



PIONEER RESOURCES LIMITED

ACN 103 423 981

NOTICE OF GENERAL MEETING

Notice is given that the Meeting will be held at:

TIME: 9:00 am (AWST)

DATE: 7 July 2020

PLACE: Quest Apartment Hotel
54 Kings Park Road
WEST PERTH WA 6005

The business of the Meeting affects your shareholding and your vote is important.

This Notice of Meeting should be read in its entirety. If Shareholders are in doubt as to how they should vote, they should seek advice from their professional advisers prior to voting.

The Directors have determined pursuant to Regulation 7.11.37 of the Corporations Regulations 2001 (Cth) that the persons eligible to vote at the Meeting are those who are registered Shareholders at 5:00 pm (AWST) on 5 July 2020.

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

Terms and abbreviations used in the Notice are defined in the Glossary.

DUE TO THE ONGOING COVID-19 PANDEMIC, THE COMPANY IS TAKING PRECAUTIONS TO FACILITATE AN IN-PERSON MEETING IN ACCORDANCE WITH COVID-19 RESTRICTIONS. IF THE SITUATION IN RELATION TO COVID-19 CHANGES IN A WAY AFFECTING THE ABILITY TO FACILITATE AN IN-PERSON MEETING AS CURRENTLY PROPOSED, THE COMPANY WILL PROVIDE A FURTHER UPDATE AHEAD OF THE MEETING BY WAY OF AN ANNOUNCEMENT ON THE ASX MARKET ANNOUNCEMENTS PLATFORM.

Shareholders are encouraged to vote by voting online at
<https://investor.automic.com.au/#/loginsah>
or by lodging the associated proxy form to the Notice.

BUSINESS OF THE MEETING

AGENDA

1. RESOLUTION 1 – CHANGE OF COMPANY NAME

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

*"That, for the purposes of section 157(1)(a) and for all other purposes, approval is given for the name of the Company to be changed to **Essential Metals Limited.**"*

2. RESOLUTION 2 – CONSOLIDATION OF CAPITAL

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

"That, pursuant to section 254H of the Corporations Act and for all other purposes, the issued capital of the Company be consolidated on the basis that:

- (a) every ten (10) Shares be consolidated into one (1) Share;
- (b) every ten (10) Options be consolidated into one (1) Option; and
- (c) every ten (10) Performance Rights be consolidated into one (1) Performance Right,

where this Consolidation results in a fraction of a Share, Option or Performance Right being held, the Company be authorised to round that fraction up to the nearest whole Share, Option or Performance Right (as the case may be)."

3. RESOLUTION 3 – ISSUE OF OPTIONS TO CRAIG MCGOWN

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

"That for the purposes of sections 195(4) and 208 of the Corporations Act, ASX Listing Rule 10.11 and for all other purposes, approval is given for the Company to issue up to 10,000,000 pre-Consolidation Options to Craig McGown on the terms and conditions set out in the Explanatory Statement accompanying this Notice."

Voting Exclusion: The Company will disregard any votes cast in favour of the Resolution by or on behalf of Craig McGown (or their nominee) and any other person who will obtain a material benefit as a result of the issue of the securities (except a benefit solely by reason of being a holder of ordinary securities in the Company) or an associate of that person or those persons.

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

- (a) a person as proxy or attorney for a person who is entitled to vote on the Resolution, in accordance with directions given to the proxy or attorney to vote on the Resolution in that way; or
- (b) the Chair as proxy or attorney for a person who is entitled to vote on the Resolution, in accordance with a direction given to the Chair to vote on the Resolution as the Chair decides; or
- (c) a holder acting solely in a nominee, trustee, custodial or other fiduciary capacity on behalf of a beneficiary provided the following conditions are met:

- (i) the beneficiary provides written confirmation to the holder that the beneficiary is not excluded from voting, and is not an associate of a person excluded from voting, on the Resolution; and
- (ii) the holder votes on the Resolution in accordance with directions given by the beneficiary to the holder to vote in that way.

