



**Caprice Resources Limited
ACN 624 970 725**

Notice of General Meeting

A general meeting of the Company will be held as follows:

Time and date: 10.30 am (AWST) on Thursday, 16 March 2023

Location: at Level 3, 10 Outram Street, West Perth WA 6005

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

Should you wish to discuss any matter, please do not hesitate to contact the Company Secretary by telephone on (08) 6141 3136.

Shareholders are urged to vote by lodging the Proxy Form

Caprice Resources Limited
ACN 624 970 725
(Company)

Notice of General Meeting

Notice is hereby given that a general meeting of Shareholders of Caprice Resources Limited will be held at Level 3, 10 Outram Street, West Perth WA 6005 on Thursday, 16 March 2023 at 10.30 am (AWST) **(Meeting)**.

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

The Directors have determined pursuant to regulation 7.11.37 of the *Corporations Regulations 2001* (Cth) that the persons eligible to vote at the Meeting are those who are registered as Shareholders on Tuesday, 14 March 2023 at 5.00 pm (AWST).

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

Agenda

1 Resolutions

Resolution 1 – Ratification of issue of Tranche 1 Placement Shares

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

'That, pursuant to and in accordance with Listing Rule 7.4 and for all other purposes, Shareholders ratify the issue of:

(a) 12,333,333 Placement Shares issued under Listing Rule 7.1; and

(b) 8,222,347 Placement Shares issued under Listing Rule 7.1A,

on the terms and conditions in the Explanatory Memorandum.'

Resolution 2 – Approval of issue of Tranche 2 Placement Shares

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

'That, pursuant to and in accordance with Listing Rule 7.1 and for all other purposes, Shareholders approve the issue of up to 5,000,000 Tranche 2 Placement Shares, on the terms and conditions in the Explanatory Memorandum.'

Resolution 3 – Approval of issue of Director Placement Shares

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

'That, pursuant to and in accordance with Listing Rule 10.11 and for all other purposes, Shareholders

approve the issue of the Director Placement Shares to the Directors (or their respective nominees) as follows:

- (a) up to 1,000,000 Director Placement Shares to David Church; and
- (b) up to 200,000 Director Placement Shares to Michael Caruso,

on the terms and conditions in the Explanatory Memorandum.'

Resolution 4 – Approval of issue of Director Options

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

'That, pursuant to and in accordance with Listing Rule 10.11, sections 195(4) and 208 of the Corporations Act and for all other purposes, Shareholders approve the issue of 6,000,000 Director Options to the Directors (or their respective nominees) as follows:

- (a) up to 1,500,000 Director Options to David Church;
- (b) up to 1,500,000 Director Options to Andrew Muir;
- (c) up to 1,500,000 Director Options to Michael Caruso; and
- (d) up to 1,500,000 Director Options to Adam Miethke,

on the terms and conditions in the Explanatory Memorandum.'

Resolution 5 – Approval of issue of Consideration Shares

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

'That, pursuant to and in accordance with Listing Rule 7.1 and for all other purposes, Shareholders approve the issue of 7,780,000 Consideration Shares to the Sellers, on the terms and conditions in the Explanatory Memorandum.'

Resolution 6 – Approval of issue of Consideration Options

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

'That, pursuant to and in accordance with Listing Rule 7.1 and for all other purposes, Shareholders approve the issue of 22,000,000 Consideration Options to the Sellers, on the terms and conditions in the Explanatory Memorandum.'

Voting exclusions

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

- (a) **Resolution 1(a)** by or on behalf of a person who participated in the issue of the Tranche 1 Placement Shares, or any of their respective associates;

- (b) **Resolution 1(b)** by or on behalf of a person who participated in the issue of the Tranche 1 Placement Shares, or any of their respective associates;
- (c) **Resolution 2** by or on behalf of any person expected to participate in, or who will obtain a material benefit as a result of, the issue of the Tranche 2 Placement Shares, or any of their respective associates;
- (d) **Resolution 3(a)** by or on behalf of David Church, or any other person who will obtain a material benefit as a result of the issue of these Director Placement Shares (except a benefit solely by reason of being a Shareholder), or any of their respective associates;
- (e) **Resolution 3(b)** by or on behalf of Michael Caruso, or any other person who will obtain a material benefit as a result of the issue of these Director Placement Shares (except a benefit solely by reason of being a Shareholder), or any of their respective associates;
- (f) **Resolution 4(a)** by or on behalf of David Church (or his nominees), and any other person who will obtain a material benefit as a result of the issue of these Director Options (except a benefit solely by reason of being a Shareholder), or any of their respective associates;
- (g) **Resolution 4(b)** by or on behalf of Andrew Muir (or his nominees), and any other person who will obtain a material benefit as a result of the issue of these Director Options (except a benefit solely by reason of being a Shareholder), or any of their respective associates;
- (h) **Resolution 4(c)** by or on behalf of Michael Caruso (or his nominees), and any other person who will obtain a material benefit as a result of the issue of these Director Options (except a benefit solely by reason of being a Shareholder), or any of their respective associates;
- (i) **Resolution 4(d)** by or on behalf of Adam Miethke (or his nominees), and any other person who will obtain a material benefit as a result of the issue of these Director Options (except a benefit solely by reason of being a Shareholder), or any of their respective associates;
- (j) **Resolution 5** by or on behalf of the Sellers (or their nominees), or any other person who will obtain a material benefit as a result of the issue of the Consideration Shares (except a benefit solely by reason of being a Shareholder), or any of their respective associates; and
- (k) **Resolution 6** by or on behalf of the Sellers (or their nominees), or any other person who will obtain a material benefit as a result of the issue of the Consideration Options (except a benefit solely by reason of being a Shareholder), or any of their respective associates;

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

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

Voting prohibitions

Resolution 4(a), (b), (c) and (d): In accordance with section 250BD of the Corporations Act, a person appointed as a proxy must not vote, on the basis of that appointment, on this Resolution if:

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

However, the above prohibition does not apply if:

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

Further, in accordance with section 224 of the Corporations Act, a vote on this Resolution must not be cast (in any capacity) by or on behalf of a related party of the Company to whom the Resolution would permit a financial benefit to be given, or an associate of such a related party.

