

5 August 2022

Dear Shareholder,

White Rock Minerals Limited – Notice of General Meeting on 5 September 2022

On 4 May 2022, White Rock Minerals Limited (**Company**) announced a capital raising which included a placement of shares (together with free-attaching options) and a proposed convertible note and equity facility to allow the Company to progress the essential works needed to commence gold production at our high-grade Morning Star Gold Mine in Victoria. A General Meeting of shareholders has been convened at which several important resolutions are to be put to shareholders in connection with the capital raising.

Approval of all of these resolutions is vital to allow the immediate recruitment of personnel needed and the necessary preparation of underground and processing plant works to be completed, allowing Morning Star to become your Company's first producing asset. Without these approvals, your Company will have to consider options for the future of its operations.

The General Meeting of shareholders will be held at the offices of Baker McKenzie, Level 19, 181 William Street, Melbourne, at 1.00 pm Melbourne time on Monday, 5 September 2022. Details of the various resolutions to be considered at the General Meeting are included in the accompanying Notice of General Meeting.

We look forward to your support in approving these resolutions so that the Company can move quickly to a new level as a gold producer, and as we said in our 4 May 2022 announcement "the funds raised will be used to propel White Rock into the league of gold producers".

As also contemplated in the 4 May 2022 announcement, following the General Meeting, the Company intends to undertake a bonus offer of options (**Bonus Loyalty Options**) to all eligible shareholders on a 1 for 2 basis of shares held at the relevant record date to be advised. The Bonus Loyalty Options are intended to be listed and are intended to have an exercise price of \$0.12 and an expiry date of 31 January 2023.

The Board looks forward to your ongoing support.

This release was authorised by the Board.

Yours sincerely,



Peter Mangano
Chairman

NOTICE OF GENERAL MEETING



Notice is given that a General Meeting of shareholders of White Rock Minerals Limited (the "Company") will be held at the offices of Baker McKenzie, Level 19, 181 William Street, Melbourne, at **1.00 pm Melbourne time on Monday, 5 September 2022**.

Resolution 1: Approval of Previous Share Issue – December 2021 Placement

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

"That for the purposes of ASX Listing Rule 7.4 and for all other purposes, the shareholders of the Company approve and ratify the previous issue of 9,375,000 fully paid ordinary shares in the capital of the Company on the basis set out in the Explanatory Notes."

Resolution 2: Approval of Proposed Share Issue to Paul McNally (or his nominee) – December 2021 Placement

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

"That for the purposes of ASX Listing Rule 10.11 and for all other purposes, the shareholders of the Company approve the proposed issue of up to 1,812,500 fully paid ordinary shares in the capital of the Company on the basis set out in the Explanatory Notes."

Resolution 3: Approval of Previous Share Issue - May 2022 Placement

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

"That for the purposes of ASX Listing Rule 7.4 and for all other purposes, the shareholders of the Company approve and ratify the previous issue of 15,797,003 fully paid ordinary shares in the capital of the Company on the basis set out in the Explanatory Notes."

Resolution 4: Approval of Proposed Option Issue - May 2022 Placement

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

"That for the purposes of ASX Listing Rule 7.1 and for all other purposes, the shareholders of the Company approve the proposed issue of up to 7,989,502 unlisted options to subscribe for fully paid ordinary shares in the capital of the Company on the basis set out in the Explanatory Notes."

Resolution 5: Approval of Proposed Share and Option Issue to Matthew Gill (or his nominee) - May 2022 Placement

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

"That for the purposes of ASX Listing Rule 10.11 and for all other purposes, the shareholders of the Company approve the proposed issue of up to 333,333 fully paid ordinary shares in the capital of the Company and 166,667 unlisted options to subscribe for fully paid ordinary shares in the capital of the Company on the basis set out in the Explanatory Notes."

Resolution 6: Approval of Proposed Option Issue to Viriathus Capital Pty Ltd - May 2022 Placement

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

"That for the purposes of ASX Listing Rule 7.1 and for all other purposes, the shareholders of the Company approve the proposed issue of up to 500,000 listed options to subscribe for fully paid ordinary shares in the capital of the Company on the basis set out in the Explanatory Notes."

Resolution 7: Approval of Proposed Option Issue to Sanlam Private Wealth Pty Ltd - May 2022 Placement

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

"That for the purposes of ASX Listing Rule 7.1 and for all other purposes, the shareholders of the Company approve the proposed issue of up to 500,000 listed options to subscribe for fully paid ordinary shares in the capital of the Company on the basis set out in the Explanatory Notes."