Voting Prohibition Statement:

In accordance with section 224 of the Corporations Act, a vote on this Resolution must not be cast (in any capacity) by or on behalf of a related party of the Company to whom the Resolution would permit a financial benefit to be given, or an associate of such a related party. (**Resolution 3 Excluded Party**). However, the above prohibition does not apply if the vote is cast by a person as proxy appointed by writing that specifies how the proxy is to vote on the Resolution and it is not cast on behalf of a Resolution 3 Excluded Party.

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

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

Provided the Chair is not a Resolution 3 Excluded Party, the above prohibition does not apply if:

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

4. RESOLUTION 4 – ISSUE OF OPTIONS TO PAUL PAYNE

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

“That for the purposes of sections 195(4) and 208 of the Corporations Act, ASX Listing Rule 10.11 and for all other purposes, approval is given for the Company to issue up to 6,000,000 pre-Consolidation Options to Paul Payne on the terms and conditions set out in the Explanatory Statement accompanying this Notice.”

Voting Exclusion: The Company will disregard any votes cast in favour of the Resolution by or on behalf of Paul Payne (or their nominee) and any other person who will obtain a material benefit as a result of the issue of the securities (except a benefit solely by reason of being a holder of ordinary securities in the Company) or an associate of that person or those persons.

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

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

Voting Prohibition Statement:

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

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

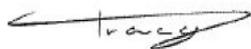
- (a) the proxy is either:
 - (i) a member of the Key Management Personnel; or
 - (ii) a Closely Related Party of such a member; and
- (b) the appointment does not specify the way the proxy is to vote on this Resolution.

Provided the Chair is not a Resolution 4 Excluded Party, the above prohibition does not apply if:

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

Dated: 5 June 2020

By order of the Board



CARL TRAVAGLINI
Company Secretary

Voting by proxy

To vote by proxy, you may complete your voting online (instructions are contained in the enclosed Proxy Form) or by completing and signing the enclosed Proxy Form and return by the time and in accordance with the instructions set out on the Proxy Form.

In accordance with section 249L of the Corporations Act, Shareholders are advised that:

- each Shareholder has a right to appoint a proxy;
- the proxy need not be a Shareholder of the Company; and
- a Shareholder who is entitled to cast two (2) or more votes may appoint two (2) proxies and may specify the proportion or number of votes each proxy is appointed to exercise. If the member appoints two (2) proxies and the appointment does not specify the proportion or number of the member's votes, then in accordance with section 249X(3) of the Corporations Act, each proxy may exercise one-half of the votes.

Shareholders and their proxies should be aware that:

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

Voting in person

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

Due to COVID19, the Meeting will be limited to the maximum number allowed by the WA Government at the time of the Meeting. Attendees will be permitted to join the Meeting on a first come, first serve basis, after allowing for the attendance of Company directors and a minimum number of personnel to facilitate the Meeting.

You may still attend the meeting and vote in person even if you have appointed a proxy. If you submitted a Proxy Form (online or in paper form), your attendance will not revoke your proxy appointment unless you actually vote at the meeting for which the proxy is proposed to be used, in which case, the proxy's appointment is deemed to be revoked with respect to voting on that resolution.

Please bring your personalised Proxy Form with you as it will help you to register your attendance at the meeting. If you do not bring your Proxy Form with you, you can still attend the meeting but representatives from Automic will need to verify your identity. You can register from 8:30 am (AWST) on the day of the meeting.

Should shareholders not wish to attend the Meeting in person, live audio from the Meeting will be made available from the commencement of the Meeting by dialling 1800 173 224 (guest passcode: 9696705). If you do not plan to attend the meeting please ensure you complete the enclosed Proxy Form as per the instructions outlined above as voting will not be available if dialling into the Meeting.

If you wish to raise a question for consideration at the meeting, please do so by submitting it no later than one week before the meeting date. Questions can be submitted by shareholders via email to (pioneer@pioresources.com.au). Please include:

- Your name and that of the holder of the shares (if the shares are held indirectly)
- Your telephone number
- Your question (please be as succinct as possible)

The Chairman, Craig McGown, or the Managing Director, Timothy Spencer, will provide responses during the meeting and will endeavour to cover all questions submitted. There is no assurance given that a separate or collective response will be provided covering each question submitted.

Should you wish to discuss the matters in this Notice of Meeting please do not hesitate to contact the Company Secretary on +61 8 9322 6974.

