



# Haranga Resources Limited

## ACN 141 128 841

### NOTICE OF ANNUAL GENERAL MEETING AND EXPLANATORY MEMORANDUM

**Wednesday, 31 May 2023**

**2:30pm (AWST)**

**108 Outram Street  
West Perth WA 6005**

This Notice of Annual General Meeting and Explanatory Memorandum should be read in its entirety. If Shareholders are in doubt as to how to vote, they should seek advice from their accountant, solicitor or other professional adviser without delay.

Should you wish to discuss any matter please do not hesitate to contact the Company by telephone on 08 6158 9990.

# NOTICE OF MEETING

Notice is given that the Annual General Meeting of Shareholders of Haranga Resources Limited (ACN 141 128 841) (**Company**) will be held at 108 Outram Street, West Perth WA 6005 on Wednesday, 31 May 2023 commencing at 2:30pm (AWST) (**Meeting**).

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

The Directors have determined pursuant to regulation 7.11.37 of the Corporations Regulations 2001 (Cth) that the persons eligible to vote at the Meeting are those who are registered as Shareholders at 4:00pm (AWST) on Monday, 29 May 2023.

Terms and abbreviations used in this Notice and Explanatory Memorandum are defined in Schedule 1.

## AGENDA

### Financial Statements and Reports

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To receive and consider the annual financial report of the Company for the financial year ended 31 December 2022 together with the declaration of the Directors, the Directors' report, the Remuneration report and the Auditor's report.

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

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To consider and, if thought fit, to pass as a **non-binding resolution** the following:

*“That, for the purposes of section 250R(2) of the Corporations Act and for all other purposes, the Remuneration Report that forms part of the Directors' Report for the financial year ended 31 December 2022 be adopted by the Shareholders on the terms and conditions in the Explanatory Memorandum.”*

Please note that a vote on this Resolution is advisory only and does not bind the Directors or the Company. Shareholders are encouraged to read the Explanatory Memorandum for further details on the consequences of voting on this Resolution.

**Voting prohibition statement:**

In accordance with section 250R of the Corporations Act, a vote on this Resolution must not be cast (in any capacity) by, or on behalf of, either of the following persons:

- (a) a member of the Key Management Personnel whose remuneration details are included in the Remuneration Report; or
- (b) a Closely Related Party of such member.

However, a vote may be cast by such person if:

- (a) the person is acting as a proxy and the Proxy Form specifies how the proxy is to vote, and the vote is not cast on behalf of a person who is otherwise excluded from voting on this Resolution as described above; or
- (b) the person is the Chair voting an undirected proxy which expressly authorises the Chair to vote on a resolution connected with the remuneration of a member of the Key Management Personnel.

*Shareholder should note that the Chair intends to vote any undirected proxies in favour of Resolution 1. In exceptional circumstances, the Chair of the Meeting may change his or her voting intention on*

Resolution 1, in which case as ASX announcement will be made. Shareholders may also choose to direct the Chair to vote against Resolution 1 or to abstain from voting.

## 2. Resolution 2 – Re-election of Director – Dr Hendrik Schloemann

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To consider and, if thought fit, pass as an **ordinary resolution** the following:

*“That, for the purpose of clause 14.2 of the Constitution, ASX Listing Rule 14.5 and for all other purposes, Dr Hendrik Schloemann, a Director who was appointed on 5 July 2021, retires, and being eligible for re-election, is elected as a Director with immediate effect.”*

## 3. Resolution 3 – Approval of 10% Placement Facility

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

*“That, pursuant to and in accordance with Listing Rule 7.1A and for all other purposes, Shareholders approve the issue of Equity Securities up to 10% of the issued capital of the Company (at the time of issue) calculated in accordance with the formula prescribed in Listing Rule 7.1A.2 and on terms and conditions in the Explanatory Memorandum.”*

## 4. Resolutions 4(a), 4(b) and 4(c) – Approval to issue Performance Rights to Directors – Dr Hendrik Schloemann, Mr John Davis and Mr Michael Davy

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

*“That, for the purposes of sections 195(4) and 208 of the Corporations Act, ASX Listing Rule 10.11 and for all other purposes, approval is given for the Company to issue:*

*(a) 1,350,000 Performance Rights to Dr Hendrik Schloemann (and/or his nominees);*

*(b) 1,350,000 Performance Rights to Mr John Davis (and/or his nominees); and*

*(c) 1,350,000 Performance Rights to Mr Michael Davy (and/or his nominees),*

*on the terms and conditions set out 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:

(i) Dr Hendrik Schloemann (and/or his nominees) and any other person who will obtain a material benefit as a result of the issue of the securities (except a benefit solely by reasons of being a holder of ordinary securities in the Company; or

(ii) an Associate of that person or those persons;

- (b) Resolution 4(b) by or on behalf of:
  - (i) Mr John Davis (and/or his nominees) and any other person who will obtain a material benefit as a result of the issue of the securities (except a benefit solely by reasons of being a holder of ordinary securities in the Company; or
  - (ii) an Associate of that person or those persons;
- (c) Resolution 4(c) by or on behalf of:
  - (i) Mr Michael Davy (and/or his nominees) and any other person who will obtain a material benefit as a result of the issue of the securities (except a benefit solely by reasons of being a holder of ordinary securities in the Company; or
  - (ii) an Associate of that person or those persons.

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

- (a) a person as a proxy or attorney for a person who is entitled to vote on the Resolutions, in accordance with directions given to the proxy or attorney to vote on the Resolutions in that way; or
- (b) the Chair as proxy or attorney for a person who is entitled to vote on the Resolutions, in accordance with a direction given to the Chair to vote on the Resolutions 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 Resolutions; 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 Prohibition**

In accordance with section 224 of the Corporations Act, a vote on these Resolutions must not be cast (in any capacity) by or on behalf of a related party of the Company to whom the Resolutions would permit a financial benefit to be given, or an associate of such a related party (**Resolutions 4(a)-4(c) Excluded Party**). However, this prohibition does not apply if the vote is cast by a person as proxy appointed by writing that specifies how the proxy is to vote on the Resolutions and it is not cast on behalf of a Resolutions 4(a)-4(c) Excluded Party.

In accordance with section 250BD of the Corporations Act, a person appointed as a proxy must not vote, on the basis of that appointment, on these Resolutions if:

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

Provided the Chair is not a Resolutions 4(a)-4(c) Excluded Party, the above prohibition does not apply if:

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

## **5. Resolution 5 – Approval to issue Performance Rights to COO – Mr Jean Kaisin**

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

*"That, for the purpose of ASX Listing Rule 7.1 and for all other purposes, approval is given for the Company to issue 600,000 Performance Rights to Mr Jean Kaisin (and/or his nominees) on the terms and conditions set out in the Explanatory Statement."*

### **Voting Exclusion**

The Company will disregard any votes cast in favour of this Resolution by or on behalf of:

- (a) Mr Jean Kaisin (and/or 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 holder of ordinary securities in the entity);
- (b) or an Associate of that persons or those persons.

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

- (a) a person as a 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; or
- (b) 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
- (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

## **6. Resolution 6 – Approval to issue Performance Rights to Company Secretary – Ms Kyla Garic**

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

*"That, for the purpose of ASX Listing Rule 7.1 and for all other purposes, approval is given for the Company to issue 600,000 Performance Rights to Ms Kyla Garic (and/or her nominees) on the terms and conditions set out in the Explanatory Statement."*

### **Voting Exclusion**

The Company will disregard any votes cast in favour of this Resolution by or on behalf of:

- (a) Ms Kyla Garic (and/or her 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 holder of ordinary securities in the entity);
- (b) or an Associate of that persons or those persons.

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

- (a) a person as a 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; or
- (b) 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
- (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.

## 7. Resolution 7 – Ratification of Prior Issue – Broker Options – ASX Listing Rule 7.1

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To consider, and if thought fit, to pass the following resolution as an **ordinary resolution**:

*“That, for the purpose of ASX Listing Rule 7.4 and for all other purposes, Shareholders ratify the previous issue of 2,000,000 Options issued pursuant to the Company’s placement capacity under ASX Listing Rule 7.1, on the terms and conditions set out in the Explanatory Statement.”*

### **Voting Exclusion**

The Company will disregard any votes cast in favour of this Resolution by or on behalf of:

- (a) a person who participated in the issue or is a counterparty to the agreement being approved (namely CPS Capital Group Pty Ltd (and/or its nominees));
- (b) or an associate of that persons or those persons.

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

- (a) a person as a 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;
- (b) the Chair of the meeting as proxy or attorney for a person who is entitled to vote on the Resolution, in accordance with a direction given to the 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.

## 8. Resolution 8 – Approval of Employee Securities Incentive Plan

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To consider, and if thought fit, to pass the following resolution as an **ordinary resolution**:

*“That, for the purposes of ASX Listing Rule 7.2 Exception 13(b) and for all other purposes, Shareholders approve the establishment of an employee securities incentive plan, to be called the “Haranga Employee Securities Incentive Plan” (**Plan**) and the issue of Securities under the Plan, in accordance with the terms described in the Explanatory Memorandum.”*

### **Voting Exclusion**

The Company will disregard any votes cast in favour of this Resolution by or on behalf of:

- (a) a person who is eligible to participate in the Employee Securities Incentive Plan; or
- (b) an Associate of that person or those persons.

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

- (a) a person as a proxy or attorney for a person who is entitled to vote on the Resolution, in accordance with the directions given to the proxy or attorney to vote on the Resolution in that way; or

- (b) 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
- (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 Prohibition**

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

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

However, the above prohibition does not apply if:

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

Dated 1 May 2023

**BY ORDER OF THE BOARD**



Ms Kyla Garic  
Company Secretary

# EXPLANATORY MEMORANDUM

## 1. Introduction

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This Explanatory Memorandum has been prepared for the information of Shareholders of the Company in connection with the business to be conducted at the Meeting to be held at 108 Outram Street, West Perth WA 6005 on Wednesday, 31 May 2023 commencing at 2:30pm (AWST).

