



Lefroy Exploration

Lefroy Exploration Limited

IBC No.29457

ARBN 052 123 930

2024 Notice of Annual General Meeting and Explanatory Statement

**Annual General Meeting to be held at
the offices of Taurus Funds, Level 41, Gateway, 1 Macquarie Place, Sydney NSW Australia
on Thursday, 14 November 2024 commencing at 9.30am (AEDT)**

This Notice of Annual General Meeting and Explanatory Statement should be read in its entirety. A proxy form is enclosed. If you are unable to attend the Annual General Meeting please complete and return the enclosed proxy form in accordance with the specified directions. If you are in doubt as to how you should vote, you should seek advice from your accountant, solicitor or other professional adviser without delay.



NOTICE OF ANNUAL GENERAL MEETING

Notice is hereby given that the Annual General Meeting of Lefroy Exploration Limited, incorporated in the British Virgin Islands, IBC No.29457, Australian Registered Business Number 052 123 930 ("Company") will be held at the offices of Taurus Funds, Level 41, Gateway, 1 Macquarie Place, Sydney NSW Australia on Thursday, 14 November 2024 commencing at 9.30am (AEDT).

The purpose of the Meeting is to consider, and if thought fit, pass the following resolutions:

FINANCIAL STATEMENTS AND REPORTS

To receive the annual financial report of the Company and its controlled entities for the financial year ended 30 June 2024 together with the declaration of the Directors, the Directors' report and the auditors' report.

RESOLUTION 1 – RE-ELECTION OF DIRECTOR – DAVID KELLY

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 14.4 and for all other purposes, Mr David Kelly, a Director, retires by rotation, and being eligible, is re-elected as a Director."

RESOLUTION 2 – APPROVAL OF 10% PLACEMENT CAPACITY

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

"That, for the purposes of ASX Listing Rule 7.1A and for all other purposes, approval is given for the Company to issue up to that number of Equity Securities equal to 10% of the issued capital of the Company at the time of issue, calculated in accordance with the formula prescribed in ASX Listing Rule 7.1A.2 and otherwise on the terms and conditions set out in the Explanatory Statement."

RESOLUTION 3 – RATIFICATION OF SHARE ISSUE

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 Rules 7.4, and for all other purposes, Shareholders ratify the issue of 721,183 Shares under Listing Rule 7.1 at a deemed issue price of \$0.108 per Share issued on 8 March 2024 on the terms and conditions set out in the Explanatory Statement."

Voting exclusion statement: *The Company will disregard any votes cast in favour of the Resolution by or on behalf of:*

- (a) a person who participated in the issue; 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.

RESOLUTION 4 – ADOPTION OF INCENTIVE PLAN

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 Rules 7.2 (Exception 13(b)), and for all other purposes, Shareholders approve the Company’s employee incentive scheme titled “Lefroy Exploration Incentive Awards Plan” (Incentive Plan) and for the issue of Equity Securities under the Incentive Plan, on the terms and conditions set out in the Explanatory Statement.”

Voting exclusion statement:

The Company will disregard any votes cast in favour of this Resolution by, or on behalf of, a person who is eligible to participate in the Incentive Plan or an Associate of that person. However, the Company need not disregard a vote if:

- (a) it is cast by a person as proxy for a person who is entitled to vote, in accordance with the directions on the proxy form; or
- (b) it is cast by the person chairing the meeting as proxy for a person who is entitled to vote, in accordance with a direction on the proxy form to vote as the proxy decides; or
- (c) it is cast by 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 the directions given by the beneficiary to the holder to vote in that way.

Voting prohibition statement:

A person appointed as a proxy must not vote, under that appointment, as a proxy 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; and
- (b) the appointment expressly authorises the Chair to exercise the proxy even if the Resolution is connected directly or indirectly with remuneration of a member of the Key Management Personnel.



Members are referred to the Explanatory Statement accompanying this Notice of Meeting.

A copy of the Annual Report is available at the Company's website at: <https://lestroyex.com/reports/>.

For the purpose of the meeting, securities will be taken to be held by the persons who are registered holders at 4.00pm (AEDT) on Tuesday, 12 November 2024. Transactions registered after that time will be disregarded in determining entitlements to attend and to vote at the meeting.

BY ORDER OF THE BOARD

A handwritten signature in black ink, appearing to read "SPK", followed by a period.

Susan Park
Company Secretary
11 October 2024

EXPLANATORY STATEMENT

This Explanatory Statement has been prepared for Shareholders in connection with the business to be conducted at the Annual General Meeting of the Company to be held the office of Taurus Funds, Level 41, Gateway, 1 Macquarie Place, Sydney NSW Australia on Thursday, 14 November 2024 commencing at 9.30am (AEDT).