EXPLANATORY STATEMENT

This Explanatory Statement has been prepared to provide information which the Directors believe to be material to Shareholders in deciding whether or not to pass the Resolutions.

1. RESOLUTION 1 – CHANGE OF COMPANY NAME

Section 157(1)(a) of the Corporations Act provides that a company may change its name if the company passes a special resolution adopting a new name.

Resolution 1 seeks the approval of Shareholders for the Company to change its name to 'Essential Metals Limited'.

If Resolution 1 is passed the change of name will take effect when ASIC alters the details of the Company's registration.

The proposed name has been reserved by the Company and if Resolution 1 is passed, the Company will lodge a copy of the special resolution with ASIC following the Meeting in order to effect the change.

The Board proposes this change of name on the basis that it more accurately reflects the proposed future operations of the Company.

2. RESOLUTION 2 – CONSOLIDATION OF CAPITAL

2.1 Background

If Resolution 2 is passed and excluding any Securities issued pursuant to other Resolutions, the number of:

- (a) Shares on issue will be reduced from 1,508,758,765 to 150,875,877 (subject to rounding);
- (b) Options on issue will be reduced from 45,699,999 to 4,570,000 (subject to rounding); and
- (c) Performance Rights on issue will be reduced from 14,195,456 to 1,419,546 (subject to rounding).

2.2 Legal requirements

Section 254H of the Corporations Act provides that a company may, by resolution passed in a general meeting, convert all or any of its shares into a larger or smaller number.

2.3 Fractional entitlements

Not all Security Holders will hold that number of Shares, Options or Performance Rights (as the case may be) which can be evenly divided by ten (10). Where a fractional entitlement occurs, the Company will round that fraction up to the nearest whole Security.

2.4 Taxation

It is not considered that any taxation implications will exist for Security holders arising from the Consolidation. However, Security holders are advised to seek their own tax advice on the effect of the Consolidation and neither the Company, nor its advisers, accept any responsibility for the individual taxation implications arising from the Consolidation.

2.5 Holding statements

From the date two Business Days after the Consolidation is approved by Shareholders, all holding statements for Securities will cease to have any effect, except as evidence of entitlement to a certain number of Securities on a pre-Consolidation basis.

After the Consolidation becomes effective, the Company will arrange for new holding statements for Securities to be issued to holders of those Securities.

It is the responsibility of each Security Holder to check the number of Securities held prior to disposal or exercise (as the case may be).

2.6 Effect on capital structure

The effect which the Consolidation will have on the Company's capital structure is set out in the table below.

Capital Structure	Shares	Options	Performance Rights
Pre-Consolidation securities	1,508,758,765	45,699,999	14,195,456
Issue of Options to Craig McGowan (Resolution 3)	Nil	10,000,000	Nil
Issue of Options to Paul Payne (Resolution 4)	Nil	6,000,000	Nil
<i>Sub-total</i>	1,508,758,765	61,699,999	14,195,456
Post-Consolidation securities on a 10:1 basis (Resolution 2)	150,875,877	6,170,000	1,419,546
Completion of all Resolutions	150,875,877	6,170,000	1,419,546

Notes:

1. Other than as contemplated in this Notice, there will be no issue of Securities prior to the Consolidation.
2. The Options and Performance Rights are all unlisted.
3. The terms of the Options are set out in the table below.
4. Issue of Options to Craig McGowan and Paul Payne is to be completed on a pre-Consolidation basis.

The effect the Consolidation will have on the terms of the Options is as set out in the table below.

Options – Pre Consolidation

Terms	Number
Options exercisable at \$0.026 on or before 27 Oct 2020	2,233,333
Options exercisable at \$0.05 on or before 27 Oct 2020	2,233,333
Options exercisable at \$0.075 on or before 27 Oct 2020	2,233,333
Options exercisable at \$0.035 on or before 30 Nov 2021	12,000,000
Options exercisable at \$0.045 on or before 30 Nov 2022	12,000,000
Options exercisable at \$0.025 on or before 31 Jan 2024	5,000,000
Options exercisable at \$0.035 on or before 31 Jan 2024	5,000,000

