

Rincon Resources Limited
ACN 628 003 538

Notice of General Meeting

Notice is given that the Meeting will be held at:

Time: 11.00 am (Perth time)
Date: 28 October 2022
Place: Unit 8
1200 Hay Street
WEST PERTH WA 6005

Due to current COVID restrictions, persons proposing to attend the Meeting in person are requested to contact the Company by email at info@rinconresources.com.au at least 3 Business Days prior to the Meeting, so that appropriate arrangements can be made.

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 7:00pm (Sydney time) on 26 October 2022.

Business of the Meeting

Agenda

1. Resolution 1 – Ratification of a prior issue – Placement – Listing Rule 7.1

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 7.4 and for all other purposes, Shareholders ratify the issue of 7,700,513 Shares to sophisticated and/or professional investors under ASX Listing Rule 7.1 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 any person who participated in the issue, or any associates of those persons.

2. Resolution 2 – Ratification of a prior issue – Placement – Listing Rule 7.1A

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 7.4 and for all other purposes, Shareholders ratify the issue of 5,133,675 Shares to sophisticated and/or professional investors under ASX Listing Rule 7.1A 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 any person who participated in the issue, or any associates of those persons.

3. Resolution 3 – Issue of Shares – Tranche 2 of the Placement

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 issue of 2,165,812 Shares to Gunsynd Plc (or its nominee(s)) 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 Gunsynd Plc (or its nominee(s)), or any person who will obtain a material benefit as a result of the proposed issue of the securities (except a benefit solely by reason of being a holder of ordinary securities in the Company), or any associates of those persons.

4. Resolution 4 – Issue of Options – Lead Manager

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, Shareholders approve the issue of 2,000,000 Options to Ironside Capital Pty Ltd (or its nominee(s)) 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 Ironside Capital Pty Ltd (or its nominee(s)), or any person who will obtain a material benefit as a result of the proposed issue of the securities (except a benefit solely by reason of being a holder of ordinary securities in the Company), or any associates of those persons.

5. Resolution 5 – Issue of Shares – Acquisition consideration

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, Shareholders approve the issue of 1,250,000 Shares to CRC Minerals Pty Ltd (or its nominee(s)) 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 CRC Minerals Pty Ltd (or its nominee(s)), or any person who will obtain a material benefit as a result of the proposed issue of the securities (except a benefit solely by reason of being a holder of ordinary securities in the Company), or any associates of those persons.

6. Resolution 6 – Issue of Options to a Director – David Lenigas

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 4,000,000 Options to David Lenigas (or his nominee(s)) 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 David Lenigas (or his nominee(s)), or any person who will obtain a material benefit as a result of the proposed issue of the securities (except a benefit solely by reason of being a holder of ordinary securities in the Company), or an associate of those persons.

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.

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 the remuneration of a member of the Key Management Personnel.

7. Resolution 7 – Issue of Options to a Director – Donald Strang

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 2,000,000 Options to Donald Strang (or his nominee(s)) 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 Donald Strang (or his nominee(s)), or any person who will obtain a material benefit as a result of the proposed issue of the securities (except a benefit solely by reason of being a holder of ordinary securities in the Company), or an associate of those persons.

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.

However, the above prohibition does not apply if:

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

8. **Resolution 8 – Enable the issue of Equity Incentives under an Employee Incentive Scheme – Rincon Resources Equity Incentive Plan**

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 7.2 (Exception 13(b)), and for all other purposes, approval is given to enable the Company to issue Equity Incentives under the employee incentive scheme titled “Rincon Resources Equity Incentive 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 any person who is eligible to participate in the Rincon Resources Equity Incentive Plan, or any associates of those persons.

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.

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 the remuneration of a member of the Key Management Personnel.

Dated: 21 September 2022

By order of the Board

Victor Goh
Company Secretary

Voting exclusion statements

Each Voting Exclusion Statement that applies to a Resolution as noted in the Agenda, does not apply to a vote cast in favour of that Resolution by:

- (a) a person as proxy or attorney for a person who is entitled to vote on the Resolution, in accordance with the directions given to the proxy or attorney to vote on the Resolution in that way; or
- (b) the Chair 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 in person

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

Due to current COVID-19 restrictions, persons proposing to attend the Meeting in person are requested to contact the Company by email at info@rinconresources.com.au at least 3 Business Days prior to the Meeting, so that appropriate arrangements can be made.

Voting by proxy

To vote by proxy, please complete and sign 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:

- (a) each Shareholder has a right to appoint a proxy;
- (b) the proxy need not be a Shareholder of the Company; and
- (c) a Shareholder who is entitled to cast 2 or more votes may appoint 2 proxies and may specify the proportion or number of votes each proxy is appointed to exercise. If the member appoints 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 changes to the Corporations Act made in 2011 mean that:

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

Should you wish to discuss the matters in this Notice of Meeting please do not hesitate to contact the Company Secretary on +61 8 6243 4089.

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. Background to Resolutions

1.1 Resolutions 1 to 4

On 13 September 2022, the Company announced a capital raising seeking to raise up to \$1,200,000 through the issue of 15,000,000 Shares at \$0.08 per Share (**Placement**).

The Placement is being undertaken in two tranches as follows:

- (a) Tranche 1: up to 12,834,188 Shares using its capacity under Listing Rules 7.1 (7,700,513 Shares) and 7.1A (5,133,675 Shares); and
- (b) Tranche 2: 2,165,812 Shares to be issued to the Company's major Shareholder, Gunsynd Plc (**Gunsynd**).