However, the above prohibition does not apply if:

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

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

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

BY ORDER OF THE BOARD



Oonagh Malone
Company Secretary

Dated: 7 February 2023

Caprice Resources Limited
ACN 624 970 725
(Company)

Explanatory Memorandum

1. Introduction

The Explanatory Memorandum has been prepared for the information of Shareholders in connection with the business to be conducted at the Meeting to be held at Level 3, 10 Outram Street, West Perth WA 6005 on Thursday, 16 March 2023 at 10.30 am (AWST).

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

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

Section 2	Action to be taken by Shareholders
Section 3	Resolution 1(a) and (b) – Ratification of issue of Tranche 1 Placement Shares
Section 4	Resolution 2 – Approval of issue of Tranche 2 Placement Shares
Section 5	Resolution 3(a) and (b) – Approval of issue of Director Placement Shares
Section 6	Resolution 4(a), (b), (c) and (d) – Approval of issue of Director Options
Section 7	Resolution 5 – Approval of issue of Consideration Shares
Section 8	Resolution 6 – Approval of issue of Consideration Options
Schedule 1	Definitions
Schedule 2	Terms and conditions of Consideration Options
Schedule 3	Terms and conditions of Director Options
Schedule 4	Valuation of the Director Options

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

2. Action to be taken by Shareholders

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

2.1 Voting in person

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

2.2 Voting by proxy

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

Please note that:

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

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

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

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

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

- (a) an appointment of a proxy specifies the way the proxy is to vote on a particular resolution at a meeting of the Company's members;
- (b) the appointed proxy is not the chair of the meeting;

- (c) at the meeting, a poll is duly demanded, or is otherwise required under section 250JA on the resolution; and
- (d) either the proxy is not recorded as attending the meeting or the proxy does not vote on the resolution,

the Chair of the meeting is taken, before voting on the resolution closes, to have been appointed as the proxy for the purposes of voting on the resolution at the meeting.

2.3 **Chair's voting intentions**

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

2.4 **Submitting questions**

Shareholders may submit questions in advance of the Meeting to the Company. Questions must be submitted by emailing the Company Secretary at omalone@konkera.com.au by 14 March 2023.

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

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

3. **Resolution 1(a) and (b) – Ratification of issue of Tranche 1 Placement Shares**

3.1 **General**

On 16 December 2022, the Company announced that it had entered a binding agreement (**Acquisition Agreement**) with Curiosity Exploration Pty Ltd and Syndicate Minerals Pty Ltd (**Sellers**) to acquire a 100% interest in exploration licence E70/5939, being the Mukinbudin Rare Earth Element Project (**Acquisition**).

Consideration payable by the Company under the Acquisition Agreement consists of:

- (a) 7,780,000 Shares (**Consideration Shares**); and
- (b) 22,000,000 Options (**Consideration Options**), comprising:
 - (i) 7,000,000 Options with an exercise price of \$0.10 each and an expiry of 3 years from the date of issue; and
 - (ii) 15,000,000 Options with an exercise price of \$0.20 each and an expiry of 3 years from the date of issue,

(together, the **Consideration Securities**).

Shareholders approving the issue of the Consideration Shares under ASX Listing Rule 7.1 is a condition precedent to completion of the Acquisition Agreement.

The Consideration Securities will be subject to voluntary escrow, with 50% to be escrowed for 6 months from the date of completing the Acquisition (**Completion**) and 50% to be escrowed for 12 months from Completion.

In conjunction with the Acquisition, the Company announced a placement to raise \$1,337,784 (before costs) through the issue of up to 26,755,680 Shares (**Placement Shares**) at an issue price of \$0.05 (**Placement**).

The Placement is composed of the following two tranches:

- (c) 20,555,680 Placement Shares issued on 22 December 2022 under the Company's available Listing Rule 7.1 and 7.1A placement capacity (the subject of Resolution 1(a) and (b)) (**Tranche 1 Placement Shares**); and
- (d) 6,200,000 Placement Shares, consisting of:
 - (i) 5,000,000 Placement Shares to be issued to unrelated parties of the Company, subject to Shareholders approving Resolution 2 (**Tranche 2 Placement Shares**); and
 - (ii) 1,200,000 Placement Shares to be issued to certain Directors of the Company who wish to participate in the Placement, subject to Shareholders approving Resolution 3(a) and (b) (**Director Placement Shares**).

The Company engaged Discovery Capital as lead manager to the Placement (**Lead Manager**). In consideration for these services, the Company agreed to pay Discovery Capital a cash fee of 6.0% of the gross funds raised under the Placement.

Resolution 1(a) and (b) seek the approval of Shareholders pursuant to Listing Rule 7.4 to ratify the issue of the Tranche 1 Placement Shares.

3.2 **Listing Rules 7.1, 7.1A and 7.4**

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

Under Listing Rule 7.1A, an eligible entity can seek approval from its members, by way of a special resolution passed at its annual general meeting, to increase this 15% limit by an extra 10% to 25%. The Company obtained this approval at its annual general meeting held on 30 November 2022.