Terms	Number
Options exercisable at \$0.045 on or before 31 Jan 2024	5,000,000
Tranche 1 Related Party Options exercisable at \$0.025 on or before 30 June 2024	5,333,333
Tranche 2 Related Party Options exercisable at \$0.035 on or before 30 June 2024	5,333,333
Tranche 3 Related Party Options exercisable at \$0.045 on or before 30 June 2024	5,333,334
Total	61,699,999

Options – Post Consolidation

Terms	Number
Options exercisable at \$0.26 on or before 27 Oct 2020	223,334
Options exercisable at \$0.50 on or before 27 Oct 2020	223,334
Options exercisable at \$0.75 on or before 27 Oct 2020	223,334
Options exercisable at \$0.35 on or before 30 Nov 2021	1,200,000
Options exercisable at \$0.45 on or before 30 Nov 2022	1,200,000
Options exercisable at \$0.25 on or before 31 Jan 2024	500,000
Options exercisable at \$0.35 on or before 31 Jan 2024	500,000
Options exercisable at \$0.45 on or before 31 Jan 2024	500,000
Tranche 1 Related Party Options exercisable at \$0.25 on or before 30 June 2024	533,334
Tranche 2 Related Party Options exercisable at \$0.35 on or before 30 June 2024	533,334
Tranche 3 Related Party Options exercisable at \$0.45 on or before 30 June 2024	533,334
Total	6,170,004

Performance Rights – Pre Consolidation

Terms	Number
Performance Rights with various vesting conditions expiring on 14 Oct 2024	8,195,456
Performance Rights with various vesting conditions expiring on 31 Jan 2024	5,000,000
Performance Rights with various vesting conditions expiring on 31 Dec 2023	1,000,000
Total	14,195,456

Performance Rights – Post Consolidation

Terms	Number
Performance Rights with various vesting conditions expiring on 14 Oct 2024	819,546
Performance Rights with various vesting conditions expiring on 31 Jan 2024	500,000
Performance Rights with various vesting conditions expiring on 31 Dec 2023	100,000
Total	1,419,546

2.7 Indicative timetable*

If Resolution 2 is passed, the reduction of capital will take effect in accordance with the following timetable:

Action	Date
Sends out Notice of Meeting.	5 June 2020
Date Shareholders approved the Consolidation	7 July 2020
Issue Related Party Options	7 July 2020
Effective date of Consolidation	8 July 2020
Last date for trading in pre-Consolidation securities	9 July 2020
Trading in post-Consolidation securities commences on a deferred settlement basis	10 July 2020
Record date	13 July 2020
First day for Company to update its register and to send holding statements to Shareholders reflecting Consolidation	14 July 2020
Last day for Company to update its register and to send holding statements to Shareholders reflecting Consolidation	20 July 2020

2.8 Failure to Approve Resolution 2

If Resolution 2 is not passed the Company will proceed with the issue of the Related Party Options (defined below), subject to obtaining Shareholder approval of Resolution 3 and 4.

3. RESOLUTION 3 AND 4 – ISSUE OF OPTIONS TO CRAIG MCGOWN AND PAUL PAYNE

3.1 General

The Company has agreed, subject to obtaining Shareholder approval, to issue a total of 16,000,000 Options (**Related Party Options**) to Craig McGown and Paul Payne (**Related Parties**) on the terms and conditions set out below.

Subject to approval of Resolution 3 the following Options held by Craig McGown as at the date of this Notice will be cancelled:

OPTIONS	Key Terms	
	Tranche 1	Tranche 2
Number	3,055,555	3,055,556
Exercise price	\$0.035	\$0.045
Expiry date	30/11/2021	30/11/2022

Subject to the approval of Resolution 2, the following table shows the impact a reduction in capital will have on the number of Options issued to Craig McGown and Paul Payne and the associated exercise prices following approval of Resolutions 3 and 4:

OPTIONS	Tranche 1	Tranche 2	Tranche 3	Totals
Pre-Consolidation				
Craig McGown	3,333,333	3,333,333	3,333,334	10,000,000
Paul Payne	2,000,000	2,000,000	2,000,000	6,000,000
Exercise Price	\$0.025	\$0.035	\$0.045	
Post-Consolidation				
Craig McGown	333,333	333,333	333,334	1,000,000
Paul Payne	200,000	200,000	200,000	600,000
Exercise Price	\$0.25	\$0.35	\$0.45	
OPTIONS	Pre-Consolidation		Post-Consolidation	
Craig McGown	10,000,000		1,000,000	
Paul Payne	6,000,000		600,000	