Ironside Capital Pty Ltd (AFSL No 489781) (**Lead Manager**) was engaged to act as lead manager to the Placement. The Company has agreed to pay the Lead Manager (or its nominee(s)) the following fees subject to completion of the Placement:

- (c) Placement Fee: 6% (plus GST) of the amount raised under the Placement payable in cash (\$90,000 plus GST based on the maximum subscription of \$1,500,000); and
- (d) Adviser Options: 2,000,000 Options on the terms and conditions set out in Schedule 1.

The engagement of the Lead Manager is otherwise on customary terms and conditions.

Tranche 1 of the Placement was completed on 19 September 2022 and Shareholder approval to ratify this issue is the subject of Resolutions 1 and 2.

Tranche 2 of the Placement is subject to Shareholder approval under Resolution 3.

The issue of Options to the Lead Manager (or its nominee(s)) is subject to Shareholder approval under Resolution 4.

1.2 Resolution 5

On 13 September 2022, the Company also announced it had entered into an agreement to acquire, subject to grant, a 100% legal and beneficial interest in exploration licence 45/6163 (**Tenement**) from an unrelated vendor, CRC Minerals Pty Ltd (**Vendor**) (**Acquisition**).

The Tenement adjoins the Company's Westin Tenement Area, which is part of its South Telfer Copper-Gold Project located in Paterson Province, Western Australia.

The material terms of the agreement relating to the Acquisition are:

- (a) **Conditions Precedent:** Completion is subject to and conditional upon:
 - (i) the Tenement being granted;
 - (ii) Shareholder approval for the issue of the Shares contemplated by the Consideration;
 - (iii) receipt of written consent under section 64(1)(b) of the Mining Act 1978 (WA) to the transfer of a 100% legal and beneficial interest in the Tenement from the Vendor to the Company's subsidiary, South Telfer Mining Pty Ltd (**Buyer**).

If the Conditions Precedent are not satisfied (or waived in accordance with the agreement) by 31 December 2023, or such other date as the parties may agree in writing, the agreement may be terminated by the Buyer.

- (b) **Consideration:** The consideration paid or to be paid to the Vendor consists of:
 - (i) Deposit: \$10,000 which has been paid.
 - (ii) Completion: 1,250,000 Shares, being valued at \$100,000 based on the issue price of Shares under the Placement agreed at the time of the Acquisition.
- (c) **Royalty:** Subject to completion of the Acquisition, the Buyer agrees to pay a 0.5% net smelter return royalty to the Vendor on all minerals or metallic product extracted or recovered from the Tenement area which is sold or otherwise disposed of.

The agreement for the Acquisition is otherwise on customary terms and conditions for an agreement of this nature, including representations and warranties from the Vendor.

1.3 Resolutions 6 and 7

The Company has recently appointed two new Directors: Donald Strang on 18 August 2022 and David Lenigas on 13 September 2022.

As part of the remuneration of the new Directors, the Company has agreed, subject to Shareholder approval, to issue Options on the terms and conditions set out in Schedule 2.

The issue of these Options is the subject of Resolutions 6 and 7 respectively.

1.4 Resolution 8

Following amendments to the Corporations Act effective 1 October 2022, the Company has decided to implement a new employee incentive scheme titled 'Equity Incentive Plan' (**Plan**) which has been updated for consistency with the amendments to the Corporations Act and provides for the issue of Performance Rights and Options.

The Company has previously operated a Performance Rights Plan. Prior issues under this plan will continue to be governed by the rules of that plan, however, the Company has decided to discontinue the use of that plan and instead future issues will be made under the Plan.

The objective of the Plan is to attract, motivate and retain key employees and it is considered by the Company that the implementation of the Plan and future issues of Equity Incentives under the Plan will provide selected directors, employees and consultants with the opportunity to participate in the future growth of the Company.

Resolution 8 seeks Shareholder approval to enable the issue of Equity Incentives under the Plan in reliance on ASX Listing Rule 7.2 Exception 13.

2. Resolutions 1 and 2 – Ratification of a prior issue – Placement

2.1 General

Details of the Placement are set out in Section 1.1.

Resolutions 1 and 2 seek Shareholder approval to ratify the issue of the Shares issued under Tranche 1 of the Placement.

2.2 Listing Rule 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 (**Placement Capacity**).

2.3 Listing Rule 7.1A

ASX Listing Rule 7.1A provides that, in addition to issues permitted without prior shareholder approval under ASX Listing Rule 7.1, an entity that is eligible and obtains shareholder approval under ASX Listing Rule 7.1A may issue or agree to issue, during the period for which the approval is valid, a number of quoted equity securities which represents 10% of the number of fully paid ordinary securities on issue at the commencement of that 12 month period as adjusted in accordance with the formula in ASX Listing Rule 7.1 (**Additional Issuance Capacity**).

The Company obtained the required Shareholder approval at its previous annual general meeting, and has the Additional Issuance Capacity until its next annual general meeting (or such earlier date as determined by the ASX Listing Rules).

2.4 Listing Rule 7.4

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.

2.5 Effect of the Resolution

The issue of the Shares did not fit within any of the exceptions from Listing Rule 7.1 and was not subject to prior Shareholder approval. The issue of the Shares the subject of Resolution 1 effectively used up the available Placement Capacity under Listing Rule 7.1, reducing the Company's capacity to issue further equity securities without Shareholder approval under Listing Rule 7.1 for the 12 month period following the date of their issue. The issue of the Shares the subject of Resolution 2 effectively used up the Additional Issuance Capacity under Listing Rule 7.1A.

By ratifying the issue of the Shares the subject of Resolutions 1 and 2, the Company will retain the flexibility to issue equity securities in the future up to the Placement Capacity set out in Listing Rule 7.1 without the requirement to obtain prior Shareholder approval and up to the Additional Issuance Capacity for the remainder of time that capacity remains valid (being up to its next annual general meeting or such earlier date as determined by the Listing Rules). The base figure (referred to as variable "A" in the formula in ASX Listing Rule 7.1) from which the Company's Placement Capacity and Additional Issuance Capacity is calculated, will be a higher number which in turn will allow a proportionately higher number of securities to be issued without prior Shareholder approval.

