



Addendum to Notice of General Meeting

Matador Mining Limited (ASX: MZZ, MZZO) ("**Matador**" or the "**Company**") has issued an Addendum to the Notice of General Meeting for the shareholders' meeting convened for 10:00 am (AWST) on 5 June 2020.

The purpose of the Addendum is to:

- Add a new Resolution 6 for the approval to issue shares to Mr Ian Murray, who was appointed as Executive Chairman of the Company on 14 May 2020, and to update the disclosure in the Explanatory Memorandum
- Add new Resolutions 7-10 for the approval to issue options Mr Ian Murray and to update the disclosure in the Explanatory Memorandum

The Addendum and replacement Proxy Form are attached and will be dispatched to shareholders accordingly.

For further information, please contact the Company Secretary on +61 (8) 6117 0478.

Stuart McKenzie
Company Secretary

MATADOR MINING LIMITED

ACN 612 912 393

1. Addendum to Notice of General Meeting

Matador Mining Limited ACN 612 912 393 (**Company**) gives notice to Shareholders that, in relation to the Notice of General Meeting dated 4 May 2020 (**Notice of GM**) in respect of a general meeting of members to be held at 10:00 am on 5 June 2020 at 1202 Hay Street, West Perth, Western Australia (**GM**), the Directors have determined to issue this addendum to the Notice of GM (**Addendum**) for the purposes set out below.

The Company has determined to include a further five ordinary resolutions for consideration by Shareholders (**Additional Resolutions**). The Additional Resolutions relate to the approval to issue securities to Director Ian Murray, who was appointed as Executive Chairman on 14 May 2020.

2. Replacement Proxy Form

Annexed to this Addendum is a Replacement Proxy Form, which replaces the Proxy Form that was annexed to the Notice of GM (**Original Proxy Form**). To ensure clarity of voting instructions by Shareholders on the Resolutions to be considered at the GM, Shareholders are advised to follow the following instructions **if you have already completed and returned an Original Proxy Form**:

- (a) **If you wish to vote on the Additional Resolutions or change your vote on Resolutions 1-5**, you must complete and return a Replacement Proxy Form.
 - (b) **If you do not wish to vote on the Additional Resolutions or change your original vote on Resolutions 1-5**, you do not need to take any action. The Original Proxy Form that you have already returned will be accepted by the Company for Resolutions 1-5 (unless you submit a Replacement Proxy Form).
-

3. Defined Terms

Capitalised terms which are not defined in this Addendum, but which are defined in the Notice of GM have the same meaning in this Addendum.

4. Important

This Addendum should be read in its entirety. If Shareholders are in doubt as to how they should vote, they should seek advice from their professional advisors prior to voting. Should you wish to discuss the matters set out in this Addendum, please do not hesitate to contact the Company Secretary on +61 8 6117 0478 or by email at stuartm@matadormining.com.au.

5. New Ordinary Resolutions

The following new resolutions are inserted into the Notice of GM, immediately following Resolution 5.

Resolution 6 - Approval to issue Shares to Mr Ian Murray

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

"That, pursuant to and in accordance with Listing Rule 10.11 and for all other purposes, Shareholders approve the issue of up to 1,000,000 Shares to Ian Murray (and/or his nominee(s)), on the terms and conditions in the Explanatory Memorandum."

Voting Exclusion

The Company will disregard any votes cast in favour of this Resolution by or on behalf of Ian Murray or any of his associates.

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

- (a) a person as proxy or attorney for a person who is entitled to vote on the Resolution, in accordance with directions given to the proxy or attorney to vote on the Resolution in that way; or
- (b) the Chair as proxy or attorney for a person who is entitled to vote on the Resolution, in accordance with a direction given to the Chair to vote on the Resolution as the Chair decides; or
- (c) a holder acting solely in a nominee, trustee, custodial or other fiduciary capacity on behalf of a beneficiary provided the following conditions are met:
 - (i) the beneficiary provides written confirmation to the holder that the beneficiary is not excluded from voting, 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 7 - Issue of Tranche One Options to Ian Murray under the Plan

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

*"That, pursuant to and in accordance with Listing Rule 10.14 and for all other purposes, Shareholders approve the issue of 1,000,000 Director Options (**Tranche One Options**) to Ian Murray (or his nominee) under the Plan and on the terms and conditions in the Explanatory Memorandum."*

Voting Exclusion Statement

The Company will disregard any votes cast in favour of this Resolution by or on behalf of any Director who is eligible to participate in any employee incentive scheme in relation to the Company or any of associate of such a Director.

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 Chair 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.

In accordance with section 250BD of the Corporations Act, a vote on this Resolution must not be cast by a person appointed as a proxy, where that person is either a member of the Key Management Personnel or a Closely Related Party of such member.

However, a vote may be cast by such person if the vote is not cast on behalf of a person who is otherwise excluded from voting, and

- (a) the person is appointed as a proxy and the appointment specifies how the proxy is to vote; or
- (b) the person appointed as proxy is the Chair and the appointment does not specify how the Chair is to vote but expressly authorises the Chair to exercise the proxy even if the Resolution is connected with the remuneration of a member of the Key Management Personnel.

Resolution 8 - Issue of Tranche Two Options to Ian Murray under the Plan

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

"That, pursuant to and in accordance with Listing Rule 10.14 and for all other purposes, Shareholders approve the issue of 1,000,000 Director Options (Tranche Two Options) to Ian Murray (and/or his nominee(s)) under the Plan and on the terms and conditions in the Explanatory Memorandum."