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

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

## 2. Action to be taken by Shareholders

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

### 2.1 Proxies

A Proxy Form is attached to the Notice. This is to be used by Shareholders if they wish to appoint a representative (a proxy) to vote in their place. All Shareholders are invited and encouraged to participate in the Meeting in person, and are encouraged to lodge a directed 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 via virtual means or voting at the Meeting in person.

Please note that:

- (a) a Shareholder of the Company entitled to attend in person and vote at the Meeting is entitled to appoint a proxy;
- (b) a proxy need not be a Shareholder of the Company; and
- (c) a Shareholder of the Company 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, but where the proportion or number is not specified, then in accordance with section 249X(3) of the Corporation Act, each proxy may exercise half of the votes.

Shareholders and their proxies should be aware that:

- (a) if proxy holders vote, they must cast all directed proxies as they are directed to; and
- (b) any directed proxies which are not voted will automatically default to the Chair, who must vote the proxies as directed.

Further details are set out below.

### ***Proxy vote if appointment specifies way to vote***

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); and
- (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; and
- (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).

### ***Transfer of non-chair proxy to Chair in certain circumstances***

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; and
- (b) the appointed proxy is not the Chair of the meeting; and
- (c) at the meeting, a poll is duly demanded, or is otherwise required under section 250JA, on the question that the resolution be passed; and
- (d) either of the following applies:
  - (i) if a record of attendance is made for the meeting - the proxy is not recorded as attending;
  - (ii) 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.

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

## **2.2 Proxy Holders and Voting Instructions**

If the Chair is appointed as your proxy and the Chair is not directed how to vote, you are authorising the Chair to cast your undirected vote on all proposed resolutions.

If a member of the Company's Key Management Personnel, or a Closely Related Party of such member, is appointed as your proxy, they will not be able to vote your proxy on Resolution 1, Resolutions 4(a), 4(b) and 4(c), and Resolution 5.

If you intend to appoint a member of the Company's Key Management Personnel, or a Closely Related Party of such member, or the Chair, as your proxy, you are encouraged to direct them how to vote on Resolution 1, Resolutions 4(a), 4(b) and 4(c), and Resolution 5, by marking "For", "Against" or "Abstain" for each of those resolutions.

## 2.3 Submit your Proxy Vote

### 2.3.1 Online

Vote online at <https://investor.automic.com.au/#/loginsah> and simply follow the instructions on the enclosed proxy form.

### 2.3.2 By Paper

If you do not wish to vote online, then it is necessary to complete in accordance with the detailed instructions set out on the enclosed Proxy Form.

The return of your completed form (ONLY if you do NOT vote online) can be done by one of the following ways:

<b>IN PERSON:</b>	Automic. Level 5, 126 Phillip Street, Sydney NSW 2000
<b>BY MAIL:</b>	Automic. GPO Box 5193, Sydney NSW 2001
<b>BY FAX:</b>	+61 2 8583 3040
<b>BY EMAIL:</b>	meetings@automicgroup.com.au
<b>BY MOBILE:</b>	Scan the QR Code on your proxy form and follow the prompts

## 3. Financial Statements and Reports

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In accordance with the Constitution and the Corporation Act, the business of the Annual General Meeting will include receipt and consideration of the annual financial report of the Company for the financial period ended 31 December 2022 together with the declaration of Directors, the Directors' report, the Remuneration report and the Auditor's report.

No Resolution is required to be moved in respect of this item.

Shareholders will be given a reasonable opportunity at the Meeting to ask questions and make comments on the accounts and on the business, operations and management of the Company.

The Chairman will also provide Shareholders a reasonable opportunity to ask the Auditor or the Auditor's representative questions relevant to:

- (a) the conduct of the audit;
- (b) the preparation and content of the independent audit report;
- (c) the accounting policies adopted by the Company in relation to the preparation of the accounts; and
- (d) the independence of the Auditor in relation to the conduct of the audit.

The Chairman will also allow a reasonable opportunity for the Auditor or their representative to answer any written questions submitted to the Auditor under section 250PA of the Corporation Act.

The Company is not required to provide a hard copy of the Company's annual financial report to Shareholders unless a Shareholder has specifically elected to receive a printed copy.

Whilst the Company will not provide a hard copy of the Company's annual financial report unless specifically requested to do so, Shareholders may view the Company annual financial report on its website at [www.haranga.com](http://www.haranga.com).

## 4. Resolution 1 – Adoption of Remuneration Report

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### 4.1 General

Section 250R(2) of the Corporations Act provides that the Company is required to put the Remuneration Report to the vote of Shareholders. The Directors' Report contains the Remuneration Report which sets out the remuneration policy for the Company and reports the remuneration arrangements in place for the executive Directors, specified executives and non-executive Directors.

Section 250R(3) of Corporations Act provides that Resolution 1 is advisory only and does not bind the Directors of the Company of itself, a failure of Shareholders to pass Resolution 1 will not require the Directors to alter any of the arrangements in the Remuneration Report.

However, the Corporations Act also gives Shareholders the opportunity to remove the Board if the Remuneration Report receives a 'against' vote of 25% or more at two consecutive annual general meetings (**Two Strikes Rule**).

Under the Two Strikes Rule, where a resolution on the Remuneration Report receives a 'against' vote of 25% or more at two consecutive annual general meetings, the Company will be required to put a resolution to the second annual general meeting (**Spill Resolution**), to approve calling a general meeting (**Spill Meeting**). If more than 50% of Shareholders vote in favour of the Spill Resolution, the Company must then convene a Spill Meeting within 90 days of the second annual general meeting. All of Directors who were in office when applicable Directors' report was approved, other than the Managing Director, will need to stand for re-election at the Spill Meeting if they wish to continue as Directors.

At the Company's previous annual general meeting held on 31 May 2022, the votes cast against the Remuneration Report for the year ended 31 December 2021 considered at that annual general meeting were less than 25%. Accordingly, if at least 25% of the votes cast on Resolution 1 are against adoption of the Remuneration Report, the Two Strikes Rule is not relevant for this Annual General Meeting.

The Chair will allow a reasonable opportunity for Shareholders as a whole to ask about, or make comments on the Remuneration Report.

### 4.2 Voting

The Chair intends to exercise all undirected proxies in favour of Resolution 1. If the Chair of the Meeting is appointed as your proxy and you have not specified the way the Chair is to vote on Resolution 1, by signing and returning the Proxy Form, the Shareholder is considered to have provided the Chair with an express authorisation for the Chair to vote the proxy in accordance with the Chair's intention. In exceptional circumstances, the Chair of the Meeting may change his or her voting intention on Resolution 1, in which case an ASX announcement will be made.

Shareholders are urged to carefully read the Proxy Form and provide a direction to the proxy on how to vote on this Resolution.

## **5. Resolution 2 – Re-election of Director – Dr Hendrik Schloemann**

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### **5.1 General**

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

Clause 14.2 of the Constitution requires that at the Company's annual general meeting in every year, one-third of the Directors for the time being, or, if their number is not a multiple of 3, then the number nearest one-third (rounded down to the nearest whole number), shall retire from office, provided always that no Director (except a managing director) shall hold office for a period in excess of 3 years, or until the third annual general meeting following his or her appointment, whichever is the longer, without submitting himself or herself for re-election.

The Directors to retire at an annual general meeting are those who have been longest in the office since their last election, but, as between persons who became Directors on the same day, those to retire shall (unless they otherwise agree among themselves) be determined by drawing lots.

A Director who retires by rotation under clause 14.2 of the Constitution is eligible for re-election.

Dr Hendrik Schloemann (**Dr Schloemann**), who has served as a Director since 5 July 2021, retires by rotation in accordance with clause 14.2 of the Constitution and being eligible, seek re-election at the Annual General Meeting.

### **5.2 Qualifications and other material directorships**

Dr Schloemann is a geologist with a track record of more than 20 years of exploration in twenty countries, with particular experience in Africa. He has experience with gold exploration in orogenic and epithermal environments, as well as pegmatite, diamond, uranium and gemstone exploration. He is experienced with the corporate requirements of a public company, including raising of funds, marketing, corporate compliance, staffing and formulation of long-term strategy.

Dr Schloemann was previously an executive director of AIM listed and West Africa focussed Goldstone Resources Limited.

### **5.3 Independence**

If re-elected, the Board considers Dr Schloemann will be an independent Director.

### **5.4 Board recommendation**

The Board (excluding Dr Schloemann) has reviewed Dr Schloemann's performance since his appointment to the Board and consider that Dr Schloemann's skills and experience will continue to enhance the Board's ability to perform its role. Accordingly, the Board supports the election of Dr Schloemann and recommends

that Shareholders vote in favour of Resolution 2. The Chair of the meeting intends to vote undirected proxies in favour of Resolution 2.

## **6. Resolution 3 – Approval of 10% Placement Facility**

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### **6.1 General**

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

However, ASX Listing Rule 7.1A enables eligible entities to issue additional Equity Securities up to 10% of its issued share capital through placements commencing from the date of the Meeting where the Company obtains the Shareholder approval until the earlier of the following:

- (a) the date that is 12 months after the date of the Meeting at which the approval is obtained;
- (b) the time and date of the Company's next annual general meeting; or
- (c) the time and date of the approval of Shareholders of a transaction under ASX Listing Rule 11.1.2 or 11.2 in respect of the Company,

**(10% Placement Facility)**. The 10% Placement Facility is in addition to the Company's 15% placement capacity under ASX Listing Rule 7.1.

An eligible entity for the purposes of ASX Listing Rule 7.1A is an entity that is not included in the S&P/ASX 300 Index and has a market capitalisation of \$300 million or less. The Company currently has a market capitalisation of \$8,415,440 and is an eligible entity for these purpose.

