



ACN 072 745 692

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**NOTICE OF GENERAL MEETING**

**PROXY FORM**

**AND**

**EXPLANATORY MEMORANDUM**

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Date of Meeting  
Wednesday, 13 March 2019

Time of Meeting  
3:00pm WST

Place of Meeting  
The Celtic Club  
48 Ord Street  
West Perth WA

**MINCOR RESOURCES NL**  
**NOTICE OF GENERAL MEETING**

**NOTICE IS HEREBY GIVEN** that a General Meeting of the Shareholders of Mincor Resources NL ACN 072 745 692 ("Company") will be held at the Celtic Club, 48 Ord Street, West Perth, Western Australia on Wednesday, 13 March 2019 at 3:00pm WST for the purpose of transacting the following business referred to in this Notice of General Meeting.

Details of the definitions and abbreviations used in this Notice of General Meeting are set out in the Glossary to the Explanatory Memorandum.

**A G E N D A**

**Business**

An Explanatory Memorandum containing information in relation to each of the following Resolutions accompanies this Notice of General Meeting.

**RESOLUTION 1 – Grant of Incentive Options to Managing Director**

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

*"That, for the purposes of Listing Rule 10.11 and for all other purposes the Directors are authorised to grant 3,000,000 Incentive Options to Mr David Southam (or his nominee) for no cash consideration and on the terms and conditions set out in the Explanatory Memorandum (including Annexure A to the Explanatory Memorandum)."*

The Company will disregard any votes cast on Resolution 1 by Mr David Southam and any Associate of Mr David Southam. However, the Company need not disregard a vote if:

- (a) it is cast by a person as a 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 a proxy for a person who is entitled to vote, in accordance with a direction on the proxy form to vote as the proxy decides.

Further, a Restricted Voter who is appointed as a proxy will not vote on Resolution 1 unless:

- (a) the appointment specifies the way the proxy is to vote on Resolution 1; or
- (b) the proxy is the Chair of the Meeting and the appointment expressly authorises the Chair to exercise the proxy even though the Resolution is connected directly or indirectly with the remuneration of a member of the Key Management Personnel.

Shareholders should note that the Chair intends to vote any undirected proxies in favour of Resolution 1. Shareholders may also choose to direct the Chair to vote against Resolution 1 or to abstain from voting.

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

## RESOLUTION 2 – Grant of Initial Performance Rights to Managing Director

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

*"That, for the purposes Listing Rule 10.14 and for all other purposes the Directors are authorised to grant 1,404,889 Initial Performance Rights to Mr David Southam (or his nominee) for no cash consideration and on the terms and conditions set out in the Explanatory Memorandum (including Annexure B to the Explanatory Memorandum).*

The Company will disregard any votes cast on Resolution 2 by Mr David Southam and any Associate of Mr David Southam. However, the Company need not disregard a vote if:

- (a) it is cast by a person as a 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 a proxy for a person who is entitled to vote, in accordance with a direction on the proxy form to vote as the proxy decides.

Further, a Restricted Voter who is appointed as a proxy will not vote on Resolution 2 unless:

- (a) the appointment specifies the way the proxy is to vote on Resolution 2; or
- (b) the proxy is the Chair of the Meeting and the appointment expressly authorises the Chair to exercise the proxy even though the Resolution is connected directly or indirectly with the remuneration of a member of the Key Management Personnel.

Shareholders should note that the Chair intends to vote any undirected proxies in favour of Resolution 2. Shareholders may also choose to direct the Chair to vote against Resolution 2 or to abstain from voting.

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

## RESOLUTION 3 – Approval of potential termination benefit in relation to Incentive Options

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

*"Subject to the passing of Resolution 1, that for the purposes of Listing Rule 10.19 and sections 200B and 200E of the Corporations Act, and for all other purposes, the potential termination benefit in relation to the Incentive Options described in the Explanatory Memorandum which may become payable to Mr David Southam (or his nominee), be approved."*

The Company will disregard any votes cast on Resolution 3 by Mr David Southam and any Associate of Mr David Southam. However, the Company need not disregard a vote if:

- (a) it is cast by a person as a 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 a proxy for a person who is entitled to vote, in accordance with a direction on the proxy form to vote as the proxy decides.

Further, a Restricted Voter who is appointed as a proxy will not vote on Resolution 3 unless:

- (a) the appointment specifies the way the proxy is to vote on Resolution 3; or
- (b) the proxy is the Chair of the Meeting and the appointment expressly authorises the Chair to exercise the proxy even though the Resolution is connected directly or indirectly with the remuneration of a member of the Key Management Personnel.

Shareholders should note that the Chair intends to vote any undirected proxies in favour of Resolution 3. Shareholders may also choose to direct the Chair to vote against Resolution 3 or to abstain from voting.