Voting Exclusion Statement

The Company will disregard any votes cast in favour of this Resolution by or on behalf of any Director who is eligible to participate in any employee incentive scheme in relation to the Company or any of associate of such a Director.

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 Chair 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.

In accordance with section 250BD of the Corporations Act, a vote on this Resolution must not be cast by a person appointed as a proxy, where that person is either a member of the Key Management Personnel or a Closely Related Party of such member.

However, a vote may be cast by such person if the vote is not cast on behalf of a person who is otherwise excluded from voting, and

- (a) the person is appointed as a proxy and the appointment specifies how the proxy is to vote; or
- (b) the person appointed as proxy is the Chair and the appointment does not specify how the Chair is to vote but expressly authorises the Chair to exercise the proxy even if the Resolution is connected with the remuneration of a member of the Key Management Personnel.

Resolution 9 - Issue of Tranche Three Options to Ian Murray under the Plan

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

*"That, pursuant to and in accordance with Listing Rule 10.14 and for all other purposes, Shareholders approve the issue of 1,000,000 Director Options (**Tranche Three Options**) to Ian Murray (and/or his nominee(s)) under the Plan and on the terms and conditions in the Explanatory Memorandum."*

Voting Exclusion Statement

The Company will disregard any votes cast in favour of this Resolution by or on behalf of any Director who is eligible to participate in any employee incentive scheme in relation to the Company or any of associate of such a Director.

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 Chair 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.

In accordance with section 250BD of the Corporations Act, a vote on this Resolution must not be cast by a person appointed as a proxy, where that person is either a member of the Key Management Personnel or a Closely Related Party of such member.

However, a vote may be cast by such person if the vote is not cast on behalf of a person who is otherwise excluded from voting, and

- (a) the person is appointed as a proxy and the appointment specifies how the proxy is to vote; or
- (b) the person appointed as proxy is the Chair and the appointment does not specify how the Chair is to vote but expressly authorises the Chair to exercise the proxy even if the Resolution is connected with the remuneration of a member of the Key Management Personnel.

1.2 Resolution 10 - Issue of Tranche Four Options to Ian Murray under the Plan

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

"That, pursuant to and in accordance with Listing Rule 10.14 and for all other purposes, Shareholders approve the issue of 1,000,000 Director Options to Ian Murray (and/or his nominee(s)) under the Plan and on the terms and conditions in the Explanatory Memorandum."

Voting Exclusion Statement

The Company will disregard any votes cast in favour of this Resolution by or on behalf of any Director who is eligible to participate in any employee incentive scheme in relation to the Company or any of associate of such a Director.

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 Chair 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.

In accordance with section 250BD of the Corporations Act, a vote on this Resolution must not be cast by a person appointed as a proxy, where that person is either a member of the Key Management Personnel or a Closely Related Party of such member.

However, a vote may be cast by such person if the vote is not cast on behalf of a person who is otherwise excluded from voting, and

- (a) the person is appointed as a proxy and the appointment specifies how the proxy is to vote; or
- (b) the person appointed as proxy is the Chair and the appointment does not specify how the Chair is to vote but expressly authorises the Chair to exercise the proxy even if the Resolution is connected with the remuneration of a member of the Key Management Personnel.

BY ORDER OF THE BOARD

Stuart McKenzie
Company Secretary
Matador Mining Limited
Dated: 14 May 2020

EXPLANATORY MEMORANDUM

1. Explanatory information in relation to new Resolutions 6, 7, 8, 9 and 10

The following is inserted after Section 7 in the Explanatory Memorandum to the Notice to the GM.

Resolution 6 - Approval of issue of Shares to Ian Murray

1.1 General

Resolution 6 seeks Shareholder approval in accordance with Listing Rule 10.11 for Director Mr Ian Murray (and/or his nominee) to purchase 1,000,000 Shares at \$0.20 per Share.

On 14 May 2020, Mr Ian Murray joined the Board as Executive Chairman. Pursuant to Mr Murray's appointment, the Company has agreed to issue 1,000,000 Shares to Mr Murray (and/or his nominee(s)) at \$0.20 per Share (**Murray Shares**).

In March 2020, the Company completed the placement of 21,984,622 Shares to raise approximately \$4.4 million (**Placement**). The Company's directors at the time of the placement - Mr Grant Davey, Mr Adam Kiley and Mr Keith Bowes - subscribed for 1,350,000 Shares in the Placement, the issue of which is subject to approval of Shareholders at the GM.

The Board considers that the price of \$0.20 for the Murray Shares, being equal to the price at which Shares were issued under the Placement and the closing price of Shares on 13 May 2020, the day before Mr Murray's appointment' is reasonable in the circumstances.

Resolution 6 is an ordinary resolution.

The Chair intends to exercise all available proxies in favour of Resolution 6.

1.2 Section 208 of Corporations Act

In accordance with section 208 of the Corporations Act, to give a financial benefit to a related party, the Company must obtain Shareholder approval unless the giving of the financial benefit falls within an exception in sections 210 to 216 of the Corporations Act.

The Board considers that Shareholder approval under section 208 of the Corporations Act is not required as the exception in section 210 of the Corporations Act applies. The Murray Shares will be issued to Mr Murray on the same terms as which the Company would issue Shares to a non-related party and as such, the giving of the financial benefit to Mr Murray will be on arm's length terms.

