



19 AUGUST 2020

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## Notice of General Meeting

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Six Sigma Metals Limited (ASX: "Si6", "Six Sigma" or "Company") invites you to attend a General Meeting of shareholders to be held at Suite 2, Level 1, 1 Altona Street, West Perth, Western Australia, at 10:00am WST on Monday, 21 September 2020.

In accordance with section 5(1)(f) of the Corporations (Coronavirus Economic Response) Determination (No. 1) 2020 made by the Commonwealth Treasurer on 5 May 2020, the Notice of General Meeting, accompanying Explanatory Statement and Schedules ("Meeting Materials") are being made available to shareholders electronically.

You are able to view and download the Meeting Materials online from the Company website at [www.sixsigmametals.com](http://www.sixsigmametals.com).

If you have nominated an email address and have elected to receive electronic communications with the Company's share registry, Automic Group Pty Ltd, you will receive an email to your nominated email address with a link to an electronic copy of the Meeting Materials.

In order to be able to receive electronic communications from the Company in the future, please update your shareholder details online at [investor.automic.com.au/#/signup](http://investor.automic.com.au/#/signup) and log in with your unique shareholder identification number you can find on your Personalised Proxy form. Once logged in you can complete your proxy vote online [investor.automic.com.au/#/loginsah](http://investor.automic.com.au/#/loginsah). If you prefer not to vote online, please return the attached proxy form in accordance with the instructions contained within the Meeting Materials.

If you have any difficulties obtaining a copy of the Notice of Meeting please contact the Company's share registry, Automic Group Pty Ltd, on 1300 288 664 (within Australia) or +61 2 9698 5414 (Overseas).

This ASX announcement has been authorised for release by the Board of Si6.

### For further information please contact:

Patrick Holywell  
Chairman  
M: +61 401 407 357  
[ph@sixsigmametals.com](mailto:ph@sixsigmametals.com)

Victoria Humphries  
Investor Relations  
T: +61 431 151 676  
[victoria@nwrcommunications.com.au](mailto:victoria@nwrcommunications.com.au)

### Six Sigma Metals

#### Corporate Details

ASX Code: Si6

#### Directors

**Patrick Holywell**  
Chairman

**Steve Groves**  
Non-Executive Director

**Joshua Letcher**  
Non-Executive Director

**Mauro Piccini**  
Company Secretary

#### Contact

Suite 2, Level 1  
1 Altona Street  
West Perth WA  
Australia 6005

+61 (8) 6559 1792

[info@sixsigmametals.com](mailto:info@sixsigmametals.com)  
[sixsigmametals.com](http://sixsigmametals.com)

### About Six Sigma Metals

Six Sigma Metals (ASX: Si6) is an exploration company operating in Southern Africa specifically targeting projects containing "battery or new world" metals to capitalise on the rising interest in the sector due to recent global technology advances and increasing demand for these commodities.



**SIX  
SIGMA  
METALS**

# **SIX SIGMA METALS LIMITED**

## **ACN 122 995 073**

### **NOTICE OF GENERAL MEETING AND EXPLANATORY MEMORANDUM**

**Date of Meeting: Monday, 21 September 2020**

**Time of Meeting: 10am WST**

**Place of Meeting: Suite 2, Level 1, 1 Altona Street, West Perth, Western Australia, 6005**

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

Should you wish to discuss any matter please do not hesitate to contact the Company by telephone on +61 8 6559 1792.

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## NOTICE OF GENERAL MEETING

Notice is given that the General Meeting of Shareholders of Six Sigma Metals Limited (ACN 122 995 073) (**Company**) will be held at Suite 2, Level 1, 1 Altona Street, West Perth, Western Australia, 6005 on Monday, 21 September 2020 commencing at 10:00am (WST).

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

The Directors have determined pursuant to regulation 7.11.37 of the Corporations Regulations 2001 (Cth) that the persons eligible to vote at the Meeting are those who are registered as Shareholders at 5:00pm on 19 September 2020.

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

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## AGENDA

### 1. Resolution 1 – Ratification of Prior Issue – Placement Shares

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

*“That, for the purpose of ASX Listing Rule 7.4 and for all other purposes, Shareholders ratify the issue of:*

- (a) 96,000,000 Shares under the Company’s Listing Rule 7.1 capacity; and
  - (b) 64,000,000 Shares under the Company’s Listing Rule 7.1A capacity,
- 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:

- (a) a person who participated in the issue; or
- (b) an Associate of that person (or those persons).

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

## **2. Resolution 2 – Placement – Issue of Free Attaching Options**

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

*"That, for the purposes of ASX Listing Rule 7.1 and for all other purposes, approval is given for the Company to issue up to 80,000,000 Options under the Placement announced on 8 July 2020 on the terms and conditions set out in the Explanatory Statement."*

### **Voting Exclusion**

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

- (a) a person who is expected to participate in, or who will obtain a material benefit as a result of, the proposed issue (except a benefit solely by reason of being a holder of ordinary securities in the Company); or
- (b) an Associate of that person (or those persons).

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

## **3. Resolution 3 – Share Purchase Plan – Issue of Free Attaching Options to Unrelated Parties**

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

*"That, for the purposes of ASX Listing Rule 7.1 and for all other purposes, approval is given for the Company to issue up to 120,000,000 Options, in respect of their participation under the Share Purchase Plan, on the terms and conditions set out in the Explanatory Statement."*

### **Voting Exclusion**

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

- (a) a person who is expected to participate in, or who will obtain a material benefit as a result of, the proposed issue (except a benefit solely by reason of being a holder of ordinary securities in the Company); or
- (b) an Associate of that person (or those persons).

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

## 4. Resolution 4 – Share Purchase Plan – Issue of Free Attaching Options to Related Party

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

*"That, for the purposes of ASX Listing Rule 10.11 and for all other purposes, approval is given for the Company to issue up to 1,250,000 Options to a Related Party, in respect of their participation under the Share Purchase Plan, on the terms and conditions set out in the Explanatory Statement."*

### Voting Exclusion

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

- (a) the Related Parties (or their nominees) and any other person who will obtain a material benefit as a result of the issue of the securities (except a benefit solely by reason of being a holder of ordinary securities in the Company); or
- (b) an Associate of that person (or those persons),

**(Resolution 4 Excluded Party).**

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

### Voting Prohibition

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

- (a) the proxy is either:
  - (i) a member of the Key Management Personnel; or
  - (ii) a Closely Related Party of such a member; and
  - (iii) 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.

## 5. Resolution 5 – Issue of Lead Manager Options

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

*"That, for the purposes of ASX Listing Rule 7.1 and for all other purposes, approval is given for the Company to issue up to 30,000,000 Options to Xcel Capital Pty Ltd on the terms and conditions set out in the Explanatory Statement."*

### Voting Exclusion

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

- (a) a person who is expected to participate in, or who will obtain a material benefit as a result of, the proposed issue (except a benefit solely by reason of being a holder of ordinary securities in the Company); or

- (b) an Associate of that person (or those persons).