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

## RESOLUTION 4 – Approval of potential termination benefit in relation to Initial Performance Rights

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

*“Subject to the passing of Resolution 2, that for the purposes of Listing Rule 10.19 and sections 200B and 200E of the Corporations Act, and for all other purposes, the potential termination benefit in relation to the Initial Performance Rights described in the Explanatory Memorandum which may become payable to Mr David Southam (or his nominee), be approved.”*

The Company will disregard any votes cast on Resolution 4 by Mr David Southam and any Associate of Mr David Southam. However, the Company need not disregard a vote if:

- (a) it is cast by a person as a 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 a proxy for a person who is entitled to vote, in accordance with a direction on the proxy form to vote as the proxy decides.

Further, a Restricted Voter who is appointed as a proxy will not vote on Resolution 4 unless:

- (a) the appointment specifies the way the proxy is to vote on Resolution 4; or
- (b) the proxy is the Chair of the Meeting and the appointment expressly authorises the Chair to exercise the proxy even though the Resolution is connected directly or indirectly with the remuneration of a member of the Key Management Personnel.

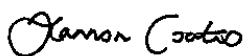
Shareholders should note that the Chair intends to vote any undirected proxies in favour of Resolution 4. Shareholders may also choose to direct the Chair to vote against Resolution 4 or to abstain from voting.

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

## Other Business

To deal with any other business which may be brought forward in accordance with the Company's Constitution and the Corporations Act 2001 (Cth).

## BY ORDER OF THE BOARD



**Shannon Coates**  
Company Secretary

Dated: 11 February 2019

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## VOTING IN PERSON (OR BY ATTORNEY)

Shareholders, or their attorneys, who plan to attend the Meeting are asked to arrive at the venue 15 minutes prior to the time designated for the Meeting, if possible, so that their holding may be checked against the Company's share register and their attendance recorded. To be effective a certified copy of the Power of Attorney, or the original Power of Attorney, must be received by the Company in the same manner, and by the same time as outlined for Proxy Forms below.

## **PROXIES**

- A Shareholder entitled to attend and vote at the Meeting may appoint not more than two proxies. Where more than one proxy is appointed, each proxy may be appointed to represent a specified proportion of the Shareholder's voting rights. If such appointment is not made then each proxy may exercise half of the Shareholder's voting rights.
- A proxy may, but need not be, a Shareholder of the Company.
- The instrument appointing a proxy must be in writing, executed by the appointor or his/her attorney duly authorised in writing or, if such appointer is a corporation, either under seal or under hand of an officer or his/her attorney duly authorised.
- The instrument of proxy (and the power of attorney or other authority, if any, under which it is signed) must be lodged by person, post, courier or facsimile and reach the registered office of the Company at least 48 hours prior to the meeting. For the convenience of Shareholders a Proxy Form is enclosed. Capitalised terms used in the enclosed Proxy Form have the same meaning as defined in the Glossary to the Explanatory Memorandum.
- If a proxy is not directed how to vote on an item of business, the proxy may generally vote, or abstain from voting, as they think fit. However, where a Restricted Voter is appointed as a proxy, the proxy may only vote on Resolutions 1 to 4 in accordance with a direction on how the proxy is to vote or, if the proxy is the Chair of the Meeting and the appointment expressly authorises the Chair to exercise the proxy even if the Resolution is connected directly or indirectly with the remuneration of a member of the Key Management Personnel.
- Shareholders who return their Proxy Forms with a direction how to vote, but who do not nominate the identity of their proxy, will be taken to have appointed the Chair of the Meeting as their proxy to vote on their behalf. If a Proxy Form is returned but the nominated proxy does not attend the Meeting, the Chair of the Meeting will act in place of the nominated proxy and vote in accordance with any instructions. Proxy appointments in favour of the Chair of the Meeting, the Secretary or any Director that do not contain a direction how to vote will be used, where possible, to support each of the Resolutions proposed in this Notice, provided they are entitled to cast votes as a proxy under the voting exclusion rules which apply to some of the proposed Resolutions. In exceptional circumstances, the Chair of the Meeting may change his voting intention on any Resolution, in which case an ASX announcement will be made.

## **VOTING BY A CORPORATION**

A Shareholder that is a corporation may appoint an individual to act as its representative and vote in person at the Meeting. The appointment must comply with the requirements of section 250D of the Corporations Act. The representative should bring to the Meeting evidence of his or her appointment, including any authority under which it is signed.

## **ENTITLEMENT TO VOTE**

For the purposes of regulation 7.11.37 and 7.11.38 of the Corporations Regulations, the Board has determined that members holding ordinary Shares at 4.00pm WST on 11 March 2019 will be entitled to attend and vote at the Meeting.

## EXPLANATORY MEMORANDUM

This Explanatory Memorandum is intended to provide Shareholders with sufficient information to assess the merits of the Resolutions contained in the accompanying Notice of General Meeting (**Notice**) of Mincor Resources NL (**Mincor** or the **Company**).

The Directors recommend Shareholders read this Explanatory Memorandum in full before making any decision in relation to the Resolutions.

Certain terms and abbreviations used in this Explanatory Memorandum have defined meanings which are explained in the Glossary appearing at the end of this Explanatory Memorandum.

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

### Background

As announced to ASX on 26 November 2018, Mr David Southam commenced employment as the Company's Managing Director on 1 February 2019.