Resolution 3 seeks Shareholder approval by way of a special resolution to have the ability to issue Equity Securities under the 10% Placement Facility provided for in ASX Listing Rule 7.1A to issue Equity Securities without Shareholder approval.

The exact number of Equity Securities to be issued under the 10% Placement Facility will be determined in accordance with the formula prescribed in ASX Listing Rule 7.1A.2 (refer Section 6.2(c) below).

### **6.2 Description of Listing Rule 7.1A**

#### **(a) Shareholder approval**

The ability to issue Equity Securities under the 10% Placement Facility is subject to shareholder approval by way of a special resolution at an annual general meeting. Accordingly, at least 75% of votes cast by Shareholders present and eligible to vote at the Meeting must be in favour of Resolution 3 for it to be passed.

#### **(b) Equity Securities**

Any Equity Securities issued under the 10% Placement Facility must be in the same class as an existing quoted class of Equity Securities of the Company.

The Company, as at the date of the Notice, has on issue two classes of quoted Equity Securities, being Shares (ASX: HAR) and Listed Options (ASX: HARO).

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

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

$$(A \times D) - E$$

Where:

- A** is the number of fully paid ordinary securities on issue at the commencement of the relevant period:
- (A) plus the number of fully paid ordinary securities issued in the relevant period under an exception in ASX Listing Rule 7.2 other than Exception 9,16 or 17;
  - (B) plus the number of fully paid ordinary securities issued in relevant period on the conversion of convertible securities within ASX Listing Rule 7.2 Exception 9 where:
    - (1) the convertible securities were issued or agreed to be issued before the commencement of the relevant period; or
    - (2) the issue of, or agreement to issue, the convertible securities approved, or taken to have been approved, under ASX Listing Rule 7.1 or 7.4;
  - (C) plus the number of fully paid ordinary securities issued in relevant period under an agreement to issue securities within ASX Listing Rule 7.2 Exception 16 where:
    - (1) the agreement was entered into before the commencement of the relevant period; or
    - (2) the agreement or issue was approved, or taken under these rules to have been approved, under ASX Listing Rules 7.1 or rule 7.4;
  - (D) plus the number of any other fully paid ordinary securities issued in the relevant period with approval under ASX Listing Rules 7.1 or rule 7.4;
  - (E) plus the number of partly paid ordinary securities that became fully paid in the relevant period;
  - (F) less the number of fully paid shares cancelled in the relevant period.

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

- D** is 10%.
- E** is the number of Equity Securities issued or agreed to be issued under ASX Listing Rule 7.1A.2 in the relevant period where the issue or agreement has not been subsequently approved by the holders of its ordinary securities under ASX Listing Rule 7.4.

(d) **ASX Listing Rule 7.1A and ASX Listing Rule 7.3A**

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

At the date of this Notice, the Company has on issue 60,120,285 Shares and therefore has a capacity to issue:

- (i) 9,018,042 Equity Securities under ASX Listing Rule 7.1; and
- (ii) 6,012,028 Equity Securities under ASX Listing Rule 7.1A.

The actual number of Equity Securities that the Company will have capacity to issue under ASX Listing Rule 7.1A will be calculated at the date of issue of the Equity Securities in accordance with the formula prescribed in ASX Listing Rule 7.1A.2 (refer to Section 6.2(c) above).

(e) **Minimum Issue Price**

The issue price of Equity Securities issued under ASX Listing Rule 7.1A must be not less than 75% of the VWAP of Equity Securities in the same class calculated over the 15 Trading Days on which trades in that class were recorded immediately before:

- (i) the date on which the price at which the Equity Securities are to be issued is agreed; or
- (ii) if the Equity Securities are not issued within 10 Trading Days of the date in paragraph (i) above, the date on which the Equity Securities are issued.

(f) **10% Placement Period**

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

- (i) the date that is 12 months after the date of the Meeting at which the approval is obtained;
- (ii) the time and date of the entity's next annual general meeting; or
- (iii) the time and date of the approval by shareholders of the eligible entity's ordinary securities of a transaction under ASX Listing Rules 11.1.2 (a significant change to the nature or scale of activities) or 11.2 (disposal of main undertaking),

**(10% Placement Period).**

## 6.3 Listing Rule 7.1A

The effect of Resolution 3 will be to allow the Directors to issue the Equity Securities under Listing Rule 7.1A during the 10% Placement Period without using the Company's 15% placement capacity under ASX Listing Rule 7.1.

Resolution 3 is a special resolution and therefore requires approval of 75% of the votes cast by Shareholders present and eligible to vote (in person, by proxy, by attorney or, in the case of a corporate Shareholder, by a corporate representative) on the Resolution.

## 6.4 Specific information required by ASX Listing Rule 7.3A

Pursuant to and in accordance with ASX Listing Rule 7.3A, information is provided in relation to the approval of the 10% Placement Facility as follows:

- (a) The Equity Securities will be issued at an issue price of not less than 75% of the VWAP for the Company's Equity Securities over the 15 Trading Days on which trades in that class were recorded immediately before:
  - (i) the date on which the price at which the Equity Securities are to be issued is agreed; or
  - (ii) if the Equity Securities are not issued within 10 Trading Days of the date in paragraph (i) above, the date on which the Equity Securities are issued.
  
- (b) If Resolution 3 is approved by Shareholders and the Company issues Equity Securities under the 10% Placement Facility, the existing Shareholders' voting power in the Company will be diluted as shown in the below table (in the case of Listed Options, only if the Listed Options are exercised). There is a risk that:
  - (i) the market price for the Company's Equity Securities in that class may be significantly lower on the date of the issue of the Equity Securities than of the date of the Meeting; and
  - (ii) the Equity Securities may be issued at a price that is at a discount to the market price for the Company's Equity Securities on the issue date,

which may have an effect on the amount of funds raised by the issue of the Equity Securities.

The below table shows the dilution of existing Shareholders on the basis of the current market price of Shares and the current number of ordinary securities for variable "A" calculated in accordance with the formula in ASX Listing Rule 7.1A(2) as at the date of this Notice.

The table shows:

- (i) two examples where variable "A" has increased, by 50% and 100%. Variable "A" is based on the number of ordinary securities the Company has on issue. The number of ordinary securities on issue may increase as a result of issues of ordinary securities that do not require Shareholder approval (for example, a pro rata entitlements issue or scrip issued under a takeover offer) or future specific placements under

ASX Listing Rule 7.1 that are approved at a future Shareholders' meeting; and

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

Variable "A" in Listing Rule 7.1A.2		Dilution		
		\$0.070 50% decrease in Issue Price	\$0.140 Issue Price	\$0.28 100% increase in Issue Price
<b>Current Variable "A"</b> <b>60,120,285 Shares</b>	10% Voting Dilution	6,012,029 Shares	6,012,029 Shares	6,012,029 Shares
	Funds raised	\$420,842	\$841,684	\$1,683,368
<b>50% increase in current Variable "A"</b> <b>90,180,428 Shares</b>	10% Voting Dilution	9,018,043 Shares	9,018,043 Shares	9,018,043 Shares
	Funds raised	\$631,263	\$1,262,526	\$2,525,052
<b>100% increase in current Variable "A"</b> <b>120,240,570 Shares</b>	10% Voting Dilution	12,024,057 Shares	12,024,057 Shares	12,024,057 Shares
	Funds raised	\$841,684	\$1,683,368	\$3,366,736

**Note**

The table has been prepared on the following assumptions:

1. The Company issues the maximum number of Equity Securities available under the 10% Placement Facility.
  2. No Options (including any Options issued under the 10% Placement Facility) are exercised into Shares before the date of the issue of the Equity Securities;
  3. The 10% voting dilution reflects the aggregate percentage dilution against the issued share capital at the time of issue. This is why the voting dilution is shown in each example at 10%.
  4. The table does not show an example of dilution that may be caused to a particular Shareholder by reason of placements under the 10% Placement Facility, based on the Shareholder's holding at the date of the Meeting.
  5. The table shows only the effect of issue of Equity Securities under ASX Listing Rule 7.1A, not under the 15% placement capacity under ASX Listing Rule 7.1.
  6. The issue of Equity Securities under the 10% Placement Facility consists only of Shares. If the issue of Equity Securities includes Listed Options, it is assumed that those Listed Options are exercised into Shares for the purpose of calculating the voting dilution effect on existing Shareholders.
  7. The issue price is \$0.140, being the closing price of the Shares on ASX on 12 April 2023.
- (c) The Company will only issue and allot the Equity Securities during the 10% Placement Period. The approval under Resolution 3 for the issue of the Equity Securities will cease to be valid in the event that Shareholders approve a transaction under ASX Listing Rule 11.1.2 (a significant change to a significant change to the nature or scale of activities) or 11.2 (disposal of main undertaking).

- (d) The Company can only issue Equity Securities for cash consideration. In such circumstances, the Company intends to use the funds raised towards an acquisition of new assets or projects (including expenses associated with such acquisition), ongoing targeting and evaluation of new and existing exploration and growth opportunities, general working capital.
- (e) The Company will comply with the disclosure obligations under the ASX Listing Rule 7.1A(4) upon issue of any Equity Securities.
- (f) The Company's allocation policy is dependent on the prevailing market conditions at the time of any proposed issue pursuant to the 10% Placement Facility. The identity of the allottees of the Equity Securities have not yet been determined, however will be determined on a case-by-case basis having regard to the factors including but not limited to the following:
  - (i) the purpose of the issue;
  - (ii) the methods of raising funds that are available to the Company, including but not limited to, rights issue or other issue in which existing security holders can participate;
  - (iii) the effect of the issue of the Equity Securities on the control of the Company;
  - (iv) the circumstances of the Company, including but not limited to, the financial situation and solvency of the Company;
  - (v) prevailing market condition; and
  - (vi) advice from corporate, financial and broking advisers (if applicable).