3.2 Chapter 2E of the Corporations Act

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

- (a) obtain the approval of the public company's members in the manner set out in sections 217 to 227 of the Corporations Act; and
- (b) give the benefit within 15 months following such approval,

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

The issue of the Related Party Options to the Related Parties constitutes giving a financial benefit and Messrs Craig McGown and Paul Payne are related parties of the Company by virtue of being directors of the Company.

As the Related Party Options are proposed to be issued to all the Directors other than Timothy Spencer, the Directors are unable to form a quorum to consider whether one of the exceptions set out in section 210 to 216 of the Corporations act applies to the issue of the Related Party Options to the Related Parties is sought in accordance with Chapter 2E of the Corporations Act.

3.3 ASX Listing Rule 10.11

In addition, ASX Listing Rule 10.11 requires shareholder approval (unless one of the exceptions in ASX Listing Rule 10.12 applies) to be obtained where an entity issues, or agrees to issue, securities to:

- 10.11.1 a related party;
- 10.11.2 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;
- 10.11.3 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;
- 10.11.4 an associate of a person referred to in Listing Rules 10.11.1 to 10.11.3; or
- 10.11.5 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,

unless it obtains the approval of its shareholders.

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

Resolutions 3 and 4 seek the required Shareholder approval for the issue of the Related Party Options under and for the purposes of Chapter 2E of the Corporations Act and ASX Listing Rule 10.11.

3.4 Technical information required by ASX Listing Rule 14.1A

If Resolutions 3 and/or 4 are passed, the Company will be able to proceed with the issue of the Related Party Options to each of the Related Parties within one month

after the date of the Meeting (or such later date as permitted by any ASX waiver or modification of the ASX Listing Rules). As approval pursuant to ASX Listing Rule 7.1 is not required for the issue of the Related Party Options (because approval is being obtained under ASX Listing Rule 10.11), the issue of the Related Party Options will not use up any of the Company's 15% annual placement capacity.

If Resolution 3 and/or 4 are not passed, the Company will not be able to proceed with the issue of the Related Party Options.

3.5 Shareholder Approval (Chapter 2E of the Corporations Act and Listing Rule 10.11)

Pursuant to and in accordance with the requirements of section 219 of the Corporations Act and ASX Listing Rule 10.13, the following information is provided in relation to the proposed issue of the Related Party Options:

- (a) the Related Party Options will be issued to the following persons:
- (i) Craig McGown (or their nominee) pursuant to Resolution 3; and
 - (ii) Paul Payne (or their nominee) pursuant to Resolution 4,
- each of whom falls within the category set out in ASX Listing Rule 10.11.1 by virtue of being a Director;
- (b) the maximum number of Related Party Options (being the nature of the financial benefit being provided) to be issued to the Related Parties is 16,000,000 pre-Consolidation Options comprising of:

DIRECTOR	Tranche 1	Tranche 2	Tranche 3	TOTAL
Craig McGown	3,333,333	3,333,333	3,333,334	10,000,000
Paul Payne	2,000,000	2,000,000	2,000,000	6,000,000
Total Options	5,333,333	5,333,333	5,333,334	16,000,000

- (c) the Related Party Options will be issued to the Related Parties no later than 1 month after the date of the Meeting (or such later date as permitted by any ASX waiver or modification of the ASX Listing Rules) and it is anticipated the Related Party Options will be issued on the one date prior to the Consolidation occurring (assuming Resolution 2 is passed);
- (d) the issue price of the Related Party Options will be nil. The Company will not receive any other consideration in respect of the issue of the Related Party Options (other than in respect of funds received on exercise of the Related Party Options);
- (e) the terms and conditions of the Related Party Options are set out in Schedule 1;
- (f) the value of the Related Party Options and the pricing methodology is set out in Schedule 2;
- (g) the purpose of the issue of the Related Party Options is to provide a performance linked incentive component in the remuneration package for the Related Parties to align the interests of the Related Parties with those of Shareholders, to motivate and reward the performance of the Related Parties in their roles as Directors and to provide a cost effective way from the Company to remunerate the Related Parties, which will allow the Company

to spend a greater proportion of its cash reserves on its operations than it would if alternative cash forms of remuneration were given to the Related Parties;