1.3 Listing Rule 10.11

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

- (a) a related party;

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

The issue falls within Listing Rule 10.11.1 and does not fall within any of the exceptions in Listing Rule 10.12. Mr Murray is a related party of the Company as he is a Director. Therefore, the issue requires the approval of the Company's shareholders under Listing Rule 10.11.

If Resolution 6 is passed, the Company will issue the Murray Shares to Mr Murray (and/or his nominee(s)) and pursuant to Listing Rule 7.2, exception 14, the issue of the Murray 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. If Resolution 6 is not passed, the Company will not issue the Murray Shares to Mr Murray (and/or his nominee(s)).

1.4 Specific information required by Listing Rule 10.13

In accordance with Listing Rule 10.13, the following information regarding the issue of the Murray Shares to Mr Murray (and/or his nominee(s)) is provided:

- (a) The Murray Shares will be issued to Mr Murray (and/or his nominees).
- (b) Mr Murray falls within Listing Rule 10.11.1 - Mr Murray is a related party of the Company because he is a Director.
- (c) The maximum number of Shares, being fully paid ordinary shares, to be issued to Mr Murray is 1,000,000.
- (d) The Murray Shares are fully paid ordinary shares in the capital of the Company and rank equally in all respects with the Company's existing Shares on issue.
- (e) Subject to Shareholders approving Resolution 6, the Company will issue the Murray Shares to Mr Murray on a date to be determined no later than one month after the date of the Meeting.
- (f) Mr Murray's current remuneration package, inclusive of superannuation (not including the Tranche 1-4 Options) is \$300,000 per year.
- (g) The Murray Shares will be issued at a price of \$0.20 per Share.
- (h) The funds raised from the issue of the Murray Shares are expected to be used to fund the Company's 2020 exploration program.
- (i) The issue is not intended to remunerate or incentivise the director.
- (j) A voting exclusion statement is included in the Notice for Resolution 6.

1.5 Director Recommendation

The Directors recommend that Shareholders vote in favour of Resolution 6.

Resolution 7 - Approval of issue of Tranche One Options to Ian Murray

2.1 General

Resolution 7 seeks Shareholder approval in accordance with Listing Rule 10.14, Sections 200B and 200E of the Corporations Act and for all other purposes, to issue the Tranche One Options to Mr Murray (and/or his nominee(s)) as part of the incentive component of his remuneration package as Executive Chairman of the Company.

The Tranche One Options comprise 1,000,000 zero priced options with an expiry date that is 3 years from the date of grant, which vest on completion of a capital raising or capital raisings that ensure the Company is adequately funded to deliver its strategy.

In the Company's present circumstances, the Board considers that the grant of the Tranche One Options to Mr Murray is a cost effective and efficient reward for the Company to make to appropriately incentivise the performance of Mr Murray as the Executive Chairman and is consistent with the strategic goals and targets of the Company.

The Tranche One Options will be granted to Mr Murray (and/or his nominee) on the terms and conditions in Schedule 2.

Resolution 7 is an ordinary resolution.

The Chair intends to exercise all available proxies in favour of Resolution 7.

2.2 Listing Rule 10.14

Listing Rule 10.14 requires shareholder approval to be obtained where an entity issues, or agrees to issue, securities under an employee incentive scheme to a director of the entity, an associate of a director, or a person whose relationship with the entity, a director or an associate of a director is, in ASX's opinion, such that approval should be obtained. Shareholder approval is required under Listing Rule 10.14 to issue the Tranche One Options because Mr Murray is a Director. Furthermore, if Shareholders approve Resolution 7, Listing Rule 7.2 (Exception 14) provides that an issue of Shares upon conversion of those Options will not reduce the Company's 15% placement capacity under Listing Rule 7.1 and separate approval under this Resolution 7 is not required for the purposes of Listing Rule 7.1.

2.3 Information required by Listing Rule 10.15A

The following information is provided as required by Listing Rule 10.15A:

- (a) Mr Murray falls within Listing Rule 10.14.1 - Mr Murray is a related party of the Company because he is a Director.
- (b) The maximum number of Tranche One Options that may be issued to Mr Murray is 1,000,000.
- (c) Mr Murray's current remuneration package, inclusive of superannuation (not including the Tranche 1-4 Options) is \$300,000 per year.

- (d) Mr Murray has not been issued securities under the Option Plan since it was implemented.
- (e) The Company will issue the Tranche One Options to Mr Murray as soon as reasonably practicable after the Meeting, and in any event within three years after the Meeting.
- (f) The Tranche One Options have an exercise price of zero and an expiry date that is three years from the date of grant.
- (g) The Company has established an employee securities incentive plan (**Plan**). The full terms of the Plan may be inspected at the registered office of the Company during normal business hours. A summary of the terms of the Plan is set out in Schedule 1.
- (h) Assuming all of the Tranche One Options vest, the Tranche One Options have a value of \$200,000, based on a Share price of \$0.20. The table below shows the value of the options under different vesting scenarios:

No. Tranche One Options Vested	25%	50%	75%	100%
Value of Tranche One Options (\$)	50,000	100,000	150,000	200,000

- (i) No loan is made in relation to the issue of the Tranche One Options to Mr Murray.
- (j) The persons referred to in Listing Rule 10.14, being Mr Grant Davey and Mr Keith Bowes, each a Director.
- (k) The persons referred to in Listing Rule 10.14 entitled to participate in the Plan are Mr Davey and Mr Bowes.
- (l) Details of any securities issued under the Option Plan will be published in each annual report relating to a period in which securities have been issued under the Plan, with a statement that approval for the issue of the securities was obtained under Listing Rule 10.14.
- (m) Any additional persons (to whom Listing Rule 10.14 applies) who become entitled to participate in the Option Plan after approval of Resolution 7 and who are not named in this Notice will not participate until approval is obtained under Listing Rule 10.14.
- (n) A voting exclusion statement is included with Resolution 7 in the Notice.