Mr Southam holds a Bachelor of Commerce degree from Curtin University and has significant experience as a senior executive and director of ASX200 companies. Since 2010, Mr Southam has held the key role of Executive Director at successful nickel producer, Western Areas Limited.

Mr Southam brings to Mincor well developed leadership, corporate finance, offtake negotiation and business development skills, together with a comprehensive knowledge of the Australian and international nickel sector. Mr Southam is well equipped to lead Mincor to its near-term goal of nickel production at Kambalda and to establish a future growth path for the Company.

The remuneration packaged offered to Mr Southam is strongly linked to his performance and shareholder return. The majority of Mr Southam's total potential remuneration is in the form of short and long term incentives that are "at risk". Mr Southam will not receive any benefit from the "at risk" component of his remuneration package unless performance and service hurdles are achieved or shareholder return targets are met.

A summary of Mr Southam's Executive Service Agreement with the Company (**Agreement**) was included in the announcement dated 26 November 2018. The key terms of Mr Southam's Executive Service Agreement are as follows:

- (a) **Remuneration:** Mr Southam will be entitled to a salary of \$500,000 per annum (**Base Salary**) plus superannuation equal to the greater of his minimum statutory superannuation entitlement and \$25,000 per annum. This will be subject to review from time to time, at a minimum annually.
- (b) **Short term incentive (STI):** Mr Southam shall be eligible to earn an STI of up to 50% of the Base Salary with respect to each completed financial year commencing from 1 July 2019 (and pro-rata for the financial year ended 30 June 2019 (**FY19**)) subject to Mr Southam achieving KPIs to be agreed between the Company and Mr Southam prior to each financial year (or for FY19, as soon as reasonably possible after the date on which Mr Southam commences employment with the Company).

- (c) **Long Term Incentives:**

#### *Incentive Options*

Subject to Shareholder approval, Mr Southam (or his nominee) will be granted the Incentive Options the subject of Resolution 1, on the terms set out in Annexure A.

Each Incentive Option will vest upon the first to occur of:

- (i) the date that is three years after 1 February 2019 subject to Mr Southam continuing to be employed by the Company on that date;

- (ii) a Change of Control Event (as defined in paragraph (o) of Annexure A) occurring. For the avoidance of doubt, the vesting will be deemed to occur prior to the effective date of the Change of Control Event in order for Mr Southam to have sufficient time to deal with the Incentive Options;
- (iii) Mr Southam's employment is terminated by the Company other than for cause;
- (iv) the termination or cessation of Mr Southam's employment as a result of:
  - (A) total and permanent disablement of Mr Southam, as determined by the Board;
  - (B) mental illness of Mr Southam, as determined by the Board;
  - (C) redundancy, as determined by the Board; or
  - (D) the death, or terminal illness, of David Southam.

#### *Initial Performance Rights*

Subject to Shareholder approval, Mr Southam will be granted the Initial Performance Rights the subject of Resolution 2, in accordance with the Mincor Resources NL Employee Equity Incentive Plan (adopted by Shareholders on 7 November 2018) (**Plan**), a summary of which is included in the Company's notice of meeting for the 2018 annual general meeting.

An Initial Performance Right is a right to acquire a Share at nil cost (ie nil grant price and exercise price), subject to meeting the applicable performance conditions. To the extent that the performance conditions are met, the relevant number of Initial Performance Rights will vest and become exercisable. Upon exercise, each Initial Performance Right entitles Mr Southam to one Share which will rank equally with all ordinary shares in the same class. There will be an exercise period ending 2 years after the vesting date. Mr Southam is not required to pay any amount on grant of the Initial Performance Rights nor on their vesting or exercise.

The Initial Performance Rights will be measured over a performance period commencing on 1 February 2019 and ending on 30 June 2022 (**Performance Period**) and no Initial Performance Rights will vest prior to the end of the Performance Period other than where the rules of the Plan allow.

The vesting conditions relating to the Initial Performance Rights are set out in Annexure B.

The Initial Performance Rights will automatically vest where an offer is made for the ordinary shares in the Company pursuant to a takeover bid under Chapter 6 of the Corporations Act which is subject to a condition providing that at the end of the takeover offer period, the bidder has a relevant interest in at least 50.1% of Shares (**Minimum Acceptance Condition**) and the Minimum Acceptance Condition is satisfied and the takeover offer is otherwise unconditional, or declared, unconditional.

The terms of the Initial Performance Rights will otherwise be as set out in the invitation to participate issued by the Company pursuant to, and consistent with, the Plan.

Pursuant to the Plan, if Mr Southam resigns (other than in Special Circumstances), is dismissed from office for cause or poor performance, or in another circumstance determined by the Board (**Bad Leaver**), Mr Southam's:

- (i) unvested Initial Performance Rights will immediately lapse, unless otherwise determined by the Board (see below); and
- (ii) vested Initial Performance Rights that have not been exercised will lapse on the date of cessation of employment or office.