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

## **6. Resolution 6 – Issue of Director Options to Directors**

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

*“Subject to the passing of Resolution 7, for the purposes of section 195(4) and section 208 of the Corporations Act, ASX Listing Rule 10.14 and for all other purposes, approval is given for the Company to issue:*

- (a) 15,000,000 Director Options to Patrick Holywell (and/or his nominee);
- (b) 6,000,000 Director Options to Steve Groves (and/or his nominee); and
- (c) 3,000,000 Director Options to Josh Letcher (and/or his nominee);

*under the Employee Securities Incentive Plan and on the terms and conditions set out in the Explanatory Statement.”*

### **Voting Exclusion**

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

- (a) by Patrick Holywell, Steve Groves or Josh Letcher (and/or their respective nominees) and any other person who is entitled to participate in the Employee Incentive Plan; and
- (b) an Associate of that person (or those persons),

**(Resolution 6 Excluded Party).**

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

### **Voting Prohibition Statement**

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 6 Excluded Party However, the above prohibition does not apply if:

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

## **7. Resolution 7 – Adoption of Employee Securities Incentive Plan**

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

*“That, for the purpose of ASX Listing Rule 7.2 (Exception 13) and for all other purposes, approval is given for the Company to adopt an employee securities incentive plan titled “the SI6 Employee Securities Incentive Plan” (**Plan**) and the grant of Securities and the issue of underlying Shares under the Plan on the terms and conditions set out in the Explanatory Statement.”*

### **Voting Exclusion**

The Company will disregard any votes cast in favour of this Resolution by or on behalf of a person who is eligible to participate in the SI6 Employee Securities Incentive Plan, or an associate of that person (or those persons).

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

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

### **Voting Prohibition Statement**

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 6 Excluded Party However, the above prohibition does not apply if:

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

**BY ORDER OF THE BOARD**



**Mauro Piccini**  
Company Secretary

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# EXPLANATORY MEMORANDUM

## 1. Introduction

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This Explanatory Memorandum has been prepared for the information of Shareholders of the Company in connection with the business to be conducted at the Meeting to be held at Suite 2, Level 1, 1 Altona Street, West Perth, Western Australia, 6005 on Monday, 21 September 2020 commencing at 10:00am (WST).

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

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

## 2. Action to be taken by Shareholders

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

### 2.1 Proxies

A Proxy Form is attached to the Notice. This is to be used by Shareholders if they wish to appoint a representative (a proxy) to vote in their place. All Shareholders are invited and encouraged to attend the Meeting or, if they are unable to attend in person, sign and return the Proxy Form to the Company in accordance with the instructions thereon. Lodgement of a Proxy Form will not preclude a Shareholder from attending and voting at the Meeting in person.

Please note that:

- a member of the Company entitled to attend and vote at the Meeting is entitled to appoint a proxy;
- a proxy need not be a member of the Company; and
- a member of the Company entitled to cast two or more votes may appoint two proxies and may specify the proportion or number of votes each proxy is appointed to exercise, but where the proportion or number is not specified, each proxy may exercise half of the votes.

Shareholders and their proxies should be aware that changes to the Corporations Act made in 2011 have the effect that:

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

Further details on these changes are set out below.



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

Section 250BB(1) of the Corporations Act provides that an appointment of a proxy may specify the way the proxy is to vote on a particular resolution and, if it does:

- the proxy need not vote on a show of hands, but if the proxy does so, the proxy must vote that way (i.e. as directed); and
- if the proxy has 2 or more appointments that specify different ways to vote on the resolution – the proxy must not vote on a show of hands; and
- if the proxy is the Chair of the meeting at which the resolution is voted on – the proxy must vote on a poll, and must vote that way (i.e. as directed); and
- if the proxy is not the Chair – the proxy need not vote on the poll, but if the proxy does so, the proxy must vote that way (i.e. as directed).

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

Section 250BC of the Corporations Act provides that, if:

- an appointment of a proxy specifies the way the proxy is to vote on a particular resolution at a meeting of the Company's members; and
- the appointed proxy is not the Chair of the meeting; and
- at the meeting, a poll is duly demanded on the resolution; and
- either of the following applies:
  - the proxy is not recorded as attending the meeting;
  - the proxy does not vote on the resolution,

the Chair of the meeting is taken, before voting on the resolution closes, to have been appointed as the proxy for the purposes of voting on the resolution at the meeting.

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

## **2.2 Submit your Proxy Vote Online**

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

Or alternatively:

## **2.3 Submit your Proxy Vote by Paper**

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

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

**BY MAIL**

Automic  
GPO Box 5193  
Sydney NSW 2001

**IN PERSON**

Automic  
Level 5, 126 Phillip Street  
Sydney NSW 2000

**BY EMAIL**

meetings@automicgroup.com.au

## 2.4 Voting in Person

To vote in person, Shareholders are able to attend the Meeting at the time, date and place set out above. In light of on the status of the evolving COVID-19 situation and easing of Government restrictions on public gatherings in place at the time of the Notice and the number of Shareholders that normally attend Shareholder meetings for the Company, the Directors have made a decision that Shareholders will be able to physically attend the Meeting in person and accordingly, have arranged an appropriate meeting venue. If the Government restrictions and corresponding decision of the Director's changes prior to the Meeting, the Directors will update Shareholders via the Company's ASX platform.

Should you wish to discuss the matters in this Notice of Meeting please do not hesitate to contact the Company Secretary on +61 8 6559 1792.

## 3. Background

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On 8 July 2020 the Company announced a two part capital raising comprising:

- (a) a placement to sophisticated and professional investors (**Placement Participants**) of approximately 160,000,000 fully paid ordinary Shares at an issue price of \$0.006 per Share (**Placement Shares**) to raise up to approximately \$960,000 (before costs) (**Placement**);
- (b) the Placement Participants were entitled to a free attaching listed option (exercisable at \$0.008 and expiring on 1 July 2022) (**Option**) on the basis of one Option for every two Placement Shares issued;
- (c) an offer to Eligible Shareholders under the Share Purchase Plan offer document dated 23 July 2020 of up to 80,000,000 fully paid ordinary shares, which was increased to 240,000,000 due to being significantly oversubscribed as per the Company's announcement on 17 August 2020, at \$0.006 per Share (**SPP Shares**) to raise up to approximately \$1,440,000 (before costs); and
- (d) the Eligible Shareholders who participated in the Share Purchase Plan were also entitled to one free attaching Option (on the same terms as the Placement Options) for every two SPP Shares issued (**SPP Options**).

On 14 July 2020 the Company issued 96,000,000 Placement Shares using the Company's 15% placement capacity under Listing Rule 7.1 and 64,000,000 Placement Shares using the Company's additional 10% placement capacity under Listing Rule 7.1A.

