existing Options);
- (l) any changes in law between the date the Company or any of its related bodies corporate enter or entered into an agreement with Relevant Personnel and the date they cease appointment as Relevant Personnel; and
- (m) the risk free rate of return in Australia and the estimated volatility of the Company's Shares on ASX at the relevant time.

Other than the information above and otherwise set out in the Notice, the Company believes that there is no other information that would be reasonably required by Shareholders to pass Resolution 3.

6.4 **Director Recommendation**

The Directors recommend that Shareholders vote in favour of Resolution 3.

7 Resolution 4 – Approval of 10% Placement Facility

7.1 General

Listing Rule 7.1A enables eligible entities 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% placement capacity under Listing Rule 7.1.

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.

The Company is seeking Shareholder approval to issue Equity Securities under the 10% Placement Facility. 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)).

If Resolution 4 is passed, the Company will be able to issue Equity Securities under Listing Rule 7.1A up to 10% of its issued share capital over a 12 month period after the annual general meeting, in addition to the Company's 15% placement capacity under Listing Rule 7.1.

If Resolution 4 is not passed, the Company will not be able to access the 10% Placement Facility 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 under Listing Rule 7.1.

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 Chairperson intends to exercise all available proxies in favour of Resolution 4.

7.2 **Listing Rule 7.1A**

(a) **Shareholder approval**

The ability to issue Equity Securities under the 10% Placement Facility is subject to Shareholder approval by way of a special resolution at an annual general meeting.

(b) **Equity Securities**

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 company.

The Company, as at the date of the Notice, has on issue one quoted classes of Equity Securities, Shares.

(c) **Formula for calculating 10% Placement Facility**

Listing Rule 7.1A.2 provides that eligible entities which have obtained Shareholder approval at an annual general meeting may issue or agree to issue, during the 12 month period after the date of the annual general meeting, a number of Equity Securities calculated in accordance with the following formula:

(A x D) – E

A is the number of Shares on issue at the commencement of the relevant period:

(A) plus the number of 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 Shares issued in the relevant period on the conversion of convertible securities within Listing Rule 7.2 exception 9 where:

(I) the convertible securities were issued or agreed to be issued before the commencement of the relevant period; or

(II) 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 7.4;

(C) plus the number of Shares issued in the relevant period under an agreement to issue securities within Listing Rule 7.2 exception 16 where:

(I) the agreement was entered into before the commencement of the relevant period; or

- (II) the agreement was approved, or taken under these rules to have been approved, under Listing Rule 7.1 or 7.4
- (D) plus the number of any other Shares issued in the relevant period with approval under Listing Rule 7.1 or 7.4;
- (E) plus the number of partly paid ordinary shares that became fully paid in the relevant period;
- (F) less the number of Shares cancelled in the relevant period.

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

D is 10%

E is the number of Equity Securities issued or agreed to be issued under Listing Rule 7.1A.2 in the 12 months before the date of the issue or agreement to issue that are not issued with Shareholder approval under Listing Rule 7.1 or 7.4.

(d) Listing Rule 7.1 and Listing Rule 7.1A

The ability of an entity to issue Equity Securities under Listing Rule 7.1A is in addition to the entity's 15% placement capacity under Listing Rule 7.1.

At the date of the Notice, the Company has on issue 103,027,860 Shares and therefore has a capacity to issue:

- (i) 15,454,179 Equity Securities under Listing Rule 7.1; and
- (ii) subject to Shareholder approval being sought under Resolution 4, 10,302,786 Equity Securities under Listing Rule 7.1A.

The actual number of Equity Securities that the Company will have capacity to issue under Listing Rule 7.1A will be calculated at the date of issue of the Equity Securities in accordance with the formula prescribed in Listing Rule 7.1A.2 (refer to Section 7.2(c)).

(e) Minimum Issue Price

The issue price of Equity Securities issued under Listing Rule 7.1A must be 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; or
- (ii) if the Equity Securities are not issued within 10 Trading Days of the date in paragraph (i) above, the date on which the Equity Securities are issued.

