

Consolidated Zinc Limited
ACN 118 554 359

Notice of General Meeting

Notice is given that a general meeting of the Company will be held at:

Time	10:00am (AWST)
Date	Friday, 9 December 2022
Place	Ground Floor 25 Richardson Street West Perth WA 6005

<p>Important: This Notice is an important document that should be read in its entirety. If you are in any doubt or have any questions about this document, you should promptly consult your stockbroker, accountant or other professional adviser.</p>

Notice of General Meeting

Notice is given that a general meeting (**Meeting**) of Consolidated Zinc Limited (ACN 118 554 359) (**Company**) will be held at 10:00am (AWST) on Friday, 9 December 2022 at Ground Floor, 25 Richardson Street, West Perth WA 6005.

Agenda

The agenda for the Meeting will be to consider the Resolutions set out below.

1 Election of Director – Mr Anthony Italiano

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

"That, in accordance with article 6.3(i) of the Constitution, Listing Rule 14.4 and for all other purposes, Mr Anthony Italiano, a Director who was appointed as a Director on 1 September 2022, retires and, being eligible, is elected as a Director, as described in the Explanatory Statement."

2 Prior issue of Placement Shares to the Placement Participants

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

"That, pursuant to and in accordance with Listing Rule 7.4 and for all other purposes, Shareholders ratify the following issues of Placement Shares at \$0.022 per Share:

(a) 58,103,672 Placement Shares under Listing Rule 7.1; and

(b) 17,459,965 Placement Shares under Listing Rule 7.1A,

as described in the Explanatory Statement."

Voting exclusion: The Company will disregard any votes cast in favour of this Resolution by or on behalf of any person who participated in the issue of the Placement Shares or any of their respective associates, subject to any applicable exceptions described below.
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3 Issue of Placement Options to the Placement Participants

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

"That, pursuant to and in accordance with Listing Rule 7.1 and for all other purposes, Shareholders approve the issue of up to 75,563,637 Placement Options, as described in the Explanatory Statement."

Voting exclusion: The Company will disregard any votes cast in favour of this Resolution by or on behalf of any person who is expected to participate in, or who will obtain a material benefit as a result of, the proposed issue (except a benefit solely by reason of being a Shareholder), or any of their respective associates, subject to any applicable exceptions described below.
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4 Issue of Placement Securities to the Related Party Participants

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

"That, pursuant to and in accordance Listing Rule 10.11 and for all other purposes, Shareholders approve the following proposed issues of Placement Securities to the Related Party Participants:

- (a) 18,181,818 Placement Shares and 18,181,818 Placement Options to the Copulos Group (or its nominees);*
- (b) 800,000 Placement Shares and 800,000 Placement Options to Mr Bradley Marwood (or his nominees);*
- (c) 454,545 Placement Shares and 454,545 Placement Options to Mr Anthony Italiano (or his nominees),*

as described in the Explanatory Statement."

Voting exclusion: The Company will disregard any votes cast in favour of: (a) Resolution 4(a) by or on behalf of the Copulos Group (and their nominees); (b) Resolution 4(b) by or on behalf of Mr Bradley Marwood (and his nominees); and (c) Resolution 4(c) by or on behalf of Mr Anthony Italiano (and his nominees), and any other person 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 of their respective associates, subject to any applicable exceptions described below.

5 Issue of New Options to the Service Provider

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

"That, pursuant to and in accordance with Listing Rule 7.1 and for all other purposes, Shareholders approve the issue of up to 5,000,000 New Options to Lazarus Corporate Finance Pty Ltd (or its nominees), as described in the Explanatory Statement."

Voting exclusion: The Company will disregard any votes cast in favour of this Resolution by or on behalf of any person who is expected to participate in, or who will obtain a material benefit as a result of, the proposed issue (except a benefit solely by reason of being a Shareholder), or any of their respective associates, subject to any applicable exceptions described below.

6 Issue of Securities under the Employee Securities Incentive Plan

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

"That pursuant to and in accordance with exception 13(b) of Listing Rule 7.2 and for all other purposes, Shareholders approve the issue of up to 69,438,218 Securities under the Plan pursuant to exception 13(b) of Listing Rule 7.2, as described in the Explanatory Statement."

Voting exclusion: The Company will disregard any votes cast in favour of this Resolution by or on behalf of any person who is eligible to participate in the Plan, or any of their respective associates, subject to any applicable exceptions described below.

7 Potential payment of termination benefits under the Employee Securities Incentive Plan

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

"That, for the purposes of Part 2D.2 of the Corporations Act and for all other purposes, for a period commencing from the date this Resolution is passed and ending upon the expiry of all Securities issued or to be issued under the Plan, the giving of benefits to any current or future person holding a managerial or executive office of the Company or a related body corporate in connection with that person ceasing to hold such office is approved, as described in the Explanatory Statement."

Voting exclusion: 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 this Resolution, subject to any applicable exceptions described below.

Further, in accordance with section 200E(2A) of the Corporations Act, a vote on this Resolution must not be cast by any persons eligible to participate in the Plan or any of their respective associates, otherwise the benefit of this Resolution will be lost by such persons in relation to that person's future retirement, subject to any applicable exceptions described below.

8 Issue of Incentive Options to the Directors

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

"That, subject to Resolution 6 being passed, for the purposes of section 195(4) of the Corporations Act, Listing Rule 10.14 and for all other purposes, Shareholders approve the issue of Incentive Options to the Directors (or their respective nominees) under the Plan as follows:

- (a) 10,000,000 Incentive Options to Mr Bradley Marwood;*
- (b) 10,000,000 Incentive Options to Mr Anthony Italiano; and*
- (c) 6,000,000 Incentive Options to Ms Angela Pankhurst,*

as described in the Explanatory Statement."

Voting exclusion: The Company will disregard any votes cast in favour of these Resolutions by or on behalf of any person referred to in Listing Rules 10.14.1, 10.14.2 or 10.14.3 who is eligible to participate in the Plan or any of their respective associates, subject to any applicable exceptions described below.

Voting exclusions and exceptions

Where a voting exclusion applies to a Resolution, it is set out below the relevant Resolution. The voting exclusions for the following Resolutions are subject to the exceptions stated in the table below (as applicable).

Resolution	Exceptions to voting exclusions
6 7 8(a), 8(b), 8(c)	<p>A voter described in the voting exclusion may cast a vote on the Resolution as a proxy if the vote is not cast on behalf of a person described in the voting exclusion and either:</p> <ul style="list-style-type: none"> the voter is appointed as a proxy by writing that specifies the way the proxy is to vote on the Resolution; or the voter is the Chair and the appointment of the Chair as proxy: <ul style="list-style-type: none"> does not specify the way the proxy is to vote on the Resolution; and expressly authorises the Chair to exercise the proxy even if the Resolution is connected directly or indirectly with the remuneration of a member of the Key Management Personnel.
2(a), 2(b) 3 4(a), 4(b), 4(c) 5 6 8(a), 8(b), 8(c)	<p>The voting exclusion does not apply to a vote cast in favour of the Resolution by:</p> <ul style="list-style-type: none"> 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 in that way; the Chair as proxy or attorney for a person who is entitled to vote on the Resolution, in accordance with a direction given to the Chair to vote on the Resolution as the Chair decides; or a Shareholder acting solely in a nominee, trustee, custodial or other fiduciary capacity on behalf of a beneficiary provided the following conditions are met: <ul style="list-style-type: none"> 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 the Resolution; and the Shareholder votes on the Resolution in accordance with directions given by the beneficiary to the Shareholder to vote in that way.

Voting entitlements

The Company has determined that, in accordance with section 7.11.37 of the *Corporations Regulations 2001* (Cth), for the purposes of the Meeting, Shares will be taken to be held by the persons who are the registered holders at 4:00pm (AWST) on Wednesday, 7 December 2022. Accordingly, share transfers registered after that time will be disregarded in determining entitlements to attend and vote at the Meeting.