The issue of the Tranche 1 Placement Shares does not fit within any of the exceptions to Listing Rules 7.1 and 7.1A and, as it has not yet been approved by Shareholders, effectively uses up part of the Company's 15% placement capacity under Listing Rule 7.1 and 10% placement capacity under Listing Rule 7.1A. This reduces the Company's capacity to issue further Equity Securities without Shareholder approval under those Listing Rules for the 12 month period following the issue of the Tranche 1 Placement Shares.

Listing Rule 7.4 provides an exception to Listing Rules 7.1 and 7.1A. It provides that where a company in a general meeting ratifies the previous issue of securities made pursuant to Listing Rules 7.1 and 7.1A (and provided that the previous issue did not breach Listing Rules 7.1 and

7.1A), those securities will be deemed to have been made with shareholder approval for the purpose of Listing Rules 7.1 and 7.1A.

The effect of Shareholders passing Resolution 1(a) and (b) will be to allow the Company to retain the flexibility to issue Equity Securities in the future up to the 15% annual placement capacity under Listing Rule 7.1 and the additional 10% annual placement capacity under Listing Rule 7.1A without the requirement to obtain prior Shareholder approval.

If Resolution 1(a) is passed, 12,333,333 Tranche 1 Placement Shares will be excluded in calculating the Company's 15% limit in Listing Rule 7.1, effectively increasing the number of Equity Securities it can issue without Shareholder approval over the 12 month period following the issue date.

If Resolution 1(b) is passed, 8,222,347 Tranche 1 Placement Shares will be excluded in calculating the Company's 10% limit in Listing Rule 7.1A, effectively increasing the number of Equity Securities it can issue without Shareholder approval over the 12 month period following the issue date (assuming the Company's approval under Listing Rule 7.1A remains in force for this period).

If Resolution 1(a) is not passed, 12,333,333 Tranche 1 Placement Shares will continue to be included in the Company's 15% limit in Listing Rule 7.1, effectively decreasing the number of Equity Securities the Company can issue or agree to issue without obtaining prior Shareholder approval, to the extent of 12,333,333 Equity Securities for the 12 month period following the issue of the Tranche 1 Placement Shares.

If Resolution 1(b) is not passed, 8,222,347 Tranche 1 Placement Shares will continue to be included in the Company's 10% limit in Listing Rule 7.1A, effectively decreasing the number of Equity Securities the Company can issue or agree to issue without obtaining prior Shareholder approval, to the extent of 8,222,347 Equity Securities for the 12 month period following the issue of the Tranche 1 Placement Shares (assuming the Company's approval under Listing Rule 7.1A remains in force for this period).

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 issue of the Tranche 1 Placement Shares:

- (a) The Tranche 1 Placement Shares (a) issued to sophisticated and institutional investors, none of whom is a related party or a Material Investor. The participants in the Placement were identified through a bookbuild process, which involved the Lead Manager seeking expressions of interest to participate in the Placement from existing contacts of the Company and clients of the Lead Managers.
- (b) A total of 20,555,680 Tranche 1 Placement Shares were issued as follows:
 - (i) 12,333,333 Tranche 1 Placement Shares were issued using the Company's placement capacity under Listing Rule 7.1; and
 - (ii) 8,222,347 Tranche 1 Placement Shares were issued using the Company's placement capacity under Listing Rule 7.1A.
- (c) The Placement Shares are fully paid ordinary shares in the capital of the Company and rank equally in all respects with the Company's existing Shares on issue.

- (d) The Tranche 1 Placement Shares were issued on 22 December 2022 at an issue price of \$0.05 per Share.
- (e) The proceeds of the Placement have been and are intended to be applied towards:
 - (i) exploration at the Mukinbudin REE Project, Northampton Polymetallic Project and Murchison Gold Project, including mapping, sampling and drilling; and
 - (ii) general working capital.
- (f) There are no other material terms to the agreement for the subscription of the Tranche 1 Placement Shares.
- (g) A voting exclusion statement is included in the Notice.

3.4 **Additional information**

Resolution 1(a) and (b) are separate ordinary resolutions.

The Board recommends that Shareholders vote in favour of Resolution 1(a) and (b).

4. **Resolution 2 – Approval of issue of Tranche 2 Placement Shares**

4.1 **General**

The background to the Placement is summarised in Section 3.1.

Resolution 2 seeks Shareholder approval pursuant to Listing Rule 7.1 for the issue of up to 5,000,000 Tranche 2 Placement Shares.

4.2 **Listing Rule 7.1**

A summary of Listing Rule 7.1 is in Section 3.2 above.

The effect of Shareholders passing Resolution 2 will be to allow the Company to retain the flexibility to issue Equity Securities in the future up to the 15% additional placement capacity set out in Listing Rule 7.1 without the requirement to obtain prior Shareholder approval.

If Resolution 2 is passed, and subject to Resolution 1 being passed, the Company will be able to proceed with the issue of the Tranche 2 Placement Shares without using its available capacity under Listing Rule 7.1 or 7.1A.

If Resolution 2 is not passed, and subject to Resolution 1 being passed, the Company will not be able to proceed with the issue of the Tranche 2 Placement Shares without using its available capacity under Listing Rule 7.1 or 7.1A.

4.3 **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 issue of the Tranche 2 Placement Shares:

- (a) The Tranche 2 Placement Shares will be issued to:

- (i) 6466 Investments Pty Ltd (or its nominee) who will subscribe for 1,000,000 Tranche 2 Placement Shares; and
 - (ii) the Sellers (or their nominees) who will subscribe for 4,000,000 Tranche 2 Placement Shares.
- (b) A maximum of 5,000,000 Tranche 2 Placement Shares will be issued.
 - (c) The Tranche 2 Placement Shares will be fully paid ordinary Shares in the capital of the Company and rank equally in all respects with the Company's existing Shares on issue.
 - (d) The Tranche 2 Placement Shares will be issued no later than 3 months after the date of the Meeting.
 - (e) The Tranche 2 Placement Shares will be issued at a price of \$0.05 each.
 - (f) A summary of the intended use of funds raised from the Placement is in Section 3.3(e).
 - (g) There are no other material terms to the agreement for the subscription of Tranche 2 Placement Shares.
 - (h) A voting exclusion statement is included in the Notice.