(f) 10% Placement Period

Shareholder approval of the 10% Placement Facility under Listing Rule 7.1A is valid from the date of the annual general meeting at which the approval is obtained and expires on the earlier to occur of:

- (i) the date that is 12 months after the date of the annual general meeting at which the approval is obtained;
- (ii) the time and date of the entity'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),

(the **10% Placement Period**).

7.3 **Effect of Resolution**

The effect of Resolution 4 will be to allow the Directors to issue the Equity Securities under Listing Rule 7.1A during the 10% Placement Period without using the Company's 15% placement capacity under Listing Rule 7.1.

7.4 **Specific information required by Listing Rule 7.3A**

In accordance with Listing Rule 7.3A, information is provided as follows:

- (a) The Equity Securities will be issued at an issue price of not less than 75% of the VWAP for the Company's Equity Securities 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; or
 - (ii) if the Equity Securities are not issued within 10 Trading Days of the date in paragraph (i) above, the date on which the Equity Securities are issued.
- (b) If Resolution 4 is approved by Shareholders and the Company issues Equity Securities under the 10% Placement Facility, the existing Shareholders' voting power in the Company will be diluted as shown in the below table (in the case of Listed Options, only if the Listed Options are exercised). 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.
- (c) The below table shows the dilution of existing Shareholders on the basis of the current market price of Shares and the current number of ordinary securities for variable 'A' calculated in accordance with the formula in Listing Rule 7.1A(2) as at the date of the Notice.
- (d) The table also shows:
 - (i) two examples where variable 'A' has increased, by 50% and 100%. Variable 'A' is based on the number of ordinary securities the Company has on issue. The number of ordinary securities on issue may increase as a result of issues of ordinary securities that do not require Shareholder approval (for example, a pro rata entitlements issue or scrip issued under a takeover offer) or future specific placements under Listing Rule 7.1 that are approved at a future Shareholders' meeting; and

- (ii) two examples of where the issue price of ordinary securities has decreased by 50% and increased by 100% as against the current market price.

Variable 'A' in Listing Rule 7.1A.2		Dilution		
		\$0.014 50% decrease in Issue Price	\$0.027 Issue Price	\$0.054 100% increase in Issue Price
Current Variable A 103,027,860 Shares	10% Voting Dilution	10,302,786	10,302,786	10,302,786
	Funds raised	\$139,088	\$278,175	\$556,350
50% increase in current Variable A 154,541,790 Shares	10% Voting Dilution	15,454,179	15,454,179	15,454,179
	Funds raised	\$208,631	\$417,263	\$834,526
100% increase in current Variable A 206,055,720 Shares	10% Voting Dilution	20,605,572	20,605,572	20,605,572
	Funds raised	\$278,175	\$556,350	\$1,112,701

The table has been prepared on the following assumptions:

- (i) The Company issues the maximum number of Equity Securities available under the 10% Placement Facility.
 - (ii) No Options (including any Options issued under the 10% Placement Facility) are exercised into Shares before the date of the issue of the Equity Securities.
 - (iii) 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%.
 - (iv) 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.
 - (v) 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.
 - (vi) The issue of Equity Securities under the 10% Placement Facility consists only of Shares.
 - (vii) The issue price is \$0.028, being the closing price of the Shares on ASX on 21 October 2022.
- (e) The Company will only issue the Equity Securities during the 10% Placement Period. The approval under Resolution 4 for the issue of the Equity Securities will cease to be

valid in the event that Shareholders approve a transaction under Listing Rule 11.1.2 (a significant change to the nature or scale of activities or Listing Rule 11.2 (disposal of main undertaking)).