If Resolution 1 is not passed, then the Company's Placement Capacity under Listing Rule 7.1 will not be refreshed and if Resolution 2 is not passed, then the Company's Additional Issuance Capacity under Listing Rule 7.1A will also not be refreshed. The resulting being that the Shares the subject of Resolutions 1 and 2 will continue to be included in calculating the Company's use of the 15% limit under Listing Rule 7.1 and 10% limit under Listing Rule 7.1A (while it remains valid), effectively decreasing the number of equity securities the Company can issue without prior Shareholder approval over the 12 month period following the date of their issue.

2.6 Board Recommendation

The Directors recommend that Shareholders vote in favour of Resolutions 1 and 2.

2.7 Technical information required by ASX Listing Rule 7.5

Pursuant to and in accordance with ASX Listing Rule 7.5, the following information is provided in relation to Resolutions 1 and 2:

- (a) the Shares were issued to sophisticated and professional investors introduced by the Lead Manager, the allottees being determined in consultation with the Directors. None of the subscribers were a related party of the Company or an associate of any of them, or a party to whom an issue of equity securities requires Shareholder approval under ASX Listing Rule 10.11. None of the allottees was a person whose identity would be deemed to be material in terms of the criteria in ASX Listing Rules Guidance Note 21 (being members of Key Management Personnel, Company advisers, substantial shareholders, or associates of any of these parties, who were issued a number of shares equal to or greater than 1% of the Company's issued capital at the time);
- (b) the number of Shares issued was:
 - (i) 7,700,513 under Resolution 1; and
 - (ii) 5,133,675 under Resolution 2; and
- (c) the Shares issued were all fully paid ordinary shares in the capital of the Company issued on the same terms and conditions as the Company's existing Shares;
- (d) the Shares were issued on 19 September 2022;
- (e) the Shares were issued at an issue price of \$0.08 each;
- (f) the Company received \$1,026,735.04 from the issue of the Shares, which it is using to explore its existing and proposed projects, working capital and costs of the Lead Manager; and
- (g) the Shares were issued pursuant to the Placement. The Company entered into an agreement with the Lead Manager in relation to the Placement, the material terms of which are set out at Section 1.1.

3. Resolution 3 – Issue of Shares – Tranche 2 of the Placement

3.1 General

Details of the Placement are set out in Section 1.1.

Resolution 3 seeks Shareholder approval to issue Shares to Gunsynd (or its nominee(s)) in relation to participation in the Placement.

3.2 ASX Listing Rule 7.1

A summary of ASX Listing Rule 7.1 is set out in Section 2.2.

3.3 Effect of the Resolution

The effect of Resolution 3 will be to allow the Company to issue 2,165,812 Shares to Gunsynd (or its nominee(s)) during the period of 3 months after the Meeting (or such later date to the extent permitted by any ASX waiver or modification of the ASX Listing Rules).

If Resolution 3 is not passed, the Company will not be able to proceed with the issue of Shares to Gunsynd (or its nominee(s)) and will not receive \$173,264.96 in subscription funds.

3.4 Directors' recommendation

The Directors recommend that Shareholders vote in favour of Resolution 3.

3.5 Technical information required by ASX Listing Rule 7.3

Pursuant to and in accordance with ASX Listing Rule 7.3, the following information is provided in relation to the issue of Shares to Gunsynd (or its nominee(s)):

- (a) a maximum of 2,165,812 Shares will be issued to Gunsynd (or its nominee(s));
- (b) the Shares to be issued to Gunsynd (or its nominee(s)) will be issued on the same terms and conditions as existing Shares in the capital of the Company;
- (c) the Shares will be issued to Gunsynd (or its nominee(s)) 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);
- (d) the Shares will be issued at \$0.08 each, being the same issue price as all other Shares under the Placement;
- (e) a total of \$173,264.96 will be raised by the issue of Shares to Gunsynd (or its nominee(s));
- (f) the funds raised will form part of the total amount of funds raised by the Placement, which will be used as described in Section 2.7(f); and
- (g) the Shares are being issued to Gunsynd (or its nominee(s)) pursuant to an agreement to subscribe for the Shares, the material terms of which are 2,165,812 Shares at \$0.08 each, subject to Shareholder approval.

4. Resolution 4 – Issue of Options – Lead Manager

4.1 General

Resolution 4 seeks Shareholder approval to issue Options to the Lead Manager (or its nominee(s)) in relation to its engagement as lead manager of the Placement.

Details of the Placement are set out in Section 1.1.

4.2 ASX Listing Rule 7.1

A summary of ASX Listing Rule 7.1 is set out in Section 2.2.

4.3 Effect of the Resolution

If Resolution 4 is passed, then the Company will be able to proceed with the issue of Options to the Lead Manager (or its nominee(s)) during the period of 3 months after the Meeting (or a longer period, if allowed by ASX), without using up any part of the Company's Placement Capacity under ASX Listing Rule 7.1.

If Resolution 4 is not passed, the Company will need to agree alternative form of compensation to the Lead Manager.

4.4 Directors' recommendation

The Directors recommend that Shareholders vote in favour of Resolution 4.