1. FINANCIAL STATEMENTS AND REPORTS

The business of the Annual General Meeting will include receipt and consideration of the annual financial report of the Company and its controlled entities for the financial year ended 30 June 2024 together with the declaration of the Directors, the Directors' Report and the auditor's Report.

2. RESOLUTION 1 – RE-ELECTION OF DIRECTOR

2.1 General

ASX Listing Rule 14.4 provides that a director of an entity must not hold office (without re-election) past the third annual general meeting following the director's appointment or 3 years, whichever is the longer.

Mr David Kelly, who has served as a Director since his appointment to the Board as a casual vacancy on 1 January 2024 retires and seeks re-election. Mr Kelly was elected Chair of the Board on 1 June 2024 following the retirement of Mr Gordon Galt on 31 May 2024.

2.2 Qualifications and Other Material Directorships

David Kelly (Non-Executive Director) - appointed 1 January 2024, elected as Chair on 1 June 2024

Qualifications - BSc. (Hons)

Mr Kelly is a highly qualified geologist and mining executive with extensive gold and nickel experience across the entire value chain from exploration to development.

Mr Kelly has served in various senior executive roles in the resources sector for the last 30 years including as an investment banker and corporate advisor. In addition, Mr Kelly has previously served as a director of ASX-listed companies Turaco Gold Limited, Predictive Discovery Limited, Ridge Resources Limited, Renaissance Minerals Limited and Pacific Ore Limited and is currently a Non-executive Director of Westgold Resources Ltd (ASX:WGX).

2.3 Independence

If elected, the Board considers Mr Kelly will be an independent Director.

Board recommendation

The Board (excluding Mr Kelly who has an interest in the Resolution) considers that Mr Kelly's qualifications, skills and experience will continue to enhance the Board's ability to perform its role. Accordingly, the Board supports the re-election of Mr Kelly and recommends that Shareholders vote in favour of Resolution 1.

3. RESOLUTION 2 – APPROVAL OF 10% PLACEMENT CAPACITY

3.1 Background

Broadly speaking, and subject to a number of exceptions, ASX Listing Rule 7.1 limits the number of Equity Securities (as defined below) 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 period.

However, ASX Listing Rule 7.1A provides that an Eligible Entity (as defined below) may seek shareholder approval, by way of a Special Resolution passed at an annual general meeting, to have the capacity to issue up to that number of Equity Securities (as defined below) equal to 10% of its issued capital (**10% Placement Capacity**) without using that company's existing 15% annual placement capacity granted under ASX Listing Rule 7.1.

An Eligible Entity is one that, as at the date of the relevant annual general meeting:

- a) is not included in the S&P/ASX 300 Index; and
- b) has a maximum market capitalisation equal to or less than \$300 million.

The Company is an Eligible Entity as it is not included in the S&P/ASX 300 Index and has a market capitalisation of less than \$300 million.

An Equity Security is defined to include a share, a unit in a trust, a right to a share or unit in a trust or option, an option over an issued or unissued security, a convertible security, or any security that ASX decides to classify as an equity security. Any Equity Securities issued under the 10% Placement Capacity must be in the same class as an existing class of quoted Equity Securities. As at the date of this Notice, the Company currently has one class of quoted Equity Securities, being Shares (ASX code: LEX).

If Shareholders approve Resolution 2, the number of Equity Securities the Company may issue under the 10% Placement Capacity will be determined in accordance with the formula prescribed in ASX Listing Rule 7.1A.2 and the Company's total placement capacity will increase to 25% of its issued capital pursuant to ASX Listing Rule 7.1 and 7.1A.

Resolution 2 is proposed as a Special Resolution. For the purpose of these resolutions, this means that at least 75% of votes cast by Shareholders present and eligible to vote at the Meeting must be in favour of Resolution 2 for it to be passed.

If Resolution 2 is not passed, the Company will not be able to access the additional 10% capacity to issue Equity Securities without Shareholder approval provided for in ASX Listing Rule 7.1A and will remain subject to the 15% limit on issuing Equity Securities without Shareholder approval set out in ASX Listing Rule 7.1.

3.2 Technical information required by ASX Listing Rule 7.1A

Pursuant to and in accordance with ASX Listing Rule 7.3A, the information below is provided in relation to this Resolution 2:

a) Minimum Price

The minimum price at which the Equity Securities may be issued under the 10% Placement Capacity is

75% of the volume weighted average price of Equity Securities in that class, calculated over the 15 ASX trading days on which trades in that class were recorded immediately before:

- a) the date on which the price at which the Equity Securities are to be issued is agreed; or
- b) if the Equity Securities are not issued within 10 ASX trading days of the date specified in paragraph (a) above, the date on which the Equity Securities are issued.

b) Date of Issue

The Equity Securities may be issued under the 10% Placement Capacity commencing on the date of the Meeting and expiring on the first to occur of the following:

- a) 12 months after the date of the Meeting;
- b) the date of the Company's next annual general meeting; and
- c) the date of approval by Shareholders of any transaction under ASX Listing Rules 11.1.2 (a significant change to the nature or scale of the Company's activities) or 11.2 (disposal of the Company's main undertaking),

(10% Placement Capacity Period).

c) Risk of voting dilution

Any issue of Equity Securities under the 10% Placement Capacity will dilute the interests of Shareholders who do not receive any Shares under the issue.