4.4 **Additional information**

Resolution 2 is an ordinary resolution.

The Board recommends that Shareholders vote in favour of Resolution 2.

5. **Resolution 3(a) and (b) – Approval of issue of Director Placement Shares**

5.1 **General**

The background to the Placement is in Section 3.1 above. Company Directors, David Church and Michael Caruso (**Participating Directors**), wish to participate in the Placement to the extent of subscribing for \$50,000 and \$10,000 in Placement Shares, respectively.

Resolution 3(a) seeks Shareholder approval pursuant to Listing Rule 10.11 for the issue of up to 1,000,000 Director Placement Shares to Mr Church (or their nominee).

Resolution 3(b) seeks Shareholder approval pursuant to Listing Rule 10.11 for the issue of up to 200,000 Director Placement Shares to Mr Caruso (or their nominee).

5.2 **Listing Rule 10.11**

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

- (a) a related party (Listing Rule 10.11.1);

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

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

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

The effect of Shareholders passing Resolution 3(a) and (b) will be to allow the Company to issue the Director Placement Shares, raising \$60,000 (before costs) as a component of the Placement.

If Resolution 3(a) and (b) are not passed, the Company will not be able to proceed with the issue of the Director Placement Shares, and will not receive the \$60,000 committed by the Participating Directors under the Placement.

5.3 **Specific information required by Listing Rule 10.13**

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

- (a) The Director Placement Shares will be issued to David Church and Michael Caruso (or their respective nominees).
- (b) The Participating Directors fall into the category stipulated by Listing Rule 10.11.1 by virtue of being Directors of the Company.
- (c) A maximum of 1,200,000 Director Placement Shares will be issued to the Participating Directors (or their respective nominees) in the manner and form set out in Section 5.1 above.
- (d) The Director Placement Shares will be fully paid ordinary Shares in the capital of the Company and rank equally in all respects with the Company's existing Shares on issue.
- (e) The Director Placement Shares will be issued no later than one month after the date of the Meeting.

- (f) The Director Placement Shares are proposed to be issued at an issue price of \$0.05 each, being the same price at which the Placement Shares were issued to other participants in the Placement.
- (g) A summary of the intended use of funds raised under the Placement is in Section 3.3(e) above.
- (h) The proposed issue of the Director Placement Shares is not intended to remunerate or incentivise the Directors.
- (i) There are no other material terms to the proposed issue of the Director Placement Shares.
- (j) A voting exclusion statement is included in the Notice.

5.4 **Chapter 2E of the Corporations Act**

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

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

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

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

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

5.5 **Additional information**

Each of Resolution 3(a) and (b) are ordinary resolutions.

The Board (other than Mr Church and Mr Caruso who have a personal interest in the outcome of the Resolutions) recommends that Shareholders vote in favour of Resolution 3(a) and (b).

6. **Resolution 4(a), (b), (c) and (d) – Approval of issue of Director Options**

6.1 **General**

The Company is proposing, subject to obtaining Shareholder approval, to issue up to 6,000,000 Options (**Director Options**) to the Directors (or their nominees) on the terms and conditions set out in Schedule 3, and in the following proportions:

Director	Number of Director Options
David Church	1,500,000
Andrew Muir	1,500,000
Michael Caruso	1,500,000
Adam Miethke	1,500,000
Total	6,000,000

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

Resolution 4(a), (b), (c) and (d) seeks Shareholder approval pursuant to Listing Rule 10.11 for the issue of up to 6,000,000 Director Options to the Directors (or their nominees).

6.2 **Listing Rule 10.11**

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

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

Each of the Directors are a related party of the Company by virtue of being a Director. Shareholder approval pursuant to Listing Rule 10.11 is therefore required unless an exception

applies. It is the view of the Board that the exceptions set out in Listing Rule 10.12 do not apply in the current circumstances.

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

The effect of Shareholders passing Resolution 4(a), (b), (c) and (d) will be to allow the Company to issue the Director Options.

If Resolution 4(a), (b), (c) and (d) are not passed, the Company will not be able to proceed with the issue of the Director Options, and the Company will have to consider alternative commercial means to incentivise the Directors.

6.3 Specific information required by Listing Rule 10.13

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

- (a) The Director Options will be issued to the Directors (or their nominees) as set out in Section 6.1 above.
- (b) Each of the Directors fall into the category stipulated by Listing Rule 10.11.1 by virtue of being a Director of the Company.
- (c) A maximum of 6,000,000 Director Options will be issued to the Directors (or their respective nominees) in the manner and form set out in Section 6.1 above.
- (d) The Director Options are exercisable at \$0.10 and expire on the date that is 3 years from the date of issue and otherwise subject to the terms and conditions in Schedule 3.
- (e) The Director Options will be issued no later than one month after the date of the Meeting.
- (f) The Director Options will be issued for nil cash consideration and will be provided as an incentive component to the Directors' remuneration package. Accordingly, no funds will be raised by their issue.
- (g) The current total annual remuneration package of the Directors is as follows:

Director	Salary, fees and commissions	Superannuation contribution	Non-cash benefits	Share-based payments	Total
David Church	\$60,000	\$6,000	\$0	\$0	\$66,000
Andrew Muir	\$250,000	\$25,000	\$0	\$200,925	\$475,925
Michael Caruso	\$40,000	\$4,000	\$0	\$0	\$44,000
Adam Miethke	\$40,000	\$4,000	\$0	\$0	\$44,000

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

6.4 **Chapter 2E of the Corporations Act**

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

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

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

Given the personal interests of all the Directors in the outcome of this Resolution, the Board is seeking Shareholder approval pursuant to Chapter 2E of the Corporations Act in respect of the issue of the Director Options.