Proxy voting

- Votes at the Meeting may be given personally or by proxy, attorney or representative.
- A proxy need not be a Shareholder of the Company.
- The Proxy Form sent with this Notice should be used for the Meeting.
- Each Shareholder who is entitled to cast 2 or more votes at the Meeting may appoint up to 2 persons to act as proxies and may specify the proportion or number of votes that each proxy is entitled to exercise. If a Shareholder does not specify the proportion or number of that Shareholder's votes that each proxy may exercise, then each proxy will be entitled to exercise half of that Shareholder's votes. An additional Proxy Form will be supplied by the Company on request. No Shareholder may appoint more than 2 proxies.
- In the case of a Shareholder who is an individual, a Proxy Form must be executed under the hand of the individual or their attorney duly authorised in writing and, in the case of a member that is a

corporation, a Proxy Form must be executed by the corporation under common seal, pursuant to section 127 of the Corporations Act or under the hand of its duly authorised officer or attorney.

- Any Shareholder may by power of attorney appoint an attorney to act on his or her behalf and such power of attorney or a certified copy of it must be received by the Company in accordance with this Notice.
- Any corporation that is a Shareholder may appoint a representative to attend and vote for that corporation at the Meeting. Appointments of corporate representatives must be received by the Company in accordance with this Notice or handed in at the Meeting when registering as a corporate representative.
- Any directed proxies that are not voted on a poll at the Meeting by a Shareholder's appointed proxy will automatically default to the Chair, who is required to vote proxies as directed on a poll.
- A member of the Key Management Personnel (which includes each Director) will not be able to vote as proxy on Resolutions 6, 7, 8(a), 8(b) or 8(c) (**Relevant Resolutions**) unless the Shareholder directs it how to vote or, in the case of the Chair, unless the Shareholder expressly authorises the Chair to do so.
- If a Shareholder intends to appoint a member of the Key Management Personnel (other than the Chair) as its proxy, the Shareholder should ensure that it directs the member of the Key Management Personnel how to vote on the Relevant Resolutions.
- If the Chair is appointed as your proxy and you have not specified the way the Chair is to vote on a Relevant Resolution 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 the Resolution is connected directly or indirectly with the remuneration of a member of the Key Management Personnel of the Company.
- If a Shareholder intends to appoint the Chair as its proxy for a Relevant Resolution, the Shareholder can direct the Chair how to vote by marking one of the boxes for the Resolution (e.g. if the Shareholder wishes to vote 'for', 'against' or to 'abstain' from voting).
- Proxy Forms (including any instruments under which they have been executed) and powers of attorney granted by Shareholders must be lodged with the Company's share registry, Automic Pty Ltd:
 - by mail to GPO Box 5193, Sydney NSW 2001;
 - in person at Level 5, 126 Phillip Street, Sydney NSW 2000;
 - online at <https://investor.automic.com.au/#/loginsah>;
 - by email to meetings@automicgroup.com.au; or
 - by facsimile to +61 2 8583 3040,so that they are received no later than 48 hours before the commencement of the Meeting.
- The Chair intends to exercise all available proxies in favour of all Resolutions unless the Shareholder has expressly indicated a different voting intention.

Document components

This document includes this Notice and the accompanying Explanatory Statement and Proxy Form.

Authorisation

By order of the Board.

Anthony Italiano

Executive Director and Company Secretary

8 November 2022

Explanatory Statement

This Explanatory Statement sets out the information which the Directors believe is material to Shareholders in deciding whether or not to pass the Resolutions. The Explanatory Statement forms part of the Notice which should be read in its entirety.

1 General

1.1 Purpose of Notice

The Explanatory Statement contains the key terms on which the Resolutions will be voted, and includes information to assist Shareholders in deciding how to vote on the Resolutions. A Proxy Form is located at the end of the Explanatory Statement.

1.2 Access to Notice

In accordance with section 110D of the Corporations Act (as inserted by the *Treasury Laws Amendment (2021 Measures No. 1) Act 2021* (Cth), this Notice and Explanatory Statement are being made available to Shareholders by electronic means and the Company will not be dispatching physical copies of this Notice, other than to any Shareholder who has elected to receive notices of meeting in hard copy only pursuant to section 110E, or who otherwise requests a hard copy of this Notice at least 48 hours before the Meeting.

The Notice can be viewed and downloaded via:

- the Company's website at www.consolidatedzinc.com.au/investors/asx-announcements;
- the Company's ASX platform at www2.asx.com.au/markets/company/czl; and
- if the Shareholder has nominated an email address and elected to receive electronic communications from the Company, the link sent by the Company to the Shareholder's nominated email address.

2 Resolution 1 – Election of Director – Mr Anthony Italiano

2.1 General

Article 6.2(b) of the Constitution allows the Board to appoint at any time a person to be a Director either to fill a casual vacancy or as an addition to the existing Directors, but only where the total number of Directors does not at any time exceed the maximum number specified by the Constitution.

Any Director appointed under article 6.2(b):

- may, in accordance with article 6.3(i) of the Constitution, retire at the next general meeting of the Company and is eligible for re-election at that meeting; and
- unless the relevant Director has retired in accordance with article 6.3(i) of the Constitution, must, in accordance with article 6.3(j), retire at the next annual general meeting of the Company and is eligible for re-election at that meeting.

In addition, Listing Rule 14.4 provides that a Director appointed as an addition to the Board after an entity's admission to the Official List must not hold office (without re-election) past the next annual general meeting.

On 1 September 2022, Mr Anthony Italiano was appointed as an Executive Director of the Company. Accordingly, in accordance with article 6.3(i) of Mr Anthony Italiano resigns as a Director at the Meeting and, being eligible, seeks approval to be elected as a Director pursuant to Resolution 1.

If elected, Mr Italiano is not considered to be an independent Director as he is employed in an executive capacity by the Company.

Resolution 1 is an ordinary resolution.

The Board (other than Mr Italiano) recommends that Shareholders vote in favour of Resolution 1 as it considers that Mr Italiano has the necessary level of experience which is relevant to the Company's phase of growth, including more than 15 years' experience in the natural resources sector, risk management skills, and practical knowledge of the daily management and corporate requirements of the Company.

2.2 Director profile

Mr Italiano is a Chartered Accountant with more than 15 years of corporate experience across senior finance roles in the resources sector. Mr Italiano has international experience in corporate governance, operations, financing, commodity marketing and trading, with extensive experience in transitioning junior explorers to producers.

Other than the Company, Mr Italiano has not held any directorships with any listed companies in the past 3 years.

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

3 Resolutions 2(a), 2(b) and 3 – Issues of Placement Securities to the Placement Participants

3.1 General

On 23 September 2022, the Company announced that it had received binding commitments for a placement to raise approximately \$2,090,000 (before costs) (**Placement**) through the issue of:

- 75,563,637 Shares at \$0.022 each (**Placement Shares**), together with one free attaching New Option (**Placement Options**) for every Placement Share subscribed to sophisticated and professional investors (**Placement Participants**); and
- 19,436,363 Placement Shares, together with one free attaching Placement Option for every Placement Share subscribed, to the Copulos Group, Mr Bradley Marwood and Mr Anthony Italiano (**Related Party Participants**).

On 30 September 2022, the Company issued a total of 75,563,637 Placement Shares to Placement Participants whereby:

- 58,103,672 Placement Shares were issued using the Company's placement capacity under Listing Rules 7.1;
- 17,459,965 Placement Shares were issued using the Company's additional placement capacity under Listing Rule 7.1A.

Subject to receiving Shareholder approval, the Company has agreed to issue:

- 75,563,637 free attaching Placement Options to the Placement Participants;
- 19,436,363 Placement Shares to the Related Party Participants; and
- 19,436,363 free attaching Placement Options to the Related Party Participants.

Subject to obtaining Shareholder approval, to facilitate quotation of the Placement Options, the Company intends to issue the Placement Options pursuant to a prospectus lodged by the Company with ASIC after the date of this Notice.

Resolutions 2(a) and 2(b) seek Shareholder approval pursuant to Listing Rule 7.4 to ratify the issue of the Placement Shares to the Placement Participants.

Resolution 3 seeks Shareholder approval pursuant to Listing Rule 7.1 to approve the issue of Placement Options to the Placement Participants.