2.4 Information required for Sections 200B and 200E of the Corporations Act

Under Sections 200B and 200E of the Corporations Act, the Company can only give a benefit to a member of Key Management Personnel in connection with retirement from office or employment in the Company with prior Shareholder approval or if any of a number of exceptions apply. Accelerated vesting or automatic vesting of share-based payments may in some cases be a benefit of this kind.

As a participant in the Option Plan, Mr Murray may become entitled to accelerated vesting or automatic vesting of Options if there is a change in control of the Company or if the Board exercises a discretion upon cessation of employment. Approval is sought for Mr Murray to be given any such benefit in connection with his retirement from office or employment with the Company.

The value of the benefit that might be given to Mr Murray by the exercise of the Board's discretion under the Option Plan will depend on a number of factors. Accordingly, the precise value of the benefit cannot be ascertained at the present time. Apart from the future Share price being unknown, the following matters which will or are likely to affect the value of the benefits are also unknown:

- (a) The number of Options held by Mr Murray prior to the cessation of his employment;
- (b) Reasons for the cessation of employment and Mr Murray's length of service;
- (c) The term of the Options remaining;
- (d) The extent to which any vesting conditions or other performance or exercise hurdles have been satisfied; and
- (e) The exercise of the Board's discretion at the relevant time.

2.5 Directors' recommendation

The Directors (excluding Mr Murray) believe that the issue of the Tranche One Options to Mr Murray and the issue of Shares to settle such Options is in the best interests of the Company, and unanimously recommend that Shareholders vote in favour of Resolution 7.

Mr Murray does not make a recommendation in relation to Resolution 7 as he has an interest in the outcome of the resolution.

Resolution 8 - Approval of issue of Tranche Two Options to Ian Murray

3.1 General

Resolution 8 seeks Shareholder approval in accordance with Listing Rule 10.14, Sections 200B and 200E of the Corporations Act and for all other purposes, to issue the Tranche Two Options to Mr Murray (and/or his nominee(s)) as part of the incentive component of his remuneration as Executive Chairman of the Company.

The Tranche Two Options comprise 1,000,000 zero priced options with an expiry date that is 3 years from the date of grant, that vest subject to a restructure of the Board to include the appointment of two respected, independent Non-Executive Directors, who shall replace the Company's existing Executive Directors and a share price, based on a 30 day volume weighted average price, of not less than \$0.30.

In the Company's present circumstances, the Board considers that the grant of the Tranche Two Options to Mr Murray is a cost effective and efficient reward for the Company to make to appropriately incentivise the performance of Mr Murray as the Executive Chairman and is consistent with the strategic goals and targets of the Company.

The Tranche Two Options will be granted to Mr Murray (and/or his nominee) on the terms and conditions in Schedule 2.

Resolution 8 is an ordinary resolution.

The Chair intends to exercise all available proxies in favour of Resolution 8.

3.2 Listing Rule 10.14

Listing Rule 10.14 requires shareholder approval to be obtained where an entity issues, or agrees to issue, securities under an employee incentive scheme to a director of the entity, an associate of a director, or a person whose relationship with the entity, a director or an associate of a director is, in ASX's opinion, such that approval should be obtained. Shareholder approval is required under Listing Rule 10.14 to issue the Tranche Two Options because Mr Murray is a Director. Furthermore, if Shareholders approve Resolution 8, Listing Rule 7.2 (Exception 14) provides that an issue of Shares upon conversion of those Options will not reduce the Company's 15% placement capacity under Listing Rule 7.1 and separate approval under this Resolution 8 is not required for the purposes of Listing Rule 7.1.

3.3 Information required by Listing Rule 10.15A

The following information is provided as required by Listing Rule 10.15A:

- (a) Mr Murray falls within Listing Rule 10.14.1 - Mr Murray is a related party of the Company because he is a Director.
- (b) The maximum number of Tranche Two Options that may be issued to Mr Murray is 1,000,000.
- (c) Mr Murray's current remuneration package, inclusive of superannuation (not including the Tranche 1-4 Options) is \$300,000 per year.
- (d) Mr Murray has not been issued securities under the Option Plan since it was implemented.
- (e) The Company will issue the Tranche Two Options to Mr Murray as soon as reasonably practicable after the Meeting, and in any event within three years after the Meeting.
- (f) The Tranche Two Options have an exercise price of zero and an expiry date that is three years from the date of grant.
- (g) The Company has established an employee securities incentive plan (**Plan**). The full terms of the Plan may be inspected at the registered office of the Company during normal business hours. A summary of the terms of the Plan is set out in Schedule 1.
- (f) Assuming all of the Tranche Two Options vest, the Tranche Two Options have a value of \$200,000, based on a Share price of \$0.20. The table below shows the value of the options under different vesting scenarios:

No. Tranche Two Options Vested	25%	50%	75%	100%
Value of Tranche Two Options (\$)	50,000	100,000	150,000	200,000

- (h) No loan is made in relation to the issue of the Tranche Two Options to Mr Murray.
- (i) The persons referred to in Listing Rule 10.14, being Mr Grant Davey and Mr Keith Bowes, each a Director.
- (j) The persons referred to in Listing Rule 10.14 entitled to participate in the Plan are Mr Davey and Mr Bowes.