If Resolution 2 is approved by Shareholders and the Company issues the maximum number of Equity Securities available under the 10% Placement Capacity, the economic and voting dilution of existing Shares would be as shown in the table below. The table below shows the dilution of existing Shareholders calculated in accordance with the formula outlined in ASX Listing Rule 7.1A.2, on the basis of the market price of Shares and the number of Equity Securities on issue as at 27 September 2024. The table also shows the voting dilution impact where the number of Shares on issue (Variable A in the formula in ASX Listing Rule 7.1A.2) changes and the economic dilution where there are changes in the issue price of Shares issued under the 10% Placement Capacity.

Number of Shares on Issue (Variable 'A' in ASX Listing Rule 7.1A.2)	Dilution			
	Issue Price (per Share)	\$0.038 50% decrease in Issue Price	\$0.076 Issue Price	\$0.114 50% increase in Issue Price
200,458,482 (Current Variable A)	Shares issued - 10% voting dilution	20,045,848 Shares	20,045,848 Shares	20,045,848 Shares
	Funds raised	\$761,742	\$1,523,484	\$2,285,227
300,687,723 (50% increase in Variable A)	Shares issued – 10% voting dilution	30,068,772 Shares	30,068,772 Shares	30,068,772 Shares
	Funds raised	\$1,142,613	\$2,285,227	\$3,427,840
400,916,964 (100% increase in Variable A)	Shares issued - 10% voting dilution	40,091,696 Shares	40,091,696 Shares	40,091,696 Shares
	Funds raised	\$1,523,484	\$3,046,968	\$4,570,453

Note - The number of Shares on issue (Variable A in the formula) could increase as a result of the issue of Shares that do not require Shareholder approval (such as under a pro-rata rights issue or scrip issued under a takeover offer) or that are issued with Shareholder approval under ASX Listing Rule 7.1.

The table above uses the following assumptions:

- a) There are currently 200,458,482 Shares on issue as at the date of this Explanatory Memorandum.
- b) The issue price set out above is the closing price of the Shares on the ASX on 8 October 2024.
- c) The Company issues the maximum possible number of Equity Securities under the 10% Placement Capacity.
- d) The Company has not issued any Equity Securities in the 12 months prior to the Meeting that were not issued under an exception in ASX Listing Rule 7.2 or without approval under ASX Listing Rule 7.1.
- e) The issue of Equity Securities under the 10% Placement Capacity consists only of Shares. It is assumed that no options are exercised before the date of issue of the Equity Securities.
- f) The calculations above do not show the dilution that any one particular Shareholder will be subject to. All Shareholders should consider the dilution caused to their own shareholding depending on their specific circumstances.
- g) This table does not set out any dilution pursuant to approvals obtained under ASX Listing Rule 7.1.
- h) The 10% voting dilution reflects the aggregate percentage dilution against the issued share capital at the time of issue. This is why the voting dilution is shown in each example as 10%.
- i) 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 Capacity, based on that Shareholder's holding at the date of the Meeting.

Shareholders should note that there is a risk that:

- a) the market price for the Company's Shares may be significantly lower on the issue date than on the date of the Meeting; and
- b) the Shares may be issued at a price that is at a discount to the market price for those Shares on the date of issue.

d) Purpose of Issue under 10% Placement Capacity

The Company may only issue Equity Securities under the 10% Placement Capacity for cash consideration. The Company intends to use any funds raised primarily towards the costs associated with exploration on the Company's tenement package and/or for general working capital.

The Company will comply with the disclosure obligations under ASX Listing Rule 7.1A.4 upon the issue of any Equity Securities.

e) Allocation policy under the 10% Placement Capacity

The recipients of the Equity Securities to be issued under the 10% Placement Capacity have not yet been determined. However, the recipients of Equity Securities could consist of current Shareholders or new investors (or both), none of whom will be related parties of the Company.

The Company will determine the recipients at the time of the issue under the 10% Placement Capacity, having regard to the following factors:

- a) the purpose of the issue;
- b) alternative methods for raising funds available to the Company at that time, including, but not limited to, an entitlement issue or other offer where existing Shareholders may participate;
- c) the effect of the issue of the Equity Securities on the control of the Company;
- d) the circumstances of the Company, including, but not limited to, the financial position and solvency of the Company;
- e) prevailing market conditions; and
- f) advice from corporate, financial and broking advisers (if applicable).

f) Previous issues under ASX Listing Rule 7.1A

The Company previously obtained approval from its Shareholders pursuant to ASX Listing Rule 7.1A at its annual general meeting held on 5 December 2023 (**Previous Approval**). During the 12-month period preceding the date of the Meeting, the Company did not issue any Equity Securities under the Previous Approval.

g) Voting Exclusion

As at the date of this Notice, the Company is not proposing to make an issue of Equity Securities under ASX Listing Rule 7.1A. Accordingly, a voting exclusion statement is not included in this Notice.