Resolutions 2(a), 2(b) and 3 are ordinary resolutions.

The Board recommends that Shareholders vote in favour of Resolutions 2(a), 2(b) and 3.

3.2 Listing Rules 7.1, 7.1A, 7.2 and 7.4

Listing Rule 7.1 provides that a company must not, subject to specified exceptions, issue or agree to issue more Equity Securities during any 12 month period than that amount which represents 15% of the number of fully paid ordinary securities on issue at the commencement of that 12 month period.

Under Listing Rule 7.1A an eligible entity can seek shareholder approval at its annual general meeting to allow it to issue Equity Securities comprising up to 10% of its issued capital. The Company obtained this approval at its annual general meeting held on 31 May 2022.

Listing Rule 7.2 sets out various types of equity issues that are excluded from the operation of Listing Rule 7.1 and 7.1A. As the agreement to issue the Placement Options to the Placement Participants falls within exception 17 of Listing Rule 7.2, the Placement Options cannot be issued to the Placement Participants unless Shareholder approval is obtained under Listing Rule 7.1.

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

The Company wishes to retain as much flexibility as possible to issue additional Equity Securities into the future without having to obtain shareholder approval for such issues under Listing Rules 7.1 and 7.1A. Accordingly:

- Resolutions 2(a) and 2(b) seek Shareholder approval for the previous issue of the Placement Shares under and for the purposes of Listing Rule 7.4; and
- Resolution 3 seeks Shareholder approval for the proposed issue of the Placement Options under and for the purposes of Listing Rule 7.1.

If Resolution 2(a) is passed, 58,103,672 Placement Shares will be excluded in calculating the Company's 15% limit under Listing Rule 7.1, effectively increasing the number of Equity Securities it can issue without Shareholder approval over the 12 month period following the date of issue of these Placement Shares (being 30 September 2022).

If Resolution 2(a) is not passed, the 58,103,672 Placement Shares will be included in calculating the Company's 15% limit under Listing Rule 7.1, effectively decreasing the number of Equity Securities it can issue without Shareholder approval over the 12 month period following the date of issue of these Placement Shares (being 30 September 2022).

If Resolution 2(b), is passed, 17,459,965 Placement Shares will be excluded in calculating the Company's 10% limit under Listing Rule 7.1A, effectively increasing the number of Equity Securities it can issue without Shareholder approval over the 12 month period following the date of issue of these Placement Shares (being 30 September 2022).

If Resolution 2(b) is not passed, the 17,459,965 Placement Shares will be included in calculating the Company's 10% limit under Listing Rule 7.1A, effectively decreasing the number of Equity Securities

it can issue without Shareholder approval over the 12 month period following the date of issue of these Placement Shares (being 30 September 2022).

If Resolution 3 is passed, this will allow the Company to issue the Placement Options during the period of 3 months after the Meeting (or a longer period, if allowed by ASX), without using the Company's 15% annual placement capacity under Listing Rule 7.1.

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

3.3 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 prior issue of the Placement Shares:

- (a) a total of 75,563,637 Placement Shares were issued on 30 September 2022 as follows:
 - (i) 58,103,672 Placement Shares were issued within the 15% annual limit permitted under Listing Rule 7.1; and
 - (ii) 17,459,965 Placement Shares were issued within the 10% limit permitted under Listing Rule 7.1A,without the need for Shareholder approval;
- (b) the Placement Shares were issued at \$0.022 per Share;
- (c) the Placement Shares issued were fully paid ordinary shares in the capital of the Company and rank or will rank equally in all respects with the Company's existing Shares on issue;
- (d) the Placement Shares were issued to the Placement Participants, being investors selected by the Company in consultation with the Company's lead manager / bookrunner, RM Corporate Finance Pty Ltd;
- (e) the proceeds from the issue of the Placement Shares are intended to be used towards exploration at the Company's exploration projects in the Pilbara and Gascoyne regions of Western Australia, costs of the Placement and general working capital purposes; and
- (f) a voting exclusion statement is included in the Notice.

3.4 Specific information required by Listing Rule 7.3

Pursuant to and in accordance with Listing Rule 7.3, the following information is provided in relation to the proposed issue of the Placement Options:

- (a) 75,563,637 Placement Options will be issued under the terms of the Placement to the Placement Participants (or their nominees);
- (b) the Placement Options will be issued no later than 3 months after the date of the Meeting (or such later date as permitted by any ASX waiver or modification of the Listing Rules);
- (c) the Placement Options are free attaching to the Placement Shares issued and therefore will be issued at an issue price of nil;
- (d) the Placement Options will be issued to Placement Participants, none of whom will be a related party of the Company. Investors were selected by the Company in consultation with the Company's lead manager / bookrunner, RM Corporate Finance Pty Ltd;
- (e) the Placement Options will be exercisable at \$0.04 each on or before 31 December 2024 and will otherwise be issued on the terms and conditions set out in Schedule 1;

- (f) no funds will be raised from the issue of the Placement Options as they are free attaching to the Placement Shares;
- (g) the material terms on which the Placement Options will be issued are set out in section 3.1; and
- (h) a voting exclusion statement is included in the Notice.

4 Resolutions 4(a), 4(b) and 4(c) – Issue of Placement Securities to the Related Party Participants

4.1 General

Resolutions 4(a), 4(b) and 4(c) seek Shareholder approval pursuant to Listing Rule 10.11 for the issue of up to 19,436,637 Placement Shares and 19,436,637 Placement Options to the Related Party Participants as follows:

- 18,181,818 Placement Shares and 18,181,818 free attaching Placement Options to the Copulos Group (or its nominees);
- 800,000 Placement Shares and 800,000 free attaching Placement Options to Mr Bradley Marwood (or his nominees); and
- 454,545 Placement Shares and 454,545 free attaching Placement Options to Mr Anthony Italiano (or his nominees).

The Placement Securities will be issued to the Related Party Participants on the same terms as the Placement Securities issued under the Placement to the Placement Participants. Please refer to section 3.1 for a summary and terms of the Placement.

Resolutions 4(a), 4(b) and 4(c) are ordinary resolutions.

The Board recommends that Shareholders vote in favour of Resolution 4(a). Mr Marwood and Mr Italiano decline to make a recommendation to Shareholders in relation to Resolutions 4(b) and 4(c) due to their material personal interests in their outcome. Ms Pankhurst recommends that Shareholders vote in favour of Resolutions 4(b) and 4(c).

4.2 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:

- a related party (Listing Rule 10.11.1);
- a person who is, or was at any time in the 6 months before the issue or agreement, a substantial holder (30%+) in the company (Listing Rule 10.11.2);
- a person who is, or was at any time in the 6 months before the issue or agreement, a substantial 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);
- an associate of a person referred to in Listing Rules 10.11.1 to 10.11.3 (Listing Rule 10.11.4); or
- a person whose relationship with the company or a person referred to in Listing 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),

unless it obtains the approval of its shareholders.

In relation to the Related Party Participants:

- the Copulos Group is a related party of the Company by virtue of being a substantial Shareholder of the Company; and
- Mr Bradley Marwood and Mr Anthony Italiano are related parties of the Company by virtue of being Directors.

As the Company proposes to issue the Placement Securities to the Related Party Participants, Shareholder approval pursuant to Listing Rule 10.11 is required for the issue of the Placement Securities to the Related Party Participants unless an exception applies. It is the view of the Directors that the exceptions set out in Listing Rule 10.12 do not apply in the current circumstances.

Resolutions 4(a), 4(b) and 4(c) seek the required Shareholder approval to the proposed issues of Placement Securities under and for the purposes of Listing Rule 10.11.

If Resolutions 4(a), 4(b) and 4(c) are passed, the Company will be able to proceed with the issue of the Placement Securities to the Related Party Participants (or their respective nominees).

If Resolutions 4(a), 4(b) and 4(c) are not passed, the Company will not be able to proceed with the issue of the Placement Securities to the Related Party Participants (or their respective nominees) and the Company will need to return funds received from the Related Party Participants.