If Mr Southam's employment or engagement with a Group Company ceases due to Special Circumstances or for reasons other than as a Bad Leaver (**Good Leaver**), Mr Southam's:

- (i) unvested Initial Performance Rights will immediately lapse, unless otherwise determined by the Board (see below); and

- (ii) vested Initial Performance Rights that have not been exercised will continue in force and remain exercisable, until the last exercise date determined by the Board or the Plan.

If Mr Southam's employment or engagement with a Group Company ceases prior to the vesting conditions having been satisfied notwithstanding the provisions for treatment of the Initial Performance Rights in the Bad Leaver and Good Leaver circumstances set out above, the Board may, subject to compliance with the Listing Rules and the Corporations Act (which may require Shareholder approval), determine to treat any unvested Initial Performance Rights held by Mr Southam in any way other than in the manner set out above, including that all or a portion of the unvested Initial Performance Rights will vest and/or some or all vesting conditions reduced or waived.

On the occurrence of a change of control event (as defined in the Plan, which includes an unconditional takeover offer, a court approved scheme of arrangement, a merger resulting in the current Shareholders being entitled to 50% or less of the shares of the merged entity, a Group Company agreeing to sell a majority of its business or assets or a determination of the Board that control of the Company has or is likely to change), the Board may in its sole and absolute discretion determine how unvested Initial Performance Rights will be treated, including but not limited to:

- (i) determining that all or a portion of unvested Initial Performance Rights will vest; and/or
- (ii) reducing or waiving vesting conditions.

#### *Makeup Payments*

If Shareholders do not approve the grant of the Incentive Options (Resolution 1) or the grant of the Initial Performance Rights (Resolution 2), the Company has agreed, subject to the Listing Rules, the Corporations Act and any applicable laws, including any required Shareholder approvals, to make a cash payment to Mr Southam reflecting the economic value of the Incentive Options (**Incentive Option Makeup Payment**) and the Initial Performance Rights (**Performance Right Makeup Payment**) (less all applicable tax). The makeup payments will only be triggered if Mr Southam has met the criteria which would have permitted the vesting of the Incentive Options and/or Initial Performance Rights had they been granted.

The Incentive Option Makeup Payment will be calculated on the date the Incentive Options would have vested had they been granted (**Incentive Option Calculation Date**) as follows (on a per Incentive Option basis): the weighted average closing price of Shares on ASX over the 5 trading days prior to the Incentive Option Calculation Date minus the exercise price of the relevant Incentive Option.

The Performance Right Makeup Payment will be calculated on the date the Initial Performance Rights would have been first capable of exercise, had they been granted and had they vested (**Performance Right Calculation Date**) as follows (on a per Performance Right basis): the weighted average closing price of Shares on ASX over the 5 trading days prior to the Performance Right Calculation Date.

#### *Subsequent Performance Rights*

Subject to prior Shareholder approval and the rules of the Plan, Mr Southam shall be eligible to be offered a further long term incentive in the form of performance rights with respect to each financial year commencing on or after July 2020.

The dollar value of the further performance rights which are to be offered to Mr Southam under the Plan will be 100% of the Base Salary (**Long Term Incentive Amount**).

The number of performance rights to be offered to Mr Southam will be calculated as follows: the Long Term Incentive Amount divided by the volume weight average price for Shares in the 5 trading days immediately prior to 1 July in the relevant financial year.

The vesting conditions and other terms and conditions attached to the performance rights will be determined by the Board in accordance with the rules of the Plan.

- (d) **Termination:** The Company may terminate Mr Southam's employment at any time on 12 months' notice, of which at least 9 months must be paid in lieu. Mr Southam may terminate his employment with the Company



at any time on 3 months' notice, in which event the Company may elect to make payment in lieu of notice. The Company can terminate the Agreement immediately for cause, by giving written notice.

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

Chapter 2E of the Corporations Act prohibits a public company from giving a financial benefit to a related party of a public company unless either:

- (a) the giving of the financial benefit falls within one of the exceptions to the provisions; or
- (b) prior Shareholder approval is obtained to the giving of the financial benefit.

A "related party" for the purposes of the Corporations Act is defined widely and includes a director of the public company.

A "financial benefit" for the purposes of the Corporations Act also has a very wide meaning. It includes the public company paying money or issuing securities to a related party.

Mr Southam is a related party of the Company due to the fact that he is a Director of the Company.

It is the view of Directors that the grant of Incentive Options, the grant of Initial Performance Rights and the approval of potential termination benefits payable in relation to the Incentive Options and the Initial Performance Rights to Mr Southam fall within the exception under section 211 of the Corporations Act (reasonable remuneration)

Accordingly, the Directors are not seeking Shareholder approval under section 208 of the Corporations Act for Resolutions 1 to 4.

## **Board Recommendation**

The Board (other than Mr Southam who did not participate in Board deliberations regarding this recommendation) considers that the grant of Incentive Options, the grant of Initial Performance Rights and the approval of potential termination benefits payable in relation to the Incentive Options and the Initial Performance Rights to Mr Southam to be appropriate in all circumstances and unanimously recommends that Shareholders vote in favour of Resolutions 1 to 4. The Chair of the Meeting intends to vote any undirected proxies in favour of Resolutions 1 to 4.