The Company engaged Xcel Capital Pty Ltd ACN 617 047 319 (**Xcel Capital**) to be the lead manager to the Placement and the Share Purchase Plan subject to a lead manager mandate dated 5 July 2020 (**Mandate**). The details of the Mandate are in section 8 of the Explanatory Statement.

## **4. Resolution 1 – Ratification of Prior Issue – Placement Shares**

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### **4.1 General**

On 14 July 2020 the Company issued:

- (a) 96,000,000 Shares at an issue price of \$0.006 per Share under its Listing Rule 7.1 capacity; and
- (b) 64,000,000 Shares at an issue price of \$0.006 per Share under its Listing Rules 7.1A capacity,

to raise \$960,000 (before costs) (**Placement Shares**).

Resolution 1 seeks Shareholder ratification pursuant to:

- (a) ASX Listing Rule 7.1 for the issue of the 96,000,000 Shares (**7.1 Ratification**); and
- (b) ASX Listing Rule 7.4 for the issue of the 64,000,000 Shares (**7.1A Ratification**).

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

Listing Rule 7.1A enables eligible entities to issue Equity Securities up to 10% of its issued share capital through placements over a 12 month period after the annual general meeting at which the Shareholders approve the 10% placement facility. The 10% placement facility is in addition to the Company's 15% placement capacity under Listing Rule 7.1.

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

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

If Resolution 1 is passed, the Placement Shares will be excluded in calculating the Company's 15% limit in Listing Rule 7.1, effectively increasing the number of equity securities it can issue without Shareholder approval over the 12 month period following the issue date.

If Resolution 1 is not passed, the Placement Shares will be included in calculating the Company's 15% limit in Listing Rule 7.1, effectively decreasing the number of equity securities it can issue without Shareholder approval over the 12 month period following the issue date.

### **4.3 Technical information required by ASX Listing Rule 7.4**

Pursuant to and in accordance with ASX Listing Rule 7.5, the following information is provided in relation to the 7.1 Ratification and 7.1A Ratification:

- (a) the Placement Shares were issued to Placement Participants, being clients of the Lead Manager, who are Exempt Investors. None of these subscribers are related parties of the Company;

- (b) 96,000,000 Placement Shares were issued under Listing Rule 7.1 and 64,000,000 Placement Shares were issued under Listing Rule 7.1A;
- (c) the Placement Shares were issued on 14 July 2020;
- (d) the Placement Shares were issued at a price of \$0.006 per Share;
- (e) the Placement Shares are fully paid ordinary shares in the capital of the Company issued on the same terms and conditions as the Company's existing Shares;
- (f) the Company intends to use the funds raised from the Placement Shares to continue exploration in Botswana, assess new gold and base metals opportunities and for working capital purposes;
- (g) the Placement Shares were not issued under an agreement; and
- (h) a voting exclusion statement is included in Resolutions 1 of the Notice.

## **5. Resolution 2 – Placement – Issue of Free Attaching Options**

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### **5.1 General**

A summary of the Placement is set out in Section 3 above.

Resolution 2 seeks Shareholder approval for the issue of up to 80,000,000 listed Options for nil cash consideration to subscribers in the Placement on the basis of 1 Option for every 2 Shares subscribed for and issued (**Options**).

The Options are exercisable at \$0.008 each on or before 1 July 2022 and are otherwise subject to the terms and conditions set out in Schedule 2.

A summary of ASX Listing Rule 7.1 is set out in Section 4.1 above.

The effect of Resolution 2 will be to allow the Company to issue the Options pursuant to the Placement during the period of 3 months after the Meeting (or a longer period, if allowed by ASX), without using the Company's 15% annual placement capacity.

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

If Resolution 2 is passed, the Company will be able to proceed with the issue of the Options to the Placement Participants in accordance with the terms of the Placement. In addition, the issue of the Options will be excluded in calculating the Company's 15% limit in Listing Rule 7.1, effectively increasing the number of equity securities it can issue without Shareholder approval over the 12 month period following the issue date.

If Resolution 2 is not passed, the Company will not be able to proceed with the issue of the Options to the Placement Participants in accordance with the terms of the Placement unless the issue of the Options is able to be made following the Meeting from the Company's 15% placement capacity under Listing Rule 7.1, in which case, the Company will have a reduced ability to issue equity securities without Shareholder approval over the 12 month period following the issue date.

### **5.3 Technical Information required by ASX Listing Rule 7.1**

Pursuant to and in accordance with ASX Listing Rule 7.3, the following information is provided in relation to the issue of the Options to the Placement Participants:

- (a) the Options will be issued to Placement Participants. None of these subscribers are related parties of the Company;
- (b) the maximum number of Options to be issued is 80,000,000;
- (c) the Options will be issued on the terms and conditions set out in Schedule 2;
- (d) the Options will be issued no later than 3 months after the date of the Meeting (or such later date to the extent permitted by any ASX waiver or modification of the ASX Listing Rules);
- (e) the issue price of the Options will be nil as they will be issued free attaching with the Placement Shares issued pursuant to the Placement on a 1 Option for every 2 Placement Shares basis;
- (f) no funds will be raised from the issue of the Options, as the Options are free attaching with the Placement Shares. However, the Company intends to use the funds raised from the Placement Shares to continue exploration in Botswana, assess new gold and base metals opportunities and for working capital purposes;
- (g) the Options are not being issued under an agreement; and
- (h) the Options are not being issued under, or to fund, a reverse takeover; and
- (i) a voting exclusion statement is included in Resolution 2 of the Notice.

## **6. Resolution 3 – Share Purchase Plan – Issue of Free Attaching Options to Unrelated Parties**

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### **6.1 General**

Details of the Share Purchase Plan are set out in Section 3 above.

Resolution 3 seeks Shareholder approval for the issue of up to 120,000,000 Options for nil cash consideration to subscribers in the Share Purchase Plan who are not Related Parties of the Company, on the basis of 1 Option for every 2 Shares subscribed for and issued (exercisable at \$0.008 and expiring on 1 July 2022) to unrelated parties of the Company (**SPP Options**). The Share Purchase Plan is currently on foot and the Company is gauging Shareholder interest in the issue. To give maximum flexibility, the Company has decided to seek approval of the maximum amount of Options that may be issued by the Company under the Share Purchase Plan (based on the limitations in the ASIC Class Order and Listing Rule 7.2 exception 5) in the event that the Board determines it is in the best interest of the Company to take oversubscriptions.

A summary of ASX Listing Rule 7.1 is set out in Section 4.1 above.

The SPP Options are to be issued pursuant to a separate Prospectus document which will be issued on or about the date of the Meeting.

The effect of Resolution 3 will be to allow the Company to issue the SPP Options to the Eligible Shareholders who are not Related Parties under the Share Purchase Plan during the period of 3 months after the Meeting (or a longer period, if allowed by ASX), without using the Company's 15% annual placement capacity.