As Shareholder approval is sought under Listing Rule 10.11, approval under Listing Rule 7.1 is not required. Accordingly, the issue of Placement Securities to the Related Party Participants (or their nominees) will not be included in the use of the Company's 15% annual placement capacity pursuant to Listing Rule 7.1.

4.3 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 Placement Securities:

- (a) up to 19,436,363 Placement Shares and 19,436,363 Placement Options will be issued to the Related Party Participants as set out below:
 - (i) 18,181,818 Placement Shares and 18,181,818 free attaching Placement Options to the Copulos Group (or its nominees);
 - (ii) 800,000 Placement Shares and 800,000 free attaching Placement Options to Mr Bradley Marwood (or his nominees); and
 - (iii) 454,545 Placement Shares and 454,545 free attaching Placement Options to Mr Anthony Italiano (or his nominees);
- (b) In relation to the Related Party Participants:
 - (i) the Copulos Group is a related party of the Company by virtue of being a substantial Shareholder of the Company and falls into the category stipulated by Listing Rule 10.11.2; and
 - (ii) Mr Bradley Marwood and Mr Anthony Italiano are related parties of the Company by virtue of being Directors and fall into the category stipulated by Listing Rule 10.11.1.

In the event that the Placement Securities are issued to a nominee of a Related Party Participant those persons will fall into the category stipulated by Listing Rule 10.11.4;

- (c) the maximum number of Securities to be issued to the Related Party Participants (or their nominees) is 19,436,363 Placement Shares and 19,436,363 Placement Options, as set out below:

- (i) 18,181,818 Placement Shares and 18,181,818 free attaching Placement Options to the Copulos Group;
- (ii) 800,000 Placement Shares and 800,000 free attaching Placement Options to Mr Bradley Marwood; and
- (iii) 454,545 Placement Shares and 454,545 free attaching Placement Options to Mr Anthony Italiano;
- (d) the issue price will be \$0.022 per Placement Share, being the same as all other Placement Shares issued under the Placement, with the Placement Options to be issued as free attaching Options on a one for one basis and therefore at an issue price of nil;
- (e) the Placement Securities will be issued no later than one month after the date of the Meeting (or such later date to the extent permitted by any ASX waiver or modification of the Listing Rules);
- (f) the Placement Shares and any Shares issued on exercise of the Placement Options will be fully paid ordinary shares in the capital of the Company issued on the same terms and conditions as the Company's existing Shares;
- (g) the funds raised will be used for the same purposes as all other funds raised under the Placement as set out in section 3.1;
- (h) the material terms of the Placement Options are set out in Schedule 1;
- (i) the Placement Securities are not being issued under an agreement, but are otherwise being issued on the same terms as the Placement described in section 3.1; and
- (j) a voting exclusion statement is included in the Notice.

4.4 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:

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

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

The issue of the Placement Securities to the Related Party Participants constitutes the giving of a financial benefit to a related party of the Company. In relation to the Related Party Participants:

- the Copulos Group is a related party of the Company by virtue of being a substantial Shareholder of the Company; and
- Mr Bradley Marwood and Mr Anthony Italiano are related parties of the Company by virtue of being Directors.

However, the Board considers that Shareholder approval pursuant to Chapter 2E of the Corporations Act is not required in respect of the proposed issue of Placement Securities to the Related Party Participants because the Securities will be issued on the same terms as the Securities issued under the Placement to the Placement Participants, who are not related parties of the Company, and as such the giving of the financial benefit is considered to be on arm's length terms.

5 Resolution 5 – Issue of New Options to the Service Provider

5.1 General

The Company has agreed to issue 5,000,000 New Options to Lazarus Corporate Finance Pty Ltd (**Service Provider**) (or its nominees) for various ongoing broking, financial and other professional services provided to the Company.

To facilitate quotation of the New Options, which will be the same class as the Placement Options, the Company will issue the New Options pursuant to a prospectus to be issued by the Company after the date of this Notice.

Resolution 5 seeks Shareholder approval pursuant to Listing Rule 7.1 to approve the issue of New Options to the Service Provider.

Resolution 5 is an ordinary resolution.

The Board recommends that Shareholders vote in favour of Resolution 5.

5.2 Listing Rules 7.1 and 7.2

A summary of Listing Rule 7.1 is provided at section 3.2.

Listing Rule 7.2 sets out various types of equity issues that are excluded from the operation of Listing Rule 7.1 and 7.1A. As the agreement to issue the New Options to the Service Provider falls within exception 17 of Listing Rule 7.2, the New Options cannot be issued to the Service Provider unless Shareholder approval is obtained under Listing Rule 7.1.

The Company wishes to retain as much flexibility as possible to issue additional Equity Securities into the future without having to obtain shareholder approval for such issues under Listing Rules 7.1. Accordingly, Resolution 5 seeks Shareholder approval for the proposed issue of the New Options under and for the purposes of Listing Rule 7.1.

If Resolution 5 is passed, this will allow the Company to issue the New Options during the period of 3 months after the Meeting (or a longer period, if allowed by ASX), without using the Company's 15% annual placement capacity under Listing Rule 7.1.

If Resolution 5 is not passed, the Company will not be able to proceed with the issue of the New Options.

5.3 Specific information required by Listing Rule 7.3

Pursuant to and in accordance with Listing Rule 7.3, the following information is provided in relation to the proposed issue of the New Options:

- (a) 5,000,000 New Options will be issued to Lazarus Corporate Finance Pty Ltd (or its nominees);
- (b) the New Options will be issued no later than 3 months after the date of the Meeting (or such later date as permitted by any ASX waiver or modification of the Listing Rules);
- (c) the New Options are being issued as consideration for various ongoing broking, financial and other professional services provided to the Company, and therefore will be issued at an issue price of nil;
- (d) the New Options will be issued to Lazarus Corporate Finance Pty Ltd (or its nominees), which is not a related party of the Company;
- (e) the New Options will be exercisable at \$0.04 each on or before 31 December 2024 and will otherwise be issued on the terms and conditions set out in Schedule 1;

- (f) no funds will be raised from the issue of the New Options as they are being issued as consideration for services;
- (g) the material terms on which the New Options will be issued are set out in section 5.1; and
- (h) a voting exclusion statement is included in the Notice.

6 Resolution 6 – Issue of Securities under the Employee Securities Incentive Plan

6.1 General

The Company considers that it is desirable to maintain an employee incentive scheme pursuant to which the Company can issue Equity Securities to attract, motivate and retain key Directors, employees and consultants and provide them with the opportunity to participate in the future growth of the Company.

Resolution 6 seeks Shareholders' approval for the issue of up to 69,438,218 Securities under the Plan in accordance with Listing Rule 7.2 exception 13(b).

The Plan incorporates amendments to the Corporations Act since the Company's existing employee incentive plan was adopted on 31 May 2022. The Directors believe that it is preferable in the circumstances to replace the existing plan with the new Plan rather than to amend a multitude of specific provisions to ensure compliance with the new legislative regime.

Under the Plan, the Board may offer to eligible persons the opportunity to subscribe for such number of Equity Securities in the Company as the Board may decide and on the terms set out in the rules of the Plan, a summary of which is set out in Schedule 3. In addition, a copy of the Plan is available for review by Shareholders at the registered office of the Company until the date of the Meeting. A copy of the Plan can also be sent to Shareholders upon request to the Company Secretary. Shareholders are invited to contact the Company if they have any queries or concerns.

Resolution 6 is an ordinary resolution.

The Board declines to make a recommendation in relation to Resolution 6 due to their material personal interests in its outcome.

6.2 Summary of material regulatory changes

The *Treasury Laws Amendment (Cost of Living Support and Other Measures) Act 2022* (Cth) introduced a new Division 1A into Part 7.12 of the Corporations Act in relation to employee share schemes (**New Rules**). The legislation, which takes effect from 1 October 2022, replaces and expands the current ASIC Class Order [CO 14/1000] (**Class Order**).

A summary of the key changes applicable to the Company under the New Rules are set out below.

(a) Expanded eligibility

Class Order regulatory relief was previously only available for issues to directors, full time and part time employees and casual employees or contractors that are 40% or more full time equivalent.