6.5 **Information required under Chapter 2E of the Corporations Act**

Pursuant to and in accordance with section 219 of the Corporations Act, the following information is provided in relation to the proposed issue of the Director Options:

- (a) **Identity of the related parties to whom Resolution 4(a), (b), (c) and (d) permit financial benefits to be given**

Refer to Section 6.1 above.

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

Resolution 4(a), (b), (c) and (d) seeks Shareholder approval to allow the Company to issue the Director Options in the amounts specified in Section 6.1 to the Directors (or their nominees).

The Director Options are to be issued on the terms and conditions detailed in Schedule 3.

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

- (c) **Board recommendations**

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

(d) **Valuation of financial benefit**

A valuation of the Director Options is set out in Schedule 4.

(e) **Remuneration of the Directors**

Refer to Section 6.3(g) above.

(f) **Existing relevant interests**

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

Director	Shares	Options	Performance Rights	Milestone Shares	% Relevant Interest in Shares
David Church	1,131,017	1,234,375	0	0	1.10%
Andrew Muir	312,500	156,250	3,750,000	0	0.30%
Michael Caruso	11,557,543	1,325,000	0	3,464,492	11.25%
Adam Miethke	947,223	500,000	0	0	0.92%

Assuming that Resolution 4(a), (b), (c) and (d) are approved by Shareholders, all of the Director Options are issued, vested and exercised into Shares, and no other Equity Securities are issued or exercised (including any existing Options, Performance Rights or Milestone Shares held by the Directors as at the date of this Notice), the interest of the Directors in the Company's expanded capital would be as follows:

Director	Shares	Options	Performance Rights	Milestone Shares	% Relevant Interest in Shares
David Church	2,631,017	1,234,375	0	0	2.42%
Andrew Muir	1,812,500	156,250	3,750,000	0	1.67%
Michael Caruso	13,057,543	1,325,000	0	3,464,492	12.00%
Adam Miethke	2,447,223	500,000	0	0	2.24%

(g) **Dilution**

The issue of the Director Options will have a diluting effect on the percentage interest of existing Shareholders' holdings if the Director Options vest and are exercised. The potential dilution if all Director Options vest and are exercised into Shares is 5.52%. This figure assumes the current Share capital structure as at the date of this Notice

and that no Shares are issued other than the Shares issued on exercise of the Director Options.

The exercise of all of the Director Options will result in a total dilution of all other Shareholders' holdings of 4.61% on a fully diluted basis (assuming that all other Options, Performance Rights and Milestone Shares are exercised). The actual dilution will depend on the extent that additional Shares are issued by the Company.

(h) **Trading history**

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

Highest: \$0.18 per Share on 7 and 8 February 2022

Lowest: \$0.045 per Share on 27 and 28 September 2022 and 3 and 4 October 2022

The latest available closing market sale price of the Shares on ASX prior to the date of this Notice was \$0.08 per Share on 6 February 2023.

(i) **Corporate governance**

The Board notes that the grant of those Director Options to the Directors is in line with Recommendation 8.2 of the 4th Edition of the ASX Corporate Governance Council's Corporate Governance Principles and Recommendations (**Recommendations**) and that the grant does not affect the independence of the Directors as there are no performance-based milestones attaching to those Director Options.

(j) **Taxation consequences**

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

(k) **Other information**

The Board is not aware of any other information that would be reasonably required by Shareholders to allow them to make a decision whether it is in the best interests of the Company to pass Resolution 4(a), (b), (c) and (d).

6.6 **Additional information**

Resolution 4(a), (b), (c) and (d) are each ordinary resolutions.

The Board decline to make a recommendation to Shareholders in relation to Resolution 4(a), (b), (c) and (d) due to their personal interests in the outcome of the Resolutions. The Directors have a material interest in Resolution 4(a), (b), (c) and (d) and there was not a sufficient number of uninterested Directors to form a quorum to approve Resolution 4(a), (b), (c) and (d).

Accordingly, the Directors have sought Shareholder approval under section 195(4) to allow the Directors to pass a matter in which all Directors have a material personal interest.

7. Resolution 5 – Approval of issue of Consideration Shares

7.1 General

The background to the Acquisition is summarised in Section 3.1.

Resolution 5 seeks Shareholder approval pursuant to Listing Rule 7.1 for the issue of 7,780,000 Consideration Shares.

Resolution 5 is an ordinary resolution.

7.2 Listing Rule 7.1

A summary of Listing Rule 7.1 is provided above at Section 3.2

If Resolution 5 is passed, the Company will be able to proceed with the issue of the Consideration Shares.

If Resolution 5 is not passed, the Company will not be able to proceed with the issue of the Consideration Shares and will not be able to complete the Acquisition.

7.3 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 issue of the Consideration Shares:

- (a) The Consideration Shares will be issued to the Sellers (or their respective nominees) described in Section 3.1.
- (b) A maximum of 7,780,000 Consideration Shares will be issued.
- (c) The Consideration Shares will be fully paid ordinary shares in the capital of the Company and rank equally in all respects with the Company's existing Shares on issue.
- (d) The Consideration Shares will be issued no later than 3 months after the date of the Meeting.
- (e) The Consideration Shares will be issued for nil cash consideration as they are being issued in consideration for the Acquisition. Accordingly, no funds will be raised by their issue.
- (f) The material terms of the Acquisition are set out above at Section 3.1.
- (g) A voting exclusion statement is included in the Notice.