4.5 Technical information required by ASX Listing Rule 7.3

Pursuant to and in accordance with ASX Listing Rule 7.3, the following information is provided in relation to the issue of Options to the Lead Manager (or its nominee(s)):

- (a) the Options will be issued to the Lead Manager (or its nominee(s));

- (b) the maximum number of Options to be issued is 2,000,000;
- (c) the Options will be issued on the terms and conditions set out in Schedule 1;
- (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) and it is intended that issue of all the Options will occur on the same date;
- (e) the Options will be issued for nil cash consideration, accordingly no funds will be raised;
- (f) the purpose of the issue of the Options is as part of the compensation payable to the Lead Manager for managing the Placement; and
- (g) the Options are being issued pursuant to the engagement of the Lead Manager which is summarised at Section 1.1.

5. Resolution 5 – Issue of Shares – Acquisition consideration

5.1 General

Resolution 5 seeks Shareholder approval to issue Shares to the Vendor (or its nominee(s)) in relation to the Acquisition.

Details of the Acquisition are set out in Section 1.2.

5.2 ASX Listing Rule 7.1

A summary of ASX Listing Rule 7.1 is set out in Section 2.2.

5.3 Effect of the Resolution

If Resolution 5 is passed, then the Company will be able to proceed with the issue of Shares to the Vendor (or its nominee(s)) during the period of 3 months after the Meeting (or a longer period, if allowed by ASX), without using up any part of the Company's Placement Capacity under ASX Listing Rule 7.1.

If Resolution 5 is not passed, the Company will need to agree alternative form of compensation with the Vendor in order to be able to complete the Acquisition.

5.4 Directors' recommendation

The Directors recommend that Shareholders vote in favour of Resolution 5.

5.5 Technical information required by ASX Listing Rule 7.3

Pursuant to and in accordance with ASX Listing Rule 7.3, the following information is provided in relation to the issue of Shares to the Vendor (or its nominee(s)):

- (a) the Shares will be issued to the Vendor (or its nominee(s));
- (b) the maximum number of Shares to be issued is 1,250,000;
- (c) the Shares will be issued on the same terms and conditions as existing Shares in the capital of the Company;
- (d) the Shares 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) and it is intended that issue of all the Shares will occur on the same date;
- (e) the Shares will be issued for nil cash consideration, accordingly no funds will be raised;

- (f) the purpose of the issue of the Shares is as consideration for the Acquisition; and
- (g) the Shares are being issued pursuant to the agreement for the Acquisition which is summarised at Section 1.2.

6. Resolutions 6 and 7 – Issue of Options to Directors

6.1 General

Resolutions 6 and 7 seek Shareholder approval for the issue of a total of 6,000,000 Options to David Lenigas and Donald Strang, each a Director (or their respective nominees) (**Director Options**).

6.2 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 Director Options constitutes the giving of a financial benefit. Each of the proposed grantees of the Director Options is a related party of the Company by reason of being a Director.

Section 210 of the Corporations Act provides that shareholder approval under section 208 is not required if the financial benefit to be provided to the related party is on terms that would be reasonable in the circumstances if the company and the related party were dealing at arm's length, or are less favourable than those terms.

Section 211 of the Corporations Act provides that shareholder approval under section 208 is not required if the financial benefit to be provided to the related party is remuneration as an officer or employee of the company and to give remuneration would be reasonable given the circumstances of the company giving the remuneration and the related party's circumstances (including responsibilities involved in the office or employment).

The Directors (other than David Lenigas and Donald Strang who decline to give a recommendation due to their material personal interests in Resolution 6 and 7 respectively) consider that Shareholder approval pursuant to Chapter 2E of the Corporations Act is not required in respect of the issue of the Director Options to the Directors due to the terms being negotiated at arm's length as part of their respective appointments as well as being considered reasonable remuneration.

6.3 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 (a) to (c) above; or
- (e) a person whose relationship with the company or a person referred to in (a) to (d) above 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.

As the issue of the Director Options constitutes the issue of equity securities to directors of the Company, Shareholder approval pursuant to ASX Listing Rule 10.11 is required unless an exception applies. It is the view of the Directors that none of the exceptions set out in ASX Listing Rule 10.12 apply in the current circumstances.

The Company therefore seeks the required Shareholder approval for the issue of the Director Options under and for the purposes of Listing Rule 10.11. There is a separate Resolution in respect of the issue of Director Options to each individual Director.

6.4 ASX Listing Rule 7.1

A summary of ASX Listing Rule 7.1 is set out in Section 2.2.

Approval pursuant to ASX Listing Rule 7.1 is not required for the issue of the Director Options if approval is obtained under ASX Listing Rule 10.11. Accordingly, the issue of Director Options to each of the Directors, if approved, will not be included in the use of the Company's Placement Capacity pursuant to ASX Listing Rule 7.1.

6.5 Effect of the Resolutions

The effect of Resolutions 6 and 7 will be to allow the Company to issue the Director Options to the Director the subject of each Resolution that is passed.

If either or both of Resolutions 6 and 7 are not passed, the Company will not be able to proceed with the issue of Director Options to the proposed recipient of the Director Options in respect of whom the relevant Resolution has not been passed. In that case, the Company may have to consider alternatives in respect of the relevant Director's remuneration, which may include increasing his cash remuneration.

6.6 Board Recommendation

The Directors (other than David Lenigas and Donald Strang who decline to give a recommendation due to their material personal interests in Resolution 6 and 7 respectively) recommend Shareholders vote in favour of Resolutions 6 and 7.