Under the New Rules, an offer may only be made to specified "primary participants" (being directors, employees and service providers, with no minimum requirements of hours of service provided) or certain related persons to a primary participant (such as certain immediate family members, controlled bodies corporate or a related self-managed superannuation fund).

(b) **Issue cap**

Under the Class Order, issue caps of 5% of a listed entity's fully paid shares apply over a rolling period of 3 years (irrespective of whether monetary consideration is required) when relying on Class Order relief.

Under the New Rules, there is no cap on issues made for no monetary consideration. Caps only apply to issues made for monetary consideration (being 5% for listed entities unless a higher cap is specified in the Constitution).

Further, offers of eligible interests to participants under an employee securities incentive plan which would not ordinarily require disclosure, such as offers to senior managers or small-scale offerings are not required to comply with the issue cap.

(c) **Disclosure requirements**

The Class Order does not distinguish between offers for monetary consideration and those without, with the same disclosure requirements for both offers.

Under the New Rules, offers made for no monetary consideration do not have any specific requirements, other than the need for a statement that the offer is made pursuant to Division 1A of Part 7.12 of the Corporations Act. In the case of offers made for monetary consideration, an offer document is required (with specific disclosure requirements) and participants cannot acquire their interests until 14 days after receiving the necessary disclosure from the entity.

(d) **Quotation and suspension requirements**

Class Order relief is only available where an entity meets the minimum quotation period of 3 months prior to making an offer of eligible interests. In addition, relief is prohibited if an entity is suspended from quotation for over 5 days in the preceding 12-month period.

Under the New Rules, listed entities can offer eligible interests without first meeting any minimum quotation period, and regardless of any suspensions to the trading of securities.

(e) **On-sale relief**

The Class Order provides relief from the on-sale provisions for securities issued under the Class Order.

Pursuant to the New Rules, listed entities must issue a cleansing notice to ensure that any Shares issued (including following the exercise of any options and performance rights) may be on-sold within 12 months of issue.

(f) **Criminal offences**

A number of new offences created under the New Rules, including misleading and deceptive statement offences and offences relating to holding participants' money. In addition, regulatory relief can be revoked if any of the below are breached:

- (i) compliance with the monetary cap;
- (ii) compliance with the issue cap; and
- (iii) providing disclosure documents at the required time.

6.3 Listing Rules 7.1 and 7.2, exception 13(b)

Listing Rule 7.1 provides that a company must not, subject to specified exceptions, issue or agree to issue more Equity Securities during any 12 month period than that amount which represents 15% of the number of fully paid ordinary securities on issue at the commencement of that 12 month period.

Listing Rule 7.2, exception 13(b) provides an exception to Listing Rule 7.1 such that issues of Equity Securities under an employee incentive scheme are exempt for a period of 3 years from the date on which shareholders approve the issue of Equity Securities under the scheme as an exception to Listing Rule 7.1.

If Resolution 6 is passed, the Company will be able to issue Equity Securities under the Plan to eligible participants over a period of 3 years without using the Company's 15% annual placement capacity under Listing Rule 7.1.

If Resolution 6 is not passed, the Company will not be able to issue Equity Securities under the Plan to eligible participants over a period of three years without using the Company's 15% annual placement capacity under Listing Rule 7.1. Any Equity Securities issued under the Plan will reduce the Company's 15% annual placement capacity under Listing Rule 7.1.

However, any future issues of Equity Securities under the Plan to a related party or a person whose relationship with the Company or the related party is, in ASX's opinion, such that approval should be obtained will require additional Shareholder approval under Listing Rule 10.14 at the relevant time. For this reason, the Company is also seeking approval under each of the Resolutions that make up Resolution 8 for the issue of Incentive Options to Directors under the Plan.

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

Pursuant to and in accordance with Listing Rule 7.2, exception 9, the following information is provided in relation to the Plan:

- (a) the material terms of the Plan are summarised in Schedule 3;
- (b) since the Company's existing employee incentive plan was last approved by Shareholders on 31 May 2022, no Securities have been issued under it; and
- (c) the maximum number of Equity Securities available to be issued under the Plan pursuant to Listing Rule 7.2, exception 13(b) is 69,438,218 (representing 15% of the Equity Securities on issue at the date of the Meeting), subject to adjustment in the event of an alteration in capital and further subject to the applicable rules and regulations of all regulatory authorities to which the Company is subject, including ASX. This means that the Company may issue up to 69,438,218 Equity Securities under the Plan pursuant to Listing Rule 7.2, exception 13(b); and
- (d) a voting exclusion statement is included in the Notice.

7 Resolution 7 – Potential payment of termination benefits under the Employee Securities Incentive Plan

7.1 General

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

As is common with employee incentive schemes, the Plan provides the Board with the discretion to, amongst other things, determine that some or all of the Equity Securities granted to a participant under the Plan (**Plan Securities**) will not lapse in the event of that participant ceasing their engagement with the Company before such Plan Securities have vested. This "accelerated vesting" of Plan Securities may constitute a "termination benefit" prohibited under the Corporations Act, regardless of the value of such benefit, unless Shareholder approval is obtained. Accordingly, the Board has resolved to seek Shareholder approval for the granting of such termination benefits in accordance with Resolution 7.

Resolution 7 is an ordinary resolution.

The Board declines to make a recommendation in relation to Resolution 7 due to their material personal interests in its outcome.

7.2 Part 2D.2 of the Corporations Act

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

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

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

As a result of the above discretion, the Board has the power to determine that some or all of a participant's Plan Securities will not lapse in the event of the participant ceasing employment or office before the vesting of their Plan Securities. The Board's current intention is to only exercise this discretion where the person leaves employment or office without fault on their part.

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

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

7.3 Value of the termination benefits

Provided Shareholder approval is given, the value of the termination benefits may be disregarded when applying section 200F(2)(b) or section 200G(1)(c) of the Corporations Act (i.e. the approved benefit will not count towards the statutory cap under the legislation).

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

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

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

8 Resolution 8 – Issue of Incentive Options to the Directors

8.1 General

The Company is proposing, subject to obtaining Shareholder approval to issue Securities under the Plan (refer to Resolution 6), to issue Incentive Options to the Directors (or their respective nominees) as follows:

Director	Resolution	Number
Bradley Marwood	8(a)	10,000,000
Anthony Italiano	8(b)	10,000,000
Angela Pankhurst	8(c)	6,000,000
Total		26,000,000

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 seeks to align the efforts of each Director 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 the Incentive Options is a prudent means of conserving the Company's available cash reserves. The Board believes it is important to offer these Incentive Options to continue to attract and maintain highly experienced and qualified Board members in a competitive market.

The Incentive Options are to be issued under the Company's Plan, the terms of which are summarised in Schedule 3.

The Incentive Options have an issue price of nil, an exercise price of \$0.04 per Incentive Option and expire on 31 December 2024. For full terms of the Incentive Options, please refer to Schedule 2.

Subject to receiving Shareholder approval to issue Securities under the Plan (refer to Resolution 6), the Resolutions that make up Resolution 8 seek Shareholder approval pursuant to Listing Rule 10.14 for the issue of up to a total of 26,000,000 Incentive Options under the Plan to the Directors.

The resolutions that make up Resolution 8 are each ordinary resolutions.

The Board (other than each relevant Director who has a material personal interest in any of the relevant resolutions that makes up Resolution 8) recommend that Shareholders vote in favour of each of the resolutions that make up Resolution 8.

8.2 Listing Rule 10.14

Listing Rule 10.14 requires shareholder approval to be obtained where an entity issues, or agrees to issue, Equity Securities under an employee incentive scheme to:

- a director of the entity (Listing Rule 10.14.1);
- an associate of a person referred to in Listing Rule 10.14.1 (Listing Rule 10.14.2),
- a person whose relationship with the company or a person referred to in Listing Rule 10.14.1 or 10.14.2 is such that, in ASX's opinion, the issue or agreement should be approved by its shareholders (Listing Rule 10.11.5),

unless it obtains the approval of its shareholders.

If the Resolutions that make up Resolution 8 are passed, the Company will be able to proceed with the issue of the Incentive Options to each of the Directors (or their respective nominees).