Resolution 8: Approval of issue of Convertible Notes under the Convertible Note Facility

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

"That, subject to resolutions 10 and 11 being passed, for the purposes of ASX Listing Rule 7.1 and for all other purposes, the shareholders of the Company approve the proposed issue of up to A\$3,500,000 worth of Convertible Notes on the basis set out in the Explanatory Notes."

Resolution 9: Approval of issue of Shares under the Equity Facility

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

"That for the purposes of ASX Listing Rule 7.1 and for all other purposes, the shareholders of the Company approve the proposed issue of up to 10,000,000 fully paid ordinary shares in the capital of the Company to Obsidian Global GP, LLC (or its nominee(s)) on the basis set out in the Explanatory Notes."

Resolution 10: Approval of issue of Shares in lieu of Facility Fee under the Proposed Funding Facilities

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

"That, subject to resolutions 8 and 11 being passed, for the purposes of ASX Listing Rule 7.1 and for all other purposes, the shareholders of the Company approve the proposed issue of up to A\$450,000 worth of fully paid ordinary shares in the capital of the Company in satisfaction of the First Instalment Facility Fee to Obsidian Global GP, LLC (or its nominee(s)) on the basis set out in the Explanatory Notes."

Resolution 11: Approval of issue of Security Shares under the Proposed Funding Facilities

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

"That, subject to resolutions 8 and 10 being passed, for the purposes of ASX Listing Rule 7.1 and for all other purposes, the shareholders of the Company approve the proposed issue of 20,000,000 fully paid ordinary shares in the capital of the Company to Obsidian Global GP, LLC (or its nominee(s)) on the basis set out in the Explanatory Notes."

By order of the Board

Shane Turner

Company Secretary

Dated: 5 August 2022

PROXY AND VOTING INSTRUCTIONS

1. Voting on all resolutions at the meeting will be conducted by poll rather than a show of hands.
2. A shareholder entitled to attend and vote at the meeting may appoint one or two proxies to attend and vote on their behalf. Each proxy will have the right to vote on a poll and also to speak at the meeting.
3. A proxy need not be a member of the Company and a proxy can be either an individual or a body corporate.
4. The appointment of a proxy may specify the proportion or the number of votes that the proxy may exercise. Where more than one proxy is appointed and the appointment does not specify the proportion or number of the shareholder's votes each proxy may exercise, the votes will be divided equally among the proxies (i.e. where there are two proxies, each proxy may exercise half the votes).
5. If a proxy is not directed how to vote on an item of business, the proxy may vote or abstain from voting on that resolution as they think fit.
6. If a proxy is instructed to abstain from voting on an item of business, they are directed not to vote on the shareholder's behalf on the poll and the shares that are the subject of the proxy appointment will not be counted in calculating the required majority.
7. Shareholders who return their proxy forms with a direction on how to vote but do not nominate the identity of their proxy will be taken to have appointed the Chairman of the meeting as their proxy to vote on their behalf.
8. If a proxy form is returned but the nominated proxy does not attend the meeting, or does not vote on the resolution, the Chairman of the meeting will act in place of the nominated proxy and vote in accordance with any instructions.
9. The Chairman intends to vote any undirected proxy in favour of all resolutions.
10. If you wish, you can appoint the Chairman as your proxy and direct the Chairman to cast your votes contrary to the above stated voting intention or to abstain from voting on a Resolution. Simply mark your voting directions on the proxy form before you return it.
11. The proxy form (and the power of attorney or other authority, if any, under which the proxy form is signed) or a copy which appears on its face to be an authentic copy of the proxy form (and the power of attorney or other authority) must be lodged with the Company, **White Rock Minerals Ltd, PO Box 195 Ballarat VIC 3353** or by email info@whiterockminerals.com.au not less than 48 hours before the time for holding the meeting, or adjourned meeting as the case may be, at which the individual named in the proxy form proposes to vote.
12. The proxy form must be signed by the member or his/her attorney duly authorised in writing or, if the member is a corporation, in a manner permitted by the Corporations Act. A proxy given by a foreign corporation must be executed in accordance with the laws of that corporation's place of incorporation.

A proxy form is attached to this Notice of General Meeting.

Corporate Representatives: Any corporation that is a shareholder of the Company may authorise (by a form of execution authorised by the laws of that corporation's place of incorporation, or in any other manner satisfactory to the Chairman) a natural person to act as its representative at any general meeting.