- (k) Details of any securities issued under the Option Plan will be published in each annual report relating to a period in which securities have been issued under the Plan, with a statement that approval for the issue of the securities was obtained under Listing Rule 10.14.
- (l) Any additional persons (to whom Listing Rule 10.14 applies) who become entitled to participate in the Option Plan after approval of Resolution 8 and who are not named in this Notice will not participate until approval is obtained under Listing Rule 10.14.
- (m) A voting exclusion statement is included with Resolution 8 in the Notice.

3.4 Information required for Sections 200B and 200E of the Corporations Act

Under Sections 200B and 200E of the Corporations Act, the Company can only give a benefit to a member of Key Management Personnel in connection with retirement from office or employment in the Company with prior Shareholder approval or if any of a number of exceptions apply. Accelerated vesting or automatic vesting of share-based payments may in some cases be a benefit of this kind.

As a participant in the Option Plan, Mr Murray may become entitled to accelerated vesting or automatic vesting of Options if there is a change in control of the Company or if the Board exercises a discretion upon cessation of employment. Approval is sought for Mr Murray to be given any such benefit in connection with his retirement from office or employment with the Company.

The value of the benefit that might be given to Mr Murray by the exercise of the Board's discretion under the Option Plan will depend on a number of factors. Accordingly, the precise value of the benefit cannot be ascertained at the present time. Apart from the future Share price being unknown, the following matters which will or are likely to affect the value of the benefits are also unknown:

- (a) The number of Options held by Mr Murray prior to the cessation of his employment;
- (b) Reasons for the cessation of employment and Mr Murray's length of service;
- (c) The term of the Options remaining;
- (d) The extent to which any vesting conditions or other performance or exercise hurdles have been satisfied; and
- (e) The exercise of the Board's discretion at the relevant time.

3.5 Directors' recommendation

The Directors (excluding Mr Murray) believe that the issue of the Tranche Two Options to Mr Murray and the issue of Shares to settle such Options is in the best interests of the Company, and unanimously recommend that Shareholders vote in favour of Resolution 8.

Mr Murray does not make a recommendation in relation to Resolution 8 as he has an interest in the outcome of the resolution.

Resolution 9 - Approval of issue of Tranche Three Options to Ian Murray

4.1 General

Resolution 9 seeks Shareholder approval in accordance with Listing Rule 10.14, Sections 200B and 200E of the Corporations Act and for all other purposes, to issue the Tranche Three Options to Mr Murray (and/or his nominee(s)) as part of the incentive component of his remuneration as Executive Chairman of the Company.

The Tranche Three Options comprise 1,000,000 zero priced options with an expiry date that is 3 years from the date of grant, that vest on achievement of an independently verified JORC Code 2012 compliant mineral resource at the Cape Ray Gold Project which is estimated to contain at least 1,500,000 oz of contained gold metal.

In the Company's present circumstances, the Board considers that the grant of the Tranche Three Options to Mr Murray is a cost effective and efficient reward for the Company to make to appropriately incentivise the performance of Mr Murray as the Executive Chairman and is consistent with the strategic goals and targets of the Company.

The Tranche Three Options will be granted to Mr Murray (and/or his nominee) on the terms and conditions in Schedule 2.

Resolution 10 is an ordinary resolution.

The Chair intends to exercise all available proxies in favour of Resolution 9.

4.2 Listing Rule 10.14

Listing Rule 10.14 requires shareholder approval to be obtained where an entity issues, or agrees to issue, securities under an employee incentive scheme to a director of the entity, an associate of a director, or a person whose relationship with the entity, a director or an associate of a director is, in ASX's opinion, such that approval should be obtained. Shareholder approval is required under Listing Rule 10.14 to issue the Tranche Three Options because Mr Murray is a Director. Furthermore, if Shareholders approve Resolution 9, Listing Rule 7.2 (Exception 14) provides that an issue of Shares upon conversion of those Options will not reduce the Company's 15% placement capacity under Listing Rule 7.1 and separate approval under this Resolution 9 is not required for the purposes of Listing Rule 7.1.

4.3 Information required by Listing Rule 10.15A

The following information is provided as required by Listing Rule 10.15A:

- (a) Mr Murray falls within Listing Rule 10.14.1 - Mr Murray is a related party of the Company because he is a Director.
- (b) The maximum number of Tranche Three Options that may be issued to Mr Murray is 1,000,000.
- (c) Mr Murray's current remuneration package, inclusive of superannuation (not including the Tranche 1-4 Options) is \$300,000 per year.
- (d) Mr Murray has not been issued securities under the Option Plan since it was implemented.