- (f) The Company may seek to issue the Equity Securities for cash consideration. In such circumstances, the Company intends to use the funds raised towards an acquisition of new assets or investments (including expenses associated with such an acquisition), continued exploration and feasibility study expenditure on the Company's current assets and/or general working capital.
- (g) The Company will comply with the disclosure obligations under Listing Rules 3.10.3 and 7.1A(4) upon issue of any Equity Securities.
- (h) 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 subscribers 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 issue or other issue in which existing security holders can participate;
 - (ii) the effect of the issue of the Equity Securities on the control of the Company;
 - (iii) the financial situation and solvency of the Company; and
 - (iv) advice from corporate, financial and broking advisers (if applicable).
- (i) The subscribers under the 10% Placement Facility have not been determined as at the date of the Notice but may include existing substantial Shareholders and/or new Shareholders who are not a related party or an associate of a related party of the Company.
- (j) The Company previously obtained Shareholder approval under Listing Rule 7.1A at its 2021 annual general meeting.
- (k) In the 12 months preceding the date of the Meeting the Company has not issued any Equity Securities pursuant to Listing Rule 7.1A.2.
- (l) A voting exclusion statement is included in the Notice for Resolution 4.
- (m) At the date of the Notice, the Company has not approached any particular existing Shareholder or security holder or an identifiable class of existing security holder to participate in the issue of the Equity Securities. No existing Shareholder's votes will therefore be excluded under the voting exclusion in the Notice.

7.5 Director Recommendation

The Directors recommend that Shareholders vote in favour of Resolution 4.

8 Resolution 5 – Amendment to Constitution

8.1 General

It is proposed that the Company's Constitution be updated to permit virtual meetings following recent amendments to the Corporations Act which permit companies to hold virtual meetings if this is expressly permitted by the Company's Constitution.

Resolution 5 seeks Shareholder approval for the amendment to the Company's Constitution in accordance with section 136 of the Corporations Act.

A copy of the amended Constitution will be sent to any Shareholder on request and will also be available for inspection at the office of the Company during normal business hours prior to the Meeting.

The amended constitution will be effective from the close of the Meeting.

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 Chairperson intends to exercise all available proxies in favour of Resolution 5.

8.2 Summary of Proposed Amendment

Resolution 5 seeks Shareholder approval to insert the following new rule 5.3:

5.3 Virtual Meetings

A meeting of Members may be held using virtual technology only and members attending virtually are present for the purposes of determining whether a quorum is present.

8.3 Director Recommendation

The Directors recommend that Shareholders vote in favour of Resolution 5.

Schedule 1

Definitions

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

\$ means Australian Dollars.

10% Placement Facility has the meaning given in Section 7.1.

10% Placement Period has the meaning given in Section 7.2(f).

Annual Report means the Directors' Report, the Financial Report and the Auditor's Report in respect to the financial period ended 30 June 2022.

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

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

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

Board means the board of Directors.

Chairperson means the person appointed to chair the Meeting, or any part of the Meeting, convened by the Notice.

Closely Related Party means:

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

Company means Pearl Gull Iron Limited (ACN 621 103 535).

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

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

Director means a director of the Company.

Directors' Report means the annual directors' report prepared under chapter 2M of the Corporations Act for the Company and its controlled entities.

Employee Incentives means Options and Shares upon exercise of Options to be issued under the Existing Plan.

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

Existing Plan means the Company's existing employee incentive plan.

Existing Options means the Options currently on issue under the Existing Plan.

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

Financial Report means the annual financial report prepared under chapter 2M of the Corporations Act of the Company and its controlled entities.

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

Listing Rules means the listing rules of ASX.

Managing Director means the managing director of the Company.

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

Notice means the notice of meeting which comprises of the notice, agenda, Explanatory Memorandum and Proxy Form.

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

Potential Retirement Benefits has the meaning given in Section 6.2.

Proxy Form means the proxy form attached to the Notice.

Relevant Personnel has the meaning given in Resolution 3.

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

Resolution means a resolution contained in the Notice.

Schedule means a schedule to this Explanatory Memorandum.

Section means a section of this Explanatory Memorandum.

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

Shareholder means a shareholder of the Company.

Strike has the meaning given in Section 4.

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

VWAP means volume weighted average price.



PEARLGULLIRON

Pearl Gull Iron Limited | ACN 621 103 535

Proxy Voting Form

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

Holder Number:

Your proxy voting instruction must be received by **1.30pm (WST) on Sunday, 27 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

BY FACSIMILE:

+61 2 8583 3040

All enquiries to Automic:

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

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

