



ABN 96 009 217 154

10 February 2023

Notice of General Meeting

Dear Shareholder,

Please be aware that Xstate Resources Limited ("**Xstate**" or "**the Company**") has today released a Notice of General Meeting of Shareholders to be held on 13 March 2023 at 11:00 am Australian Western Standard Time (**AWST**).

In accordance with the *Corporations Amendment (Meetings and Documents) Act 2022*, the Company will not be dispatching physical copies of the Notice of Meeting (**NoM**) unless specifically requested to do so. Instead, a copy of the NoM can be viewed and downloaded online at the following link:

www.xstateresources.com.au/investor-centre/announcements/

Should you wish to receive a physical copy of the NoM, please contact the Company Secretary on companysecretary@xstateresources.com.au or via phone to +61 8 9435 3200.

A copy of the proxy form is enclosed in the NoM located at the above link. Proxy votes may be lodged by any of the following methods:

- By mail to PO Box 584, Fremantle, WA 6959; or
- By scan and email to the Company Secretary.

Regards,

Jordan McArthur

Company Secretary

Xstate Resources Limited

Tel Office: +61 8 9435 3200

Email: companysecretary@xstateresources.com.au



XSTATE RESOURCES LIMITED

ABN 96 009 217 154

NOTICE OF GENERAL MEETING

PROXY FORM

AND

EXPLANATORY STATEMENT

Date of Meeting

13 March 2023

Time of Meeting

11:00 am (AWST)

Place of Meeting

**Level 1, 31 Cliff Street
Fremantle, Western Australia**

XSTATE RESOURCES LIMITED

ABN 96 009 217 154

NOTICE OF GENERAL MEETING

Notice is hereby given that a General Meeting of shareholders of Xstate Resources Limited ("**Company**") will be held at 11:00 am (AWST) on Monday 13 March 2023, at Level 1, 31 Cliff Street, Fremantle, Western Australia.

In order to determine voting entitlements, the register of Shareholders will be closed at 4:00 pm (AWST) on 10 March 2023.

An Explanatory Statement containing information in relation to the Resolution to be put to the meeting accompanies this Notice.

AGENDA

To consider and, if thought fit, to pass the following Resolutions.

ORDINARY BUSINESS

Ordinary Resolution 1: CONSOLIDATION OF CAPITAL

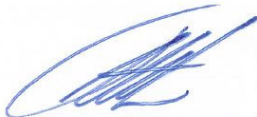
To consider, and if thought fit, to pass, with or without amendment, the following resolution as an **ordinary resolution**:

"That, pursuant to section 254H of the Corporations Act and for all other purposes, the issued capital of the Company be consolidated on the basis that:

- (a) every 10 Shares be consolidated into 1 Share;*
- (b) existing Options on issue are consolidated on a corresponding ratio, with the Option exercise price increased by a factor of 10 times;*

and, where this Consolidation results in a fraction of a Share or Option being held, the Company be authorised to round that fraction up to the nearest whole number of Shares or Options. "

By Order of the Board



Jordan McArthur

Company Secretary

Dated: 10 February 2023

ENTITLEMENT TO ATTEND AND VOTE

VOTING IN PERSON

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

VOTING BY PROXY

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

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

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

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

CORPORATE REPRESENTATIVE

A Shareholder that is a corporation may appoint an individual to act as its corporate representative to vote at the Meeting in accordance with section 250D of the Corporations Act. Any corporation wishing to appoint an individual to act as its representative at the Meeting should provide that person with a certificate or letter executed in accordance with the Corporations Act authorising him or her to act as that company's representative. The authority may be sent to the Company and/or Share Registry in advance of the Meeting or handed in at the Meeting when registering as a corporate representative. A 'Certificate of Appointment of Corporate Representative' is enclosed if required.

ENQUIRIES

Shareholders are invited to contact the Company Secretary, Mr Jordan McArthur, on +61 8 9435 3200 if they have any queries in respect of the matters set out in this document.

XSTATE RESOURCES LIMITED

ABN 96 009 217 154

EXPLANATORY STATEMENT

This Explanatory Statement is intended to provide Shareholders with sufficient information to assess the merits of the Resolution contained in the accompanying Notice of General Meeting ("**Notice**") of the Company.

The Directors of the Company ("**Directors**") recommend Shareholders read this Explanatory Statement in full before making any decision in relation to the Resolution.

The following information should be noted in respect of the various matters contained in the accompanying Notice.