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

If Resolution 3 is passed, the Company will be able to proceed with the issue of the SPP Options in accordance with the terms of the Share Purchase Plan. In addition, the issue of

the SPP Options will be excluded in calculating the Company's 15% limit in Listing Rule 7.1, effectively increasing the number of equity securities it can issue without Shareholder approval over the 12 month period following the issue date.

If Resolution 3 is not passed, the Company will not be able to proceed with the issue of the SPP Options in accordance with the terms of the Share Purchase Plan unless the issue of the Options is able to be made following the Meeting from the Company's 15% placement capacity under Listing Rule 7.1, in which case, the Company will have a reduced ability to issue equity securities without Shareholder approval over the 12 month period following the issue date.

### **6.3 Technical information required by ASX Listing Rule 7.1**

Pursuant to and in accordance with ASX Listing Rule 7.3, the following information is provided in relation to the Share Purchase Plan:

- (a) the SPP Options will be issued to Eligible Shareholders who are not Related Parties. None of these subscribers are related parties of the Company;
- (b) the maximum number of SPP Options to be issued to the unrelated parties is 120,000,000;
- (c) the SPP Options will be issued on the terms and conditions set out in Schedule 2;
- (d) the SPP Options will be issued no later than 3 months after the date of the Meeting (or such later date to the extent permitted by any ASX waiver or modification of the ASX Listing Rules);
- (e) the issue price of the SPP Options will be nil as they will be issued as free attaching to the Eligible Shareholders who are not Related Parties under the Share Purchase Plan on the basis of 1 SPP Option for every 2 Shares issued under the Share Purchase Plan basis;
- (f) no funds will be raised from the issue of the SPP Options, as the SPP Options are free attaching with the SPP Shares. However, the Company intends to use the funds raised from the Share Purchase Plan to continue exploration in Botswana, assess new gold and base metals opportunities and for working capital purposes;
- (g) the SPP Options are not being issued under an agreement, they will be issued pursuant to a prospectus to be issued by the Company; and
- (h) the SPP Options are not being issued under, or to fund, a reverse takeover; and
- (i) a voting exclusion statement is included in Resolution 3 of the Notice.

## **7. Resolution 4 – Share Purchase Plan – Issue of Free Attaching Options to Related Party**

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### **7.1 General**

Details of the Share Purchase Plan are set out in Section 3 above.

Resolution 4 seeks Shareholder approval for the issue of up to 1,250,000 listed Options for nil cash consideration to a subscriber under the Share Purchase Plan who is a Related Party of the Company, on the basis of 1 Option for every 2 Shares subscribed for and issued (exercisable at \$0.008 and expiring on 1 July 2022) (**Related SPP Options**).

The Related SPP Options are to be issued (at the same time as the SPP Options to unrelated parties) pursuant to a separate Prospectus document which will be issued on or about the date of the Meeting.

The effect of Resolution 4 will be to allow the Company to issue the Related SPP Options to the Related Party participant under the Share Purchase Plan during the period of 1 month after the Meeting (or a longer period, if allowed by ASX).

## **7.2 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 SPP Options constitutes giving a financial benefit and Patrick Holywell is a related party of the Company by virtue of being Director.

The Directors (other than Mr Patrick Holywell) consider that Shareholder approval pursuant to Chapter 2E of the Corporations Act is not required in respect of the issue because the Related SPP Options will be issued to the Related Parties (being Mr Holywell) on the same terms as the issue of the SPP Options to non-related party participants in the Share Purchase Plan and as such the giving of the financial benefit is on arm's length terms..

## **7.3 ASX Listing Rule 10.11**

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

- (a) a related party;
- (b) a person who is, or was at any time in the 6 months before the issue or agreement, a substantial (30%+) holder in the company;
- (c) a person who is, or was at any time in the 6 months before the issue or agreement, a substantial (10+) holder in the company and who has nominated a director to the board of the company pursuant to a relevant agreement which gives them a right or expectation to do so;
- (d) an associate of a person referred to in ASX Listing Rules 10.11.1 to 10.11.3; or
- (e) a person whose relationship with the company or a person referred to in ASX Listing Rules 10.11.1 to 10.11.4 is such that, in ASX's opinion, the issue or agreement should be approved by its shareholders,

unless it obtains the approval of its shareholders.

The issue of the Related SPP Options the subject of Resolution 4 falls within ASX Listing Rule 10.11.1 (as Mr Holywell is a Director of the Company) and does not fall within any of

the exceptions in ASX Listing Rule 10.12. It therefore requires the approval of the Company's Shareholders under ASX Listing Rule 10.11.

Resolutions 4 seeks the required Shareholder approval for the issue of a total of 1,250,000 SPP Options to the Mr Holywell (and/or his nominee), under and for the purposes of ASX Listing Rule 10.11.

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

If Resolutions 4 is passed, the Company will be able to proceed with the issue of the Related SPP Options the subject of this Resolution.

If Resolution 4 is not passed, the Company will not be able to issue the Related SPP Options to Mr Holywell the subject of the Resolution.

#### **7.5 Technical information required by ASX Listing Rule 10.11**

Pursuant to and in accordance with ASX Listing Rule 10.13, the following information is provided in relation to Resolution 4:

- (a) the Related SPP Options will be issued to Patrick Holywell (and/or his nominee);
- (b) Mr Holywell is a related party of the Company by virtue of being a Director of the Company;
- (c) a total of 1,250,000 SPP Options to the Mr Holywell (and/or his nominee);
- (d) the Related SPP Options will be issued on the terms and conditions set out in Schedule 2 (being the same terms and conditions as the SPP Options);
- (e) the Related SPP Options will be issued no later than 1 month after the date of the Meeting (or such later date to the extent permitted by any ASX waiver or modification of the ASX Listing Rules) and it is intended that issue of the Related SPP Options will occur on the same date;
- (f) the Related SPP Options will be issued for nil cash consideration, as they are being issued as part of the standard entitlement of all Eligible Shareholders participating under the Share Purchase Plan;
- (g) the issue price of the Related SPP Options will be nil as they will be issued as free attaching to the Related Party subscribers under the Share Purchase Plan on the basis of 1 SPP Option for every 2 Shares issued under the Share Purchase Plan;
- (h) the Related SPP Options are not being issued under an agreement, as they are issued to the Related Parties under their entitlement under the Share Purchase Plan; and
- (i) a voting exclusion statement is included Resolution 4 of the Notice.

### **8. Resolution 5 – Issue of Lead Manager Options**

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Resolution 7 seeks Shareholder approval for the issue of up to 30,000,000 listed Options to Xcel Capital as remuneration for their services as lead manager to the Placement and the Share Purchase Plan pursuant to the Mandate (**Lead Manager Options**).



A summary of ASX Listing Rule 7.1 is set out in Section 4.1 above.

The effect of Resolution 5 will be to allow the Company to issue the Lead Manager Options pursuant to the Mandate during the period of 3 months after the Meeting (or a longer period, if allowed by ASX), without using the Company's 15% annual placement capacity.