6.7 Technical information required by ASX Listing Rule 10.13

Pursuant to and in accordance with ASX Listing Rule 10.13, the following information is provided in relation to the issue of the Director Options:

- (a) the maximum number of securities will be issued to the Directors as follows:
 - (i) 4,000,000 Director Options to David Lenigas (or his nominee/s); and
 - (ii) 2,000,000 Director Options to Donald Strang (or his nominee/s);
- (b) each of David Lenigas and Donald Strang are a Director;
- (c) the Director Options will be granted on the following terms and conditions set out in Schedule 2;
- (d) the Director 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 the Director Options will all be granted on the same date;

- (e) the Director Options will be issued for nil cash consideration;
- (f) the Director Options are being offered as an incentive-based component of the relevant Director's remuneration package which is considered a cost-effective remuneration practice and 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. In addition, it is considered that the grant of the Director Options will align the interests of the Directors with those of Shareholders;
- (g) the current total annual remuneration package of each of the Directors the subject of Resolutions 6 and 7 for the financial year ending 30 June 2023, each before the issue of the Director Options the subject of Resolutions 6 and 7, is as follows:

(i) *Daivd Lenigas*

Director Fees	\$120,000 per annum
---------------	---------------------

(ii) *Donald Strang*

Director Fees	\$45,000 per annum
Consulting Fees	\$1,500 per day (capped at \$15,000 per annum)

7. Resolution 8 – Enable the issue of Equity Incentives under an Employee Incentive Scheme – Rincon Resources Equity Incentive Plan

7.1 ASX Listing Rules 7.1 and 7.2 Exception 13

A summary of ASX Listing Rule 7.1 is set out in Section 2.2.

Certain issues of equity securities are exempt from the restrictions of ASX Listing Rule 7.1, and are effectively disregarded for the purposes of determining the number of equity securities that a listed company has issued within a 12 month period.

ASX Listing Rule 7.2 Exception 13 creates an exception from Listing Rule 7.1 for the issue of equity securities pursuant to an employee incentive scheme for a period of 3 years after either:

- (a) the listing of the company, provided that the terms of the employee incentive scheme and the maximum number that may be issued under the scheme were set out in the company's listing prospectus; or
- (b) shareholders have approved the issue of securities under the employee incentive scheme being an exception from ASX Listing Rule 7.1, provided that the notice of meeting included a summary of the terms of the employee incentive scheme and certain required disclosures about the number of securities previously issued under the scheme and the maximum number that may be issued under the scheme.

The exemption is only available for the issue of equity securities under the employee incentive scheme up to the maximum number stated in the prospectus or notice of meeting, as applicable. The exemption also ceases to be available if there is a material change to the terms of the employee incentive scheme after shareholder approval has been obtained.

7.2 Effect of the Resolution

Resolution 8 seeks Shareholder approval for the issue of Equity Incentives under the Plan to be an exception from Listing Rule 7.1 for a period of 3 years.

If Shareholders approve this Resolution, any issue of Equity Incentives under the Plan over the 3 years after the date of the Meeting (up to the maximum number calculated as set out in Section 7.4(c)) will not use up a portion of the Company's Placement Capacity when that issue is made. This means that the Company will preserve its flexibility to issue equity securities without seeking Shareholder approval if and when it grants Equity Incentives under the Plan.

It should be noted that if the Resolution is passed, the Company will only be able issue equity securities under the Plan to eligible participants who are unrelated parties without seeking prior Shareholder approval. Any proposed issue of Equity Incentives to a Director, or any of their associates, under the Plan will require prior Shareholder approval under ASX Listing Rule 10.14.

If Shareholders do not approve this Resolution, the Company may still decide in future to grant Equity Incentives to eligible employees and consultants who are unrelated parties of the Company under the Plan, but each such issue will not be exempt from Listing Rule 7.1 and will use up a portion of the Company's Placement Capacity at the relevant time made (unless another exemption from Listing Rule 7.1 is applicable). The issue of Equity Incentives under the Plan in those circumstances would therefore reduce the Company's ability to issue equity securities without seeking Shareholder approval.

7.3 Directors' recommendation

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

7.4 Technical information required by Listing Rule 7.2 Exception 13

Pursuant to and in accordance with ASX Listing Rule 7.2 Exception 13, the following information is provided in relation to this Resolution:

- (a) a summary of the Plan is set out at Schedule 3;
- (b) no Equity Incentives have been issued under the Plan. However, the total number of Equity Incentives granted under the previous employee incentive scheme (the Performance Rights Plan) since it was last approved by Shareholders on 25 June 2021 is:
 - (i) 2,800,000 performance rights issued on 1 July 2022 with Shareholder approval under ASX Listing Rule 10.14; and
 - (ii) 3,500,000 performance rights issued on 30 June 2022 with Shareholder approval under ASX Listing Rule 10.14; and
- (c) the maximum number of Equity Incentives to be issued under the Plan (other than issues approved by Shareholders under ASX Listing Rule 10.14) following approval under this Resolution at any given time, unless otherwise approved by Shareholders, will be 64,170,944 (being 5% of the number of the Company's fully paid ordinary shares on issue at the date of this Notice – 3,208,547 Shares).

Glossary

\$ means Australian dollars.

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.

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 Rincon Resources Limited (ACN 628 003 538).

Constitution means the Company's constitution.

Corporations Act means the Corporations Act 2001 (Cth).

Directors means the current directors of the Company.

Equity Incentive means a Performance Right or an Option as the context requires issued pursuant to the Plan.

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

Explanatory Statement means the explanatory statement accompanying the Notice.

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

Rincon Resources Equity Incentive Plan or **Plan** means the Rincon Resources Equity Incentive Plan the subject of Resolution 8 and as summarised in Schedule 3.

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 performance right granted pursuant to the Plan to subscribe for a Share upon and subject to terms of the rules of the Plan and the terms of any applicable offer.

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.

WST means **Western Standard Time** as observed in Perth, Western Australia.

Schedule 1 – Terms and conditions of Lead Manager Options

(a) **Entitlement**

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

(b) **Exercise price**

Subject to paragraph (k), the amount payable upon exercise of each Option will be \$0.15 (**Exercise Price**).