ORDINARY RESOLUTION 1: CONSOLIDATION OF CAPITAL

1.1 Background:

If Resolution 1 is passed the number of:

- (a) Shares on issue will be reduced from 3,215,181,651 to 321,518,165 (subject to rounding); and
- (b) Options on issue will be reduced from 115,500,000 exercisable at \$0.005 each to 11,550,000 exercisable at \$0.05 each, (subject to rounding).

1.2 Legal Requirements

Section 254H of the Corporations Act provides that a company may, by resolution passed in a general meeting, convert all or any of its shares into a larger or smaller number.

1.3 Fractional Entitlements

Not all Security Holders will hold that number of Shares or Options which can be evenly divided by 10. Where a fractional entitlement occurs, the Company will round that fraction up to the nearest whole security.

1.4 Taxation

It is not considered that any taxation implications will exist for Security Holders arising from the Consolidation. However, Security Holders are advised to seek their own tax advice as to the effect of the Consolidation and the Company accepts no responsibility for the individual taxation implications arising from the Consolidation.

1.5 Holding Statements

From the date two Business Days after the Consolidation is approved by Shareholders, all holding statements for Securities will cease to have any effect.

After the Consolidation becomes effective, the Company will arrange for new holding statements for Securities to be issued to holders of those Securities.

It is the responsibility of each Security Holder to check the number of Securities held prior to disposal or exercise (as the case may be).

1.6 Indicative Timetable

If Resolution 1 is passed, the reduction of capital will take effect in accordance with the following timetable (as set out in Appendix 7A of the ASX Listing Rules):

ACTIONDATE

Company announces Consolidation and sends out Notice of Meeting	10 February 2023
Company tells ASX that Shareholders have approved the Consolidation	13 March 2023
Last day for pre-Consolidation trading	14 March 2023
Post-Consolidation trading starts on a deferred settlement basis	15 March 2023
Last day for Company to register transfers on a pre-Consolidation basis	16 March 2023
First day for Company to send notice to each holder of the change in their details of holdings	17 March 2023
First day for the Company to register Securities on a post-Consolidation basis and first day for issue of holding statements.	17 March 2023
Change of details of holdings date.	24 March 2023
Last day for Securities to be entered into Holder's Security holdings	24 March 2023
Last day for the Company to send notice to each holder of the change in their details of holding.	24 March 2023

GLOSSARY

\$ means Australian dollars

ASX means ASX Limited (ACN 008 624 691) or the Australian Securities Exchange, as the context requires.

ASX Listing Rules means the Listing Rules of ASX.

Company means Xstate Resources Limited - ABN 96 009 217 154

Corporations Act means the Corporations Act 2001 (Cth).

Equity Securities includes a Share, a right to a Share or Option, an Option, a convertible security and any security that ASX decides to classify as an Equity Security.

Explanatory Statement means the explanatory statement accompanying the Notice.

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

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

Option means an option to acquire a share.

Optionholder means a holder of an Option.

Resolution means the resolution set out in the Notice of Meeting.

Security Holder means the holder of Shares or Options in the Company.

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

Shareholder means a holder of a Share.

AWST means Australian Western Standard Time (Perth, Western Australia).

CERTIFICATE OF APPOINTMENT OF CORPORATE REPRESENTATIVE

Shareholder Details

This is to certify that by a resolution of the directors of:

..... (Company),
Insert name of Shareholder Company
the Company has appointed:

.....
Insert name of corporate representative

in accordance with the provisions of section 250D of the Corporations Act 2001, to act as the body corporate representative of that Company at a general meeting of the members of Xstate Resources Limited to be held on 13 March 2023 commencing at 11.00 am (AWST) and at any adjournments of that general meeting.

DATED

Please sign here

Executed by the Company)
in accordance with its constituent documents)
)

.....
Signed by authorised representative

.....
Signed by authorised representative

.....
Name of authorised representative (print)

.....
Name of authorised representative (print)

.....
Position of authorised representative (print)

.....
Position of authorised representative (print)

Instructions for Completion

- Insert name of appointing Shareholder Company and the name or position of the appointee corporate representative (eg "John Smith" or "each director of the Company").
- Execute the Certificate following the procedure required by your Constitution or other constituent documents.
- Print the name and position (eg director) of each authorised company officer who signs this Certificate on behalf of the Company.
- Insert the date of execution where indicated.
- Prior to the Meeting, send or deliver the Certificate to the registered office of Xstate Resources Limited at Level 1, 31 Cliff Street, Fremantle WA or email the Certificate to the Company Secretary – companysecretary@xstateresources.com.au

PROXY FORM
XSTATE RESOURCES LIMITED
ABN 96 009 217 154

GENERAL MEETING

I/We

of (Address):

being a Member of Xstate Resources Limited entitled to attend and vote at the General Meeting, hereby appoint:

Name:

Name of proxy (**Please note:** Leave blank if you have selected the Chair of the General Meeting as your proxy.)