The allottees under the 10% Placement Facility have not been determined as at the date of this Notice but may include existing substantial Shareholders and/or new Shareholders who are not Related Parties or associates of a Related Party of the Company.

- (g) The Company previously obtained Shareholder approval under ASX Listing Rule 7.1A at its annual general meeting held on 31 May 2022. In the 12 months preceding the date of the 2022 Annual General Meeting, the Company has not issued any Equity Securities under ASX Listing Rule 7.1A.
- (h) For the purpose of ASX Listing Rule 14.1A (and in addition to the disclosure in clause 6.4(b) above):
  - (i) if Resolution 3 is passed, the Directors will be able to issue the Equity Securities under ASX Listing Rule 7.1A during the 10% Placement Period without using the Company's 15% placement capacity under ASX Listing Rule 7.1; and
  - (ii) if Resolution 3 is not passed, the Directors will not be able to issue the Equity Securities under ASX Listing Rule 7.1A, and will have to either rely on the Company's existing 15% placement capacity under ASX Listing Rule 7.1 (from time to time), or (in the event that the Company's 15% placement capacity is exhausted) the Company will be required to obtain prior shareholder approval under ASX Listing Rule 7.1 before being able to issue such Equity Securities (which may result in the Company incurring further time and expense).

At the date of the Notice, the Company has not approached any particular existing Shareholder or security holder or an identifiable class of existing security holder to participate in the issue of the Equity Securities. As such, no voting exclusion statement has been included in the Notice.

The Directors of the Company believe Resolution 3 is in the best interest of the Company and its Shareholders and unanimously recommend that the Shareholders vote in favour of this Resolution.

## **7. Resolutions 4(a), 4(b) and 4(c) – Approval to issue Performance Rights to Directors – Dr Hendrik Schloemann, Mr John Davis and Mr Michael Davy**

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### **7.1 General**

Resolutions 4(a) – 4(c) (inclusive) seek Shareholder approval for the issue of total of 4,050,000 Performance Rights in various classes to the Directors, being Dr Hendrick Schloemann, Mr John Davis and Mr Michael Davy (and/or their respective nominees), as follows:

- (a) 1,350,000 Performance Rights to be issued to Dr Hendrik Schloemann (and/or his nominees) comprising:
  - (i) 450,000 Class A Performance Rights;
  - (ii) 450,000 Class B Performance Rights; and
  - (iii) 450,000 Class C Performance Rights,
- (b) 1,350,000 Performance Rights to be issued to Mr John Davis (and/or his nominees) comprising:
  - (i) 450,000 Class A Performance Rights;
  - (ii) 450,000 Class B Performance Rights; and
  - (iii) 450,000 Class C Performance Rights,
- (c) 1,350,000 Performance Rights to be issued to Mr Michael Davy (and/or his nominees) comprising:
  - (i) 450,000 Class A Performance Rights;
  - (ii) 450,000 Class B Performance Rights;
  - (iii) 450,000 Class C Performance Rights,

(together, the **Related Party Performance Rights**).

The Related Party Performance Rights are being issued to incentivise and reward the Directors of the Company. Resolutions 4(a) – 4(c) (inclusive) are conditional upon one another.

## **7.2 Section 195(4) of the Corporations Act**

Each of the Directors have a material personal interest in the outcome of Resolutions 4(a)-4(c) (as applicable to each Director) by virtue of the fact that these Resolutions are concerned with the issue of Related Party Performance Rights to each Director. Section 195 of the Corporations Act essentially provides that a director of a public company may not vote or be present during meetings of directors when matters in which that director holds a material personal interest are being considered. In the absence of Shareholder approval under section 195(4) of the Corporations Act, the Directors may not be able to form a quorum at Board meetings necessary to carry out the terms of these Resolutions. The Directors have accordingly exercised their right under section 195(4) of the Corporations Act to put the issue to Shareholders to determine.

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

For a public company, or an entity that the public company controls, to give a financial benefit to a related party of the public company, the public company or entity must:

- (a) obtain the approval of the public company's members in the manners 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 issue of the Related Party Performance Rights constitutes giving a financial benefit and each Director is a related party of the Company by reason of being a Director.

As the Related Party Performance Rights are proposed to be issued to all of the Directors, the Directors are unable to form a quorum to consider whether one of the exceptions set out in sections 210 to 216 of the Corporations Act applies to the issue of the Related Party Performance Rights. Accordingly, Shareholder approval for the issue of the Related Party Performance Rights is sought in accordance with Chapter 2E of the Corporations Act.

## **7.4 ASX Listing Rule 10.11**

ASX Listing Rule 10.11 provides that unless one of the exceptions in ASX Listing Rule 10.12 applies, a listed company must not issue or agree to issue Equity Securities to:

- (a) a related party;
- (b) a person who is, or was at any time in the 6 months before the issue or agreement, a substantial (30%+) holder in the company;
- (c) a person who is, or was at any time in the 6 months before the issue or agreement, a substantial (10%+) holder 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;
- (d) an associate of a person referred to in ASX Listing Rules 10.11.1 to 10.11.3; or

- (e) a person whose relationship with the company or a person referred to in ASX Listing Rules 10.11.1 to 10.11.4 is such that, in ASX's opinion, the issue or agreement should be approved by its shareholders,

unless it obtains the approval of its shareholders.

The issue of the Related Party Performance Rights falls within ASX Listing Rule 10.11.1 and does not fall within any of the exceptions in ASX Listing Rule 10.12. It therefore requires the approval of Shareholders under ASX Listing Rule 10.11.

Resolution 4(a)-4(c) (inclusive) seeks the required Shareholder approval for the issue of the Related Party Performance Rights under and for the purposes of ASX Listing Rule 10.11.

## **7.5 Technical information required by ASX Listing Rule 14.1A**

If Resolutions 4(a)-4(c) are passed, the Company will be able to proceed with the issue of the Related Party Performance Rights to the Directors within one (1) month after the date of the Meeting (or such later date as permitted by any ASX waiver or modification of the ASX Listing Rules). As approval pursuant to ASX Listing Rule 7.1 is not required for the issue of the Related Party Performance Rights (because approval is being obtained under ASX Listing Rule 10.11), the issue of the Related Party Performance Rights will not use up any of the Company's 15% annual placement capacity.

If Resolutions 4(a)-4(c) are not passed, the Company will not be able to proceed with the issue of the Related Party Performance Rights and the Company may consider alternative forms of remuneration in lieu of such issue.

## **7.6 Technical information required by ASX Listing Rule 10.13 and section 219 of the Corporations Act**

Pursuant to and in accordance with ASX Listing Rule 10.13 and section 219 of the Corporations Act, the following information is provided in relation to Resolutions 4(a)-4(c):

- (a) the Related Party Performance Rights will be issued to the following persons, each of whom falls within the category set out in ASX Listing Rule 10.11.1, by virtue of being a Director:
  - (i) Dr Hendrik Schloemann pursuant to Resolution 4(a);
  - (ii) Mr John Davis pursuant to Resolution 4(b); and
  - (iii) Mr Michael Davy pursuant to Resolution 4(c);
- (b) the maximum number of Related Party Performance Rights to be issued to the Directors (being the nature of the financial benefit proposed to be given) is 4,050,000, as follows:
  - (i) 1,350,000 Related Party Performance Rights to Dr Hendrik Schloemann (and/or his nominees) pursuant to Resolution 4(a), comprising:
    - (A) 450,000 Class A Performance Rights;
    - (B) 450,000 Class B Performance Rights; and

- (C) 450,000 Class C Performance Rights;
- (ii) 1,350,000 Related Party Performance Rights to Mr John Davis (and/or his nominees) pursuant to Resolution 4(b), comprising:
  - (A) 450,000 Class A Performance Rights;
  - (B) 450,000 Class B Performance Rights; and
  - (C) 450,000 Class C Performance Rights; and
- (iii) 1,350,000 Related Party Performance Rights to Mr Michael Davy (and/or his nominees) pursuant to Resolution 4(c), comprising:
  - (A) 450,000 Class A Performance Rights;
  - (B) 450,000 Class B Performance Rights; and
  - (C) 450,000 Class C Performance Rights;
- (c) the terms and conditions of the Related Party Performance Rights are set out in Schedule 2;
- (d) the Related Party Performance Rights will be issued no later than one (1) 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) and it is intended that issue of the Related Party Performance Rights will occur on the same date;
- (e) the Related Party Performance Rights will be issued for nil cash consideration. Accordingly, no funds will be raised from the proposed issue of the Related Party Performance Rights;
- (f) the issue of Related Party Performance Rights is a reasonable and appropriate method to provide a balanced remuneration package inclusive of long term incentives as the non-cash form of this benefit which will allow the Company to spend a greater proportion of its cash reserves on its operations than it would if alternative cash forms of remuneration were given to the Directors;
- (g) the Company has agreed to issue the Related Party Performance Rights to the Directors (subject to Shareholder approval) for the following reasons
  - (i) to provide a balanced remuneration package and cost effective remuneration to the Directors for their ongoing commitment and contribution to the Company in their respective roles as Directors, whilst allowing the Company to maintain cash reserves for its operations;
  - (ii) the milestones attaching to the Related Party Performance Rights will align with interests of the Company with those of Shareholders through the assignment of long term incentives attached to operational milestones for the Company;
  - (iii) the Related Party Performance Rights are unquoted, therefore the issue of the Incentive Securities has no immediate dilutionary impact on Shareholders; and

- (iv) it is not considered that there are any significant opportunity costs to the Company or benefits foregone by the Company in issuing the Related Party Performance Rights on the terms proposed;
- (h) the number of Related Party Performance Rights to be issued to each of the Directors has been determined upon a consideration of:
  - (i) current market standards and/or practices of other ASX listed companies of a similar size and stage of development to the Company;
  - (ii) the remuneration of the Directors; and
  - (iii) incentives to attract and ensure continuity of service of the Directors who have appropriate knowledge and expertise, while maintaining the Company's cash reserves;
- (i) the total remuneration package for each of the Directors for the previous financial year and the proposed total remuneration package for the current financial year (on an annualised basis and excluding the value of the Incentive Securities) are set out below:

Director	FY 2022	FY 2023
Dr Hendrik Schloemann <sup>1</sup>	\$44,000	\$48,000
Mr John Davis <sup>2</sup>	\$44,000	\$48,000
Mr Michael Davy <sup>3</sup>	\$52,000	\$72,000

**Notes:**

1. Dr Schloemann was appointed as a Director on 5 July 2021. Dr Schloemann also received equity-settled share-based payments valued at \$107,000 during the 2021 financial year. Dr Schloemann is entitled to receive \$48,000 per annum (exclusive of GST and superannuation).
  2. Mr Davis was appointed as a Director on 5 July 2021. Mr Davis also received equity-settled share-based payments valued at \$107,000 during the 2021 financial year. Mr Davis is entitled to receive \$48,000 per annum (exclusive of GST and superannuation).
  3. Mr Davy was appointed as a Director on 11 April 2022. Mr Davy is entitled to receive \$72,000 per annum (exclusive of GST and superannuation).
- (j) the value of the Related Party Performance Rights and the pricing methodology is set out in Schedule 3;
  - (k) the Related Party Performance Rights are not being issued pursuant to an agreement;
  - (l) the relevant interests of the Directors in securities of the Company as at the date of this Notice are set out below:

Director	Shares	Options	Performance Rights
Dr Hendrik Schloemann <sup>1</sup>	-	1,000,000	-
Mr John Davis <sup>2</sup>	27,498	1,000,000	-
Mr Michael Davy <sup>3</sup>	522,003	60,000	-

**Notes:**

1. 1,000,000 Options (exercisable at \$0.30 and expiring on 27 January 2025), held directly
  2. 1,000,000 Options (exercisable at \$0.30 and expiring on 27 January 2025), held directly and 27,498 ordinary shares held by spouse
  3. Comprising:
    - a. 522,003 Shares held indirectly via Davy Corp Pty Ltd <Davy Investment A/C> an entity associated with Mr Davy; and
    - b. 60,000 Options (exercisable at \$0.30 and expiring on 27 January 2025), held indirectly via Davy Corp Pty Ltd <Davy Investment A/C> an entity associated with Mr Davy.
- (m) if all the Related Party Performance Rights issued to the Directors pursuant to Resolutions 4(a) - 4(c) are exercised, a total of 4,050,000 Shares would be issued. This will increase the number of Shares on issue from 60,120,285 (being the total number of Shares on issue as at the date of this Notice) to 64,170,285 (assuming that no other Shares are issued and no convertible securities vest or are exercised) with the effect that the shareholding of existing Shareholders would be diluted by an aggregate of 6.31%;
- (n) the trading history of the Shares on ASX in the 12 months before the date of this Notice is set out below:

	Price	Date
Highest	\$0.27	19 April 2022
Lowest	\$0.10	20 December 2022
Last	\$0.14	29 March 2023

- (o) each Director has a material personal interest in the outcome of Resolutions 4(a)-4(c) on the basis that all of the Directors (and/or their nominees) are to be issued Related Party Performance Rights should Resolutions 4(a)-4(c) be passed. For this reason, the Directors do not believe that it is appropriate to make a recommendation on Resolutions 4(a)-4(c); and
- (p) the Board is not aware of any other information that is reasonably required by Shareholders to allow them to decide whether it is in the best interests of the Company to pass Resolutions 4(a)-4(c).

## **8. Resolution 5 – Approval to issue Performance Rights to COO – Mr Jean Kaisin**

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### **8.1 General**

The Company has agreed (subject to Shareholder approval) to issue 600,000 Performance Rights to Mr Jean Kaisin (and/or his nominees), comprising:

- (a) 200,000 Class A Performance Rights;
- (b) 200,000 Class B Performance Rights; and

- (c) 200,000 Class C Performance Rights.

The Performance Rights are being issued to Mr Jean Kaisin (and/or his nominees) as a cost-effective incentive based form of remuneration in connection with his role as Chief Operating Officer (**COO**).

Resolution 5 seeks Shareholder approval for the purposes of ASX Listing Rule 7.1 for the issue of the Performance Rights to Mr Jean Kaisin (and/or his nominees).

## **8.2 ASX Listing Rule 7.1**

Broadly speaking, and subject to a number of exceptions, ASX 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 securities it had on issue at the start of that 12 month period.

The issue does not fit within any of these exceptions. While the issue does not exceed the 15% limit in ASX Listing Rule 7.1 and can therefore be made without breaching that rule, the Company wishes to retain as much flexibility as possible to issue additional Equity Securities into the future without having to obtain Shareholder approval under ASX Listing Rule 7.1. To do this, the Company is asking Shareholders to approve the issue under ASX Listing Rule 7.1 so that it does not use up any of the 15% limit on issuing Equity Securities without Shareholder approval set out in ASX Listing Rule 7.1

To this end, Resolution 5 seeks Shareholder approval for the issue of the Performance Rights to COO, Mr Jean Kaisin (and/or his nominees) for the purposes of ASX Listing Rule 7.1.

## **8.3 Technical information required by ASX Listing Rule 14.1A**

If Resolution 5 is passed, the Company will be able to proceed with the proposed issue of Performance Rights to Mr Jean Kaisin (and/or his nominees). In addition, the grant of these Performance Rights will be excluded from the calculation of the number of Equity Securities that the Company can issue without Shareholder approval under ASX Listing Rule 7.1.

If Resolution 5 is not passed, the Company will not be able to proceed with the proposed issue of Performance Rights to Mr Jean Kaisin (and/or his nominees).

## **8.4 Technical information required by ASX Listing Rule 7.3**

The following information is provided to Shareholders for the purposes of ASX Listing Rule 7.3 in relation to Resolution 5:

- (a) the Performance Rights will be issued to Mr Jean Kaisin (and/or his nominees), who is not a related party of the Company;
- (b) the maximum number of Performance Rights to be issued is 600,000, as follows:
  - (i) 200,000 Class A Performance Rights;
  - (ii) 200,000 Class B Performance Rights; and
  - (iii) 200,000 Class C Performance Rights;

- (c) the terms and conditions of the Performance Rights are set out in Schedule 2;
- (d) the Performance Rights will be issued no later than 3 months after the date of the Meeting (or such later date to the extent permitted by any ASX waiver or modification of the Listing Rules) and it is intended that issue of the Performance Rights will occur on the same date;
- (e) the Performance Rights will be issued for no cash consideration. Accordingly, no funds will be raised from the proposed issue of the Performance Rights;
- (f) the purpose of the issue of the Incentive Performance Rights is to provide a cost-effective incentive based form of remuneration to Mr Jean Kaisin (and/or his nominees) in connection with his role as Chief Operating Officer;
- (g) the Performance Rights are not being issued under an agreement;
- (h) the Performance Rights are not being issued under, or to fund, a reverse takeover; and
- (i) a voting exclusion statement is included in this Notice.

## **9. Resolution 6 – Approval to issue Performance Rights to Company Secretary – Ms Kyla Garic**

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### **9.1 General**

The Company has agreed (subject to Shareholder approval) to issue 600,000 Performance Rights to Ms Kyla Garic (and/or her nominees), comprising:

- (a) 200,000 Class A Performance Rights;
- (b) 200,000 Class B Performance Rights; and
- (c) 200,000 Class C Performance Rights.

The Performance Rights are being issued to Ms Kyla Garic (and/or her nominees) as a cost-effective incentive based form of remuneration in connection with her role as Company Secretary.

Resolution 6 seeks Shareholder approval for the purposes of ASX Listing Rule 7.1 for the issue of the Performance Rights to Ms Kyla Garic (and/or her nominees).

### **9.2 ASX Listing Rule 7.1**

A summary of ASX Listing Rule 7.1 is provided in Section 8.2 above.

Resolution 6 seeks Shareholder approval for the issue of the Performance Rights to the Company Secretary, Ms Kyla Garic (and/or her nominees), for the purposes of ASX Listing Rule 7.1.

### **9.3 Technical information required by ASX Listing Rule 14.1A**

If Resolution 6 is passed, the Company will be able to proceed with the proposed issue of Performance Rights to Ms Kyla Garic (and/or her nominees). In addition, the grant of these Performance Rights will be excluded from the calculation of the

number of Equity Securities that the Company can issue without Shareholder approval under ASX Listing Rule 7.1.

If Resolution 6 is not passed, the Company will not be able to proceed with the proposed issue of Performance Rights to Ms Kyla Garic (and/or her nominees).

## 9.4 Technical information required by ASX Listing Rule 7.3

The following information is provided to Shareholders for the purposes of ASX Listing Rule 7.3 in relation to Resolution 6:

- (a) the Performance Rights will be issued to Ms Kyla Garic (and/or her nominees), who is not a related party of the Company;
- (b) the maximum number of Performance Rights to be issued is 600,000, as follows:
  - (i) 200,000 Class A Performance Rights;
  - (ii) 200,000 Class B Performance Rights; and
  - (iii) 200,000 Class C Performance Rights;
- (c) the terms and conditions of the Performance Rights are set out in Schedule 2;
- (d) the Performance Rights will be issued no later than 3 months after the date of the Meeting (or such later date to the extent permitted by any ASX waiver or modification of the Listing Rules) and it is intended that issue of the Performance Rights will occur on the same date;
- (e) the Performance Rights will be issued for no cash consideration. Accordingly, no funds will be raised from the proposed issue of the Performance Rights;
- (f) the purpose of the issue of the Incentive Performance Rights is to provide a cost-effective incentive based form of remuneration to Ms Kyla Garic (and/or her nominees) in connection with her role as Company Secretary;
- (g) the Performance Rights are not being issued under an agreement;
- (h) the Performance Rights are not being issued under, or to fund, a reverse takeover; and
- (i) a voting exclusion statement is included in this Notice.