If the resolutions that make up Resolution 8 are not passed, the Company will not be able to proceed with the issue of the Incentive Options to each of the Directors (or their respective nominees) and the Company may need to consider other forms of incentive remuneration, including by the payment of cash.

As Shareholder approval is sought under Listing Rule 10.14, approval under Listing Rules 7.1 or 10.11 is not required.

8.3 Specific information required by Listing Rule 10.15

Pursuant to and in accordance with Listing Rule 10.15, the following information is provided in relation to the proposed issue of the Incentive Options:

- (a) the Incentive Options will be issued under the Plan to:
 - (i) Mr Bradley Marwood (or his nominees);
 - (ii) Mr Anthony Italiano (or his nominees); and
 - (iii) Ms Angela Pankhurst (or her nominees),
 each of whom is a Director;
- (b) each of the Directors falls into the category stipulated by Listing Rule 10.14.1. In the event that the Incentive Options are issued to nominees of the Directors, those persons will fall into the category stipulated by Listing Rule 10.14.2;
- (c) the maximum number of Incentive Options to be issued to the Directors (or their respective nominees) is 26,000,000, in the proportions set out in section 8.1 above. The actual number of Incentive Options that are exercised into Shares will largely be dependent on the market price for Shares at the relevant time;
- (d) the current total remuneration package for each Director is as follows:

Director	Position	Salary ¹	Share based ² payments	Total ³
Bradley Marwood	Executive Director and Chairman	US\$162,000	US\$11,789	US\$173,789
Anthony Italiano	Executive Director and Company Secretary	US\$220,000	US\$20,631	US\$240,631
Angela Pankhurst	Non-Executive Director	US\$25,000	US\$8,842	US\$33,842

Notes:

- 1 These values are inclusive of statutory superannuation.
- 2 The share based payments have been sourced from the Company's 2021 annual report released on 2 May 2022.
- 3 The value of Incentive Options the subject of the Resolutions that make up Resolution 8 and any cash bonus made to the relevant Director in relation to a transaction that results in the Company no longer controlling the Plomosas mining project in Mexico (as announced to ASX on 10 August 2022 by the Company) are not reflected above.
- 4 Mr Marwood's salary is based on him currently working as 60% full time equivalent.

- (e) since the Incentive Options are proposed to be issued under the Plan to be adopted under Resolution 6, no Securities have previously been issued under the Plan;
- (f) the Incentive Options are subject to the terms in Schedule 2;

- (g) the Incentive Options are being issued as a cost effective and efficient reward for the Company to appropriately incentivise the continued performance of the Directors and is considered by the Board to be consistent with the strategic goals and targets of the Company;
- (h) the value that the Company attributes to each Incentive Options is \$0.00963 each, given them an aggregated value of \$250,328. The value attributed to the Incentive Options to be received by each Director are as follows:

Director	Total Value
Bradley Marwood	\$96,279
Anthony Italiano	\$96,279
Angela Pankhurst	\$57,768

- (i) the valuation for the Incentive Options was provided by external consultants, AnLar Consulting, and was based on the binomial option pricing model. Full details of the valuation methodology are as follows:

Item	Value
Assumed Share price at grant date	\$0.022
Exercise price	\$0.04
Life of the option	2.18 years
Expiry date	31 December 2024
Expected volatility	103%
Risk free interest rate	3.23%
Annualised dividend yield	Nil
Value of each Incentive Option	\$0.009628

- (j) the Incentive Options will be issued no later than 3 years after the date of the Meeting (or such later date as permitted by any ASX waiver or modification of the Listing Rules);
- (k) the Incentive Options will have an issue price of nil as they will be issued as part of each Director's remuneration package;
- (l) a summary of the material terms of the Plan is detailed in Schedule 3;
- (m) no loan will be provided to the Directors in relation to the issue of the Incentive Options;
- (n) details of any Incentive Options issued under the Plan will be published in the Company's annual report relating to the period in which they were issued, along with a statement that approval for the issue was obtained under Listing Rule 10.14. Any additional persons covered by Listing Rule 10.14 who become entitled to participate in an issue of Incentive Options under the Plan after the resolutions that make up Resolution 8 are approved and who were not named in this Notice will not participate until approval is obtained under that rule; and
- (o) a voting exclusion statement is included in the Notice.

8.4 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:

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

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

The grant of the Incentive Options constitutes giving a financial benefit and the Directors are related parties of the Company by virtue of being Directors.

The Board (other than each relevant Director who has a material personal interest in each of the Resolutions that make up Resolution 8) considers that Shareholder approval pursuant to Chapter 2E of the Corporations Act is not required in respect of the grant of the Incentive Options due to the exceptions in sections 210 and 211 of the Corporations Act as they are considered to be reasonable remuneration and were negotiated on arm's length terms.

Definitions

\$ or A\$ means Australian dollars.

ASIC means the Australian Securities and Investments Commission.

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

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

Board means the board of Directors.

Chair means the person appointed to chair the Meeting of the Company convened by the Notice.

Closely Related Party means a spouse or child of the member, and otherwise has the meaning given in section 9 of the Corporations Act.

Company means Consolidated Zinc Limited (ACN 118 554 359).

Constitution means the constitution of the Company.

Copulos Group means Stephen Copulos and his controlled entities.

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

Director means a director of the Company.

Equity Security has the meaning given in the Listing Rules.

Executive Director means Mr Bradley Marwood or Mr Anthony Italiano (as applicable).

Explanatory Statement means the explanatory statement which forms part of the Notice.

Incentive Option means an Option to be issued under the Plan, with an exercise price of \$0.04 each, expiry date of 31 December 2024 and otherwise on the terms set out in Schedule 2.

Key Management Personnel has the meaning given in the accounting standards issued by the Australian Accounting Standards Board. It includes 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, the consolidated entity, directly or indirectly, including any director (whether executive or otherwise) of the Company, or if the Company is part of a consolidated entity, of an entity within the consolidated group.

Listing Rules means the listing rules of ASX.

Meeting or **General Meeting** means the general meeting of Shareholders convened by the Notice.

New Option means an Option with an exercise price of \$0.04 each, expiry date of 31 December 2024 and otherwise on the terms set out in Schedule 1 (which, to avoid doubt, includes a Placement Option).

Notice means this notice of General Meeting.

Official List means the official list of ASX.

Option means an option to acquire a Share.

Placement means the placement announced by the Company on 23 September 2022 to raise approximately \$2,090,000 (before costs), as described in section 3.1.

Placement Option means a free attaching New Option to be issued under the Placement, with an exercise price of \$0.04 each, expiry date of 31 December 2024 and on the terms set out in Schedule 1.

Placement Participant means a sophisticated or professional investor who participated in the Placement (other than a Related Party Participant), as described in section 3.1.

Placement Security means a Placement Share or Placement Option (as applicable).

Placement Share means a Share issued or to be issued under the Placement, as described in section 3.1.

Plan or **Employee Securities Incentive Plan** means the proposed employee securities incentive plan of the Company, a summary of which is set out in Schedule 3.

Proxy Form means the proxy form attached to or accompanying the Notice.

Related Party Participant means the Copulos Group, Mr Bradley Marwood or Mr Anthony Italiano (as applicable), as described in section 3.1.

Resolution means a resolution referred to in the Notice.

Schedule means a schedule to the Notice.

Securities means Equity Securities of the Company (including Shares and Options).

Service Provider means Lazarus Corporate Finance Pty Ltd (ACN 149 263 543).

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

Shareholder means the registered holder of a Share.