Voting Entitlement: The Company has determined that for the purposes of the meeting, shares will be taken to be held by the persons who are registered as holding the shares at 7.00 pm on 3 September 2022. Accordingly, transfers registered after that time will be disregarded in determining entitlements to attend and vote at the General Meeting.

Explanatory Notes

These Explanatory Notes should be read in conjunction with the Notice of General Meeting.

Note regarding intended offer of Bonus Loyalty Options

As announced to ASX on 23 May 2022 (and previously on 4 May 2022), the Company intends to undertake a bonus offer of options (**Bonus Loyalty Options**) to all eligible shareholders on a 1 for 2 basis of Shares held as at the relevant record date. The Bonus Loyalty Options are intended to be listed and are intended to have an exercise price of \$0.12 and an expiry date of 31 January 2023.

Further details of the intended offer of Bonus Loyalty Options will be provided to shareholders in due course.

Resolution 1: Approval of Previous Share Issue – December 2021 Placement

ASX Listing Rule 7.1 restricts the number of securities which a listed company may issue in any 12 month period without the approval of shareholders of 15% of the number of securities on issue at the start of the period subject to certain adjustments and permitted exceptions. The Company also sought shareholder approval at its last AGM to issue an additional 10% of its fully paid ordinary shares on issue under ASX Listing Rule 7.1A.

The Company wishes to retain as much flexibility as possible to issue additional equity securities into the future without having to obtain shareholder approval for such issues.

This resolution seeks shareholder approval to the previous issue of securities in the Company for the purposes of ASX Listing Rule 7.4. The purpose of seeking shareholder approval of the issue of securities in this resolution is to ensure that the previous issues of shares as described below do not reduce the Company's additional 10% placement capacity under the ASX Listing Rules.

As announced to ASX on 10 December 2021, the Company received A\$2.25 million (before costs) from a placement of 9,375,000 new fully paid ordinary shares (**Shares**) at A\$0.24 per Share (**December 2021 Placement**).

The investors under the December 2021 Placement include various new sophisticated and professional investors introduced following a bookbuild process conducted by the Company in conjunction with Viriathus Capital Pty Ltd and Henslow Pty Ltd (as joint lead managers), who are not related parties or associates of related parties of the Company.

All of the Shares issued were issued on 10 December 2021 without shareholder approval under ASX Listing Rule 7.1A.

The issued Shares under the December 2021 Placement rank equally with all fully paid ordinary shares currently on issue.

The funds raised from the December 2021 Placement will be applied towards in-mine and regional exploration activities at the Company's high-grade Woods Point Gold Project in Victoria; recapitalisation of the Morning Star gold mine and gold processing facility and for care and maintenance of the mine and working capital.

If Resolution 1 is passed, the Shares will not be counted as reducing the number of equity securities which the Company can issue without shareholder approval under ASX Listing Rule 7.1A, effectively increasing the number of securities the Company can issue without shareholder approval.

If Resolution 1 is not passed, the Shares will be included in calculating the Company's placement capacity under ASX Listing Rule 7.1A, effectively decreasing the number of equity securities it can issue without shareholder approval, unless an exemption applies.

Voting Exclusion

The Company will disregard any votes cast in favour of the resolution by any person who participated in the December 2021 Placement or any associates of those persons. However, this does not apply to a vote cast in favour of a resolution by:

- 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;
- 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
- a holder acting solely in a nominee, trustee, custodial or other fiduciary capacity on behalf of a beneficiary provided the following conditions are met:
 - 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
 - the holder votes on the resolution in accordance with directions given by the beneficiary to the holder to vote in that way.

Recommendation

The Directors unanimously recommend that shareholders vote in favour of this resolution.

Resolution 2: Approval of Proposed Share Issue to Paul McNally (or his nominee) - December 2021 Placement

As announced on 10 December 2021, in connection with the December 2021 Placement (referred to above) Paul McNally (a director of the Company) has committed to place A\$435,000 on the same terms and conditions of the December 2021 Placement (being a subscription for Shares at A\$0.24 per Share), subject to shareholder approval. Approval of this Proposed Share Issue will enable the Company to repay the \$435,000 loan to the Company by Mr McNally.

Shareholder approval is now sought to place up to 1,812,500 Shares to Paul McNally (or his nominee).

Resolution 2 seeks shareholder approval pursuant to ASX Listing Rule 10.11 to allow for the issue of Shares to Paul McNally (or his nominee).