## 10. Resolution 7 – Ratification of prior issue of Broker Options – ASX Listing Rule 7.1

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### 10.1 General

On 2 March 2023, the Company issued 2,000,000 listed Options (ASX: HARO) (exercisable at \$0.30 per Option and expiring on 27 January 2025) (**Broker Options**) to CPS Capital Group Pty Ltd (**CPS Capital**) (and/or its nominees) pursuant to the agreement between the Company and CPS Capital (**CPS Mandate**). A summary of the material terms of the CPS Mandate is set out in Section 10.2 below.

Resolution 7 seeks Shareholder ratification pursuant to ASX Listing Rule 7.4 for the prior issue of the Broker Options.

## 10.2 CPS Mandate

A summary of the material terms of the CPS Mandate are as follows:

- (a) **(Services):** CPS Capital will provide corporate advisory services to the Company.
- (b) **(Term):** The Company has agreed to appoint CPS Capital as corporate adviser to the Company on an exclusive basis for a period of 12 months from the execution of the mandate.
- (c) **(Fees):** The Company has agreed to issue CPS Capital 2,000,000 Options (ASX: HARO) (plus GST where applicable) (exercisable at \$0.30 and expiring on 27 January 2025) (the subject of this Resolution 7). Subject to the level and quality of services provided by CPS to the Company over the Term, the Company may (in consultation with CPS) elect to issue further options to CPS.
- (d) **(Termination):** the Company may terminate the mandate by providing seven (7) days' written notice to CPS Capital

The CPS Mandate otherwise contains terms and conditions which are considered standard for agreements of this nature.

## 10.3 ASX Listing Rules 7.1 and 7.4

A summary of ASX Listing Rule 7.1 is provided at Section 8.2 above.

ASX Listing Rule 7.4 allows the shareholders of a listed company to approve an issue of Equity Securities after it has been made or agreed to be made. If they do, the issue is taken to have been approved under ASX Listing Rule 7.1 and so does not reduce the company's capacity to issue further Equity Securities without shareholder approval under that rule.

The Company wishes to retain as much flexibility as possible to issue additional Equity Securities in the future without having to obtain Shareholder approval for such issues under ASX Listing Rule 7.1. Accordingly, the Company is seeking Shareholder ratification pursuant to ASX Listing Rule 7.4 for the issue of the Broker Options.

Resolution 7 seeks Shareholder ratification pursuant to ASX Listing Rule 7.4 for the issue of the Broker Options.

## 10.4 Technical information required by ASX Listing Rule 14.1A

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

If Resolution 7 is not passed, the Broker Options will be included in calculating the Company's 15% limit in ASX Listing Rule 7.1, effectively decreasing the number of Equity Securities that the Company can issue without Shareholder approval over the 12 month period following the date of issue of the Broker Options.

## 10.5 Technical information required by ASX Listing Rule 7.5

Pursuant to and in accordance with ASX Listing Rule 7.5, the following information is provided in relation to Resolution 7:

- (a) the Broker Options were issued to CPS Capital Group Pty Ltd, who is not a related party of the Company;
- (b) 2,000,000 Broker Options were issued;
- (c) the Broker Options were issued on the terms and conditions set out in Schedule 4;
- (d) the Broker Options were issued on 2 March 2023;
- (e) the Broker Options were issued for nil cash consideration;
- (f) the purpose of the issue of the Broker Options was to satisfy the Company's obligations under the CPS Mandate; and
- (g) the Broker Options were issued pursuant to the CPS Mandate, a summary of which is set out in Section 10.2 above; and
- (h) a voting exclusion statement is included in Resolution 7 of this Notice.

## 11. Resolution 8 – Approval of Employee Securities Incentive Plan

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### 11.1 General

The Company considers that it is desirable to adopt an employee incentive scheme (**Plan**). The Plan is intended to provide an opportunity to eligible participants to participate in the Company's future. Further, the Plan acts as a mechanism to ensure the interests of Shareholders and the management and employees of the Company are aligned.

Resolution 8 seeks Shareholder approval for the adopt of the Plan in accordance with ASX Listing Rule 7.2 exception 13(b) and for the issue of up to 6,012,028 Securities under the Plan. A summary of the Plan is set out in Schedule 5.

The Plan incorporates amendments to the Corporations Act for employee share scheme, which came into effect 1 October 2022.

### 11.2 Legislation

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 New Rules came into effect on 1 October 2022.

The New Rules will eventually replace the existing ASIC Class Order [CO 14/1000] and ASIC Class Order [CO 14/1001] (together, the **Class Orders**).

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

(a) **Expanded eligibility**

Class Order relief is 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 of a primary participant (including a spouse, parent, child or sibling of the primary participant; controlled bodies corporate of the primary participant or bodies corporate that are trustees of the primary participant's self-managed superannuation fund).

(b) **Issue cap**

The Class Orders provide for an issue cap of 5% of a listed entity's fully paid shares over a rolling period of 3 years (irrespective of whether monetary consideration is required).

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 the cap set out in the company's constitution or if there is no such cap in the constitution, then 5% for listed entities unless a higher cap is specified in the relevant regulations (if any)).

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 disclosure requirements. 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 offer 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.

### **11.3 Regulatory requirements and ASX Listing Rules 7.1 and 7.2, exception 13(b)**

Shareholder approval is not required under the Corporations Act or the Listing Rules for the operation of the Plan. However, Shareholder approval is being sought to allow the Company to rely on an exception to the calculation of the ASX Listing Rules 7.1 and 7.1A on the number of securities that may be issued without Shareholder approval. ASX Listing Rule 7.2 exception 13(b) provides that ASX Listing Rules 7.1 and 7.1A do not apply to an issue of securities under an employee incentive scheme that has been approved by Shareholders, where the issue of securities is within 3 years from that date of Shareholder approval of the issue of securities under the employee incentive scheme.

The Plan participation is limited to Directors, employees and service providers of the Company. If an issue is to be made to Directors, then separate Shareholder approval will need to be obtained.

Pursuant to and in accordance with ASX Listing Rule 7.2 Exception 13, the following information is provided in relation to this Resolution:

- (a) a summary of the key terms of the Plan is set out in Schedule 5.
- (b) as this is a new plan being put to Shareholders, no Securities have been issued under it to date;
- (c) the Company is seeking Shareholder approval to adopt the Plan to include the new terms and conditions required by Division 1A of Part 7.12 of the Corporations Act, which replaced the previous relief provided by ASIC Class Order 14/1000 (Employee Incentive Scheme);
- (d) a maximum of 6,012,028 Securities would be available to be issued under the Plan if approved by Shareholders. This maximum number is not intended to be a prediction of the actual number of Securities to be issued under the Plan, but simply a maximum number for the purposes of setting a ceiling on the

number of Securities to be issued under the Plan for the purposes of ASX Listing Rule 7.2, exception 13(b). In any event, no Securities will be issued if to do so would contravene any applicable laws, including the issue cap under the New Rules which applies to issues for monetary consideration (refer to Section 11.2(b) above); and

- (e) a voting exclusion applies to this Resolution.

## **11.4 Technical information required by Listing Rule 14.1A**

Resolution 8 seeks Shareholder approval for the issue of Securities under the Plan to be an exception from ASX Listing Rule 7.1 for a period of 3 years.

If Shareholders approve this Resolution, any issue of Securities under the Plan over the 3 years after the date of the Meeting (up to the maximum number set out above) will not use up a portion of the Company's Placement Capacity when that issue is made. This means that the Company will preserve its flexibility to issue equity securities without seeking Shareholder approval if and when it issues Securities under the Plan.

It should be noted that if the Resolution is passed, the Company will only be able issue equity securities under the Plan to eligible participants who are unrelated parties without seeking prior Shareholder approval. Any proposed issue of Securities to a Director or other related party, or any of their associates, under the Plan will require prior Shareholder approval under ASX Listing Rule 10.14.

If Shareholders do not approve this Resolution, the Company may still decide in future to issue Securities to eligible employees and consultants who are unrelated parties under the Plan, but each such issue will not be exempt from ASX Listing Rule 7.1 and will use up a portion of the Company's Placement Capacity at the relevant time made (unless another exemption from ASX Listing Rule 7.1 is applicable). The issue of Securities under the Plan in those circumstances would therefore reduce the Company's ability to issue equity securities without seeking Shareholder approval.

## **11.5 Board recommendation**

Approval of this Resolution will enable the Company to preserve its flexibility under its Placement Capacity when it issues Securities under the Plan for the period of 3 years after the Meeting. Directors are eligible to be offered Securities under the Plan, however, any proposed issue of Securities to a Director or their associates requires prior Shareholder approval under ASX Listing Rule 10.14 before it can be made, and the passing of this Resolution will not enable the Company to issue any equity securities to a Director or their associates. The Directors recommend that Shareholders vote in favour of this Resolution.

## SCHEDULE 1 – DEFINITIONS

In this Notice and the Explanatory Memorandum:

**\$** means Australian Dollars.

**10% Placement Facility** has the meaning given in Section 6.1.

**10% Placement Period** has the meaning given in Section 6.2(f).

**Annual Report** means the Directors' Report, the Financial Report and the Auditor's Report in respect to the financial year ending 31 December 2022.

**Associate** has the meaning given in sections 12 and 16 of the Corporations Act. Section 12 is to be applied as if paragraph 12(1)(a) included a reference to the Listing Rules and on the basis that the Company is the "designated body" for the purposes of that section. A related party of a director or officer of the Company or of a Child Entity of the Company is to be taken to be an associate of the director or officer unless the contrary is established.