4. RESOLUTIONS 3 – RATIFICATION OF SHARE ISSUE

4.1 Background

On 8 March 2024, the Company issued 721,183 Shares at a deemed issue price of \$0.108 per Share in part settlement of drilling fees (**Share Issue**). The 721,183 Shares were issued under Listing Rule 7.1 and Resolution 3 seeks Shareholder approval for the ratification of the issue for the purposes of Listing Rule 7.4.

ASX Listing Rules 7.1 and 7.4

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

Under Listing Rule 7.1A, an eligible entity can seek approval from its members, by way of a Special Resolution passed at its annual general meeting, to increase this 15% limit by an extra 10% to 25%. The Company obtained this approval at its 2023 annual general meeting held on 5 December 2023.

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

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

7.1A.

The effect of Shareholders passing Resolution 3 will be to allow the Company to retain the flexibility to issue Equity Securities in the future up to the 15% placement capacity set out in Listing Rule 7.1, and the additional 10% placement capacity set out in Listing Rule 7.1A, without the requirement to obtain prior Shareholder approval.

If Resolution 3 is passed, 721,183 Shares will be excluded in calculating the Company's 15% limit in Listing Rule 7.1, effectively increasing the number of Equity Securities it can issue without Shareholder approval over the 12-month period following the issue date.

If Resolution 3 is not passed, 721,183 Shares will continue to be included in the Company's 15% limit under Listing Rule 7.1, effectively decreasing the number of Equity Securities the Company can issue or agree to issue without obtaining prior Shareholder approval, to the extent of 721,183 Equity Securities for the 12-month period following the issue of those Shares.

The Company confirms that Listing Rule 7.1 was not breached at the time the Placement Shares were issued.

4.2 Technical information required by Listing Rule 7.5

Pursuant to and in accordance with Listing Rule 7.5, the following information is provided in relation to Resolution 3 and the ratification of the issue of the 721,183 Shares issued pursuant to the Company's existing Listing Rule 7.1 placement capacity:

- 245,598 Shares were issued to Raglan Drilling Pty Ltd and 475,585 Shares were issued to West Core Drilling Pty Ltd. These parties were not related parties of the Company at the time of the issue of the Shares.
- A total of 721,183 Shares were issued on 8 March 2024 within the Company's 15% placement capacity permitted under Listing Rule 7.1.
- The 721,183 Shares are fully paid ordinary shares in the capital of the Company issued on the same terms and conditions as the Company's existing Shares. The Shares will rank equally in all respects with the existing Shares on issue.
- The deemed issue price of the 721,183 Shares was \$0.108 per Share.
- No funds were raised from the issue. The 721,183 Shares were issued in lieu of cash payment of \$77,887.76 in drilling fees owed by the Company to Raglan Drilling Pty Ltd and West Core Drilling Pty Ltd.
- A voting exclusion statement is included in Resolution 3 of the Notice.

4.3 Directors' recommendation

The Company wishes to retain as much flexibility as possible to issue additional equity securities into the future without having to obtain Shareholder approval for such issues under Listing Rules 7.1 and 7.1A. Therefore, the Directors unanimously recommend that Shareholders vote in favour of Resolution 3.

5. RESOLUTION 4 – ADOPTION OF INCENTIVE PLAN

5.1 Background

The Company considers it is desirable to maintain its employee incentive arrangements. To that end, the Board adopted the “Lefroy Exploration Incentive Awards Plan” (**Incentive Plan**) under which the Company can issue Equity Securities in the form of Shares, Options and performance rights (together, **Awards**).

Subject to the approval of this Resolution, the Plan is intended to supersede the 2022 Lefroy Exploration Incentive Awards Plan adopted by Shareholders at the Company’s 6 December 2022 annual general meeting and includes the changes to the law relating to employee share schemes over the past 24 months.

The objective of the Incentive Plan is to attract, motivate and retain key officers, employees and consultants of the Company by providing them with the opportunity to acquire Equity Securities that allow them to participate in the future growth of the Company.

5.2 ASX Listing Rule 7.2 (exception 13(b))

Resolution 4 seeks Shareholder approval for the issue of Equity Securities under the Incentive Plan, as an exception to ASX Listing Rule 7.1, in accordance with ASX Listing Rule 7.2 (Exception 13(b)).