OR

☐ the Chair of the General Meeting as your proxy

or failing the person so named or, if no person is named, the Chair of the General Meeting, or the Chair's nominee, to vote in accordance with the following directions or if no directions have been as the proxy sees fit, at the General Meeting to be held at 11.00 am (AWST) on 13 March 2023 at Level 1, 31 Cliff Street, Fremantle, Western Australia, and at any adjournment of that meeting.

The Chair intends to vote undirected proxies in favour of the Resolution.

Voting on Business of the General Meeting

FOR AGAINST ABSTAIN

Ordinary Resolution 1 – Consolidation of Capital

☐☐☐

Please note: If you mark the abstain box for the Resolution, you are directing your proxy not to vote on the Resolution on a show of hands or on a poll and your votes will not be counted in computing the required majority on a poll.

If two proxies are being appointed, the proportion of voting rights this proxy represents is ____%.

Signature of Member(s) _____ **Date:** _____

Individual or Member 1

Member 2

Member 3

**Sole Director / Company
Secretary**

Director

**Director / Company
Secretary**

Contact Name: _____

Contact Ph (daytime): _____

Date: _____

Instructions for completing Proxy Form

1. **(Appointing a proxy):** A Shareholder entitled to attend and cast a vote at the Meeting is entitled to appoint a proxy to attend and vote on their behalf at the Meeting. If a Shareholder is entitled to cast 2 or more votes at the Meeting, the Shareholder may appoint a second proxy to attend and vote on their behalf at the Meeting. However, where both proxies attend the Meeting, voting may only be exercised on a poll. The appointment of a second proxy must be done on a separate copy of the Proxy Form. A Shareholder who appoints 2 proxies may specify the proportion or number of votes each proxy is appointed to exercise. If a Shareholder appoints 2 proxies and the appointments do not specify the proportion or number of the Shareholder's votes each proxy is appointed to exercise, each proxy may exercise one-half of the votes. Any fractions of votes resulting from the application of these principles will be disregarded. A duly appointed proxy need not be a Shareholder.
2. **(Direction to vote):** A Shareholder may direct a proxy how to vote by marking one of the boxes opposite each item of business. The direction may specify the proportion or number of votes that the proxy may exercise by writing the percentage or number of Shares next to the box marked for the relevant item of business. Where a box is not marked the proxy may vote as they choose subject to the relevant laws. Where more than one box is marked on an item the vote will be invalid on that item.
3. **(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 of the Shareholders should sign.
 - **(Power of attorney):** If you have not already provided the power of attorney with the registry, please attach a certified photocopy of the power of attorney to this Proxy Form when you return it.
 - **(Companies):** Where the company has a sole director who is also the sole company secretary, that person must sign. Where the company (pursuant to Section 204A of the Corporations Act) does not have a company secretary, a sole director can also sign alone. Otherwise, a director jointly with either another director or a company secretary must sign. Please sign in the appropriate place to indicate the office held. In addition, if a representative of a company is appointed pursuant to Section 250D of the Corporations Act to attend the Meeting, the documentation evidencing such appointment should be produced prior to admission to the Meeting. A form of a certificate evidencing the appointment may be obtained from the Company.
4. **(Attending the Meeting):** Completion of a Proxy Form will not prevent individual Shareholders from attending the Meeting in person if they wish. Where a Shareholder completes and lodges a valid Proxy Form and attends the Meeting in person, then the proxy's authority to speak and vote for that Shareholder is suspended while the Shareholder is present at the Meeting.
5. **(Return of Proxy Form):** To vote by proxy, please complete and sign the enclosed Proxy Form and return by:
 - In person to Level 1, 31 Cliff Street, Fremantle, WA 6160;
 - By mail to PO Box 584, Fremantle, WA, 6959; or
 - By scan and email to companysecretary@xstateresources.com.au, so that it is received not less than 48 hours prior to commencement of the Meeting.

Proxy Forms received later than this time will be invalid.