- (h) the Related Party Options are unquoted Options. The Company has agreed to issue the Related Party Options to the Related Parties for the following reasons:
- (i) the Related Party Options are unquoted; therefore, the issue of the Related Party Options has no immediate dilutionary impact on Shareholders;
 - (ii) the deferred taxation benefit which is available to the Related Parties in respect of an issue of Options is also beneficial to the Company as it means the Related Parties are not required to immediately sell the Related Party Options to fund a tax liability (as would be the case in an issue of Shares where the tax liability arises upon issue of the Shares) and will instead, continue to hold an interest in the Company; and
 - (iii) it is not considered that there are any significant opportunity costs to the Company or benefits foregone by the Company in issuing the Related Party Options on the terms proposed
- (i) the number of Related Party Options to be issued to each of the Related Parties has been determined based upon a consideration of:
- (i) current market standards and/or practices of other ASX listed companies of a similar size and stage of development to the Company;
 - (ii) the remuneration of the Related Parties; and
 - (iii) incentives to attract and ensure continuity of service of the Related Parties who have appropriate knowledge and expertise, while maintaining the Company's cash reserves.

The Company does not consider that there are any significant opportunity costs to the Company or benefits foregone by the Company in issuing the Related Party options upon the terms proposed.

- (j) the relevant interests of the Related Parties in securities of the Company (pre-Consolidation basis) are set out below:

Related Party	Shares	Options
Craig McGown	12,476,189	6,111,111
Paul Payne	2,011,575	Nil

- (k) Mr McGown has agreed to the cancellation of his existing Options, should Resolution 3 be passed by shareholders, held to align his incentives with those of his fellow Directors given the new direction previously outlined to ASX. Those Options will be cancelled at a time after the date of the Meeting;

- (l) the remuneration and emoluments from the Company to the Related Parties for the previous financial year and the proposed remuneration and emoluments for the current financial year are set out below:

Related Party	Estimated remuneration for Current Financial Year ending 30 June 2020	Financial Year ending 30 June 2019 (audited)
Craig McGown	82,500 ¹	156,319 ²
Paul Payne	26,156 ³	Nil ⁴

Notes:

1. This figure consists of a \$82,500 cash based payment.
 2. This figure consists of a \$76,875 cash based payment and a \$79,444 share based payment.
 3. This figure consists of a \$26,156 cash based payment.
 4. Mr Payne was appointed on the 24th of January 2020.
- (m) if the Related Party Options granted to the Related Parties are exercised, the Company would issue a total of 16,000,000 Shares following receipt of cash totalling \$560,000 in relation to the exercise. This will increase the number of Shares on issue from 1,508,758,765 to 1,524,758,765 (on a pre consolidated basis, assuming that no other Options are exercised or Performance Rights converted and no other Shares are issued) with the effect that the shareholding of existing Shareholders would be diluted by an aggregate of 1.06%, comprising 0.66% by Craig McGown and 0.40% by Paul Payne.

The market price for Shares during the term of the Related Party Options would normally determine whether or not the Related Party Options are exercised. If, at any time any of the Related Party Options are exercised and the Shares are trading on ASX at a price that is higher than the exercise price of the Related Party Options, there may be a perceived cost to the Company;

- (n) the trading history of the Shares on ASX in the 12 months before the date of this Notice is set out below:

	Price	Date
Highest	2.200 cents	05/09/ 2019
		06/09/2019
Lowest	0.008 cents	13/03/2020
		16/03/2020
		18/03/2020
		19/03/2020
		30/03/2020
Last	0.011 cents	03/06/2020