The Company has engaged Xcel Capital as the Lead Manager for the Placement and for the Share Purchase Plan, and for placement of any shortfall that arises as a result of the Share Purchase Plan. Pursuant to the Mandate the Lead Manager will:

- (a) familiarise itself with the Company's business, operations and financial condition;
- (b) manage the Placement and Share Purchase Plan Offer, allocations and facilitate settlement;
- (c) provide commercial advice in relation to the Share Purchase Plan and Placement; and
- (d) provide market feedback.

Xcel will receive the following fees for its lead manager services pursuant to the Mandate:

- (a) 6% on funds introduced under the Placement and Share Purchase Plan, plus a Lead Manager Fee, which collectively total \$102,320; and
- (b) 30,000,000 Options exercisable at \$0.008 and expiring on 1 July 2022.

The Mandate can be terminated by the Company at any time before offers are made to investors if the Lead Manager fails to rectify any material breach of the Mandate having been given 10 business days' notice by the Company of such breach, or, on a no fault basis with 10 business days' notice in writing provided that the Lead Manager has been given a reasonable and written notice and an opportunity to rectify the quality of service.

The Lead Manager may terminate the Mandate at any time prior to the issue of any New Shares upon giving 2 business days' notice, or, if one or more of the following events occur:

- (a) either the All Ordinaries Index or the Standard and Poors/ASX 200 Energy Index is at a level that is 7.5% or more below its level as at the close of normal trading on ASX at the date of acceptance of the Mandate;
- (b) the Australian equity capital market conditions and/or ASX trading conditions are such that they are not, in the judgement of the Lead Manager, conducive to the successful completion of the offer; and
- (c) all of conditions precedent to the Mandate have not been, or will not in the Lead Manager's opinion be satisfied or waived by the Lead Manager prior to the settlement date of the Offer.

The Mandate otherwise contains terms usual for this type of agreement.

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

If Resolution 5 is passed, the Company will be able to proceed with the issue of the Lead Manager Options in accordance with the terms of the Mandate. In addition, the issue of the Lead Manager Options will be excluded in calculating the Company's 15% limit in Listing Rule 7.1, effectively increasing the number of equity securities it can issue without Shareholder approval over the 12 month period following the issue date.

If Resolution 5 is not passed, the Company will not be able to proceed with the issue of the Lead Manager Options in accordance with the terms of the Mandate unless the issue of the Lead Manager Options is able to be made following the Meeting from the Company's 15%

placement capacity under Listing Rule 7.1, in which case, the Company will have a reduced ability to issue equity securities without Shareholder approval over the 12 month period following the issue date.

## 8.2 Technical information required by ASX Listing Rule 7.1

Pursuant to and in accordance with ASX Listing Rule 7.3, the following information is provided in relation to the Lead Manager Options:

- (a) the Lead Manager Options will be issued to the Lead Manager (or its nominee), who is not a related party of the Company;
- (b) the maximum number of Lead Manager Options to be issued is 30,000,000;
- (c) the Lead Manager Options will be issued on the terms and conditions set out in Schedule 2;
- (d) the Lead Manager Options will be issued no later than 3 months after the date of the Meeting (or such later date to the extent permitted by any ASX waiver or modification of the ASX Listing Rules);
- (e) the issue price of the Lead Manager Options will be nil as they will be issued pursuant to the Mandate;
- (f) the Lead Manager Options will be issued to the Lead Manager pursuant to the Mandate for the Lead Manager services that Xcel Capital has provided to the Company in relation to the Placement and the Share Purchase Plan (the key material terms are set out above);
- (g) the Lead Manager Options are not being issued under, or to fund, a reverse takeover;
- (h) a voting exclusion statement is included in Resolution 5 of the Notice.

## 9. Resolution 6 – Issue of Director Options to Directors

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### 9.1 General

Subject to the passing of Resolution 7 (and the implementation of the Employee Incentive Plan) (**Plan**), the Company has agreed, subject to obtaining Shareholder approval, to issue a total of 24,000,000 Options (**Director Options**) to Patrick Holywell, Steve Groves and Josh Letcher (and/or their respective nominees) under to the Plan and on the terms and conditions set out below.

The issue of the Director Options is viewed as a cost effective and efficient way to incentivise and reward the directors particularly in relation to additional work performed beyond the normal duties expected for a typical non-executive director.

### 9.2 Chapter 2E of the Corporations Act

A summary of Chapter 2E of the Corporations Act is outlined in section 7.2.

The issue of the Director Options constitutes giving a financial benefit and Patrick Holywell, Steve Groves and Josh Letcher are related parties of the Company by virtue of being Directors.

As it is proposed that Director Options be granted to all of the Directors, the Directors have been unable to form a quorum to consider whether one of the exceptions set out in sections 210 to 216 of the Corporations Act applies to these issues. Accordingly, Shareholder approval is sought for the grant of the Director Options to Patrick Holywell, Steve Groves and Josh Letcher (and/or their respective nominees).

### **9.3 Section 195 of the Corporations Act**

Section 195 of the Corporations Act provides that a director of a public company must not vote or be present during meetings of directors when matters in which that director holds a 'material personal interest' are being considered.

Patrick Holywell, Steve Groves and Josh Letcher have a material personal interest in the outcome of Resolutions 6(a), (b) and (c) (as applicable). The Directors have accordingly exercised their right under section 195(4) of the Corporations Act to put the issue of the Director Options to Shareholders to resolve upon.

### **9.4 Listing Rule 10.14**

Listing Rule 10.14 provides that a listed company must not permit any of the following persons to acquire equity securities under an employee incentive scheme:

- (a) a director of the company;
- (b) an associate of a director of the company; or
- (c) a person whose relationship with the company or a person referred to in Listing Rule 10.14.1 or 10.14.2 is such that, in ASX's opinion, the acquisition should be approved by its shareholders,

unless it obtains the approval of its shareholders.

The proposed issue of Director Options requires approval by Shareholders under Listing Rule 10.14 as the recipients of the Director Options are Directors of the Company.

Pursuant to Listing Rule 7.2 exception 14, as Shareholder approval is sought under Listing Rule 10.14, approval under Listing Rule 7.1 is not required.

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

If Resolutions 6(a), (b) and (c) are passed, the Company will be able to proceed with the issue of the Director Options (the subject of Resolution 6).

If any of Resolutions 6(a), (b) and (c) are not passed, the Company will not be able to issue any of the Director Options (the subject of Resolutions 6) and may consider alternative forms of remuneration in lieu of such issue.