- (e) The Company will issue the Tranche Three Options to Mr Murray as soon as reasonably practicable after the Meeting, and in any event within three years after the Meeting.
- (f) The Tranche Three Options have an exercise price of zero and an expiry date that is three years from the date of grant.
- (g) The Company has established an employee securities incentive plan (**Plan**). The full terms of the Plan may be inspected at the registered office of the Company during normal business hours. A summary of the terms of the Plan is set out in Schedule 1.
- (g) Assuming all of the Tranche Three Options vest, the Tranche Three Options have a value of \$200,000, based on a Share price of \$0.20. The table below shows the value of the options under different vesting scenarios:

No. Tranche Three Options Vested	25%	50%	75%	100%
Value of Tranche Three Options (\$)	50,000	100,000	150,000	200,000

- (h) No loan is made in relation to the issue of the Tranche Three Options to Mr Murray.
- (i) The persons referred to in Listing Rule 10.14, being Mr Grant Davey and Mr Keith Bowes, each a Director.
- (j) The persons referred to in Listing Rule 10.14 entitled to participate in the Plan are Mr Davey and Mr Bowes.
- (k) Details of any securities issued under the Option Plan will be published in each annual report relating to a period in which securities have been issued under the Plan, with a statement that approval for the issue of the securities was obtained under Listing Rule 10.14.
- (l) Any additional persons (to whom Listing Rule 10.14 applies) who become entitled to participate in the Option Plan after approval of Resolution 9 and who are not named in this Notice will not participate until approval is obtained under Listing Rule 10.14.
- (m) A voting exclusion statement is included with Resolution 9 in the Notice.

4.4 Information required for Sections 200B and 200E of the Corporations Act

Under Sections 200B and 200E of the Corporations Act, the Company can only give a benefit to a member of Key Management Personnel in connection with retirement from office or employment in the Company with prior Shareholder approval or if any of a number of exceptions apply. Accelerated vesting or automatic vesting of share-based payments may in some cases be a benefit of this kind.

As a participant in the Option Plan, Mr Murray may become entitled to accelerated vesting or automatic vesting of Options if there is a change in control of the Company or if the Board exercises a discretion upon cessation of employment. Approval is sought for Mr Murray to be given any such benefit in connection with his retirement from office or employment with the Company.

The value of the benefit that might be given to Mr Murray by the exercise of the Board's discretion under the Option Plan will depend on a number of factors. Accordingly, the precise value of the benefit cannot be ascertained at the present time. Apart from the

future Share price being unknown, the following matters which will or are likely to affect the value of the benefits are also unknown:

- (a) The number of Options held by Mr Murray prior to the cessation of his employment;
- (b) Reasons for the cessation of employment and Mr Murray's length of service;
- (c) The term of the Options remaining;
- (d) The extent to which any vesting conditions or other performance or exercise hurdles have been satisfied; and
- (e) The exercise of the Board's discretion at the relevant time.

4.5 Directors' recommendation

The Directors (excluding Mr Murray) believe that the issue of the Tranche Three Options to Mr Murray and the issue of Shares to settle such Options is in the best interests of the Company, and unanimously recommend that Shareholders vote in favour of Resolution 9.

Mr Murray does not make a recommendation in relation to Resolution 9 as he has an interest in the outcome of the resolution.

Resolution 10 - Approval of issue of Tranche Four Options to Ian Murray

5.1 General

Resolution 10 seeks Shareholder approval in accordance with Listing Rule 10.14, Sections 200B and 200E of the Corporations Act and for all other purposes, to issue the Tranche Four Options to Mr Murray (and/or his nominee(s)) as part of the incentive component of his remuneration as Executive Chairman of the Company.

The Tranche Four Options comprise 1,000,000 zero priced options with an expiry date that is 3 years from the date of grant, that vest on achievement of an independently verified JORC Code 2012 compliant mineral resource at the Cape Ray Gold Project which is estimated to contain at least 2,000,000 oz of contained gold metal.

In the Company's present circumstances, the Board considers that the grant of the Tranche Four Options to Mr Murray is a cost effective and efficient reward for the Company to make to appropriately incentivise the performance of Mr Murray as the Executive Chairman and is consistent with the strategic goals and targets of the Company.

The Tranche Four Options will be granted to Mr Murray (and/or his nominee) on the terms and conditions in Schedule 2.

Resolution 10 is an ordinary resolution.

The Chair intends to exercise all available proxies in favour of Resolution 10.

5.2 Listing Rule 10.14

Listing Rule 10.14 requires shareholder approval to be obtained where an entity issues, or agrees to issue, securities under an employee incentive scheme to a director of the entity, an associate of a director, or a person whose relationship with the entity, a director or an associate of a director is, in ASX's opinion, such that approval should be

obtained. Shareholder approval is required under Listing Rule 10.14 to issue the Tranche Four Options because Mr Murray is a Director. Furthermore, if Shareholders approve Resolution 10, Listing Rule 7.2 (Exception 14) provides that an issue of Shares upon conversion of those Options will not reduce the Company's 15% placement capacity under Listing Rule 7.1 and separate approval under this Resolution 10 is not required for the purposes of Listing Rule 7.1.