### **1. RESOLUTION 1 – Grant of Incentive Options to Managing Director**

Pursuant to the Agreement, the Company agreed, subject to Shareholder approval, to grant Mr Southam (or his nominee):

- (a) 1,500,000 Incentive Options each with an exercise price of \$0.40 and expiry date 5 years from the date of grant, and otherwise on the terms and conditions set out in Annexure A; and
- (b) 1,500,000 Incentive Options each with an exercise price of \$0.50 and expiry date 5 years from the date of grant, and otherwise on the terms and conditions set out in Annexure A.

### **Information Requirements - Listing Rules 10.11 and 10.13**

Listing Rule 10.11 requires Shareholder approval by ordinary resolution for any issue of securities by a listed company to a related party. Mr Southam is a related party of the Company because he became a Director of the Company on 1 February 2019. Accordingly, Listing Rule 10.11 requires Shareholders to approve the grant of Incentive Options to Mr Southam (or his nominee).

The following information in relation to the Incentive Options to be granted pursuant to Resolution 1 is provided to Shareholders for the purposes of Listing Rule 10.13:

- (a) the Incentive Options will be granted to Mr Southam (or his nominee);
- (b) the maximum number of Incentive Options to be granted is 3,000,000;
- (c) the Incentive Options will be issued on a date which will be no later than 1 month after the date of this Meeting, unless otherwise extended by way of ASX granting a waiver to the Listing Rules;
- (d) the Incentive Options will be granted for no cash consideration and the terms and conditions of the Incentive Options are set out in Annexure A to this Explanatory Memorandum; and

- (e) no funds will be raised by the issue of the Incentive Options. The funds raised if the Incentive Options are exercised will be used for general working capital.

If approval is given for the grant of the Incentive Options under Listing Rule 10.11, approval is not required under Listing Rule 7.1.

## **2. RESOLUTION 2 – Grant of Initial Performance Rights to Managing Director**

Pursuant to the Agreement the Company agreed, subject to Shareholder approval, to grant Mr Southam (or his nominee) 1,404,889 Initial Performance Rights in accordance with the Plan.

### **Information Requirements - Listing Rules 10.14 and 10.15**

Listing Rule 10.14 requires Shareholder approval by ordinary resolution for any issue of securities by a listed company to a related party under an employee incentive scheme. Accordingly, Listing Rule 10.14 requires Shareholders to approve the grant of Initial Performance Rights under the Plan to Mr Southam (or his nominee).

The following information is provided to Shareholders in relation to Resolution 2 for the purposes of Listing Rule 10.15:

- (a) the Initial Performance Rights will be granted to Mr Southam (or his nominee);
- (b) the maximum number of Initial Performance Rights to be granted is 1,404,889;
- (c) the Initial Performance Rights will be granted for no consideration;
- (d) no funds will be raised by the grant of the Initial Performance Rights;
- (e) all Directors, or their permitted nominees, are entitled to participate in the Plan, but for the purposes of Resolution 2, at this time, the Company is only seeking to grant Initial Performance Rights to Mr Southam (or his nominee);
- (f) no Directors, or their permitted nominees, have received any Incentive Options or Performance Rights under the Plan since its last approval under Listing Rule 7.2 Exception 9(b) at the 2018 annual general meeting;
- (g) no loan is provided in connection with the acquisition or conversion of the Initial Performance Rights; and
- (h) the Initial Performance Rights will be granted on a date, being no later than 12 months after the date Shareholder approval is obtained for Resolution 2.

If approval is given for the grant of the Initial Performance Rights under Listing Rule 10.14, approval is not required under Listing Rule 7.1.

## **3. RESOLUTIONS 3 and 4 – Approval of potential termination benefits in relation to Incentive Options and Initial Performance Rights**

### **Termination benefits payable to Mr Southam**

Upon termination of Mr Southam's employment, there is potential for the vesting of the Incentive Options and the Initial Performance Rights in the circumstances set out below - "Treatment of Incentive Options on termination of employment" and "Treatment of Initial Performance Rights on termination of employment in accordance with the Plan".

#### *Treatment of Incentive Options on termination of employment*

The treatment of Mr Southam's Incentive Options and Initial Performance Rights on termination of employment is detailed in the above Background.

#### *Other termination benefits*

The benefits noted above are in addition to statutory entitlements, any payment in lieu of notice and accrued contractual entitlements, comprised of any outstanding remuneration and any accrued leave entitlements as at the date of termination.

## **Sections 200B and 200E of the Corporations Act**

Under section 200B of the Corporations Act, a company may only give a person a benefit in connection with their ceasing to hold a managerial or executive office in the company or a related body corporate if it is approved by shareholders under section 200E of the Corporations Act or an exemption applies.

Section 200B of the Corporations Act applies to managerial or executive officers of the Company or any of its subsidiaries, which includes Mr Southam on and from 1 February 2019.

