



AUSTPAC RESOURCES N.L.  
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29 November 2019

The Manager  
Company Announcements  
Australian Stock Exchange Limited  
Exchange Centre  
Level 6  
20 Bridge Street  
SYDNEY NSW 2000

Dear Sir/Madam

RE: AUSTPAC RESOURCES N.L.  
SUPPLEMENTARY NOTICE OF  
DEFERRED ANNUAL GENERAL MEETING 18 DECEMBER 2019

We are pleased to provide a Supplementary Notice of Meeting, Proxy Form and Explanatory Memorandum for the Deferred 2019 Annual General Meeting of Austpac Resources N.L. The Company has applied for an AGM extension.

Yours faithfully

N.J. Gaston  
Company Secretary

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## **Supplementary Notice of Deferred Annual General Meeting**

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**NOTICE IS HEREBY GIVEN** that the deferred thirty sixth Annual General Meeting of Shareholders of Austpac Resources N.L. will now be held at the **Royal Exchange, 1 Gresham Street, Sydney**, on **Wednesday, 18<sup>th</sup> December 2019 at 4:30pm.**

### **BUSINESS**

**1. Financial Statements, Report of the Directors, Remuneration Report and Report of the Auditors**

To receive and consider the Consolidated Statement of Profit or Loss and Other Comprehensive Income, Consolidated Statement of Changes in Equity, Consolidated Statement of Financial Position, Consolidated Statement of Cash Flows, Report of the Directors, Remuneration Report and Report of the Auditors for the year ended 30 June 2019.

**2. Election of Directors**

In accordance with Article 41, Mr Terry Cuthbertson retires and being eligible offers himself for re-election.

**2.1** To resolve that Mr Terry Cuthbertson be elected a Director.

In accordance with Article 44, Mr Geoff Hiller retires and being eligible offers himself for re-election.

**2.2** To resolve that Mr Geoff Hiller be elected a Director.

**3. Board Spill Meeting – Contingent Resolution**

**Note** – the following resolution will only be put to the General Meeting if at least 25% of votes cast on Resolution 1 (Adoption of Remuneration Report) are “against” that resolution. If less than 25% of the votes cast on Resolution 1 are against that resolution, then there will be no second strike and Resolution 3 will not be put to the General Meeting.

To consider, and if thought fit, resolve as an ordinary resolution that for the purposes of section 250V(1) of the Corporations Act 2001 (Cth) (Corporations Act) and for all other purposes:

- (a) a meeting of the Company’s members be held within 90 days of the date of this Annual General Meeting (*Spill Meeting*);
- (b) all of the Company’s Directors in office when the Board resolution to approve the Directors’ Report for the financial year ended 30 June 2019 was passed who remain in office as Directors at the time of the Spill Meeting, cease to hold office immediately before the end of the Spill Meeting; and
- (c) resolutions to appoint persons to offices that will be vacated immediately before the end of the Spill Meeting be put to the vote at the Spill Meeting.

### **BY ORDER OF THE BOARD**

N.J. Gaston

Secretary

29 November 2019

#### **ADDITIONAL INFORMATION**

##### **VOTING EXCLUSIONS**

In accordance with the Corporations Act, any votes on Resolutions 1 and 3 by or on behalf of any person who is disclosed in the Remuneration Report (appearing in Resolution 1) as a member of the key management personnel, including any Director or a closely related party of any key management personnel, will be disregarded.

However, a vote will not be disregarded if:

- It is cast by a person as proxy for a person who is permitted to vote, in accordance with the directions on the proxy form; or
- It is cast by the person chairing the meeting as proxy for a person who is permitted to vote, in accordance with a direction on the proxy form to vote as the proxy decides;

Definitions:

- (a) “Key management personnel” are people having authority and responsibility for planning, directing and controlling the activities of the entity, directly or indirectly, and includes Directors.
- (b) “Closely related parties” includes certain family members and dependents of key management personnel and companies they control.

**VOTING BY PROXY**

A shareholder entitled to attend and vote is entitled to appoint not more than two proxies to attend and vote instead of the member. A proxy need not be a member of the Company. Where two proxies are appointed, each proxy must be appointed to represent a specific portion of the member's voting rights. Proxy forms must be received by the Company at the principal office at least 48 hours before the time for the holding of the meeting.