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

ASX Listing Rule 7.2 (Exception 13(b)) provides that issue of Equity Securities under an employee incentive scheme within the period of 3 years from the date on which shareholders approve the issue of Equity Securities under the scheme is an exception to ASX Listing Rule 7.1.

If Resolution 4 is passed, the Company will be able to issue Equity Securities under the Incentive Plan to eligible participants over a period of 3 years without impacting on the Company’s ability under ASX Listing Rule 7.1 to issue up to 15% of its total ordinary securities without Shareholder approval in any 12 month period.

If Resolution 4 is not passed, the Company’s 15% placement capacity under ASX Listing Rule 7.1 will be reduced each time it issues Equity Securities under the Incentive Plan to eligible participants unless issued under another exception under ASX Listing Rule 7.2 (for example with Shareholder approval under ASX Listing Rules 10.11 or 10.14 where issued to a related party).

In accordance with the requirements ASX Listing Rule 7.2 (Exception 13(b)), the following information is provided in relation to the proposed approval of the Incentive Plan and the issue of Equity Securities under it:

- (a) a summary of the terms of the Incentive Plan is provided in Schedule 1;
- (b) no Equity Securities have previously been issued under the Incentive Plan;

- (c) the maximum number of Equity Securities proposed to be issued under the Incentive Plan over the three years following Shareholder approval is 10,000,000. This maximum is approximately 5% of the Shares currently on issue. Note that the maximum is not intended to be a prediction of the actual number of Equity Securities to be issued under the Incentive Plan. However, equity incentives issued in excess of the above maximum, unless they are issued under another exception to Listing Rule 7.1 such as under Listing Rules 10.11 or 10.14, will reduce the Company's 15% placement capacity under Listing Rule 7.1 for 12 months from the date of issue; and
- (d) a voting exclusion statement has been included in the Notice for the purposes of this Resolution.

Any future issue of Awards under the Incentive Plan to a related party or a person whose relationship with the Company or the related party is, in ASX's opinion, such that approval should be obtained, will require additional Shareholder approval under ASX Listing Rule 10.14 at the relevant time.

5.3 Additional information

Resolution 4 is an Ordinary Resolution.

The Board declines to make a recommendation in relation to Resolution 4 due to the potential personal interests of Directors in the outcome of the Resolution.

6. GLOSSARY

\$ means Australian dollars.

10% Placement Capacity has the meaning given in Section 3.1.

AEDT means Australian Eastern Daylight Savings Time.

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

Articles of Association means the memorandum and articles of association of the Company as amended from time to time.

ASIC means the Australian Securities and Investments Commission.

Associate has the meaning given in sections 12, 15 and 16 of the Corporations Act as if the reference to an Associate in this Notice occurred in a provision of Chapter 6 of the Corporations Act.

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

ASX Listing Rules means the listing rules of ASX.

Board means the current board of directors of the Company.

Chair means the chair of the Meeting.

Closely Related Party of a member of the Key Management Personnel means:

- (a) a spouse or child of the member;
- (b) a child of the member's spouse;

- (c) a dependent of the member or the member's spouse;
- (d) anyone else who is one of the member's family and may be expected to influence the member, or be influenced by the member, in the member's dealing with the entity;
- (e) a company the member controls; or
- (f) a person prescribed by the Corporations Regulations 2001 (Cth) for the purposes of the definition of 'closely related party' in the Corporations Act.

Company means Lefroy Exploration Limited, incorporated in the British Virgin Islands. IBC No.29457, Australian Registered Business Number 052 123 930.

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

Director means a director of the Company.

Eligible Entity means an entity that, at the date of the relevant general meeting:

- (a) is not included in the S&P/ASX 300 Index; and
- (b) has a maximum market capitalisation (excluding restricted securities and securities quoted on a deferred settlement basis) of \$300,000,000.

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

Explanatory Statement means the explanatory statement accompanying the Notice.

Incentive Plan means the employee incentive scheme known as the "Lefroy Exploration Incentive Awards Plan" the subject of Resolution 4 as summarized in Schedule 1.

Key Management Personnel has the same meaning as in the accounting standards issued by the Australian Accounting Standards Board and means those persons having authority and responsibility for planning, directing and controlling the activities of the Company, or if the Company is part of a consolidated entity, of the consolidated entity, directly or indirectly, including any director (whether executive or otherwise) of the Company, or if the Company is part of a consolidated entity, of an entity within the consolidated group.

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

Option means an option to acquire a Share.

Ordinary Resolution means for the purposes of these resolutions, that more than 50% of votes cast by Shareholders present and eligible to vote at the Meeting must be in favour for the resolution to be passed.

Proxy Form means the proxy form accompanying the Notice.

Resolutions means the resolutions set out in the Notice, or any one of them, as the context requires.

Section means a section of the Explanatory Statement.

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

Shareholder means a registered holder of a Share.