Schedule 1– Terms of New Options

- 1 **(Entitlement):** Each New Option entitles the holder to subscribe for one Share upon exercise of the New Option.
- 2 **(Issue Price):** The New Options will be issued for nil consideration.
- 3 **(Exercise Price):** Subject to the terms and conditions set out below, the amount payable upon exercise of each New Option will be \$0.04 (**Exercise Price**).
- 4 **(Expiry Date):** Each New Option will expire at 5:00pm (AWST) on 31 December 2024 (**Expiry Date**). A New Option not exercised before the Expiry Date will automatically lapse on the Expiry Date.
- 5 **(Exercise Period):** The New Options are exercisable at any time on or prior to the Expiry Date (**Exercise Period**).
- 6 **(Notice of Exercise):** The New Options may be exercised by notice in writing to the Company in the manner specified on the New Option certificate (**Notice of Exercise**) and payment of the Exercise Price for each New Option being exercised in Australian currency by electronic funds transfer or other means of payment acceptable to the Company.
- 7 **(Exercise Date):** A Notice of Exercise is only effective on and from the later of the date of receipt of a Notice of Exercise and the date of receipt of the payment of the Exercise Price for each New Option being exercised in cleared funds (**Exercise Date**).
- 8 **(Timing of issue of Shares):** Within 10 business days after the Exercise Date, the Company will:
 - (a) issue the number of Shares required under these terms and conditions in respect of the number of New Options specified in the Notice of Exercise and for which cleared funds have been received by the Company;
 - (b) if required, give ASX a notice that complies with section 708A(5)(e) of the Corporations Act, or, if the Company is unable to issue such a notice, lodge with ASIC a prospectus prepared in accordance with the Corporations Act and do all such things necessary to satisfy section 708A(11) of the Corporations Act to ensure that an offer for sale of the Shares does not require disclosure to investors; and
 - (c) if admitted to the official list of ASX at the time, apply for official quotation on ASX of Shares issued pursuant to the exercise of the New Options.

If a notice delivered for any reason is not effective to ensure that an offer for sale of the Shares does not require disclosure to investors, the Company must, no later than 20 business days after becoming aware of such notice being ineffective, lodge with ASX a prospectus prepared in accordance with the Corporations Act and do all such things necessary to satisfy section 708A(11) of the Corporations Act to ensure that an offer for sale of the Shares does not require disclosure to investors.
- 9 **(Shares issued on exercise):** Shares issued on exercise of the New Options rank equally with the then Shares of the Company.
- 10 **(Reconstruction of capital):** If at any time the issued capital of the Company is reconstructed, all rights of a New Option s holder are to be changed in a manner consistent with the Corporations Act and the Listing Rules at the time of the reconstruction.
- 11 **(Participation in new issues):** There are no participation rights or entitlements inherent in the New Options and holders will not be entitled to participate in new issues of capital offered to Shareholders during the currency of the New Options.

- 12 **(Change in exercise price):** A New Option does not confer the right to a change in Exercise Price of a change in the number of underlying securities over which the New Option can be exercised.
- 13 **(Transferability):** The New Options are transferable subject to any restriction or escrow arrangements imposed by ASX or under applicable Australian securities laws.
- 14 **(Quotation):** The Company will seek ASX quotation of the New Options.

Schedule 2 – Terms of Incentive Options

- 1 **(Plan)**: The Company will grant the Incentive Options under the Plan. For Incentive Options granted under the Plan, any terms not otherwise defined in these terms and conditions have the same meaning as in the Plan. In the event of any inconsistency between the Plan and these terms and conditions, these terms and conditions will apply to the extent of the inconsistency.
- 2 **(Entitlement)**: Each Incentive Option entitles the holder to subscribe for one Share upon exercise of the Incentive Option.
- 3 **(Issue Price)**: The Incentive Options will be issued for nil consideration.
- 4 **(Exercise Price)**: Subject to the terms and conditions set out below, the amount payable upon exercise of each Incentive Option will be \$0.04 (**Exercise Price**).
- 5 **(Expiry Date)**: Each Incentive Option will expire at 5:00pm (AWST) on 31 December 2024 (**Expiry Date**). An Incentive Option not exercised before the Expiry Date will automatically lapse on the Expiry Date.
- 6 **(Exercise Period)**: The Incentive Options are exercisable at any time on or prior to the Expiry Date (**Exercise Period**).
- 7 **(Notice of Exercise)**: The Incentive Options may be exercised by notice in writing to the Company in the manner specified on the Incentive Option certificate (**Notice of Exercise**) and payment of the Exercise Price for each Incentive Option being exercised in Australian currency by electronic funds transfer or other means of payment acceptable to the Company.
- 8 **(Exercise Date)**: A Notice of Exercise is only effective on and from the later of the date of receipt of a Notice of Exercise and the date of receipt of the payment of the Exercise Price for each Incentive Option being exercised in cleared funds (**Exercise Date**).
- 9 **(Cashless exercise of the Incentive Options)**: The holder of Incentive Options may elect not to be required to provide payment of the Exercise Price for the number of Incentive Options specified in a Notice of Exercise but that on exercise of those Incentive Options the Company will transfer or allot to the holder that number of Shares (rounded down to the nearest whole number) equal in value to the difference between the total Exercise Price otherwise payable for the Incentive Options on the Incentive Options being exercised and the then market value of Shares at the time of exercise (determined as the volume weighted average of the prices at which Shares were traded on the ASX during the 5 trading-day period immediately preceding the exercise date) calculated in accordance with the following formula:

$$S = A \times \frac{(MSP - EP)}{MSP}$$

Where:

- (a) **S** = Number of Shares to be issued on exercise of the Awards;
- (b) **A** = Number of Awards;
- (c) **MSP** = Market value of Shares (calculated using the volume weighted average price (as that term is defined in the Listing Rules) at which Shares were traded on the ASX during the 5 trading day-period immediately preceding the exercise date); and
- (d) **EP** = Exercise Price.

If the difference between the total Exercise Price otherwise payable for the Shares on the Incentive Options being exercised and the then market value of Shares at the time of exercise (calculated in

accordance with the formula above) is zero or negative, then the holder will not be entitled to cashless exercise of the Incentive Options.

- 10 **(Timing of issue of Shares):** Within 10 business days after the Exercise Date, the Company will:
- (a) issue the number of Shares required under these terms and conditions in respect of the number of Incentive Options specified in the Notice of Exercise and for which cleared funds have been received by the Company;
 - (b) if required, give ASX a notice that complies with section 708A(5)(e) of the Corporations Act, or, if the Company is unable to issue such a notice, lodge with ASIC a prospectus prepared in accordance with the Corporations Act and do all such things necessary to satisfy section 708A(11) of the Corporations Act to ensure that an offer for sale of the Shares does not require disclosure to investors; and
 - (c) if admitted to the official list of ASX at the time, apply for official quotation on ASX of Shares issued pursuant to the exercise of the Incentive Options.

If a notice delivered for any reason is not effective to ensure that an offer for sale of the Shares does not require disclosure to investors, the Company must, no later than 20 business days after becoming aware of such notice being ineffective, lodge with ASX a prospectus prepared in accordance with the Corporations Act and do all such things necessary to satisfy section 708A(11) of the Corporations Act to ensure that an offer for sale of the Shares does not require disclosure to investors.

- 11 **(Shares issued on exercise):** Shares issued on exercise of the Incentive Options rank equally with the then Shares of the Company.
- 12 **(Reconstruction of capital):** If at any time the issued capital of the Company is reconstructed, all rights of an Incentive Option holder are to be changed in a manner consistent with the Corporations Act and the Listing Rules at the time of the reconstruction.
- 13 **(Participation in new issues):** There are no participation rights or entitlements inherent in the Incentive Options and holders will not be entitled to participate in new issues of capital offered to Shareholders during the currency of the Incentive Options.
- 14 **(Change in exercise price):** An Incentive Option does not confer the right to a change in Exercise Price of a change in the number of underlying securities over which the Incentive Option can be exercised.
- 15 **(Transferability):** The Incentive Options are transferable subject to any restriction or escrow arrangements imposed by ASX or under applicable Australian securities laws.
- 16 **(Quotation):** The Incentive Options will be unquoted.