The term "benefit" has a wide operation and would include any automatic or accelerated vesting of the Incentive Options upon termination or cessation of employment in accordance with their terms, including as a result of a determination by the Board that all or a portion of the unvested Incentive Options will vest, and any accelerated vesting of the Initial Performance Rights upon termination or cessation of employment under the rules of the Plan as a result of a determination by the Board that all or a portion of the unvested Initial Performance Rights will vest and/or some or all vesting conditions reduced or waived.

Accordingly, Shareholder approval is sought for the purposes of section 200E of the Corporations Act to allow the Company to deal with:

- the Incentive Options upon termination or cessation of employment of Mr Southam in accordance with terms and conditions of the Incentive Options; and
- the Initial Performance Rights upon termination or cessation of employment of Mr Southam in accordance with the rules of the Plan,

where to do so would involve giving a "benefit" to Mr Southam in connection with him ceasing to hold a managerial or executive office.

The approval is sought in relation to the Incentive Options and the Initial Performance Rights proposed to be granted to Mr Southam under Resolutions 1 and 2 in this Notice of Meeting, pursuant to Resolutions 3 and 4, respectively.

The value of any benefit relating to the Incentive Options and Initial Performance Rights given in connection with Mr Southam ceasing to hold managerial or executive office cannot presently be ascertained. However, matters, events and circumstances that will, or are likely to, affect the calculation of that value are:

- the number of Incentive Options and Initial Performance Rights held by Mr Southam prior to termination or cessation of his employment;
- whether the vesting conditions are waived or (if not waived) met, and the number of Incentive Options that vest (which could be a portion of or all of the Incentive Options held by Mr Southam);
- whether the performance conditions are waived or (if not waived) met, and the number of Initial Performance Rights that vest (which could be a portion of or all of the Initial Performance Rights held by Mr Southam); and
- the market price of the Company's Shares on ASX on the date Shares are issued to Mr Southam upon exercise of the Incentive Options and/or the Initial Performance Rights.

## **Listing Rule 10.19**

Shareholder approval of the benefits that may be given to Mr Southam by virtue of the vesting of the Incentive Options and/or the Initial Performance Rights upon termination or cessation of Mr Southam's employment is sought under Listing Rule 10.19.

Listing Rule 10.19 provides that without shareholder approval, an entity must ensure that no officer of the entity or any of its child entities will be, or may be, entitled to termination benefits if the value of those benefits and the termination benefits that are or may become payable to all officers together exceed 5% of the equity interests of the entity as set out in the latest accounts given to ASX under the Listing Rules.

Depending upon the value attributed to the vesting of the Incentive Options and/or the Initial Performance Rights, and the equity interests of the Company at the time of any vesting of the Incentive Options and/or the Initial Performance Rights upon termination or cessation of Mr Southam's employment, it is uncertain if such payment would exceed this 5% threshold. Accordingly, Shareholder approval is being sought in case such termination benefit does exceed this 5% threshold.

## GLOSSARY

**Associate** has the meaning given to that term in the Listing Rules.

**Associated Bodies Corporate**, in relation to the Company, means:

- (a) a body corporate that is a Related Body Corporate (as defined in section 50 of the Corporations Act) of the Company; or
- (b) a body corporate that has voting power in the Company of not less than 20%; or
- (c) a body corporate in which the Company has voting power of not less than 20%.

**ASX** means ASX Limited ABN 98 008 624 691 and, where the context permits, the Australian Securities Exchange operated by ASX Limited.

**Board** means the board of Directors.

**Chair** means the Chair of the Meeting.

**Closely Related Party** has the meaning given to that term in the Corporations Act. Under the Corporations Act, a Closely Related Party of a member of the Key Management Personnel for an entity means:

- (a) a spouse or child of the member; or
- (b) a child of the member's spouse; or
- (c) a dependant of the member or of the member's spouse; or
- (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, or in the member's dealings with the entity; or
- (e) a company the member controls; or
- (f) a person prescribed by the Corporations Regulations 2001 to be a Closely Related Party.

**Company** or **Mincor** means Mincor Resources NL ACN 072 745 692.

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

**Constitution** means the Company's constitution, as amended from time to time.

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

**Explanatory Memorandum** means this explanatory memorandum accompanying the Notice.

**Glossary** means this Glossary set out in this Explanatory Memorandum.

**Group Company** means the Company and any of its Associated Bodies Corporate.

**Incentive Option** means an option to acquire a Share on the terms and conditions set out in Annexure A.

**Key Management Personnel** has the meaning given to that term in the Accounting Standards. The Accounting Standards define the Key Management Personnel of an entity to be those persons having authority and responsibility for planning, directing and controlling the activities of the entity, directly or indirectly, including any director (whether executive or otherwise) of that entity.