(c) **Expiry Date**

Each Option will expire at 5:00 pm (WST) on 30 September 2025 (**Expiry Date**). An Option not exercised before the Expiry Date will automatically lapse on the Expiry Date.

(d) **Exercise Period**

The Options are exercisable at any time on and from the date of issue until the Expiry Date (**Exercise Period**).

(e) **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 Options 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.

(f) **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**).

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

Following the Exercise Date and within the time period specified by the ASX Listing Rules, the Company will:

- (i) 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
- (ii) 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.

Also, if required, the Company will give ASX a notice that complies with section 708A(5)(e) of the Corporations Act (**Cleansing Notice**), or, if the Company is unable to issue a Cleansing 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. If a Cleansing Notice 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.

(h) **Shares issued on exercise**

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

(i) **Reconstruction of capital**

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

(j) **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.

(k) **Change in Exercise Price or number of underlying securities**

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

(l) **No voting or dividend rights**

An Option does not carry any voting rights or entitle the holder to any dividends.

(m) **Rights on winding up**

An Option does not confer any right to participate in the surplus profits or assets of the Company upon winding up of the Company. The Options do not confer any right to a return of capital, whether in winding up, upon reduction of capital or otherwise.

(n) **Transferability**

An Option is transferable subject to any restriction or escrow arrangements imposed by ASX or under applicable Australian securities laws.

Schedule 2 – Terms and conditions of Director Options

(a) **Entitlement**

Subject to the terms and conditions set out below, each Option entitles the holder, on exercise, to the issue of one fully paid ordinary share in the Company (**Share**).

(b) **Exercise Price**

Subject to the terms and conditions set out below, the amount payable upon exercise of each Option will be \$0.15 (**Exercise Price**).

(c) **Expiry Date**

Each Option will expire at 5:00pm WST on 30 September 2025 (**Expiry Date**). For the avoidance of doubt any unexercised Option will automatically lapse on the Expiry Date.

(d) **Exercise**

The holder may exercise their Options in whole or in part (and if exercised in part, in multiples of 1,000 on each occasion) by lodging with the Company, on or prior to the Expiry Date:

- (i) a written notice of exercise of Options in the form provided by the Company specifying the number of Options being exercised (**Notice of Exercise**); and
- (ii) a cheque or electronic funds transfer, or other means of payment acceptable to the Company, including cashless exercise as described in paragraph (e), for the Exercise Price for the number of Options being exercised. Cheques shall be in Australian currency made payable to the Company and crossed "Not Negotiable".

A Notice of Exercise is only effective when the Company has received the full amount of the Exercise Price in cleared funds.

(e) **Cashless exercise of Options**

A holder of Options may elect not to be required to provide payment of the Exercise Price for the number of Options specified in a Notice of Exercise but that on exercise of those Options the Company will transfer or allot to the holder that number of Shares equal in value to the positive difference between the then Market Value of the Shares at the time of exercise and the Exercise Price that would otherwise be payable to exercise those Options (with the number of Shares rounded down to the nearest whole Share).

Where **Market Value** means, at any given date, the volume weighted average price of Shares traded on the ASX over the five (5) trading days immediately preceding that given date.

(f) **Timing of issue of Shares and quotation of Shares on exercise:**

Within the time period required by the ASX Listing Rules after the valid exercise of an Option, the Company will:

- (i) issue, allocate or cause to be transferred to the Participant the number of Shares to which the Participant is entitled;
- (ii) issue a substitute Certificate for any remaining unexercised Options held by the Optionholder;
- (iii) if required and subject to paragraph (g), give ASX a notice that complies with section 708A(5)(e) of the Corporations Act; and
- (iv) do all such acts, matters and things to obtain the grant of quotation of the Shares by ASX

in accordance with the Listing Rules and subject to the expiry of any restriction period that applies to the Shares under the Corporations Act or the Listing Rules.

- (g) **Restrictions on transfer of Shares:** If the Company is unable to give ASX a notice that complies with section 708A(5)(e) of the Corporations Act, Shares issued on exercise of the Options may not be traded until 12 months after their issue unless the Company, at its sole discretion, elects to issue a prospectus pursuant to section 708A(11) of the Corporations Act. The Company may place a holding lock on those Shares until the end of the 12 month period.
- (h) **Shares issued on exercise:** All Shares issued upon the exercise of Options will upon issue rank pari passu in all respects with the then Shares of the Company.
- (i) **Transfer:** The Options are not transferable except in compliance with the Corporations Act and the Listing Rules.
- (j) **Quotation:** No application for quotation of the Options will be made by the Company.
- (k) **Dividend and voting rights:** The Options do not confer on the holder an entitlement to vote at general meetings of the Company or to receive dividends.
- (l) **Participation in new issues:** Subject always to the rights under paragraphs (n) and (o), there are no participation rights or entitlements inherent in the Options and holders of Options will not be entitled to participate in new issues of capital offered to holders of Shares, such as bonus issues and entitlement issues.
- (m) **Change in exercise price:** Subject always to the rights under paragraphs (n) and (o), there will be no change to the exercise price of the Options or the number of Shares over which the Options are exercisable in the event of the Company making a pro-rata issue of Shares or other securities to the holders of Shares in the Company.
- (n) **Adjustment for bonus issue:** If securities are issued pro-rata to shareholders generally by way of bonus issue (other than an issue in lieu of dividends by way of dividend reinvestment), the number of Options to which the holder is entitled will be increased by that number of securities which the holder would have been entitled if the Options held by the holder were exercised immediately prior to the record date of the bonus issue, and in any event in a manner consistent with the Listing Rules at the time of the bonus issue.
- (o) **Reorganisation of capital:** In the event that the issued capital of the Company is reconstructed (including consolidation, subdivision, reduction or return), all the holder's rights as a holder of Options will be changed to the extent necessary to comply with the Listing Rules at the time of reorganisation provided that, subject to compliance with the Listing Rules, following such reorganisation the holder's economic and other rights are not diminished or terminated.
- (p) **Leavers:** The Options will not lapse where the holder of the Options (or in the case of Options held by a Nominated Party, the person in respect of the provision of whose services the Options were granted) is no longer employed, or their engagement or office is discontinued with the Company.