**If you have already lodged a proxy form in respect of Resolutions 1 and/or 2 as set out in the original Notice of Meeting and Proxy Form and you lodge a further proxy form completed in respect of Resolutions 1 and/or 2, the proxy form lodged later in time shall stand.**

**EXPLANATORY MEMORANDUM  
ANNUAL GENERAL MEETING OF SHAREHOLDERS - 18 December 2019**

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1. **Austpac Resources N.L. (“the Company”)** has deferred the 2019 Annual General Meeting of Shareholders to 18 December 2019 to allow a supplementary package to be put to shareholders.
2. **The purpose of this package is to allow shareholders to vote by proxy on Agenda item no 3 on the Notice of Meeting and Proxy Form. If you have already lodged a proxy form in respect of Resolutions 1 and/or 2 as set out in the original Notice of Meeting and Proxy Form and you lodge a further proxy form completed in respect of Resolutions 1 and/or 2, the proxy form lodged later in time shall stand.**
3. **Resolution 3 / Proxy Item No. 3:** Resolution 3 (“**Spill Resolution**”) is a contingent resolution and will only be put to the Annual General Meeting and voted on if 25% or more of the votes cast on Resolution 1 are cast against the adoption of the Remuneration Report.

If less than 25% of the votes cast on Resolution 1 are cast against adoption of the Remuneration Report at the General meeting, then Resolution 3 will not be put to the Annual General Meeting.

If put, the Spill Resolution will be considered as an ordinary resolution and, if passed, then it will be necessary for the Board to convene a further meeting of Shareholders (“**Spill Meeting**”) within 90 days of this Annual General Meeting in order to consider the composition of the Board.

**4. Application of the two strikes rule**

Section 250V of the Corporations Act 2001 (Cth) provides that if at least 25% of the votes cast on a resolution that a listed company’s remuneration report be adopted were against the adoption of the report at two consecutive annual general meetings, a resolution must then be put to shareholders at the later of the consecutive annual general meetings as to whether another meeting should be held (within 90 days of the later annual general meeting) at which all directors, other than any managing director, who were in office at the date of approval of the applicable remuneration report and remain in office, must stand for re-election.

At the Company’s annual general meeting in 2018, 37% of the votes cast on the resolution to adopt the Company’s remuneration report were cast against the resolution. Accordingly, if 25% or more of the votes cast at the General Meeting on Resolution 1 are cast against the adoption of the Remuneration Report then the Company will be required to put to vote a further resolution (being the contingent resolution set out as Resolution 3) to hold a Spill Meeting.

**5. Mechanics of the Potential Spill Meeting**

Shareholders should note the following if the Spill Resolution is approved a Spill Meeting is required to be held by the Company:

- A. All the Directors who were in office when the Board resolution to approve the Remuneration Report was passed and who remain in office as Directors at the time of the Spill Meeting, being each of:
  - i. Terry Cuthbertson;
  - ii. Colin Iles; and
  - iii. Geoff Hiller,(together, “**the Relevant Directors**”),

will automatically cease to hold office immediately before the end of the Spill Meeting, however they may stand for re-election and may be re-elected at the Spill Meeting. For the avoidance of doubt, this includes Terry Cuthbertson and Geoff Hiller, despite them already being subject to election at the General Meeting.

- B. No voting exclusions will apply to any resolutions appointing Directors at the Spill Meeting. Accordingly, there is no barrier for any Shareholder exercising their voting rights to support the re-appointment of the existing Directors at the subsequent Spill Meeting. If the Spill Resolution is passed, each of the Relevant Directors intends to stand for re-election at the Spill Meeting and if such Spill Meeting is held, may vote their own shares in support of their reappointment.

The Corporations Act requires the Company to have a minimum of three Directors (including at least two Directors ordinarily resident in Australia). If, following the Spill Meeting, the Company has fewer than three Directors, the persons with the highest percentage of votes in favour of their election at the Spill Meeting are taken to be appointed, even if less than half the votes cast on the resolution were in favour of their appointment. If two or more persons have the same percentages of votes in favour of their appointment, the other Directors will choose one of those persons as the appointed Director.

The 3<sup>rd</sup> edition of the ASX Corporate Governance Council's Corporate Governance Principles and Recommendations recommends that a listed entity should have a board of an appropriate size and composition with appropriate skills and commitment to enable it to discharge its duties effectively. The Board should also be large enough to comprise a variety of perspective and skills, and to represent the best interests of the Company as a whole. The skills and experience matrix of the current members of the Board may not be reflected in the Board elected as a result of the Spill Meeting.

## 6. Consequences of voting “for” the Spill Resolution

The impact of the Spill Resolution on the composition of the Board should be considered carefully by Shareholders. If the Spill Resolution is put to the Annual General Meeting and passes:

- A. the Company will need to incur relevant expenses, including legal, printing, mail out and registry costs;
- B. the Spill Meeting is likely to disrupt the Board and the Company's focus away from core business operations due to the necessary diversion of resources and time toward organising the Spill Meeting;
- C. certain key staff may decide to leave the Company;
- D. there will be uncertainty as to the composition and continuity of the Board until the Spill Meeting is held, which may create instability within the Company and may have a negative effect on the Company's share price and operations; and
- E. noting that it is possible that the Relevant Directors will be re-elected at the Spill Meeting, Shareholders are encouraged not to vote “for” the Spill Resolution as a mere protest, where they have no intention of voting against the re-election of the Relevant Directors at the Spill Meeting, given the negative consequences of voting “for” the Spill Resolution as set out above.