Special Resolution means for the purposes of these resolutions, that at least 75% of votes cast by



Shareholders present and eligible to vote at the Meeting must be in favour for the resolution to be passed.

Variable A means “A” as set out in the calculation in Section 3.2.

SCHEDULE 1
SUMMARY OF TERMS OF INCENTIVE PLAN

Capitalised terms have the same meaning as in the Incentive Plan.

(a) Nature of Incentive Plan

An incentive awards plan providing for the issue of Shares, Options and performance rights (**Awards**) as incentives to Eligible Participants.

(b) Eligibility

Eligible Participants are current or proposed:

- (a) Directors (whether executive or non-executive) of the Company and any Associated Body Corporate of the Company (each, a “Group Company”);
- (b) full, part time or casual employees or contractors of any Group Company; or
- (c) individuals who provides services to a Group Company;

who are declared by the Board to be eligible to receive grants of Awards under the Incentive Awards Plan.

(c) Invitation and Application Form

The Board may, in its absolute discretion, make a written invitation to any Eligible Participant to apply for Awards upon the terms set out in the Incentive Plan and upon such additional terms and conditions as the Board determines. On receipt of an Invitation, an Eligible Participant (or their permitted nominee) may apply for the Awards 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 its discretion.

(d) Invitation Limits

Where an Invitation is proposed to be made, without prospectus disclosure, of Awards and the Invitation is intended to rely on the employee share scheme (**ESS**) provisions of the Corporations Act (**ESS Provisions**), and that involves an Applicant or the Participant paying monies to the Company on the issue or exercise of Awards offered under the Invitation, and is not made under section 708 of the Corporations Act, the Company must have reasonable grounds to believe, when making such an Invitation, that the Invitation will not result in the Company breaching the cap imposed by the ESS Provisions.

(e) Conditions to acquisition of Awards

The issue of Awards is conditional on any necessary shareholder, constitutional and regulatory approval being obtained.

(f) **Terms of Convertible Securities**

- (i) Each Option or Performance Right (each a **Convertible Security**) will entitle its holder to subscribe for and be issued or transferred, one Share (upon vesting and exercise of that Convertible Security) unless the Incentive Plan or an applicable Invitation otherwise provides.
- (ii) There are no participating rights or entitlements inherent in Convertible Securities and participants will not be entitled to participate in new issues of securities offered to Shareholders of the Company without exercising the Convertible Securities.
- (iii) There is no right to a change in the exercise price of an Option, except in the event the Company proceeds with a pro rata issue (except a bonus issue) of securities to Shareholders (other than an issue in lieu or in satisfaction of dividends or by way of dividend reinvestment) after the date of issue of the Options, the exercise price of the Options will be reduced in accordance with the formula in respect of Options set out in the applicable stock exchange rules.
- (iv) There is no right to a change in the number of underlying Shares over which a Convertible Security can be exercised, except in the event of a bonus issue of Shares being made pro rata to Shareholders, (other than an issue in lieu of dividends), the number of Shares issued on exercise of each Convertible Security will include the number of bonus Shares that would have been issued if the Convertible Security had been exercised prior to the record date for the bonus issue. No adjustment will be made to the exercise price per Share of an Option.
- (v) A Convertible Security does not entitle a participant to vote except as otherwise required by law.
- (vi) A Convertible Security does not confer any right to a return of capital, whether in a winding up, or upon a return of capital or otherwise, or a right to participate in surplus profit or assets of the Company upon a winding up.
- (vii) A Convertible Security does not confer an entitlement to participate in or receive any dividend (whether fixed or at the discretion of the Board) until the Convertible Security has vested and been exercised and Shares have been allocated as a result of the exercise of the Convertible Security.

(g) **Vesting and exercise of Convertible Securities**

Except to the extent otherwise provided for by the Incentive Plan or an Invitation, Convertible Securities will not vest and be exercisable unless the vesting conditions (if any) attaching to that Convertible Security have been satisfied and the Board has notified the Eligible Participant of that fact. The Board may, in its absolute discretion, by written notice to a Participant, resolve to waive any of the vesting conditions applying to Convertible Securities. An Invitation may provide for Vesting Conditions to be automatically waived in specified circumstances.

There is no automatic vesting on a change of control but it can be provided for in specific Invitations for specific Convertible Securities.

(h) **Cashless Exercise Facility**

The Board may, in its discretion, where the 7 trading day VWAP price of Shares (**Market Value**) is higher than the exercise price of vested Options, permit a Participant not pay the exercise price for

exercised Options and instead be issued that number of Shares equal in value to the positive difference between the then Market Value of the Shares at the time of exercise and the Exercise Price that would otherwise be payable to exercise those Options (with the number of Shares rounded down to the nearest whole Share) (**Cashless Exercise Facility**).