4.6 Information required by Listing Rule 10.15A

The following information is provided as required by Listing Rule 10.15A:

- (a) Mr Murray falls within Listing Rule 10.14.1 - Mr Murray is a related party of the Company because he is a Director.
- (b) The maximum number of Tranche Four Options that may be issued to Mr Murray is 1,000,000.
- (c) Mr Murray's current remuneration package, inclusive of superannuation (not including the Tranche 1-4 Options) is \$300,000 per year.
- (d) Mr Murray has not been issued securities under the Option Plan since it was implemented.
- (e) The Company will issue the Tranche Four Options to Mr Murray as soon as reasonably practicable after the Meeting, and in any event within three years after the Meeting.
- (f) The Tranche Four Options have an exercise price of zero and an expiry date that is three years from the date of grant.
- (g) The Company has established an employee securities incentive plan (**Plan**). The full terms of the Plan may be inspected at the registered office of the Company during normal business hours. A summary of the terms of the Plan is set out in Schedule 1.
- (h) Assuming all of the Tranche Four Options vest, the Tranche Four Options have a value of \$200,000, based on a Share price of \$0.20. The table below shows the value of the options under different vesting scenarios:

No. Tranche Four Options Vested	25%	50%	75%	100%
Value of Tranche Four Options (\$)	50,000	100,000	150,000	200,000

- (h) No loan is made in relation to the issue of the Tranche Four Options to Mr Murray.
- (i) The persons referred to in Listing Rule 10.14, being Mr Grant Davey and Mr Keith Bowes, each a Director.
- (j) The persons referred to in Listing Rule 10.14 entitled to participate in the Plan are Mr Davey and Mr Bowes.
- (k) Details of any securities issued under the Option Plan will be published in each annual report relating to a period in which securities have been issued under the Plan, with a statement that approval for the issue of the securities was obtained under Listing Rule 10.14.
- (l) Any additional persons (to whom Listing Rule 10.14 applies) who become entitled to participate in the Option Plan after approval of Resolution 10 and who are not

named in this Notice will not participate until approval is obtained under Listing Rule 10.14.

- (m) A voting exclusion statement is included with Resolution 10 in the Notice.

4.7 Information required for Sections 200B and 200E of the Corporations Act

Under Sections 200B and 200E of the Corporations Act, the Company can only give a benefit to a member of Key Management Personnel in connection with retirement from office or employment in the Company with prior Shareholder approval or if any of a number of exceptions apply. Accelerated vesting or automatic vesting of share-based payments may in some cases be a benefit of this kind.

As a participant in the Option Plan, Mr Murray may become entitled to accelerated vesting or automatic vesting of Options if there is a change in control of the Company or if the Board exercises a discretion upon cessation of employment. Approval is sought for Mr Murray to be given any such benefit in connection with his retirement from office or employment with the Company.

The value of the benefit that might be given to Mr Murray by the exercise of the Board's discretion under the Option Plan will depend on a number of factors. Accordingly, the precise value of the benefit cannot be ascertained at the present time. Apart from the future Share price being unknown, the following matters which will or are likely to affect the value of the benefits are also unknown:

- (f) The number of Options held by Mr Murray prior to the cessation of his employment;
- (g) Reasons for the cessation of employment and Mr Murray's length of service;
- (h) The term of the Options remaining;
- (i) The extent to which any vesting conditions or other performance or exercise hurdles have been satisfied; and
- (j) The exercise of the Board's discretion at the relevant time.

4.8 Directors' recommendation

The Directors (excluding Mr Murray) believe that the issue of the Tranche Four Options to Mr Murray and the issue of Shares to settle such Options is in the best interests of the Company, and unanimously recommend that Shareholders vote in favour of Resolution 10.

Mr Murray does not make a recommendation in relation to Resolution 10 as he has an interest in the outcome of the resolution.

Schedule 1 - Summary of Employee Securities Incentive Plan

The Company has established an employee securities incentive plan (**Plan**). The full terms of the Plan may be inspected at the registered office of the Company during normal business hours. A summary of the terms of the Plan is set out below.

1. Eligible Participant

Eligible Participant means a person that:

- (a) is an "eligible participant" (as that term is defined in ASIC Class Order 14/1000) in relation to the Company or an Associated Body Corporate (as that term is defined in ASIC Class Order 14/1000); and
- (b) has been determined by the Board to be eligible to participate in the Plan from time to time.

2. Purpose

The purpose of the Plan is to:

- (a) assist in the reward, retention and motivation of Eligible Participants;
- (b) link the reward of Eligible Participants to Shareholder value creation; and
- (c) align the interests of Eligible Participants with shareholders of the Group (being the Company and each of its Associated Bodies Corporate), by providing an opportunity to Eligible Participants to receive an equity interest in the Company in the form of Securities.

3. Plan administration

The Plan will be administered by the Board. The Board may exercise any power or discretion conferred on it by the Plan rules in its sole and absolute discretion. The Board may delegate its powers and discretion.

4. Eligibility, invitation and application

- (a) The Board may from time to time determine that an Eligible Participant may participate in the Plan and make an invitation to that Eligible Participant to apply for Securities on such terms and conditions as the Board decides.
- (b) On receipt of an Invitation, an Eligible Participant may apply for the Securities the subject of the invitation by sending a completed application form to the Company. The Board may accept an application from an Eligible Participant in whole or in part.
- (c) If an Eligible Participant is permitted in the invitation, the Eligible Participant may, by notice in writing to the Board, nominate a party in whose favour the Eligible Participant wishes to renounce the invitation.

5. Grant of Securities

The Company will, to the extent that it has accepted a duly completed application, grant the Participant the relevant number of Securities, subject to the terms and conditions set out in the invitation, the Plan rules and any ancillary documentation required.

6. Terms of Convertible Securities

Each 'Convertible Security' represents a right to acquire one or more Shares (for example, under an option or performance right), subject to the terms and conditions of the Plan.