## 7. Board Comment and Recommendation

If Resolution 3 is put to Shareholders and you support your current Directors and wish for them to continue as Directors, you should vote against the Spill Resolution (Resolution 3).

If it is required to be put to the Annual General Meeting, the Board unanimously recommends that Shareholders vote **against** Resolution 3.

**PROXY FORM**

\*I/We  
of .....  
being a member/s of Austpac Resources N.L. hereby appoint.....  
of .....  
or .....

or failing him, or if no person is named, the Chairman of the Meeting as my/our proxy to attend and vote for me/us and on my/our behalf at the deferred Annual General Meeting of Members to be held on Wednesday 18 December 2019 at 4:30pm and at any adjournment thereof. Should the member wish to direct the proxy how to vote, place a tick in the appropriate box against each item hereunder, otherwise the proxy may vote as he thinks fit or abstain from voting.

I/We instruct my/our proxy to vote in the following manner:

**BUSINESS**

	FOR	AGAINST	ABSTAIN
1. <b>Adoption of Reports and Accounts</b> .....	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
2. <b>Election of Directors</b>			
2.1 To resolve that Mr Terry Cuthbertson be elected a Director.....	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
2.2 To resolve that Mr Geoff Hiller be elected a Director.....	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
3. <b>Board Spill Meeting (Contingent Resolution)</b> .....	<input type="checkbox"/>	<input checked="" type="checkbox"/>	<input type="checkbox"/>
<i>Board Recommendation:</i> The Board recommends that shareholders vote <b>AGAINST</b> Resolution 3.			
<i>Note:</i> Resolution 3 will only be put to the Annual General Meeting if at least 25% of votes cast on Resolution 1 (Adoption of Remuneration Report) are "against" that Resolution. If less than 25% of the votes are cast on Resolution 1 are against that Resolution, then there will be no second strike and Resolution 3 will not be put to the Annual General Meeting.			

**WARNING** A spill motion will result in a requirement for another general meeting and for a re-election of Directors and may jeopardise the recently established support of a major international company which would take Austpac Resources N.L. to the commercial development of its technology, and may lead to key staff leaving the Company.

**Chairman's Voting Intentions**

**The Chairman of the Meeting intends to vote all available proxies in favour of Resolutions 1 and 2 and against Resolution 3.**

By marking this box, you are directing the Chairman of the Meeting to vote in accordance with the Chairman's voting intentions on Resolutions 1, 2 and 3 as set out above and in the Notice of Meeting. **If you do not mark this box, and you have not directed your proxy how to vote on Resolution 1, 2 or Resolution 3, the Chairman of the Meeting will not cast your votes on those resolutions.** If you appoint the Chairman of the Meeting as your proxy you can direct the Chairman how to vote by either marking the voting boxes above (for example if you wish to vote against a resolution) or by marking this box (in which case the Chairman of the Meeting will vote in favour of Resolutions 1 and 2 and against Resolution 3).

I/We direct the Chairman of the Meeting to vote in accordance with the Chairman's voting intentions on Resolutions 1 and 3 (except where I/we have indicated a different voting intention above) and acknowledge that the Chairman of the Meeting may exercise my proxy even though Resolutions 1, 2 and 3 are connected directly or indirectly with the remuneration of a member of key management personnel and/or even if the Chairman of the Meeting has an interest in the outcome of these resolutions and that votes cast by the Chairman, other than as proxy holder, would be disregarded because of that interest.

Dated this ..... day of .....2019

Signature of Member.....

**Please note:**

1. If you have appointed the Chairman of the Meeting as your proxy (or the Chairman of the Meeting becomes your proxy by default), you can direct the Chairman of the Meeting to vote for or against Resolution 1 (which includes the remuneration report), Resolution 2 (which relates to Director re-elections) and/or for Resolution 3 (which relates to the Board Spill Meeting) by marking the appropriate box opposite those resolutions. However, note that if the Chairman is your proxy and you do not mark any of the boxes opposite Resolutions 1, 2 or 3, you are directing the Chairman of the Meeting to vote in favour of Resolutions 1 and/or 2, and/or against Resolution 3.
2. If you have already lodged a proxy form in respect of Resolutions 1 and/or 2 as set out in the original Notice of Meeting and Proxy Form and you lodge a further proxy form completed in respect of Resolutions 1 and/or 2, the proxy form lodged later in time shall stand.