ASX Listing Rule 10.11

ASX Listing Rule 10.11 provides that unless one of the exceptions in ASX Listing Rule 10.12 applies, an entity must not issue or agree to issue equity securities to any of the following persons without the approval of holders of ordinary securities:

- (a) a Related Party (ASX Listing Rule 10.11.1);
- (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 entity (ASX Listing Rule 10.11.2);
- (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 entity and who has nominated a director to the board of the entity pursuant to a relevant agreement which gives them a right or expectation to do so (ASX Listing Rule 10.11.3);
- (d) an Associate of a person referred to in ASX Listing Rules 10.11.1 to 10.11.3 (ASX Listing Rule 10.11.4); or

- (e) a person whose relationship with the entity 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 (ASX Listing Rule 10.11.5).

By virtue of Paul McNally being a director of the Company, the proposed issue falls within ASX Listing Rule 10.11.1, which prohibits the issue of equity securities to related parties without Shareholder approval, unless an exception under ASX Listing Rule 10.12 applies.

As the exceptions set out in ASX Listing Rule 10.12 do not apply to the proposed issue of Shares, the proposed issue therefore requires the approval of the Company's Shareholders under ASX Listing Rule 10.11.

If Resolution 2 is passed, the Company will be able to proceed with the proposed issue of Shares, increasing the number of Shares held by Paul McNally (or his nominee) in the Company and diluting other Shareholders' Shareholdings in the Company proportionately.

If Resolution 2 is not passed, the Company will be unable to proceed with the proposed issue of Shares.

ASX Listing Rule 7.1

Exception 14 of ASX Listing Rule 7.2 provides that approval under ASX Listing Rule 7.1 will not be required if the issue of equity securities is made with the approval of Shareholders under ASX Listing Rule 10.11.

As approval for the issue of Shares to Paul McNally or his respective nominee is being sought under ASX Listing Rule 10.11, approval is not also required under ASX Listing Rule 7.1.

Technical Information Required by ASX Listing Rule 10.13

For the purposes of ASX Listing Rule 10.13, which contains the requirements as to the contents of a notice sent to Shareholders for the purposes of ASX Listing Rule 10.11, the following information is provided to Shareholders:

	Securities to be issued to Paul McNally or his nominee
Name of recipient	Paul McNally or his nominee
Which category in ASX Listing Rules 10.11.1-10.11.5 the recipient falls into	Paul McNally is a Director of the Company and therefore a Related Party under ASX Listing Rule 10.11.1.
Number and class of Securities to be issued	1,812,500 fully paid ordinary shares
Date by which entity will issue securities	If Resolution 2 is passed, all Shares are expected to be issued on or about 6 September 2022 and in any event, by no later than 1 month of the date of the Meeting.
Status of Related Party relationship	Paul McNally is a Director of the Company His nominee (if any) will be his Associate.
Issue price, exercise price and terms for Securities	The Shares will be issued for an issue price of A\$0.24 per Share. The Shares will rank pari passu with all existing securities in their class.
Purpose of issue and intended use of funds raised	Paul McNally has previously provided an unsecured loan to AuStar Gold Limited (a wholly-owned subsidiary of the Company), currently for a value of \$435,000 at commercial interest rates, which is payable prior to 31 December 2022. This

	issue of securities will be applied towards full repayment of that loan, and hence no funds will be raised from this issue.
Director remuneration	The Shares are not issued as Director remuneration or in order to incentivise the Director.
Securities issued under an agreement	The Shares were not issued under an agreement.
Voting exclusion statement	A voting exclusion statement is set out below.

Chapter 2E of the Corporations Act

Under Chapter 2E of the Corporations Act, for a public company to give a financial benefit to a Related Party, the public company must:

- (a) obtain the approval of the 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 fall within an exception set out in sections 210 to 216 of the Corporations Act.

The issue of Shares would constitute giving a financial benefit and Paul McNally is a Related Party of the Company by virtue of being a Director of the Company.

The Directors (with respect to Resolution 2 that do not relate directly to themselves) consider that Shareholders' approval pursuant to Chapter 2E of the Corporations Act is not required in respect of the issue of the Shares proposed to be issued to Paul McNally or his respective nominees as such issue is at the same price and on the same terms as the December 2021 Placement (the participants in which are not Related Parties). As such, the giving of the financial benefit is on arm's length terms.

The issue of Shares under Resolution 2 will result in the dilution to Shareholders' interest in the Company. However, the Board considers that the issue of Shares to Paul McNally or his respective nominee will recognise their previous commitments to capital raising undertaken by the Company and will help to further align their interests with Shareholders.