### **9.6 Shareholder Approval (Chapter 2E of the Corporations Act and ASX Listing Rule 10.14)**

Pursuant to and in accordance with the requirements of section 219 of the Corporations Act and ASX Listing Rule 10.15, the following information is provided in relation to the proposed issue of the Director Options:

- (i) the related parties which will receive the Director Options (and/or their nominees) are Patrick Holywell, Steve Groves and Josh Letcher, and they are related parties by virtue of being Directors (Listing Rule 10.14.1);
- (ii) the maximum number of Director Options (being the nature of the financial benefit being provided) to be granted is a total of 24,000,000 comprised as follows:
  - A. 15,000,000 Director Options to Patrick Holywell (and/or his nominee) (being the subject of Resolution 6(a));
  - B. 6,000,000 Director Options to Steve Groves (and/or his nominee) (being the subject of Resolution 6(b));
  - C. 3,000,000 Director Options to Josh Letcher (and/or his nominee) (being the subject of Resolution 6(c));
- (iii) the Directors current remuneration package is set out in paragraph (xi) below;
- (iv) the implementation of the Plan proposed by Resolution 7 is the first time that the Company has sought to implement an employee incentive scheme. Accordingly, no previous Securities have been issued under the Plan;
- (v) the terms and conditions of the Director Options to be issued under this Resolution are set out in Schedule 5;
- (vi) the primary purpose of the grant of the Director Options to the Directors is to incentivise and reward the Directors particularly in relation to additional work performed beyond the normal duties expected for a typical non-executive director;
- (vii) the Director Options have been valued by internal management using the Black & Scholes option pricing model as set out in Schedule 3;
- (viii) the Director Options will be granted to the Directors (or their respective nominees) 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 Director Options will be issued on one date;
- (ix) the Director Options will be issued for nil cash consideration, accordingly no funds will be raised from their issue;
- (x) the material terms of the Plan are set out in Schedule 4;
- (xi) there is no loan being offered to the Directors in respect of the issue of the Director Options;
- (xii) details of any Director Options issued under the Plan will be published in the Company's 2020 annual report along with a statement that approval for the issue was obtained under Listing Rule 10.14. Any additional persons covered by Listing Rule 10.14 who become entitled to participate in an issue of Director Options under the Employee Incentive Scheme after the resolution is approved at the Meeting and who were not named in the Notice will not participate until approval is obtained under Listing Rule 10.14;
- (xiii) a voting exclusion statement is included in Resolutions 6 of the Notice;

- (xiv) as Patrick Holywell, Steve Groves and Josh Letcher are directors and therefore related parties under Listing Rule 10.11.1, and the issue of New Director Options is intended to incentivise the directors, the Company notes that the remuneration and emoluments from the Company to the Directors for the previous financial year and the current remuneration and emoluments for the current financial year are as set out below:

Name	Position	FY 2020	FY 2021
Patrick Holywell <sup>1</sup>	Non-Executive Chair	41,560	63,072
Steve Groves <sup>2</sup>	Non-Executive Director	58,000	48,000
Josh Letcher <sup>3</sup>	Non-Executive Director	48,456	38,400

**Notes:**

1. Mr Holywell was appointed as a Director on 25 November 2019.
2. Mr Groves was appointed as a Director on 22 February 2017.
3. Mr Letcher was appointed as a Director on 21 August 2017.

- (xv) the Director Options are not being issued under an agreement;
- (xvi) the relevant interests of the Directors in securities of the Company are set out below (subject to rounding):

Director	Shares
Patrick Holywell	3,500,000
Steve Groves	438,492
Josh Letcher	nil

- (xvii) if the Director Options are exercised and converted into Shares, a total of 24,000,000 Shares would be issued. This will increase the number of Shares on issue from 805,003,153 (being the number of Shares on issue at the date of this Notice) to 829,003,153 (assuming that no other Shares are issued) with the effect that the shareholding of existing Shareholders would be diluted by an aggregate of approximately 2.98%.

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

- (xviii) the highest and lowest closing prices of Shares on ASX during the 12 months preceding the date of this Notice, and the closing price on the trading day before the date of this Notice, are set out below:

	Price	Date
Highest	\$0.009	27 July 2020
Lowest	\$0.001	6 April 2020
Last	\$0.008	18 August 2020

- (xix) the Board acknowledges the grant of the Director Options to the Directors is contrary to Recommendation 8.3 of The Corporate Governance Principles and Recommendations (4<sup>th</sup> Edition) as published by The ASX Corporate Governance Council. However, the Board considers the issue of the Director Options is reasonable in the circumstances for the reason set out in Section (xv) below;

- (xx) Mr Holywell declines to make a recommendation to Shareholders in relation to Resolution 6(a) due to his material personal interest in the outcome of the Resolution on the basis that he (and/or his nominee) is to be issued the Director Options should Resolution 6(a) be passed. However, in respect of Resolutions 6(b) and (c), Mr Holywell recommends that Shareholders vote in favour of those Resolutions for the following reasons:
- (i) the grant of the Director Options will align the interests of the Directors with those of Shareholders;
  - (ii) the grant of the Director Options is a reasonable and appropriate method to provide cost effective remuneration as the non-cash form of this benefit 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; 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 Director Options upon the terms proposed;
- (xxi) Mr Groves declines to make a recommendation to Shareholders in relation to Resolution 6(b) due to his material personal interest in the outcome of the Resolution on the basis that he (and/or his nominee) is to be issued Director Options in the Company should Resolution 6(b) be passed. However, in respect of Resolutions 6(a) and (c), Mr Groves recommends that Shareholders vote in favour of those Resolutions for the reasons set out in Section (xv) above;
- (xxii) Mr Letcher declines to make a recommendation to Shareholders in relation to Resolution 6(c) due to his material personal interest in the outcome of the Resolution on the basis that he (and/or his nominee) is to be issued Director Options in the Company should Resolution 6(c) be passed. However, in respect of Resolutions 6(a) and (b), Mr Letcher recommends that Shareholders vote in favour of those Resolutions for the reasons set out in Section (xv) above;
- (xxiii) in forming their recommendations, each Director considered the experience of each other Director, the current market price of Shares, the current market practices when determining the number of Director Options to be granted as well as the valuation; and
- (xxiv) 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 6(a), (b) and (c).

Approval pursuant to ASX Listing Rule 7.1 is not required in order to issue the Director Options to the Directors (and/or their nominees) as approval is being obtained under ASX Listing Rule 10.14. Accordingly, the issue of the Director Options will not be included in the 15% calculation of the Company's annual placement capacity pursuant to ASX Listing Rule 7.1.

## **10. Resolution 7 – Approval of Employee Securities Incentive Plan**

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### **10.1 General**

Resolution 7 seeks Shareholders approval for the adoption of the employee incentive plan titled the SI6 Employee Securities Incentive Plan (**Plan**) in accordance with ASX Listing Rule 7.2 (Exception 13).

The Company has not in the last 3 years had an operational employee incentive plan. Accordingly, no Securities have previously been issued by the Company under an incentive plan.