(i) **Lapsing of Convertible Securities**

A Convertible Security will lapse upon the earlier of:

- (i) the Board, in its discretion, resolving a Convertible Security lapses as a result of an unauthorised disposal of, or hedging of, the Convertible Security;
- (ii) a Vesting Condition not being satisfied or becoming incapable of satisfaction (and not being waived by the Board in its discretion);
- (iii) in respect of an unvested Convertible Security, the holder ceases to be an Eligible Participant and the Board does not exercise its discretion to vest the Convertible Security or allow it to remain unvested;
- (iv) in respect of a vested Convertible Security, a holder ceases to be an Eligible Participant and the Board, in its discretion, resolves that the Convertible Security must be exercised within one (1) month (or such later date as the Board determines) of the date the Relevant Person ceases to be an Eligible Participant, and the Convertible Security is not exercised within that period and the Board resolves, at its discretion, that the Convertible Security lapses as a result;
- (v) upon payment of a Cash Payment in respect of the vested Convertible Security;
- (vi) the Board deems that a Convertible Security lapses due to fraud, dishonesty or other improper behaviour of the holder/Eligible Participant under the rules of the Incentive Plan;
- (vii) in respect of an unvested Convertible Security, a winding up resolution or order is made, and the Convertible Security does not vest in accordance with rules of the Incentive Plan;
- (viii) the Participant and the Company agreeing that the Convertible Security is voluntarily forfeited or cancelled; and
- (ix) the Expiry Date of the Option or Performance Right.

(j) **Disposal Restriction on Convertible Securities**

Except as otherwise provided for by the Incentive Plan, an Invitation, the ASX Listing Rules or required by law, a Convertible Security may only be disposed:

- (i) with the consent of the Board (which may be withheld in its discretion) in Special Circumstances, being:
 - (A) ceasing to be an Eligible Participant due to death or total or permanent disability, or retirement or redundancy;
 - (B) severe financial hardship; or

(C) any other circumstance stated to constitute “special circumstances” in the terms of the relevant Invitation; or

(ii) by force of law upon death to the Participant’s legal personal representative or upon bankruptcy to the Participant’s trustee in bankruptcy.

(k) **Disposal Restrictions on Shares**

(i) Shares can be made subject to a Restriction Condition and/or a Restriction Period, either of which prohibit disposal until satisfied or waived at the Board’s discretion (unless an Invitation otherwise provides).

(ii) Shares are deemed to be subject to a Restriction Period to the extent necessary to comply with any escrow restrictions imposed by the ASX Listing Rules.

(iii) If a Restriction Condition is not met (and is not waived), the Company may, amongst other remedies, buyback and cancel the Shares for nil consideration, sell the Shares for at least 80% of Market Value and retain the sale proceeds, or declare the Shares to be forfeited and, where held by a trustee, for the Shares to return to the unallocated pool or to be allocated to a different Participant.

(iv) A Share that is subject to a Restriction Period is not at risk of buyback/forfeiture, it is just unable to be disposed during the Restriction Period.

(v) The Company may implement any procedure it considers appropriate to restrict a Participant from dealing with any Shares for as long as those Shares are subject to a Restriction Period.

(vi) The Participant agrees to execute a restriction agreement in relation to the Restricted Shares reflecting any Restriction Period applying to the Restricted Shares under the Incentive Plan or any escrow imposed by the ASX Listing Rules.

(l) **Other Key Terms**

(i) All Shares issued under the Incentive Plan will rank equally in all respects with the Shares of the same class for the time being on issue except as regards any rights attaching to such Shares by reference to a record date prior to the date of their issue.

(ii) In the event of a reorganisation of the capital of the Company, all rights of the holder of an Award will be amended to the extent necessary to comply with the Corporations Act and the ASX Listing Rules applying to reorganisations at the time of the reorganisation.

(iii) Subdivision 83A-C of the *Income Tax Assessment Act 1997* (Cth) applies to the Awards except to the extent an Invitation provides otherwise.

(iv) No issue or allocation of Awards and/or Shares will be made to the extent that it would contravene the Constitution, Listing Rules, the Corporations Act or any other applicable law.

Need assistance?



Phone:
1300 850 505 (within Australia)
+61 3 9415 4000 (outside Australia)



Online:
www.investorcentre.com/contact



YOUR VOTE IS IMPORTANT

For your proxy appointment to be effective it must be received by **9:30am (AEDT) on Tuesday, 12 November 2024.**

Proxy Form

How to Vote on Items of Business

All your securities will be voted in accordance with your directions.

APPOINTMENT OF PROXY

Voting 100% of your holding: Direct your proxy how to vote by marking one of the boxes opposite each item of business. If you do not mark a box your proxy may vote or abstain as they choose (to the extent permitted by law). If you mark more than one box on an item your vote will be invalid on that item.