Voting Exclusion

The Company will disregard any votes cast in favour of the resolution by or on behalf of Paul McNally and any other person who will obtain a material benefit as a result of, the proposed issue (except solely by reason of being a holder of ordinary shares in the Company) or any associate of that person or those persons. However, this does not apply to a vote cast in favour of a resolution by:

- 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;
- 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
- a holder acting solely in a nominee, trustee, custodial or other fiduciary capacity on behalf of a beneficiary provided the following conditions are met:
 - 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
 - the holder votes on the resolution in accordance with directions given by the beneficiary to the holder to vote in that way.

Recommendation

The Directors (other than Paul McNally) recommend that shareholders vote in favour of this resolution.

Resolution 3: Approval of Previous Share Issue – May 2022 Placement

ASX Listing Rule 7.1 restricts the number of securities which a listed company may issue in any 12 month period without the approval of shareholders of 15% of the number of securities on issue at the start of the period subject to certain adjustments and permitted exceptions. The Company also sought shareholder approval at its last AGM to issue an additional 10% of its fully paid ordinary shares on issue under ASX Listing Rule 7.1A.

The Company wishes to retain as much flexibility as possible to issue additional equity securities into the future without having to obtain shareholder approval for such issues.

This resolution seeks shareholder approval to the previous issue of securities in the Company for the purposes of ASX Listing Rule 7.4. The purpose of seeking shareholder approval of the issue of securities in this resolution is to ensure that the previous issues of shares as described below do not reduce the Company's 15% and additional 10% placement capacity under the ASX Listing Rules.

As announced to ASX on 4 May 2022, the Company received commitments to raise approximately A\$2.4 million (before costs) from a placement (**May 2022 Placement**) of 15,979,003 Shares at A\$0.15 per share.

The investors under the May 2022 Placement include various new sophisticated and professional investors introduced following a bookbuild process conducted by the Company in conjunction with Viriathus Capital Pty Ltd and Sanlam Private Wealth Pty Ltd (as joint lead managers), who are not related parties or associates of related parties of the Company.

The Shares under the May 2022 Placement were issued on 11 May 2022 as follows:

- 10,526,979 Shares were issued without shareholder approval under ASX Listing Rule 7.1; and
- 5,452,024 Shares were issued without shareholder approval under ASX Listing Rule 7.1A.

The issued Shares under the May 2022 Placement rank equally with all fully paid ordinary shares currently on issue.

The funds raised from the May 2022 Placement will be applied towards recruitment, re-capitalisation, pre-production development and commencement of gold production at the Morning Star Gold Mine; regional exploration at the Woods Point Project; exploration at the Red Mountain Project and working capital.

If Resolution 3 is passed, the Shares will not be counted as reducing the number of equity securities which the Company can issue without shareholder approval under ASX Listing Rules 7.1 and 7.1A, effectively increasing the number of securities the Company can issue without shareholder approval.

If Resolution 3 is not passed, the Shares will be included in calculating the Company's placement capacity under ASX Listing Rules 7.1 and 7.1A, effectively decreasing the number of equity securities it can issue without shareholder approval, unless an exemption applies.

Voting Exclusion

The Company will disregard any votes cast in favour of the resolution by any person who participated in the May 2022 Placement or any associates of those persons. However, this does not apply to a vote cast in favour of a resolution by:

- 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;

- 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
- a holder acting solely in a nominee, trustee, custodial or other fiduciary capacity on behalf of a beneficiary provided the following conditions are met:
 - 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
 - the holder votes on the resolution in accordance with directions given by the beneficiary to the holder to vote in that way.

Recommendation

The Directors unanimously recommend that shareholders vote in favour of this resolution.

Resolution 4: Approval of Proposed Option Issue – May 2022 Placement

This resolution seeks shareholder approval of the proposed issue of options to acquire Shares in the Company for the purposes of ASX Listing Rule 7.1. Broadly speaking, and subject to a number of exceptions, ASX Listing Rule 7.1 limits the amount of equity securities that a listed company can issue without the approval of its shareholders over any 12 month period of 15% of the fully paid ordinary shares it has on issue at the start of that period. The purpose of seeking shareholder approval of the issue of options in this resolution is to ensure that the proposed issue of options does not reduce the Company's future placement capacity.

The Company wishes to retain as much flexibility as possible to issue additional equity securities into the future without having to obtain shareholder approval for such issues.