7.4 Additional information

Resolution 5 is an ordinary resolution.

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

8. **Resolution 6 – Approval of issue of Consideration Options**

8.1 **General**

The background to the Acquisition is summarised in Section 3.1.

Resolution 6 seeks Shareholder approval pursuant to Listing Rule 7.1 for the issue of up to 22,000,000 Consideration Options to the Sellers (or their respective nominees).

Resolution 6 is an ordinary resolution.

8.2 **Listing Rule 7.1**

A summary of Listing Rule 7.1 is provided above at Section 3.2

If Resolution 6 is passed, the Company will be able to proceed with the issue of the Consideration Options.

If Resolution 6 is not passed, the Company will not be able to proceed with the issue of the Consideration Options and will not be able to complete the Acquisition.

8.3 **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 issue of the Consideration Options:

- (a) The Consideration Options will be issued to the Sellers (or their respective nominees) described in Section 3.1.
- (b) A maximum of 22,000,000 Consideration Options will be issued, consisting of:
 - (i) 7,000,000 Options with an exercise price of \$0.10 each and an expiry of 3 years from the date of issue; and
 - (ii) 15,000,000 Options with an exercise price of \$0.20 each and an expiry of 3 years from the date of issue,and will otherwise subject to the terms and conditions in Schedule 2.
- (c) The Consideration Options will be issued no later than 3 months after the date of the Meeting.
- (d) The Consideration Options will be issued for nil cash consideration as they are being issued in consideration for the Acquisition. Accordingly, no funds will be raised by their issue.
- (e) The material terms of the Acquisition are set out above at Section 3.1.
- (f) A voting exclusion statement is included in the Notice.

8.4 **Additional information**

Resolution 6 is an ordinary resolution.

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

Schedule 1 Definitions

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

\$ or A\$	means Australian Dollars.
Acquisition	means the acquisition of exploration licence E70/5939 pursuant to the terms and conditions of the Acquisition Agreement.
Acquisition Agreement	means a binding term sheet between the Company and the Sellers summarised in Section 3.1.
ASX	means the ASX Limited (ABN 98 008 624 691) and, where the context permits, the Australian Securities Exchange operated by ASX Limited.
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	of a member of the Key Management Personnel means: <ul style="list-style-type: none">(a) a spouse or child of the member;(b) a child of the member's spouse;(c) a dependent of the member or the member's spouse;(d) anyone else who is one of the member's family and may be expected to influence the member, or be influenced by the member, in the member's dealing with the entity;(e) a company the member controls; or(f) a person prescribed by the Corporations Regulations 2001 (Cth) – currently are none prescribed.
Company	means Caprice Resources Limited (ACN 624 970 725).
Consideration Securities	means the Consideration Shares and Consideration Options.
Consideration Shares	means 7,780,000 Shares to be issued to the Sellers subject to Shareholders approving Resolution 5.
Consideration Options	means 22,000,000 Options to be issued to the Sellers on the terms and conditions in Schedule 2 subject to Shareholders approving Resolution 6.
Corporations Act	means the <i>Corporations Act 2001</i> (Cth), as amended.
Director	means a director of the Company.
Director Options	has the meaning given in Section 6.1.
Director Placement Shares	means 1,200,000 Placement Shares to be issued to the Participating Directors subject to Shareholders approving Resolution 3(a) and (b).
Equity Security	has the same meaning as in the Listing Rules.
Explanatory Memorandum	means the explanatory memorandum which forms part of the Notice.

Key Management Personnel	has the same meaning as in the accounting standards issued by the Australian Accounting Standards Board and means those persons having authority and responsibility for planning, directing and controlling the activities of the Company, or if the Company is part of a consolidated entity, of the consolidated entity, directly or indirectly, including any Director (whether executive or otherwise) of the Company, or if the Company is part of a consolidated entity, of an entity within the consolidated group.
Lead Manager	means Discovery Capital Partners Pty Ltd.
Listing Rules	means the listing rules of ASX.
Material Investor	means, in relation to the Company: <ul style="list-style-type: none"> (a) a related party; (b) Key Management Personnel; (c) a substantial Shareholder; (d) an advisor; or (e) an associate of the above, who received or will receive Securities in the Company which constitute more than 1% of the Company's issued capital.
Meeting	has the meaning given in the introductory paragraph of the Notice.
Notice	means this notice of general meeting.
Participating Directors	means David Church and Michael Caruso.
Placement	means a placement to raise \$1,337,784 (before costs) through the issue of the Placement Shares.
Placement Shares	means up to 26,755,680 Shares issued or to be issued under the Placement, consisting of the Tranche 1 Placement Shares, Tranche 2 Placement Shares and Director Placement Shares.
Proxy Form	means the proxy form attached to the Notice.
Resolution	means a resolution referred to in the Notice.
Schedule	means a schedule to the Notice.
Section	means a section of the Explanatory Memorandum.
Securities	means any Equity Securities of the Company (including Shares, Options and/or Performance Rights).
Sellers	means Curiosity Exploration Pty Ltd and Syndicate Minerals Pty Ltd.
Share	means a fully paid ordinary share in the capital of the Company.
Shareholder	means the holder of a Share.
Tranche 1 Placement Shares	means 20,555,680 Placement Shares issued on 22 December 2022, the subject of Resolution 1(a) and (b).
Tranche 2 Placement Shares	means 5,000,000 Placement Shares to be issued subject to Shareholders approving Resolution 2.