The Plan is intended to assist the Company to attract and retain key staff, whether employees or contractors. The Board believes that grants made to eligible participants under the Plan will provide a powerful tool to underpin the Company's employment and engagement strategy, and that the Plan will:

- (a) enable the Company to incentivise and retain existing key management personnel and other eligible employees and contractors needed to achieve the Company's business objectives;
- (b) enable the Company to recruit, incentivise and retain additional key management personnel, and other eligible employees and contractors, needed to achieve the Company's business objectives;
- (c) link the reward of key staff with the achievement of strategic goals and the long-term performance of the Company;
- (d) align the financial interest of participants of the Plan with those of Shareholders; and
- (e) provide incentives to participants under the Plan to focus on superior performance that creates Shareholder value.

A copy of the Plan is available for review by Shareholders at the registered office of the Company until the date of the Meeting. A copy of the Plan can also be sent to Shareholders upon request to the Company Secretary. Shareholders are invited to contact the Company if they have any queries or concerns.

### **10.2 ASX Listing Rules 7.1**

ASX Listing Rule 7.1 provides that a company must not, subject to specified exceptions, issue or agree to issue more equity securities during any 12 month period than that amount which represents 15% of the number of fully paid ordinary securities on issue at the commencement of that 12 month period. ASX Listing Rule 7.2 (Exception 13) sets out an exception to ASX Listing Rule 7.1 which provides that issues under an employee incentive plan are exempt for a period of 3 years from the date on which shareholders approve the issue of securities under the plan as an exception to ASX Listing Rule 7.1.

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

If Resolution 7 is passed, the Company will be able to issue Securities under the Plan to eligible participants over a period of 3 years without impacting on the Company's ability to issue up to 15% of its total ordinary securities without Shareholder approval in any 12 month period.

Any future issues of Securities under the Plan to a related party or a person (for example Directors and their Associates) whose relation with the company or the related party is, in ASX's opinion, such that approval should be obtained, will require additional Shareholder approval under ASX Listing Rule 10.14 at the relevant time.

If Resolution 7 is not passed, the Company will be able to proceed with the issue of Securities under the Plan to eligible participants (other than related parties), but any issues of Securities will reduce, to that extent, the Company's capacity to issue equity securities without Shareholder approval under Listing Rule 7.1 for the 12 month period following the issue of the Securities.

#### **10.4 Specific Information Required by Listing Rule 7.2**

In accordance with the requirements of Listing Rule 7.2, Exception 13(b), the following information is provided:

- (a) a summary of the key terms and conditions of the Plan is set out in Schedule 4;
- (b) the Company has not previously issued any Securities under an employee incentive plan or the proposed Plan;
- (c) the maximum number of Securities proposed to be issued under the Plan within the three year period from the date of the passing of this Resolution 7 is 40,250,156 Securities, representing 5% of the undiluted Shares in the Company as at the date of this Notice. The maximum number is not intended to be a prediction of the actual number of Securities to be issued under the Plan, simply a ceiling for the purposes of Listing Rule 7.2 (Exception 13(b));
- (d) a voting exclusion statement in respect of Resolution 7 has been included in the Notice.

The Directors of the Company believe Resolution 7 is in the best interest of the Company and its Shareholders and unanimously recommend that the Shareholders vote in favour of this Resolution.



## Schedule 1 – Definitions

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In this Notice and the Explanatory Memorandum:

**\$** means Australian Dollars.

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

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

**Board** means the board of Directors.

**Business Day** means:

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

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

**Company** means Six Sigma Metals Limited (ACN 122 995 073).

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

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

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

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

**Eligible Shareholder** means a Shareholder who has a registered address in Australia or New Zealand and who held Shares at the Record Date.

**Exempt Investors** means exempt investors pursuant to section 708 or the Corporations Act.

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

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

**Mandate** means the lead manager mandate between the Company and the Lead Manager dated 5 July 2020.

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

**Notice** means this notice of meeting.

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

**Placement** means the placement to sophisticated and professional investors off approximately 160,000,000 Shares at an issue price of \$0.006 per Share to raise up to approximately \$960,000 (before costs) conducted by the Company in July 2020;

**Plan or Employee Securities Incentive Plan** means the proposed SI6 Employee Securities Incentive Plan pursuant to Resolution 7 which is summarised in Schedule 4.

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

**Record Date** means 7 July 2020.

**Related Party** means a related party (as defined under Chapter 19 of the Listing Rules) that has participated in the Share Purchase Plan.

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

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

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

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

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

**Share Purchase Plan** means the share purchase plan offer under the Company's share purchase plan offer document dated 23 July 2020 to Eligible Shareholders at an issue price of \$0.006 per Share with the issue of one free attaching listed option for every two new shares issued.

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

**Xcel Capital or Lead Manager** means Xcel Capital Pty Ltd (ACN 617 047 319) the lead manager to the Share Purchase Plan and Placement pursuant to the Mandate.

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

## Schedule 2 – Terms and Conditions of Options

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- (a) Each Option entitles the holder to subscribe for one fully paid ordinary Share.
- (b) The Options will be issued for nil consideration.
- (c) The Options are exercisable at \$0.008 and expire on 1 July 2022. Any Option not exercised before 5.00pm WST 1 July 2022 will automatically expire.
- (d) To exercise Options the option holder must give the Company:
  - (i) A written exercise notice (in the form approved by the Board from time to time) specifying the number of Options being exercised and Shares to be issued; and
  - (ii) Payment of the exercise price for the Shares, the subject of the exercise notice, by way of bank cheque or by other means of payment approved by the Company.

Options will be deemed to have been exercised on the date the exercise notice is lodged with the Directors.
- (e) Within 20 business days of receiving an application for exercise of Options and payment by the Option holder of the exercise price, the Company must issue the Option holder the number of Shares specified in the application.
- (f) Subject to Constitution, all Shares issued on the exercise of Options will rank in all respects (including rights relating to dividends) equally with the existing ordinary shares of the Company at the date of issue.
- (g) The Options are transferable subject to and conditional upon compliance with the ASX Listing Rules, the Corporations Act and Board approval.
- (h) The Company will apply to ASX for quotation of the Options subject to and conditional upon satisfaction of the requirements of the Corporations Act and the ASX Listing Rules. In the event that quotation of the Options cannot be obtained, the Options will remain unquoted.
- (i) The Company will apply to ASX for Official Quotation of the Shares issued on exercise of Options.
- (j) The Option holder is not entitled to participate in any issue to existing Shareholders of Securities unless they have exercised their Options before the “record date” for determining entitlements to the issue of Securities and participate as a result of holding Shares. The Company must give the Option holder notice of the proposed terms of the issue or offer in accordance with the Listing Rules.
- (k) If there is a reorganisation (including consolidation, sub-division, reduction or return) of the share capital of the Company, then the rights of the Option holder (including the number of Options to which the Option holder is entitled to and the exercise price) is changed to the extent necessary to comply with the Listing Rules applying to a reorganisation of capital at the time of the reorganisation.
- (l) The number and exercise price of the Options remains the same regardless if the Company makes a bonus issue of Shares or other Securities to Shareholders.
- (m) Any calculations or adjustments which are required to be made will be made by the Board and will, in the absence of manifest error, be final and conclusive and binding on the Company and Option holder.