**Listing Rules** means the ASX Listing Rules.

**Managing Director** means the Managing Director of the Company.

**Meeting** means the General Meeting convened by the Notice.

**Notice** means the Notice of General Meeting accompanying this Explanatory Memorandum.

**Participant** has the meaning given to the term in the Plan.

**Plan** means the Mincor Resources NL Employee Equity Incentive Plan approved by Shareholders on 7 November 2018.

**Proxy Form** means the Proxy Form accompanying the Notice.

**Resolution** means a Resolution proposed pursuant to the Notice.

**Section** means a section of this Explanatory Memorandum.

**Shares** means fully paid ordinary Shares in the capital of the Company.

**Shareholders** means holders of fully paid ordinary Shares in the Company.

**Special Circumstances** means redundancy, mental illness, total and permanent disability, terminal illness or death.

**WST** means Australian Western Standard Time.

## ANNEXURE A – Terms and conditions of Incentive Options

- (a) Each Incentive Option entitles the holder to subscribe for one fully paid ordinary share (**Share**) in Mincor Resources NL (ACN 072 745 692) (**Company**) upon the payment of an exercise price of \$0.40/\$0.50 (as applicable) (**Exercise Price**).
- (b) Each Incentive Option will lapse at 5.00pm, Australian Western Standard Time on the date that is 5 years from the date of grant of the Incentive Options (**Expiry Date**).
- (c) Each Incentive Option will vest upon the first to occur of:
  - (i) the date that is three years after 1 February 2019 subject to Mr David Southam continuing to be employed by the Company on that date;
  - (ii) a Change of Control Event (as defined in paragraph (o)) occurring. For the avoidance of doubt, the vesting will be deemed to occur prior to the effective date of the Change of Control Event in order for Mr Southam to have sufficient time to deal with the options;
  - (iii) Mr Southam's employment is terminated by the Company other than for cause;
  - (iv) the termination or cessation of Mr Southam's employment as a result of:
    - (A) total and permanent disablement of Mr Southam, as determined by the board of directors of the Company (**Board**);
    - (B) mental illness of Mr Southam, as determined by the Board;
    - (C) redundancy, as determined by the Board; or
    - (D) the death, or terminal illness, of Mr Southam.
- (d) The Incentive Options are not transferable.
- (e) The Incentive Options will not be quoted on the Australian Securities Exchange (**ASX**).
- (f) There are no participating rights or entitlements inherent in the Incentive Options and holders of the Incentive Options will not be entitled to participate in new issues of capital that may be granted to the Company's shareholders (**Shareholders**) during the currency of the Incentive Options.
- (g) The holder of Incentive Options (**Optionholder**) has the right to exercise any vested Incentive Options prior to the date of determining entitlements to any capital issues to the then existing Shareholders made prior to the exercise of the Incentive Options during the Exercise Period (as defined below in paragraph (i)). In accordance with the Listing Rules, the Company will give the Optionholder notice of any new issue of securities before the record date for determining entitlements to the new issue.
- (h) In the event of any re-organisation (including reconstruction, consolidation, subdivision, reduction or return of capital) of the issued capital of the Company, the Incentive Options will be changed to the extent necessary to comply with the Listing Rules applying to a reorganisation of capital at the time of the reorganisation.
- (i) Subject to the Incentive Options having vested in accordance with paragraph (c), the Incentive Options shall be exercisable at any time before the Expiry Date (**Exercise Period**) by the delivery to the registered office of the Company of a notice in writing (**Notice**) stating the intention of the Optionholder to exercise all or a specified number of Incentive Options held by them accompanied by a certificate for the relevant Incentive Options and payment to the Company of an amount in cleared funds for the aggregate Exercise Price in respect of the relevant Incentive Options. The Notice and funds must be received by the Company during the Exercise Period. An exercise of only some Incentive Options shall not affect the rights of the Optionholder to the balance of the Incentive Options held by the Optionholder.

- (j) The Company shall issue the resultant Shares and deliver a statement of shareholdings with a holders' identification number within 15 business days of exercise of the Incentive Options.
- (k) The Shares issued shall rank, from the date of issue, equally with the existing ordinary shares of the Company in all respects.
- (l) If the Company makes a bonus issue of Shares to existing holders of Shares (other than an issue in lieu or in satisfaction of dividends or by way of dividend reinvestment) and no Share has been issued in respect of an Incentive Option before the record date for determining entitlements to the bonus issue, then the number of underlying Shares over which the Incentive Option is exercisable will be increased by the number of Shares which the Optionholder would have received if the Optionholder had exercised the Incentive Option before the record date for the bonus issue. No adjustment will be made to the Exercise Price.
- (m) If there is a pro rata issue (other than a bonus issue) to the holders of Shares during the Exercise Period, and prior to the exercise of any Incentive Options, the Exercise Price of each Incentive Option will be reduced according to the formula provided for in the Listing Rules (whether or not the Company is listed on the ASX at the time).
- (n) The Incentive Options will not give the Optionholder any right to participate in dividends until Shares are issued pursuant to the exercise of the Incentive Options.
- (o) **A Change of Control Event** occurs where:
  - (i) an grant is made for the Shares pursuant to a takeover bid under Chapter 6 of the Corporations Act 2001 (Cth) (**Corporations Act**) which is subject to a condition providing that at the end of the takeover grant period, the bidder has a relevant interest in at least 50.1% of Shares (**Minimum Acceptance Condition**) and the Minimum Acceptance Condition is satisfied and the takeover grant is otherwise unconditional, or declared, unconditional; or
  - (ii) the Court sanctions under Part 5.1 of the Corporations Act a compromise or arrangement relating to the Company or a compromise or arrangement proposed for the purposes of or in connection with a scheme for the reconstruction of the Company or its amalgamation with any other company or companies; or
  - (iii) any other merger, consolidation or amalgamation involving the Company occurs which results in the holders of Shares immediately prior to the merger, consolidation or amalgamation being entitled to 50 per cent or less of the voting shares in the body corporate resulting from the merger, consolidation or amalgamation; or
  - (iv) the Company or any of its related bodies corporate (**Group**) enters into agreements to sell in aggregate a majority in value of the businesses or assets (whether or not in the form of shares in a member of the Group) of the Group to a person, or a number of persons, none of which are a member of the Group; or
  - (v) the Board determines in its reasonable opinion, control of the Company has or is likely to change or pass to one or more persons, none of which are a member of the Group.