Voting a portion of your holding: Indicate a portion of your voting rights by inserting the percentage or number of securities you wish to vote in the For, Against or Abstain box or boxes. The sum of the votes cast must not exceed your voting entitlement or 100%.

Appointing a second proxy: You are entitled to appoint up to two proxies to attend the meeting and vote on a poll. If you appoint two proxies you must specify the percentage of votes or number of securities for each proxy, otherwise each proxy may exercise half of the votes. When appointing a second proxy write both names and the percentage of votes or number of securities for each in Step 1 overleaf.

A proxy need not be a securityholder of the Company.

SIGNING INSTRUCTIONS FOR POSTAL FORMS

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

Joint Holding: Where the holding is in more than one name, all of the securityholders 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 form when you return it.

Companies: Where the company has a Sole Director who is also the Sole Company Secretary, this form must be signed by that person. If the company (pursuant to section 204A of the Corporations Act 2001) does not have a Company Secretary, a Sole Director can also sign alone. Otherwise this form must be signed by a Director jointly with either another Director or a Company Secretary. Please sign in the appropriate place to indicate the office held. Delete titles as applicable.

PARTICIPATING IN THE MEETING

Corporate Representative

If a representative of a corporate securityholder or proxy is to participate in the meeting you will need to provide the appropriate "Appointment of Corporate Representative". A form may be obtained from Computershare or online at www.investorcentre.com/au and select "Printable Forms".

Lodge your Proxy Form:

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Online:

Lodge your vote online at www.investorvote.com.au using your secure access information or use your mobile device to scan the personalised QR code.

Your secure access information is



Control Number: 184244

For Intermediary Online subscribers (custodians) go to www.intermediaryonline.com

By Mail:

Computershare Investor Services Pty Limited
GPO Box 242
Melbourne VIC 3001
Australia

By Fax:

1800 783 447 within Australia or
+61 3 9473 2555 outside Australia



PLEASE NOTE: For security reasons it is important that you keep your SRN/HIN confidential.

You may elect to receive meeting-related documents, or request a particular one, in electronic or physical form and may elect not to receive annual reports. To do so, contact Computershare.

☐ **Change of address.** If incorrect, mark this box and make the correction in the space to the left. Securityholders sponsored by a broker (reference number commences with 'X') should advise your broker of any changes.

Proxy Form

Please mark ☒ to indicate your directions

Step 1 Appoint a Proxy to Vote on Your Behalf

XX

I/We being a member/s of Lefroy Exploration Limited hereby appoint

☐ the Chairman
of the Meeting **OR**

PLEASE NOTE: Leave this box blank if you have selected the Chairman of the Meeting. Do not insert your own name(s).

or failing the individual or body corporate named, or if no individual or body corporate is named, the Chairman of the Meeting, as my/our proxy to act generally at the meeting on my/our behalf and to vote in accordance with the following directions (or if no directions have been given, and to the extent permitted by law, as the proxy sees fit) at the Annual General Meeting of Lefroy Exploration Limited to be held at the offices of Taurus Funds, Level 41, Gateway, 1 Macquarie Place, Sydney NSW Australia on Thursday, 14 November 2024 at 9:30am (AEDT) and at any adjournment or postponement of that meeting.

Chairman authorised to exercise undirected proxies on remuneration related resolutions: Where I/we have appointed the Chairman of the Meeting as my/our proxy (or the Chairman becomes my/our proxy by default), I/we expressly authorise the Chairman to exercise my/our proxy on Resolution 4 (except where I/we have indicated a different voting intention in step 2) even though Resolution 4 is connected directly or indirectly with the remuneration of a member of key management personnel, which includes the Chairman.

Important Note: If the Chairman of the Meeting is (or becomes) your proxy you can direct the Chairman to vote for or against or abstain from voting on Resolution 4 by marking the appropriate box in step 2.

Step 2 Items of Business

PLEASE NOTE: If you mark the **Abstain** box for an item, you are directing your proxy not to vote on your behalf on a show of hands or a poll and your votes will not be counted in computing the required majority.

		For	Against	Abstain
Resolution 1	Re-election of Director – David Kelly	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Resolution 2	Approval of 10% Placement Capacity	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Resolution 3	Ratification of Share Issue	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Resolution 4	Adoption of Incentive Plan	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>

The Chairman of the Meeting intends to vote undirected proxies in favour of each item of business. In exceptional circumstances, the Chairman of the Meeting may change his/her voting intention on any resolution, in which case an ASX announcement will be made.

Step 3 Signature of Securityholder(s) *This section must be completed.*

Individual or Securityholder 1

Sole Director & Sole Company Secretary

Securityholder 2

Director

Securityholder 3

Director/Company Secretary

/ /

Date

Update your communication details (Optional)

Mobile Number

Email Address

By providing your email address, you consent to receive future Notice of Meeting & Proxy communications electronically

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Computershare