- (o) Timothy Spencer acknowledges that the issue of the Related Party Options to the non-executive Directors of the Company, Craig McGown and Paul Payne (**Non-Executive Directors**), is contrary to Recommendation 8.2 of the 4th edition of the ASX Corporate Governance Council's Corporate Governance Principles and Recommendations. However, Mr Spencer considers the issue of Related Party Options to the Non-Executive Directors to

be reasonable in the circumstances for the reasons set out in Sections 3.5(g) and 3.5(i);

- (p) Timothy Spencer recommends that Shareholders vote in favour of Resolutions 3 and 4 for the reasons set out in Sections 3.5(d) and 3.5(g). In forming their recommendation, Mr Spencer considered the experience of the Related Parties, the current market price of Shares, the current market standards and practices when determining the number of Related Party Options to be issued to each of the Related Parties, as well as the exercise price and expiry date of those Related Party Options;
- (q) each Director (other than Mr Spencer) has a material personal interest in the outcome of Resolutions 3 and 4 on the basis that the Directors (other than Mr Spencer) (or their nominees) are to be issued Related Party Options on the same terms and conditions should Resolutions 3 and 4 be passed. For this reason, the Directors (other than Mr Spencer) do not believe that it is appropriate to make a recommendation on Resolutions 3 and 4 of this Notice;
- (r) the Board is not aware of any other information that would be reasonably required by Shareholders to allow them to make a decision whether it is in the best interests of the Company to pass Resolutions 3 and 4; and
- (s) a voting exclusion statement is included in Resolution 3 and 4 of the Notice.

GLOSSARY

\$ means Australian dollars.

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

ASIC means the Australian Securities & Investments Commission.

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

ASX Listing Rules means the Listing Rules of ASX.

AWST means Australian Western Standard Time as observed in Perth, Western Australia.

Board means the current board of directors of the Company.

Business Day means Monday to Friday inclusive, except New Year's Day, Good Friday, Easter Monday, Christmas Day, Boxing Day, and any other day that ASX declares is not a business day.

Chair means the chair of the Meeting.

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

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

Company means Pioneer Resources Limited (ACN 103 423 981).

Constitution means the Company's constitution.

Consolidation has the meaning described in Resolution 2.

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

Directors means the current directors of the Company.

Explanatory Statement means the explanatory statement accompanying the Notice.

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

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

Option means an option to acquire a Share.

Optionholder means a holder of an Option.

Performance Right means a right to be issued or transferred a Share.

Performance Rights Holder means the holder of a Performance Right.

Proxy Form means the proxy form accompanying the Notice.

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

Section means a section of the Explanatory Statement.

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

Shareholder means a registered holder of a Share.

SCHEDULE 1 – TERMS AND CONDITIONS OF OPTIONS

(a) **Entitlement**

Each Option is unlisted and entitles the holder to subscribe for one Share upon exercise of the Option.

(b) **Exercise Price & Expiry Date**

OPTIONS	Key Terms		
	Tranche 1	Tranche 3	Tranche 3
Exercise price	\$0.025	\$0.035	\$0.045
Expiry date	30/06/2024	30/06/2024	30/06/2024

Subject to paragraph (h), the amount payable upon exercise of each Option will be as detailed in the above table (**Exercise Price**)

Each Option will expire at 5pm (AWST) on the expiry date detailed in the above table (**Expiry Date**). An Option not exercised before the Expiry Date will automatically lapse on the Expiry Date.

(c) **Exercise Period**

The Options are exercisable at any time on and from the date that the relevant Option vests in accordance with (c), until the Expiry Date (**Exercise Period**).

(d) **Notice of Exercise**

The Options may be exercised during the Exercise Period by notice in writing to the Company in the manner specified on the Option certificate (**Notice of Exercise**) and payment of the Exercise Price for each Option being exercised in Australian currency by electronic funds transfer or other means of payment acceptable to the Company.

(e) **Exercise Date**

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

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

Within 15 Business Days after the later of the following:

- (i) the Exercise Date; and
- (ii) when excluded information in respect to the Company (as defined in section 708A(7) of the Corporations Act) (if any) ceases to be excluded information,

but in any case no later than 20 Business Days after the Exercise Date, the Company will:

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

- (iv) if required, give ASX a notice that complies with section 708A(5)(e) of the Corporations Act, or, if the Company is unable to issue such a notice, lodge with ASIC a prospectus prepared in accordance with the Corporations Act and do all such things necessary to satisfy section 708A(11) of the Corporations Act to ensure that an offer for sale of the Shares does not require disclosure to investors; and
- (v) if admitted to the official list of ASX at the time, apply for official quotation on ASX of Shares issued pursuant to the exercise of the Options.