## ANNEXURE B – Initial Performance Rights performance hurdles

- (a) The Initial Performance Rights will be subject to the vesting conditions set out below:
- (i) 30% of the Initial Performance Rights based on the TSR for the Company over the performance period relative to the TSR of each of the companies in the Peer Group over the same performance period where performance in the 1<sup>st</sup> or 2<sup>nd</sup> quartile of the Peer Group results in no award and award for performance in the upper half of the Peer Group is on a sliding scale from 50% at the lowest position in the 3<sup>rd</sup> quartile to 100% for any position in the 4<sup>th</sup> quartile;
  - (ii) 40% of the Initial Performance Rights based on achieving a TSR for the Company over the performance period of greater than 15% compound annual growth; and
  - (iii) 30% of the Initial Performance Rights upon the Company being listed in the ASX300 within the performance period.
- (b) For the purposes of paragraph (a):

**TSR** measures the return received by shareholders from holding ordinary shares in the Company (**Shares**) over the relevant performance period, calculated as follows:

$$\text{TSR} = ((B-A) + C) / A$$

Where:

A = the Market Value of the Shares at 1 February 2019;


B = the Market Value of the Shares at the end of the performance period; and


C = the aggregate dividend amount per Share paid during the performance period.

**Market Value** is calculated as the 20-day volume weighted average price of the Shares ending on the day prior to the start or end of the performance period, as applicable.

**Peer Group** will be defined by the Board in consultation with Mr Southam promptly after 1 February 2019, as adjusted by the Board in consultation with Mr Southam during the performance period.

## Lodge your vote:

 **Online:**  
[www.investorvote.com.au](http://www.investorvote.com.au)

 **By Mail:**  
Computershare Investor Services Pty Limited  
GPO Box 242 Melbourne  
Victoria 3001 Australia

Alternatively you can fax your form to  
(within Australia) 1800 783 447  
(outside Australia) +61 3 9473 2555

For Intermediary Online subscribers only  
(custodians) [www.intermediaryonline.com](http://www.intermediaryonline.com)

**For all enquiries call:**  
(within Australia) 1300 733 703  
(outside Australia) +61 3 9415 4819

## Proxy Form

XX



### Vote online

- Go to [www.investorvote.com.au](http://www.investorvote.com.au) or scan the QR Code with your mobile device.
- Follow the instructions on the secure website to vote.

### Your access information that you will need to vote:

**Control Number: 182419**

**SRN/HIN:**

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



 **For your vote to be effective it must be received by 3:00pm (WST) Monday, 11 March 2019**

## 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.

## Attending the Meeting

Bring this form to assist registration. If a representative of a corporate securityholder or proxy is to attend the meeting you will need to provide the appropriate "Certificate of Appointment of Corporate Representative" prior to admission. A form of the certificate may be obtained from Computershare or online at [www.investorcentre.com](http://www.investorcentre.com) under the help tab, "Printable Forms".

**Comments & Questions:** If you have any comments or questions for the company, please write them on a separate sheet of paper and return with this form.

**GO ONLINE TO VOTE,  
or turn over to complete the form →**

☐

**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

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I/We being a member/s of Mincor Resources NL 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 General Meeting of Mincor Resources NL to be held at The Celtic Club, 48 Ord Street, West Perth, Western Australia on Wednesday, 13 March 2019 at 3:00pm (WST) 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 Resolutions 1 - 4 (except where I/we have indicated a different voting intention below) even though Resolutions 1 - 4 are 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 Resolutions 1 - 4 by marking the appropriate box in step 2 below.

## 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	Grant of Incentive Options to Managing Director	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Resolution 2	Grant of Initial Performance Rights to Managing Director	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Resolution 3	Approval of potential termination benefit in relation to Incentive Options	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Resolution 4	Approval of potential termination benefit in relation to Initial Performance Rights	<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.

## SIGN

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

Individual or Securityholder 1

Sole Director and Sole Company Secretary

Securityholder 2

Director

Securityholder 3

Director/Company Secretary

Contact  
Name

\_\_\_\_\_

Contact  
Daytime  
Telephone

\_\_\_\_\_

Date / /