Schedule 2 Terms and conditions of Consideration Options

The following terms and conditions apply to each of the Consideration Options (referred to in this Schedule as 'Options'):

- (a) **(Entitlement)**: Each Option entitles the holder to subscribe for one Share upon exercise of the Option.
- (b) **(Issue Price)**: The Options have a nil issue price.
- (c) **(Exercise Price)**: The Options have an exercise price of:
 - (i) 7,000,000 Options with an exercise price of \$0.10 per Option; and
 - (ii) 15,000,000 Options with an exercise price of \$0.20 per Option.
- (d) **(Expiry Date)**: Each Option will expire at 5:00pm (AWST) on the date that is 3 years from the date of issue (**Expiry Date**). An Option not exercised before the Expiry Date will automatically lapse on the Expiry Date.
- (e) **(Exercise Period)**: The Options are exercisable at any time and from time to time on or prior to the Expiry Date.
- (f) **(Quotation of the Options)**: The Options will be unquoted.
- (g) **(Transferability of the Options)**: The Options are not transferable, except with the prior written approval of the Company.
- (h) **(Notice of Exercise)**: The Options may be exercised by notice in writing to the Company in the manner specified on the Option certificate (**Notice of Exercise**) and payment of the Exercise Price for each Option being exercised in Australian currency by electronic funds transfer or other means of payment acceptable to the Company.

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

- (i) **(Timing of issue of Shares and quotation of Shares on exercise)**: As soon as practicable after the valid exercise of an Option the Company will:
 - (i) issue, allocate or cause to be transferred to the holder the number of Shares to which the holder is entitled;
 - (ii) issue a substitute certificate for any remaining unexercised Options held by the holder;
 - (iii) if required, give ASX a notice that complies with section 708A(5)(e) of the Corporations Act; and
 - (iv) do all such acts, matters and things to obtain the grant of quotation of the Shares by ASX in accordance with the ASX Listing Rules.

All Shares issued upon the exercise of the Options will upon issue rank equally in all respects with the then issued Shares.

- (j) **(Prospectus)**: If the Company is unable to give ASX a notice that complies with section 708A(5)(e) of the Corporations Act, the Company must, as soon as practicable, prepare and lodge a prospectus with the ASIC to enable the Shares to be on traded in accordance with

section 708A(11) of the Corporations Act and, until then, the Shares issued on exercise of the Options may not be traded.

- (k) **(Dividend and voting rights):** The Options do not confer on the holder an entitlement to vote at general meetings of the Company or to receive dividends.
- (l) **(Transferability of the Options):** The Options are not transferable, except with the prior written approval of the Company and subject to compliance with the Corporations Act.
- (m) **(Quotation of the Options):** The Company will not apply for quotation of the Options on any securities exchange.
- (n) **(Adjustments for reorganisation):** If there is any reorganisation of the issued share capital of the Company, the rights of the Option holder will be varied in accordance with the ASX Listing Rules.
- (o) **(Participation in new issues):** There are no participation rights or entitlements inherent in the Options and holders will not be entitled to participate in new issues of capital offered to the Company's shareholders (**Shareholders**) during the currency of the Options without exercising the Options.
- (p) **(Adjustment for bonus issues of Shares):** If the Company makes a bonus issue of Shares or other securities to existing Shareholders (other than an issue in lieu or in satisfaction of dividends or by way of dividend reinvestment):
 - (i) the number of Shares which must be issued on the exercise of an Option will be increased by the number of Shares which the Option holder would have received if the Option holder had exercised the Option before the record date for the bonus issue; and
 - (ii) no change will be made to the Exercise Price.

Schedule 3 Terms and conditions of Director Options

The following terms and conditions apply to each of the Director Options (referred to in this Schedule as 'Options'):

- (a) **(Entitlement)**: Each Option entitles the holder to subscribe for one Share upon exercise of the Option.
- (b) **(Issue Price)**: The Options have a nil issue price.
- (c) **(Exercise Price)**: The Options have an exercise price of \$0.10 per Option.
- (d) **(Expiry Date)**: Each Option will expire at 5:00pm (AWST) on the date that is 3 years from the date of issue (**Expiry Date**). An Option not exercised before the Expiry Date will automatically lapse on the Expiry Date.
- (e) **(Exercise Period)**: The Options are exercisable at any time and from time to time on or prior to the Expiry Date.
- (f) **(Quotation of the Options)**: The Options will be unquoted.
- (g) **(Transferability of the Options)**: The Options are not transferable, except with the prior written approval of the Company.
- (h) **(Notice of Exercise)**: The Options may be exercised by notice in writing to the Company in the manner specified on the Option certificate (**Notice of Exercise**) and payment of the Exercise Price for each Option being exercised in Australian currency by electronic funds transfer or other means of payment acceptable to the Company.

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

- (i) **(Cashless exercise of Options)**: The holder of Options may elect not to be required to provide payment of the Exercise Price for the number of Options specified in a Notice of Exercise but that on exercise of those Options the Company will transfer or allot to the holder that number of Shares equal in value to the positive difference between the then Market Value of the Shares at the time of exercise and the Exercise Price that would otherwise be payable to exercise those Options (with the number of Shares rounded down to the nearest whole Share).

Where Market Value means, at any given date, the volume weighted average price per Share traded on the ASX over the five (5) trading days immediately preceding that given date.

- (j) **(Timing of issue of Shares and quotation of Shares on exercise)**: As soon as practicable after the valid exercise of an Option the Company will:
 - (i) issue, allocate or cause to be transferred to the holder the number of Shares to which the holder is entitled;
 - (ii) issue a substitute certificate for any remaining unexercised Options held by the holder;
 - (iii) if required, give ASX a notice that complies with section 708A(5)(e) of the Corporations Act; and
 - (iv) do all such acts, matters and things to obtain the grant of quotation of the Shares by ASX in accordance with the ASX Listing Rules.

All Shares issued upon the exercise of the Options will upon issue rank equally in all respects with the then issued Shares.