Schedule 3 – Summary of Employee Securities Incentive Plan

- 1 **(Purpose of Plan):** The purpose of the Plan is to:
 - (a) assist in the reward, retention and motivation of Eligible Participants;
 - (b) link the reward of Eligible Participants to Shareholder value creation; and
 - (c) align the interests of Eligible Participants with shareholders of the Group (being the Company and each of its Related Bodies Corporate), by providing an opportunity to Eligible Participants to receive an equity interest in the Company in the form of Awards (being securities exercisable for Shares, including options and performance rights).
- 2 **(Eligibility to participate):** An Eligible Participant means a person that:
 - (a) is a "primary participant" (as defined in section 1100L(1)(a) Corporations Act or any amendment or replacement thereof) in relation to the Company or a Related Body Corporate; and
 - (b) has been determined by the Board to be eligible to participate in the Plan from time to time.
- 3 **(Permitted Nominees):** If an Eligible Participant is permitted in the Offer, they may, by written notice to the Board, nominate a Permitted Nominee in whose favour the Eligible Participant wishes to renounce the Offer.

A "Permitted Nominee" is defined as a "related person" of an Eligible Participant (section 1100L(b) of the Corporations Act) or a trustee(s) of a trust set up solely for the benefit of the Eligible Participant and/or a "related person".
- 4 **(Administration of Plan):** The Plan will be administered by the Board. The Board may exercise any power or discretion conferred on it by the Plan rules in its absolute discretion. The Board may delegate its powers and discretion.
- 5 **(Offers of Awards):** The Board may from time to time determine that an Eligible Participant may participate in the Plan and make an offer to that Eligible Participant to apply for Securities in the Company (**Awards**).
- 6 **(Applications for Awards):** An Eligible Participant who wishes to apply to participate in the Plan in response to an Offer must provide a completed application form to the Company. The Board may accept an application from an Eligible Participant in whole or in part. If an Eligible Participant is permitted in the Offer, the Eligible Participant may, by notice in writing to the Board, nominate a party in whose favour the Eligible Participant wishes to renounce the invitation in order for that nominee to be granted the Awards the subject of the Offer.
- 7 **(Grant of Awards):** The Company will, to the extent that it has accepted a duly completed application, grant the Participant the relevant number of Awards, subject to the terms and conditions set out in the Offer, the Plan rules and any ancillary documentation required.
- 8 **(Terms of Awards):** Each 'Award' represents a right to acquire one or more Shares (for example, under an option or performance right), subject to the terms and conditions of the Plan. Prior to an Award being exercised a Participant does not have any interest (legal, equitable or otherwise) in any Share the subject of the Award by virtue of holding the Award.
- 9 **(Vesting of Awards):** Any vesting conditions applicable to the grant of Awards will be described in the Offer. If all the vesting conditions are satisfied and / or otherwise waived by the Board, a vesting notice will be sent to the Participant by the Company informing them that the relevant Awards have vested. Unless and until the vesting notice is issued by the Company, the Awards will not be considered to have vested. For the avoidance of doubt, if the vesting conditions relevant to an Award are not satisfied and / or otherwise waived by the Board, that Award will lapse.

10 **(Delivery of Shares on exercise of Awards):** As soon as practicable after the valid exercise of an Award by a Participant, the Company will issue or cause to be transferred to that Participant the number of Shares to which the Participant is entitled under the Plan rules and issue a substitute certificate for any remaining unexercised Awards held by that Participant.

11 **(Exercise of Awards and cashless exercise):** In the case of an Award which is an Option, to exercise an Award, the Participant must deliver a signed notice of exercise and, subject to a cashless exercise of Awards (see below), pay the exercise price (if any) to or as directed by the Company, at any time prior to the earlier of any date specified in the vesting notice and the expiry date as set out in the invitation. In the case of an Award which is a Performance Right, following the issue of a Vesting Notice, a vested Performance Right will automatically be exercised within the period specified by the Board in the relevant Offer.

The Participant may elect not to be required to provide payment of the exercise price for the number of Awards specified in a notice of exercise, but that on exercise of those Awards the Company will transfer or issue to the Participant that number of Shares as are equal in value to the difference between the total Exercise Price otherwise payable for the Awards on the Awards being exercised and the then market value of Shares at the time of exercise (determined as the volume weighted average of the prices at which Shares were traded on the ASX during the 5 trading-day period immediately preceding the exercise date) calculated in accordance with the following formula:

$$S = A \times \frac{(MSP - EP)}{MSP}$$

Where:

- (a) **S** = Number of Shares to be issued on exercise of the Awards;
- (b) **A** = Number of Awards;
- (c) **MSP** = Market value of Shares (calculated using the volume weighted average price (as that term is defined in the Listing Rules) at which Shares were traded on the ASX during the 5 trading day-period immediately preceding the exercise date); and
- (d) **EP** = Exercise Price.

If the difference between the total Exercise Price otherwise payable for the Awards on the Awards being exercised and the then market value of Shares at the time of exercise (calculated in accordance with the formula above) is zero or negative, then a holder will not be entitled to use the Cashless Exercise Facility.

12 **(Restrictions on Dealing):** A Participant may not sell, transfer, assign, grant a security interest over, option, swap, alienate or otherwise deal with an Award that has been granted to them.

The Board may impose a restriction on dealing with Shares allocated on exercise or vesting of an Award. The Board may implement any procedure it considers appropriate to ensure the compliance by the Participant with this restriction, including the imposition of a holding lock or requiring that Shares be held in trust on behalf of the Participant.

13 **(Forfeiture of Awards):** Where a Participant who holds Awards ceases to be an Eligible Participant or becomes insolvent, all unvested Awards will automatically be forfeited by the Participant, unless the Board otherwise determines in its discretion to permit some or all of the Awards to vest. Where the Board determines that a Participant has acted fraudulently or dishonestly, or wilfully breached his or her duties to the Group, the Board may in its discretion deem all unvested Awards held by that Participant to have been forfeited.

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

- (a) any Awards which have not yet vested will be forfeited immediately on the date that the Board determines (acting reasonably and in good faith) that any applicable vesting conditions have not been met or cannot be met by the relevant date; and

- (b) any Awards which have not yet vested will be automatically forfeited on the expiry date specified in the invitation.

14 **(Change of control):** If a change of control event occurs in relation to the Company, or the Board determines that such an event is likely to occur, the Board may in its absolute discretion determine that:

- (a) all or a specified number of a Participant's unvested Awards are deemed to have vested;
- (b) all or specified number of a Participant's Options may be exercised for a period specified by the Board, and if not exercised within that period, will lapse;
- (c) the Dealing Restrictions or any other terms which apply to the Award cease to apply; and / or
- (d) the Dealing Restrictions which apply to Shares allocated on the vesting of or exercise of an Award (as applicable) cease to apply.

15 **(Rights):** All Shares issued under the Plan, or issued or transferred to a Participant upon the valid exercise of an Award, will rank equally in all respects with the Shares of the same class. A Participant will be entitled to any dividends declared and distributed by the Company on the Shares and may participate in any dividend reinvestment plan operated by the Company in respect of Shares. A Participant may exercise any voting rights attaching to Shares.

16 **(Adjustment for capital reconstructions):** If there is a reorganisation of the issued share capital of the Company (including any subdivision, consolidation, reduction, return or cancellation of such issued capital of the Company), the rights of each Participant holding Awards will be changed to the extent necessary to comply with the Listing Rules applicable to a reorganisation of capital at the time of the reorganisation. If Shares are issued by the Company by way of bonus issue (other than an issue in lieu of dividends or by way of dividend reinvestment), the holder of Awards is entitled, upon exercise of the Awards, to receive an allotment of as many additional Shares as would have been issued to the holder if the holder held Shares equal in number to the Shares in respect of which the Awards are exercised. Unless otherwise determined by the Board, a holder of Awards does not have the right to participate in a pro rata issue of Shares made by the Company or sell renounceable rights.

17 **(Participation in new issues):** There are no participation rights or entitlements inherent in the Awards and holders are not entitled to participate in any new issue of Shares of the Company during the currency of the Awards without exercising the Awards.

18 **(Amendment of Plan):** Subject to the following paragraph, the Board may at any time amend any provisions of the Plan rules, including the terms upon which any Awards have been granted under the Plan and determine that any amendments to the Plan rules be given retrospective effect, immediate effect or future effect.

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

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

Proxy Form

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 **10.00am (AWST) on Wednesday, 7 December 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.



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