Schedule 3 – Key terms of the Rincon Resources Equity Incentive Plan

The key terms of the Equity Incentive Plan are summarised below:

- (a) **Eligibility:** Participants in the Plan may be:
- (i) an employee or Director (whether executive or non-executive) of, or any individual who provides services to, the Company and any Associated Body Corporate of the Company (each a **Group Company**);
 - (ii) a prospective participant, being a person to whom the offer is made but who can only accept the offer if an arrangement has been entered into that will result in the person becoming an Eligible Participant under subparagraph (i); or,
 - (iii) a person prescribed by the Corporations Regulations for the purposes of section 1100L(1)(a)(iv) of the Corporations Act,
- who is declared by the Board to be eligible to receive grants of Equity Incentives under the Plan (**Eligible Participants**).
- (b) **Offer:** The Board may, from time to time, in its absolute discretion, make a written offer to any Eligible Participant (including an Eligible Participant who has previously received an offer) to apply for up to a specified number of Equity Incentives, upon the terms set out in the Plan and upon such additional terms and conditions as the Board determines.
- (c) **Limit on Offers:** The Company must have reasonable grounds to believe, when making an Offer to which the limit on Offers as set out in section 1100V of the Corporations Act applies, that the number of Shares to be received on exercise of Equity Incentives offered under such an Offer, when aggregated with the number of Shares issued or that may be issued as a result of offers made as covered by section 1100V(1)(b) of the Corporations Act at any time during the 3 year period ending on the day the Offer is made, will not exceed, if the Constitution specifies an issue cap percentage, that percentage, otherwise, the greater of:
- (i) 5% of the total number of Shares on issue at the start of the day the Offer is made; or
 - (ii) such other percentage prescribed by the Corporations Regulations for the purposes of section 1100V(2)(b)(iii).
- (d) **Issue price:** Unless the Equity Incentives are Options quoted on the ASX, Equity Incentives issued under the Plan will be issued for nil cash consideration.
- (e) **Vesting Conditions:** An Equity Incentive may be made subject to vesting conditions as determined by the Board in its discretion and as specified in the offer for the Equity Incentive.
- (f) **Vesting:** The Board may in its absolute discretion (except in respect of a Change of Control occurring where Vesting Conditions are deemed to be automatically waived) by written notice to a Participant (being an Eligible Participant to whom Equity Incentives have been granted under the Plan or their nominee where the Equity Incentives have been granted to the nominee of the Eligible Participant), resolve to waive any of the Vesting Conditions applying to Equity Incentives due to:
- (i) Special Circumstances arising in relation to a Relevant Person in respect of those Equity Incentives; or
 - (ii) a Change of Control occurring; or
 - (iii) the Company passing a resolution for voluntary winding up, or an order is made for the compulsory winding up of the Company.
- (g) **Lapse:** An Equity Incentive will lapse upon the earlier to occur of:

- (i) an unauthorised dealing in, or hedging of, the Equity Incentive;
 - (ii) a Vesting Condition in relation to the Equity Incentive is not satisfied by its due date, or becomes incapable of satisfaction as determined by the Board in its sole discretion, unless the Board exercises its discretion to waive the Vesting Conditions and vest the Equity Incentive in the circumstances set out in paragraph (f) or the Board resolves, in its absolute discretion, to allow the unvested Equity Incentives to remain unvested after the Relevant Person ceases to be an Eligible Participant;
 - (iii) in respect of unvested Equity Incentive only, a Relevant Person ceases to be an Eligible Participant, unless the Board exercises its discretion to vest the Equity Incentive in the circumstances set out in paragraph (f) or the Board resolves, in its absolute discretion, to allow the unvested Equity Incentives to remain unvested after the Relevant Person ceases to be an Eligible Participant;
 - (iv) in respect of vested Equity Incentives only, a relevant person ceases to be an Eligible Participant and the Equity Incentive granted in respect of that person is not exercised within one (1) month (or such later date as the Board determines) of the date that person ceases to be an Eligible Participant;
 - (v) the Board deems that an Equity Incentive lapses due to fraud, dishonesty or other improper behaviour of the Eligible Participant;
 - (vi) in respect of unvested Equity Incentive only, the Company undergoes a Change of Control or a winding up resolution or order is made and the Board does not exercise its discretion to vest the Equity Incentive;
 - (vii) the expiry date of the Equity Incentive.
- (h) **Not transferrable:** Equity Incentives are only transferrable in Special Circumstances with the prior written consent of the Board (which may be withheld in its absolute discretion) or by force of law upon death, to the Participant's legal personal representative or upon bankruptcy to the participant's trustee in bankruptcy.
- (i) **Cashless exercise:** Subject to the terms of the Offer, a Participant may elect to exercise vested Options by way of a 'cashless exercise'. Where a Participant makes such an election, rather than the Participant being required to pay the Option Exercise Price for each Option to be exercised, the Company will issue the Participant with a smaller number of Shares on the exercise of the Options representing the difference between the value of the Shares to be issued and the Option Exercise Price as determined by the following formula (rounded down to a whole number of Shares):
- $$\frac{\text{Number of Options exercised} \times (\text{Closing Share Price} - \text{Option Exercise Price})}{\text{Closing Share Price}}$$
- Where **Closing Share Price** means the closing Share price on the date of receipt by the Company of the exercise notice for the Options.
- (j) **Shares:** Shares resulting from the exercise of the Equity Incentives shall, subject to any Sale Restrictions (refer paragraph (l)) **Error! Reference source not found.** from the date of issue, rank on equal terms with all other Shares on issue except as regards any rights attaching to such Shares by reference to a record date prior to the date of their issue.
- (k) **Quotation of Shares:** If Shares of the same class as those issued upon exercise of Equity Incentives issued under the Plan are quoted on the ASX, the Company will, subject to the Listing Rules, apply to the ASX for those Shares to be quoted on ASX within 10 business days of the later of the date the Shares are issued and the date any restriction period applying to the disposal of Shares ends.
- (l) **Sale Restrictions:** The Board may, in its discretion, determine at any time up until exercise of Equity