If a notice delivered under (f)(iv) for any reason is not effective to ensure that an offer for sale of the Shares does not require disclosure to investors, the Company must, no later than 20 Business Days after becoming aware of such notice being ineffective, lodge with ASIC a prospectus prepared in accordance with the Corporations Act and do all such things necessary to satisfy section 708A(11) of the Corporations Act to ensure that an offer for sale of the Shares does not require disclosure to investors.

(g) **Shares issued on exercise**

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

(h) **Reconstruction of capital**

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

(i) **Participation in new issues**

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

(j) **Change in exercise price**

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

(k) **Transferability**

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

SCHEDULE 2 – VALUATION OF RELATED PARTY OPTIONS

The Related Party Options to be issued to the Related Parties pursuant to Resolutions 3 and 4 have been valued by internal management.

Using a Black & Scholes option model and based on the assumptions set out below, the Related Party Options were ascribed the following value:

Assumptions	Tranche 1	Tranche 2	Tranche 3	
Valuation date	21-May-20	21-May-20	21-May-20	
Market price of Shares	\$0.010	\$0.010	\$0.010	
Exercise price	\$0.025	\$0.035	\$0.045	
Expiry date (length of time from issue)	30/06/2024	30/06/2024	30/06/2024	
Risk free interest rate	0.26%	0.26%	0.26%	
Volatility (discount)	108.55%	108.55%	108.55%	
Indicative value per Related Party Option	\$0.006	\$0.005	\$0.005	
Director				Totals
Craig McGown	3,333,333	3,333,333	3,333,334	10,000,000
Paul Payne	2,000,000	2,000,000	2,000,000	6,000,000
Total Options	5,333,333	5,333,333	5,333,334	16,000,000
Black & Scholes Value				Totals
Craig McGown	\$20,000	\$16,667	\$16,667	\$53,334
Paul Payne	\$12,000	\$10,000	\$10,000	\$32,000
Total Value of Related Party Options	\$32,000	\$26,667	\$26,667	\$85,334

Note: The valuation noted above is not necessarily the market price that the Related Party Options could be traded at and is not automatically the market price for taxation purposes.

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

Holder Number:

Vote by Proxy: PIO

Your proxy voting instruction must be received by **9.00am (AWST) on Sunday, 5 July 2020** being **not later than 48 hours** before the commencement of the Meeting. Any Proxy Voting instructions received after that time will not be valid for the scheduled Meeting.

SUBMIT YOUR PROXY VOTE ONLINE

Vote online at <https://investor.automic.com.au/#/loginsah>

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

- ✓ **Save Money:** help minimise unnecessary print and mail costs for the Company.
- ✓ **It's Quick and Secure:** provides you with greater privacy, eliminates any postal delays and the risk of potentially getting lost in transit.
- ✓ **Receive Vote Confirmation:** instant confirmation that your vote has been processed. It also allows you to amend your vote if required.



SUBMIT YOUR PROXY VOTE BY PAPER

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

YOUR NAME AND ADDRESS

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

VOTING UNDER STEP 1 - APPOINTING A PROXY

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

DEFAULT TO THE CHAIRMAN OF THE MEETING

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

VOTES ON ITEMS OF BUSINESS – PROXY APPOINTMENT

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

APPOINTMENT OF SECOND PROXY

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

SIGNING INSTRUCTIONS

You must sign this form as follows in the spaces provided

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

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

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

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

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

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

CORPORATE REPRESENTATIVES

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

ATTENDING THE MEETING

Completion of a Proxy Voting Form will not prevent individual Shareholders from attending the Meeting in person if they wish. Where a Shareholder completes and lodges a valid Proxy Voting Form and attends the Meeting in person, then the proxy's authority to speak and vote for that Shareholder is suspended while the Shareholder is present at the Meeting.

POWER OF ATTORNEY

If a representative as power of attorney of a Shareholder of the Company is to attend the Meeting, 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.