- (k) **(Prospectus)**: If the Company is unable to give ASX a notice that complies with section 708A(5)(e) of the Corporations Act, the Company must, as soon as practicable, prepare and lodge a prospectus with the ASIC to enable the Shares to be on traded in accordance with section 708A(11) of the Corporations Act and, until then, the Shares issued on exercise of the Options may not be traded.
- (l) **(Dividend and voting rights)**: The Options do not confer on the holder an entitlement to vote at general meetings of the Company or to receive dividends.
- (m) **(Transferability of the Options)**: The Options are not transferable, except with the prior written approval of the Company and subject to compliance with the Corporations Act.
- (n) **(Quotation of the Options)**: The Company will not apply for quotation of the Options on any securities exchange.
- (o) **(Adjustments for reorganisation)**: If there is any reorganisation of the issued share capital of the Company, the rights of the Option holder will be varied in accordance with the ASX Listing Rules.
- (p) **(Participation in new issues)**: There are no participation rights or entitlements inherent in the Options and holders will not be entitled to participate in new issues of capital offered to the Company's shareholders (**Shareholders**) during the currency of the Options without exercising the Options.
- (q) **(Adjustment for bonus issues of Shares)**: If the Company makes a bonus issue of Shares or other securities to existing Shareholders (other than an issue in lieu or in satisfaction of dividends or by way of dividend reinvestment):
 - (i) the number of Shares which must be issued on the exercise of an Option will be increased by the number of Shares which the Option holder would have received if the Option holder had exercised the Option before the record date for the bonus issue; and
 - (ii) no change will be made to the Exercise Price.

Schedule 4 Valuation of the Director Options

The Director Options to be issued to the Directors (or their nominees) have been valued according to a Black-Scholes valuation model on the following assumptions:

Number of Options to be issued to each Director	1,500,000
Assumed Share price at grant date	\$0.077
Exercise price	\$0.10
Market value on ASX of underlying Shares at time of setting exercise price	\$0.077
Exercise price premium to market value	\$0.023
Expiry	3 years
Expected volatility	159.59%
Risk free interest rate	3.13%
Annualised dividend yield	Nil
Value of each Option	\$0.0631
Value of Options to be issued per Director	\$94,650
Aggregate value of all Director Options	\$378,600

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 **10.30am (AWST) on Tuesday, 14 March 2023**, being **not later than 48 hours** before the commencement of the Meeting. Any Proxy Voting instructions received after that time will not be valid for the scheduled Meeting.

SUBMIT YOUR PROXY

Complete the form overleaf in accordance with the instructions set out below.

YOUR NAME AND ADDRESS

The name and address shown above is as it appears on the Company's share register. If this information is incorrect, and you have an Issuer Sponsored holding, you can update your address through the investor portal: <https://investor.automic.com.au/#/home> Shareholders sponsored by a broker should advise their broker of any changes.

STEP 1 – APPOINT A PROXY

If you wish to appoint someone other than the Chair of the Meeting as your proxy, please write the name of that Individual or body corporate. A proxy need not be a Shareholder of the Company. Otherwise if you leave this box blank, the Chair of the Meeting will be appointed as your proxy by default.

DEFAULT TO THE CHAIR OF THE MEETING

Any directed proxies that are not voted on a poll at the Meeting will default to the Chair of the Meeting, who is required to vote these proxies as directed. Any undirected proxies that default to the Chair of the Meeting will be voted according to the instructions set out in this Proxy Voting Form, including where the Resolutions are connected directly or indirectly with the remuneration of KMP.

STEP 2 - VOTES ON ITEMS OF BUSINESS

You may direct your proxy how to vote by marking one of the boxes opposite each item of business. All your shares will be voted in accordance with such a direction unless you indicate only a portion of voting rights are to be voted on any item by inserting the percentage or number of shares you wish to vote in the appropriate box or boxes. If you do not mark any of the boxes on the items of business, your proxy may vote as he or she chooses. If you mark more than one box on an item your vote on that item will be invalid.

APPOINTMENT OF SECOND PROXY

You may appoint up to two proxies. If you appoint two proxies, you should complete two separate Proxy Voting Forms and specify the percentage or number each proxy may exercise. If you do not specify a percentage or number, each proxy may exercise half the votes. You must return both Proxy Voting Forms together. If you require an additional Proxy Voting Form, contact Automic Registry Services.

SIGNING INSTRUCTIONS

Individual: Where the holding is in one name, the Shareholder must sign.

Joint holding: Where the holding is in more than one name, all Shareholders should sign.

Power of attorney: If you have not already lodged the power of attorney with the registry, please attach a certified photocopy of the power of attorney to this Proxy Voting Form when you return it.

Companies: To be signed in accordance with your Constitution. Please sign in the appropriate box which indicates the office held by you.

Email Address: Please provide your email address in the space provided.

By providing your email address, you elect to receive all communications despatched by the Company electronically (where legally permissible) such as a Notice of Meeting, Proxy Voting Form and Annual Report via email.

CORPORATE REPRESENTATIVES

If a representative of the corporation is to attend the Meeting the appropriate 'Appointment of Corporate Representative' should be produced prior to admission. A form may be obtained from the Company's share registry online at <https://automic.com.au>.

Lodging your Proxy Voting Form:

Online:

Use your computer or smartphone to appoint a proxy at <https://investor.automic.com.au/#/login>

or scan the QR code below using your smartphone

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



BY MAIL:

Automic
GPO Box 5193
Sydney NSW 2001

IN PERSON:

Automic
Level 5, 126 Phillip Street
Sydney NSW 2000

BY EMAIL:

meetings@automicgroup.com.au

BY FACSIMILE:

+61 2 8583 3040

All enquiries to Automic:

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

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