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

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

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

**Board** means the board of Directors.

**Broker Options** has the meaning given to it in Section 10.1.

**Business Day** means:

- (a) for determining when a notice, consent or other communication is given, a day that is not a Saturday, Sunday or public holiday in the place to which the notice, consent or other communication is sent; and
- (b) for any other purpose, a day (other than a Saturday, Sunday or public holiday) on which banks are open for general banking business in Perth.

**Chair** means the person appointed to chair the Meeting convened by this Notice.

**Closely Related Party** means:

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

**Company** means Haranga Resources Limited (ACN 141 128 841).

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

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

**CPS Capital** means CPS Capital Group Pty Ltd (ABN 73 088 055 636) (AFSL 294 848).

**CPS Mandate** has the meaning given to it in Section 10.1.

**Director** means a director of the Company.

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

**Equity Securities** has the same meaning as in the Listing Rules.

**Explanatory Memorandum** means the explanatory memorandum attached to the Notice.

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

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

**Listed Options** means listed options of the Company each with an exercise price of \$0.30 and expiry date of 27 January 2025.

**Listing Rules** means the listing rules of ASX.

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

**Notice** means this notice of annual general meeting.

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

**Proxy Form** means the proxy form attached to the Notice.

**Related Party Performance Rights** has the meaning given to it in Section 7.1.

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

**Resolution** means resolution contained in the Notice.

**Schedule** means a schedule to this Notice.

**Section** means a section contained in this Explanatory Memorandum.

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

**Shareholder** means a shareholder of the Company.

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

**Two Strikes Rule** has the meaning in Section 3.

**VWAP** means volume weight average price.

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

## SCHEDULE 2 – TERMS AND CONDITIONS OF PERFORMANCE RIGHTS

### 1. Definitions

In these terms and conditions, unless the context otherwise requires:

**ASX** means ASX Limited ACN 008 624 691 or, where the context requires, the financial market operated by it.

**Board** means the board of directors of the Company.

**Business Day** means a day (other than a Saturday, Sunday or public holiday) on which banks are open for general banking business in Perth, Australia.

**Change of Control Event** has the meaning given in condition 14(b).

**Company** means Haranga Resources Limited (ACN 141 128 841).

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

**Holder** means a holder of a Performance Right.

**JORC Code** means the JORC Code 2012 Edition (or the current edition at the time).

**Listing Rules** means the official Listing Rules of the ASX as they apply to the Company from time to time.

**Performance Right** means the right to acquire a Share on these terms and conditions.

**Projects** means current and future projects.

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

**Vesting Condition** has the meaning given in condition 3.

**VWAP** means Volume Weighted Average Price.

### 2. Performance Rights

Each Performance Right is a right of the Holder (and/or its nominees) to acquire a Share subject to these terms and conditions.

### 3. Vesting Condition

Performance Rights will vest on the achievement of the following milestones (**Vesting Conditions**) by the relevant expiry date (**Expiry Date**):

Class	Vesting Conditions	Expiry Date
<b>Class A Performance Rights</b>	The Company achieving a 20-day VWAP of A\$0.40 or more based on the days the Company's Shares have traded.	5 years from the issue date.

<b>Class B Performance Rights</b>	The Company achieving a 20-day VWAP of A\$0.50 or more based on days the Company's Shares have traded.	5 years from the issue date.
<b>Class C Performance Rights</b>	The Company announcing a maiden JORC Mineral Resource, as defined in the JORC Code: (a) a minimum inferred JORC compliant Mineral Resource of 500,000 oz Au at $\geq 1$ g/t; or (b) a minimum inferred JORC compliant Mineral Resource of 7,000t of eU3O8, at any of the Projects, as verified by an independent competent person under JORC Code 2012.	5 years from the issue date.

**Note:** For the purpose of determining whether the relevant revenue milestones are achieved, one-off extraordinary revenue items and revenue receive in the form of government grants, allowances, rebates or other hand-outs will not be included.

#### 4. Exercise

Upon the Vesting Condition being satisfied, the Holder may exercise a Performance Right by delivering a written notice of exercise (**Notice of Exercise**) to the Company Secretary at any time prior to the Expiry Date. The Holder is not required to pay a fee in order to exercise Performance Rights.

#### 5. Expiry

Any Performance Rights that have not been exercised prior to the Expiry Date will automatically expire on the Expiry Date.

#### 6. Transfer

A Performance Right is not transferable.

#### 7. Entitlements and bonus issues

The holder of a Performance Right will not be entitled to participate in new issues of capital offered to holders of Shares such as bonus issues and entitlement issues.

#### 8. Reorganisation of capital

In the event that the issued capital of the Company is reconstructed, all the Holder's rights will be changed to the extent necessary to comply with the Listing Rules at the time of reorganisation provided that, subject to compliance with the Listing Rules, following such reorganisation the Holder's economic and other rights are not diminished or terminated.

#### 9. Right to receive Notices and attend general meetings

Each Performance Right confers on the Holder the right to receive notices of general meetings and financial reports and accounts of the Company that are circulated to Shareholders. A Holder has the right to attend general meetings of the Company.

## **10. Voting rights**

A Performance Right does not entitle the Holder to vote on any resolutions proposed at an general meeting of the Company, subject to any voting rights provided under the Corporations Act or the Listing Rules where such rights cannot be excluded by these terms.

## **11. Dividend rights**

A Performance Right does not entitle the Holder to any dividends.

## **12. Return of capital rights**

The Performance Rights do not confer any right to a return of capital, whether in a winding up, upon a reduction of capital or otherwise.

## **13. Rights on winding up**

The Performance Rights have no right to participate in the surplus profits or assets of the Company upon a winding up of the Company.

## **14. Change in control**

(a) If prior to the earlier of the conversion or the Expiry Date a Change in Control Event occurs, then each Performance Right will automatically and immediately convert into a Share. However, if the number of Shares to be issued as a result of the conversion of the Performance Rights is in excess of 10% of the total fully diluted share capital of the Company at the time of the conversion, then the number of Performance Rights to be converted will be reduced so that the aggregate number of Shares to be issued on conversion of all the Performance Rights is equal to 10% of the entire fully diluted share capital of the Company.

(b) A Change of Control Event occurs when:

- (i) takeover bid: the occurrence of the offeror under a takeover offer in respect of all Shares announcing that it has achieved acceptances in respect of more than 50.1% of shares and that takeover bid has become unconditional; or
- (ii) scheme of arrangement: the announcement by the Company that the Shareholders have at a Court-convened meeting of Shareholders voted in favour, by the necessary majority, of a proposed scheme of arrangement under which all Company securities are to be either cancelled transferred to a third party, and the Court, by order, approves the proposed scheme of arrangement.

The Company must ensure the allocation of shares issued under sub- paragraph (a) is on a pro rata basis to all Holders in respect of their respective holdings of Performance Rights and all remaining Performance Rights held by each Holder will remain on issue until conversion or expiry in accordance with the terms and conditions set out herein.

## **15. Timing of issue of Shares on exercise**

Within 10 Business Days of receiving an Exercise Notice, the Company will:

- (a) issue the number of Shares required under these terms and conditions in respect of the number of Performance Rights specified in the Notice of Exercise;
- (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 Performance Rights.

## **16. Ceasing to be engaged by the Company**

Unless otherwise agreed between the holder and the Company, if a holder's services agreement or appointment letter with the Company is terminated, or the holder ceases to provide services to the Company, for any reason, the holder will continue to have legal ownership of all Performance Rights that remain unvested from the date of termination (or ceasing of provision of services) until the expiry date of the relevant Performance Right.

## **17. Compliance with law**

The conversion of the Performance Rights is subject to compliance at all times with the Corporations Act and the Listing Rules.

## **18. Application to ASX**

Performance Rights will not be quoted on ASX. On conversion of Performance Rights into Shares, the Company will within five (5) Business Days after the conversion, apply for official quotation on ASX of the Shares issued upon such conversion.

## **19. Ranking of Shares**

Shares into which the Performance Rights will convert will rank parri passu in all respects with existing Shares.

## **20. No other rights**

A Performance Right does not give a Holder any rights other than those expressly provided by these terms and those provided at law where such rights at law cannot be excluded by these terms.

## SCHEDULE 3 – VALUATION OF RELATED PARTY PERFORMANCE RIGHTS

The Related Party Performance Rights to be issued to the Directors pursuant to Resolutions 4(a)-4(c) have been valued externally by Moore Australia Corporate Finance (WA) Pty Ltd.

The Trinomial valuation model and the assumptions set out below have been used to determine the indicative values of the Related Party Performance Rights proposed to be issued to the Directors pursuant to Resolutions 4(a)-4(c):

<b>Assumptions:</b>	
Valuation date	28 February 2023
Market price of Shares	\$0.22
Exercise price	nil
Expiry date	5 years from issue date
Risk free interest rate	3.70%
Volatility (discount)	100%
<b>Indicative value per Related Party Performance Right:</b>	
Class A:	\$234,040
Class B:	\$227,792
Class C:	\$290,250
<b>Total value of Related Party Performance Rights:</b>	<b>\$752,082</b>
Dr Hendrik Schloemann (Resolution 4(a))	\$250,694
Mr John Davis (Resolution 4(b))	\$250,694
Mr Michael Davy (Resolution 4(c))	\$250,694

## SCHEDULE 4 -TERMS AND CONDITIONS OF BROKER OPTIONS

(a) **Entitlement**

Each Option entitles the holder to subscribe for one (1) Share upon exercise of the Option.

(b) **Exercise Price**

Subject to paragraph (j) the amounts payable upon exercise of each Option will be \$0.30 (**Exercise Price**).

(c) **Expiry Date**

Each Option will expire at 5:00p (WST) on 21 January 2025 (**Expiry Date**). An Option not exercised before the Expiry Date will automatically lapse on the Expiry Date.

(d) **Exercise Period**

The Options are exercisable at any time on or prior to the Expiry Date (**Exercise Period**).

(e) **Notice of Exercise**

The Options may be exercised during the Exercise Period 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.