Prior to a Convertible Security being exercised a Participant does not have any interest (legal, equitable or otherwise) in any Share the subject of the Convertible Security by virtue of holding the Convertible Security. A Participant may not sell, assign, transfer, grant a security interest over or otherwise deal with a Convertible Security that has been granted to them. A Participant must not enter into any arrangement for the purpose of hedging their economic exposure to a Convertible Security that has been granted to them.

7. Vesting of Convertible Securities

Any vesting conditions applicable to the grant of Convertible Securities will be described in the invitation. If all the vesting conditions are satisfied and/or otherwise waived by the Board, a vesting notice will be sent to the Participant by the Company informing them that the relevant Convertible Securities have vested. Unless and until the vesting notice is issued by the Company, the Convertible Securities will not be considered to have vested. For the avoidance of doubt, if the vesting conditions relevant to a Convertible Security are not satisfied and/or otherwise waived by the Board, that Convertible Security will lapse.

8. Exercise of Convertible Securities and cashless exercise

To exercise a Convertible Security, the Participant must deliver a signed notice of exercise and, subject to a cashless exercise of Convertible Securities (see below), pay the exercise price (if any) to or as directed by the Company, at any time prior to the earlier of any date specified in the vesting notice and the expiry date as set out in the invitation.

An invitation may specify that at the time of exercise of the Convertible Securities, the Participant may elect not to be required to provide payment of the exercise price for the number of Convertible Securities specified in a notice of exercise, but that on exercise of those Convertible Securities the Company will transfer or issue to the Participant that number of Shares equal in value to the positive difference between the Market Value of the Shares at the time of exercise and the exercise price that would otherwise be payable to exercise those Convertible Securities.

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

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

9. Delivery of Shares on exercise of Convertible Securities

As soon as practicable after the valid exercise of a Convertible Security by a Participant, the Company will issue or cause to be transferred to that Participant the number of Shares to which the Participant is entitled under the Plan rules and issue a substitute certificate for any remaining unexercised Convertible Securities held by that Participant.

10. Forfeiture of Convertible Securities

Where a Participant who holds Convertible Securities ceases to be an Eligible Participant or becomes insolvent, all unvested Convertible Securities will automatically be forfeited by the Participant, unless the Board otherwise determines in its discretion to permit some or all of the Convertible Securities to vest.

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

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

- (a) any Convertible Securities which have not yet vested will be forfeited immediately on the date that the Board determines (acting reasonably and in good faith) that any applicable vesting conditions have not been met or cannot be met by the relevant date; and
- (b) any Convertible Securities which have not yet vested will be automatically forfeited on the expiry date specified in the invitation.

11. Change of control

If a change of control event occurs in relation to the Company, or the Board determines that such an event is likely to occur, the Board may in its discretion determine the manner in which any or all of the Participant's Convertible Securities will be dealt with, including, without limitation, in a manner that allows the Participant to participate in and/or benefit from any transaction arising from or in connection with the change of control event.

12. Rights attaching to Plan Shares

All Shares issued under the Plan, or issued or transferred to a Participant upon the valid exercise of a Convertible Security, (**Plan Shares**) will rank pari passu in all respects with the Shares of the same class. A Participant will be entitled to any dividends declared and distributed by the Company on the Plan Shares and may participate in any dividend reinvestment plan operated by the Company in respect of Plan Shares. A Participant may exercise any voting rights attaching to Plan Shares.

13. Disposal restrictions on Plan Shares

If the invitation provides that any Plan Shares are subject to any restrictions as to the disposal or other dealing by a Participant for a period, the Board may implement any procedure it deems appropriate to ensure the compliance by the Participant with this restriction.

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

- (a) transfer, encumber or otherwise dispose of, or have a security interest granted over that Plan Share; or
- (b) take any action or permit another person to take any action to remove or circumvent the disposal restrictions without the express written consent of the Company.

14. Adjustment of Convertible Securities

If there is a reorganisation of the issued share capital of the Company (including any subdivision, consolidation, reduction, return or cancellation of such issued capital of the Company), the rights of each Participant holding Convertible Securities will be changed to the extent necessary to comply with the Listing Rules applicable to a reorganisation of capital at the time of the reorganisation.

If Shares are issued by the Company by way of bonus issue (other than an issue in lieu of dividends or by way of dividend reinvestment), the holder of Convertible Securities is entitled, upon exercise of the Convertible Securities, to receive an allotment of as many additional Shares as would have been issued to the holder if the holder held Shares equal in number to the Shares in respect of which the Convertible Securities are exercised.

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

15. Participation in new issues

There are no participation rights or entitlements inherent in the Convertible Securities and holders are not entitled to participate in any new issue of Shares of the Company during the currency of the Convertible Securities without exercising the Convertible Securities.

16. Amendment of Plan

Subject to the following paragraph, the Board may at any time amend any provisions of the Plan rules, including (without limitation) the terms and conditions upon which any Securities have been granted under the Plan and determine that any amendments to the Plan rules be given retrospective effect, immediate effect or future effect.

No amendment to any provision of the Plan rules may be made if the amendment materially reduces the rights of any Participant as they existed before the date of the amendment, other than an amendment introduced primarily for the purpose of complying with legislation or to correct manifest error or mistake, amongst other things, or is agreed to in writing by all Participants.

17. Plan duration

The Plan continues in operation until the Board decides to end it. The Board may from time to time suspend the operation of the Plan for a fixed period or indefinitely, and may end any suspension. If the Plan is terminated or suspended for any reason, that termination or suspension must not prejudice the accrued rights of the Participants.

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