Incentives, that a restriction period will apply to some or all of the Shares issued to an Eligible Participant (or their eligible nominee) on exercise of those Equity Incentives up to a maximum of seven (7) years from the grant date of the Equity Incentives. In addition, the Board may, in its sole discretion, having regard to the circumstances at the time, waive any such restriction period determined.

- (m) **No Participation Rights:** There are no participating rights or entitlements inherent in the Equity Incentives and holders will not be entitled to participate in new issues of capital offered to Shareholders during the currency of the Equity Incentives.
- (n) **Change in exercise price or number of underlying securities:** Unless specified in the offer of the Equity Incentives and subject to compliance with the Listing Rules, an Equity Incentive does not confer the right to a change in exercise price (if any) or the number of underlying Shares over which the Equity Incentive can be exercised.
- (o) **Reorganisation:** If, at any time, the issued capital of the Company is reorganised (including consolidation, subdivision, reduction or return), all rights of a holder of an Equity Incentive are to be changed in a manner consistent with the Corporations Act and the Listing Rules at the time of the reorganisation.
- (p) **Amendments:** Subject to express restrictions set out in the Plan and complying with the Corporations Act, Listing Rules and any other applicable law, the Board may at any time by resolution amend or add to all or any of the provisions of the Plan, or the terms or conditions of any Equity Incentive granted under the Plan including giving any amendment retrospective effect.
- (q) **Trust:** The Board may, at any time, establish a trust for the sole purpose of acquiring and holding Shares in respect of which a Participant may exercise, or has exercised, vested Equity Incentives, including for the purpose of enforcing the disposal restrictions and appoint a trustee to act as trustee of the trust. The trustee will hold the Shares as trustee for and on behalf of a Participant as beneficial owner upon the terms of the trust. The Board may at any time amend all or any of the provisions of the Plan to effect the establishment of such a trust and the appointment of such a trustee.
- (r) **Definitions:** Capitalised terms used in the above summary are as defined in the Equity Incentive Plan, including:
 - (i) **Associated Body Corporate** means:
 - (A) a related body corporate (as defined in the Corporations Act) of the Company;
 - (B) a body corporate which has an entitlement to not less than 20% of the voting Shares of the Company; and
 - (C) a body corporate in which the Company has an entitlement to not less than 20% of the voting shares.
 - (ii) **Change of Control** means:
 - (A) a bona fide Takeover Bid is declared unconditional and the bidder has acquired a Relevant Interest in more than 50% of the Company's issued Shares;
 - (B) a court approves, under section 411(4)(b) of the Corporations Act, a proposed compromise or arrangement for the purposes of, or in connection with, a scheme for the reconstruction of the Company or its amalgamation with any other company or companies; or
 - (C) in any other case, a person obtains Voting Power in the Company which the Board (which for the avoidance of doubt will comprise those Directors immediately prior to the person acquiring that Voting Power) determines, acting in good faith and

in accordance with their fiduciary duties, is sufficient to control the composition of the Board.

(iii) **Relevant Person** means:

- (A) in respect of an Eligible Participant, that person; and
- (B) in respect of a nominee of an Eligible Participant, that Eligible Participant.

(iv) **Special Circumstances** means:

- (A) a Relevant Person ceasing to be an Eligible Participant due to:
 - i. death or Total or Permanent Disability of a Relevant Person; or
 - ii. Retirement or Redundancy of a Relevant Person;
- (B) a Relevant Person suffering Severe Financial Hardship;
- (C) any other circumstance stated to constitute "Special Circumstances" in the terms of the relevant offer made to and accepted by the Participant; or
- (D) any other circumstances determined by the Board at any time (whether before or after the offer) and notified to the relevant Participant which circumstances may relate to the Participant, a class of Participant, including the Participant or particular circumstances or class of circumstances applying to the Participant.

Proxy Voting Form

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

Holder Number:

Your proxy voting instruction must be received by **11.00am (WST) on Wednesday, 26 October 2022**, 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

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.

STEP 1 – APPOINT A PROXY

If you wish to appoint someone other than the Chair 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 Chair of the Meeting will be appointed as your proxy by default.

DEFAULT TO THE CHAIR OF THE MEETING

Any directed proxies that are not voted on a poll at the Meeting will default to the Chair of the Meeting, who is required to vote these proxies as directed. Any undirected proxies that default to the Chair 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.

STEP 2 - VOTES ON ITEMS OF BUSINESS

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

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

Joint holding: Where the holding is in more than one name, all 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>.

Lodging your Proxy Voting Form:

Online:

Use your computer or smartphone to appoint a proxy at

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

or scan the QR code below using your smartphone

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



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

BY FACSIMILE:

+61 2 8583 3040

All enquiries to Automic:

WEBCHAT: <https://automicgroup.com.au/>

PHONE: 1300 288 664 (Within Australia)
+61 2 9698 5414 (Overseas)