## Schedule 3 – Valuation of Director Options

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The Director Options to be issued pursuant to Resolutions 6 have been valued by internal management. Using the Black & Scholes option pricing model and based on the assumptions set out below, the Director Options were ascribed the following value range:

<b>Assumptions:</b>	
Valuation date	31 July 2020
Market price of Shares	\$0.0065 cents
Exercise price	\$0.0080 cents
Expiry date	1 July 2022
Risk free interest rate	0.88%
Volatility	100%
<b>Indicative value per Director Option</b>	\$0.0029 cents
<b>Total Value of Director Options</b>	\$69,600
- <i>Patrick Holywell</i>	\$43,500
- <i>Steve Groves</i>	\$17,400
- <i>Josh Letcher</i>	\$8,700

## Schedule 4 – Summary of Employee Securities Incentive Plan

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Subject to Shareholder approval at the Meeting, the Company will adopt an Employee Securities Incentive Plan (**Plan**) as a means of rewarding its employees and consultants. The Board will make offers to persons to participate in the Plan based on their contribution to the Company.

The key material terms of the Plan are as follows:

<b>Eligibility</b>	Participants must be a permanent, full-time, part-time employee, a Director (whether executive or non-executive) or a selected casual employee or consultant ( <b>Participant</b> ).
<b>Administration</b>	The Plan will be administered by the Board, who has absolute and unfettered discretion to act (or refrain from acting) in connection with the Plan, including the delegation of any of its powers.
<b>Offer</b>	The Board may, in its absolute discretion, make a written offer (pursuant to an Offer Document) to any Participant to apply for Securities, upon the terms set out in the Plan and upon such terms and conditions as the Board determines.
<b>Acceptance</b>	A Participant may accept an Offer in whole or in part, by signing and returning an Acceptance Form to the Company. The Board may accept or reject any Acceptance Form in its absolute discretion.
<b>Option</b>	Each Security will be issued for no more than nominal consideration and entitles the Participant to subscribe for one Share in the Company (subject to adjustments for reconstructions of the capital of the Company) at an exercise price to be determined by the Board.
<b>Grant</b>	The Board has the discretion to set the terms and conditions for which it will offer and grant Securities under the Plan, including the vesting conditions and any waiver of the terms and conditions. The vesting conditions will be specified in the Offer Document to the relevant Participant.
<b>Exercise</b>	Securities that have vested are generally able to be exercised prior to their expiry date. On exercise the Participant must pay the relevant exercise price for those Securities (if any).
<b>Shares</b>	Shares issued on exercise of Securities issued under the Plan will rank equally with the other issued Shares. Depending on the terms of issue, the Shares may be subject to disposal restrictions, which means that they may not be disposed or dealt with for a period of time, or may not be issued until the expiration of such restriction period. Shares allocated on vesting or exercise (subject to the Securities' terms) carry the same rights and entitlements as other issued Shares, including dividend and voting rights.
<b>Quotation</b>	Securities issued under the Plan will not be quoted on the ASX. The Company will apply for Official Quotation of the Shares

issued on exercise of Securities, in accordance with the ASX Listing Rules.

<b>Cessation of Eligibility</b>	If a Participant ceases to be eligible as a Participant under the Plan, any unvested Securities will not vest. However, the Board may elect to waive any vesting conditions on the vesting of any Securities if a Participant has died, suffered total and permanent disablement or been made redundant.
<b>Change of Control</b>	On a change of control event, all option vesting conditions are deemed to be automatically waived, immediately vesting unvested Securities in the Participant. In respect of vested, unexercised Securities, subject to the Company's discretion, a Participant may be provided with shares of the company which is acquiring control of the Company, in lieu of Shares in the Company, on substantially the same terms with appropriate adjustments.
<b>Restrictions</b>	Without the prior approval of the Board, or unless required by law, Securities may not be sold, transferred, encumbered or otherwise dealt with.
<b>Amendments</b>	To the extent permitted by the ASX Listing Rules, the Board retains the discretion to vary the terms and conditions of the Plan. No adjustment or variation of the terms of an Securities will be made without the consent of the relevant Participant, unless such amendment is required by law, or to correct any manifest error or mistake.
<b>Other Terms</b>	The Plan also contains customary and usual terms for including (but not limited to) terms relating to administration, variation, suspension and termination of the Plan.

## **Schedule 5 – Terms and Conditions of Director Options**

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- (a) Each Option entitles the holder to subscribe for one fully paid ordinary Share.
- (b) The Options will be issued for nil consideration.
- (c) The Options are exercisable at \$0.008 and expire on 1 July 2022. Any Option not exercised before 5.00pm WST 1 July 2022 will automatically expire.
- (d) To exercise Options the option holder must give the Company:
  - (i) A written exercise notice (in the form approved by the Board from time to time) specifying the number of Options being exercised and Shares to be issued; and
  - (ii) Payment of the exercise price for the Shares, the subject of the exercise notice, by way of bank cheque or by other means of payment approved by the Company.

Options will be deemed to have been exercised on the date the exercise notice is lodged with the Directors.
- (e) Within 20 business days of receiving an application for exercise of Options and payment by the Option holder of the exercise price, the Company must issue the Option holder the number of Shares specified in the application.
- (f) Subject to Constitution, all Shares issued on the exercise of Options will rank in all respects (including rights relating to dividends) equally with the existing ordinary shares of the Company at the date of issue.
- (g) The Options are not transferable.
- (h) The Company will not apply to ASX for quotation of the Options.
- (i) The Company will apply to ASX for Official Quotation of the Shares issued on exercise of Options.
- (j) The Option holder is not entitled to participate in any issue to existing Shareholders of Securities unless they have exercised their Options before the “record date” for determining entitlements to the issue of Securities and participate as a result of holding Shares. The Company must give the Option holder notice of the proposed terms of the issue or offer in accordance with the Listing Rules.
- (k) If there is a reorganisation (including consolidation, sub-division, reduction or return) of the share capital of the Company, then the rights of the Option holder (including the number of Options to which the Option holder is entitled to and the exercise price) is changed to the extent necessary to comply with the Listing Rules applying to a reorganisation of capital at the time of the reorganisation.
- (l) The number and exercise price of the Options remains the same regardless if the Company makes a bonus issue of Shares or other Securities to Shareholders.
- (m) Any calculations or adjustments which are required to be made will be made by the Board and will, in the absence of manifest error, be final and conclusive and binding on the Company and Option holder.



Six Sigma Metals Limited | ACN 122 995 073

# GM Registration Card

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

Holder Number:

## Vote by Proxy: SI6

Your proxy voting instruction must be received by **10.00am (WST) on Saturday, 19 September 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.