(f) **Exercise Date**

A Notice of Exercise is only effective on and from the later of the date of receipt of the Notice of Exercise and the date of receipt of the payment of the Exercise Price for each Option being exercised in cleared funds (**Exercise Date**).

(g) **Timing of issue of Shares on exercise**

Within 5 Business Days after the Exercise Date, the Company will:

- (i) issue the number of Shares required under these terms and conditions in respect of the number of Options specified in the Notice of Exercise and for which cleared funds have been received by the Company;
- (ii) 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
- (iii) 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 Options.

If a notice delivered under (g)(ii) 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 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.

(h) **Quotation of Options**

The Company intends to seek quotation of the Options in accordance with the Listing Rules and Corporations Act, subject to satisfaction of the quotation conditions of the ASX Listing Rules.

(i) **Shares issued on exercise**

Shares issued on exercise of the Options rank equally with the then issued shares of the Company.

(j) **Reconstruction of capital**

If at any time the issued capital of the Company is reconstructed, all rights of an Optionholder are to be changed in a manner consistent with the Corporations Act and the ASX Listing Rules at the time of the reconstruction.

(k) **Participation in new issues**

There are no participation rights or entitlement inherent in the Options and holders will not be entitled to participate in new issues of capital offered to Shareholders during the currency of the Options without exercising the Options.

(l) **Change in exercise price**

An Option does not confer the right to a change in Exercise Price or a change in the number of underlying securities over which the Option can be exercised.

(m) **Transferability**

The Options are transferable subject to any restriction or escrow arrangements imposed by ASX or under applicable Australian securities laws.

## SCHEDULE 5 – SUMMARY OF EMPLOYEE SECURITIES INCENTIVE PLAN

A summary of the terms of the Plan is set out below:

- (a) **(Eligible Participant):** Eligible Participant means a person that:
- (i) is an 'ESS participant' (as that term is defined in Division 1A of Part 7.12 of the Corporations Act) in relation to the Company for an Invitation made on or after 1 October 2022; and
  - (ii) has been determined by the Board to be eligible to participate in the Plan from time to time.
- (b) **(Purpose):** The purpose of the Plan is to:
- (i) assist in the reward, retention and motivation of Eligible Participants;
  - (ii) link the reward of Eligible Participants to Shareholder value creation; and
  - (iii) align the interests of Eligible Participants with shareholders of the Group (being the Company and each of its Associated Bodies Corporate), by providing an opportunity to Eligible Participants to receive an equity interest in the Company in the form of Securities.
- (c) **(Plan administration):** 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 sole and absolute discretion except to the extent that it prevents the Company relying on the deferred tax concessions under Subdivision 83A-C of the *Income Tax Assessment Act 1997* (Cth). The Board may delegate its powers and discretion.
- (d) **(Eligibility, invitation and application):** The Board may from time to time determine that an Eligible Participant may participate in the Plan and make an invitation to that Eligible Participant to apply for Securities on such terms and conditions as the Board decides.
- On receipt of an Invitation, an Eligible Participant may apply for the Securities the subject of the invitation by sending 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 invitation, 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.
- (e) **(Grant of Securities):** The Company will, to the extent that it has accepted a duly completed application, grant the Participant the relevant number of Securities, subject to the terms and conditions set out in the invitation, the Plan rules and any ancillary documentation required.
- (f) **(Terms of Convertible Securities):** Each 'Convertible Security' 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 a Convertible Security being exercised a Participant does not have any interest (legal, equitable or otherwise) in any Share the subject of the Convertible Security by virtue of holding the Convertible Security. Unless in 'Special Circumstances' (as defined in the Plan) with the consent of the Board, a Participant may not sell, assign,

transfer, grant a security interest over, collateralise a margin loan against, utilise for the purposes of short selling, enter into a Derivative with reference to, or otherwise deal with a Convertible Security that has been granted to them. A Participant must not enter into any arrangement for the purpose of hedging their economic exposure to a Convertible Security that has been granted to them.

- (g) **(Vesting of Convertible Securities)**: Any vesting conditions applicable to the grant of Convertible Securities will be described in the invitation. 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 Convertible Securities have vested. Unless and until the vesting notice is issued by the Company, the Convertible Securities will not be considered to have vested. For the avoidance of doubt, if the vesting conditions relevant to a Convertible Security are not satisfied and/or otherwise waived by the Board, that Convertible Security will lapse.
- (h) **(Exercise of Convertible Securities and cashless exercise)**: To exercise an Convertible Security, the Participant must deliver a signed notice of exercise and, subject to a cashless exercise of Convertible Securities (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.

A Convertible Security may not be exercised unless and until that Convertible Security has vested in accordance with the Plan rules, or such earlier date as set out in the Plan rules.

- (i) **(Cashless exercise of Convertible Securities)**: At the time of exercise of the Convertible Securities, subject to Board approval at that time, the Participant may elect not to be required to provide payment of the exercise price for the number of Convertible Securities specified in a notice of exercise, but that on exercise of those Convertible Securities the Company will transfer or issue to the Participant that number of Shares equal in value to the positive difference between the Market Value of the Shares at the time of exercise and the exercise price that would otherwise be payable to exercise those Convertible Securities.

**Market Value** means, at any given date, the volume weighted average price per Share traded on the ASX over the 5 trading days immediately preceding that given date, unless otherwise specified in an invitation.

If the difference between the total exercise price otherwise payable for the Convertible Securities being exercised and the then market Value of the Share at the time of exercise and the exercise price is zero or negative, then the Eligible Participant will not be entitled to use the cashless exercise facility.

- (j) **(Delivery of Shares on exercise of Convertible Securities)**: As soon as practicable after the valid exercise of a Convertible Security 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 Convertible Securities held by that Participant.
- (k) **(Forfeiture of Convertible Securities)**: Where a Participant who holds Convertible Securities ceases to be an Eligible Participant or becomes insolvent, all unvested Convertible Securities will automatically be forfeited by the Participant, unless the Board otherwise determines in its discretion to permit some or all of the Convertible Securities to vest.

Where the Board determines that a Participant has acted fraudulently or dishonestly, acted negligently, acted in contravention of a Group policy or wilfully breached his or her duties to the Group, the Board will deem all unvested Convertible Securities held by that Participant to have been forfeited.

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

- (i) any Convertible Securities 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
  - (ii) any Convertible Securities which have not yet vested will be automatically forfeited on the expiry date specified in the invitation.
- (l) **(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 discretion determine the manner in which any or all of the Participant's Convertible Securities will be dealt with, including, without limitation, in a manner that allows the Participant to participate in and/or benefit from any transaction arising from or in connection with the change of control event.
- (m) **(Rights attaching to Plan Shares)**: All Shares issued under the Plan, or issued or transferred to a Participant upon the valid exercise of a Convertible Security, (**Plan Shares**) will rank pari passu 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 Plan Shares and may participate in any dividend reinvestment plan operated by the Company in respect of Plan Shares. A Participant may exercise any voting rights attaching to Plan Shares.
- (n) **(Disposal restrictions on Plan Shares)**: If the invitation provides that any Plan Shares are subject to any restrictions as to the disposal or other dealing by a Participant for a period, the Board may implement any procedure it deems appropriate to ensure the compliance by the Participant with this restriction.

For so long as a Plan Share is subject to any disposal restrictions under the Plan, the Participant will not:

- (i) transfer, encumber or otherwise dispose of, or have a security interest granted over that Plan Share; or
  - (ii) take any action or permit another person to take any action to remove or circumvent the disposal restrictions without the express written consent of the Company.
- (o) **(Adjustment of Convertible Securities)**: 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 Convertible Securities 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 Convertible Securities is entitled, upon exercise of the Convertible Securities, 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 Convertible Securities are exercised.

Unless otherwise determined by the Board, a holder of Convertible Securities does not have the right to participate in a pro rata issue of Shares made by the Company or sell renounceable rights.

- (p) **(Participation in new issues)**: There are no participation rights or entitlements inherent in the Convertible Securities and holders are not entitled to participate in any new issue of Shares of the Company during the currency of the Convertible Securities without exercising the Convertible Securities.
- (q) **(Compliance with Applicable Laws)**: Notwithstanding the Plan rules or any terms of a Security, no Security may be offered, granted, vested or exercised, and no Share may be issued or transferred, if to do so would contravene any applicable laws.

Where monetary consideration is payable by the Eligible Participant, and in respect to Convertible Securities where the Exercise Price on exercise of those Convertible Securities is greater than zero, the Company must reasonably believe when making an Invitation:

- (i) the total number of Plan Shares that are, or are covered by the Securities that may be issued under an Invitation; and
- (ii) the total number of Plan Shares that are, or are covered by the Securities that have been issued, or could have been issued in connection with the Plan in reliance on Division 1A of Part 7.12 of the Corporations Act at any time during the previous 3 year period prior to the date the Invitation is made,

does not exceed:

- (iii) if the Constitution specifies an issue cap percentage, that percentage; or
- (iv) if the Constitution does not specify an issue cap percentage, 5% (or such other maximum permitted under any Applicable Law),

of the total number of Shares on issue at the date of the Invitation.

- (r) **(Amendment of Plan)**: Subject to the following paragraph, the Board may at any time amend any provisions of the Plan rules, including (without limitation) the terms and conditions upon which any Securities 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.

- (s) **(Plan duration)**: 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.

If a Participant and the Company (acting by the Board) agree in writing that some or all of the Securities granted to that Participant are to be cancelled on a specified date or on the occurrence of a particular event, then those Securities may be cancelled in the manner agreed between the Company and the Participant.

# Proxy Voting Form

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

Your proxy voting instruction must be received by **2:30pm (AWST) on Monday, 29 May 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](mailto:meetings@automicgroup.com.au)

#### BY FACSIMILE:

+61 2 8583 3040

All enquiries to Automic:

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

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