As announced to ASX on 4 May 2022 (and referred to above), in connection with the May 2022 Placement the Company proposes to issue, subject to shareholder approval, one free attaching unlisted option to subscribe for fully paid ordinary shares (**Placement Options**) for every two Shares subscribed for by participants under the May 2022 Placement (being various new sophisticated and professional investors introduced following a bookbuild process conducted by the Company in conjunction with Viriathus Capital Pty Ltd and Sanlam Private Wealth Pty Ltd (as joint lead managers), who are not related parties or associates of related parties of the Company).

The Company proposes to issue 7,989,502 Placement Options.

The Placement Options will have an exercise price of A\$0.15 each and an expiry date of 30 January 2023.

The material terms of the Placement Options are set out in **Annexure A**.

The Placement Options are being issued as free-attaching options (on a 1 for 2 basis) to investors under the May 2022 Placement and will therefore be issued for nil consideration. In the event that all the Placement Options are exercised, the Company will receive up to approximately A\$1.2 million in proceeds which the Company intends to apply towards recruitment, re-capitalisation, pre-production development and commencement of gold production at the Morning Star Gold Mine; regional exploration at the Woods Point Project; exploration at the Red Mountain Project and working capital.

If Resolution 4 is passed, the Placement Options will not be counted as reducing the number of equity securities which the Company can issue without shareholder approval under ASX Listing Rules 7.1 and 7.1A, effectively increasing the number of securities the Company can issue without shareholder approval.

If this resolution is passed, the Placement Options are expected to be issued on or about 6 September 2022, and in any event, by no later than 3 months after the date of the meeting.

If Resolution 4 is not passed, the Placement Options will be included in calculating the Company's placement capacity under ASX Listing Rules 7.1 or 7.1A, effectively decreasing the number of equity securities it can issue without shareholder approval, unless an exemption applies.

Voting Exclusion

The Company will disregard any votes cast in favour of the resolution by any person who is expected to participate in, or who will obtain a material benefit as a result of, the proposed issue (except solely by reason of being a holder of ordinary shares in the Company) or any associate of those persons. However, this does not apply to a vote cast in favour of a resolution by:

- 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;
- 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
- a holder acting solely in a nominee, trustee, custodial or other fiduciary capacity on behalf of a beneficiary provided the following conditions are met:
 - 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
 - the holder votes on the resolution in accordance with directions given by the beneficiary to the holder to vote in that way.

Recommendation

The Directors unanimously recommend that shareholders vote in favour of this resolution.

Resolution 5: Approval of Proposed Share and Option Issue to Matthew Gill (or his nominee) - May 2022 Placement

In connection with the May 2022 Placement (referred to above), Matthew Gill (the Managing Director and CEO of the Company) wishes to subscribe for A\$50,000 of Shares on the same terms and conditions of the May 2022 Placement (a subscription for Shares at A\$0.15 per Share with 1 for 2 free attaching Placement Options with an exercise price of A\$0.15 each and an expiry date of 30 January 2023), subject to shareholder approval.

The material terms of the Placement Options are set out in **Annexure A**.

Shareholder approval is now sought to issue up to 333,333 Shares and 166,667 Placement Options to Matthew Gill (or his nominee).

Resolution 5 seeks Shareholder approval pursuant to ASX Listing Rule 10.11 to allow for the issue of the Shares and Placement Options to Matthew Gill (or his nominee).

ASX Listing Rule 10.11

ASX Listing Rule 10.11 provides that unless one of the exceptions in ASX Listing Rule 10.12 applies, an entity must not issue or agree to issue equity securities to any of the following persons without the approval of holders of ordinary securities:

- (a) a Related Party (ASX Listing Rule 10.11.1);
- (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 entity (ASX Listing Rule 10.11.2);
- (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 entity and who has nominated a director to the board of the entity pursuant

to a relevant agreement which gives them a right or expectation to do so (ASX Listing Rule 10.11.3);

- (d) an Associate of a person referred to in ASX Listing Rules 10.11.1 to 10.11.3 (ASX Listing Rule 10.11.4); or
- (e) a person whose relationship with the entity 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 (ASX Listing Rule 10.11.5).

By virtue of Matthew Gill being a director of the Company, the proposed issue falls within ASX Listing Rule 10.11.1, which prohibits the issue of equity securities to related parties without Shareholder approval, unless an exception under ASX Listing Rule 10.12 applies.

As the exceptions set out in ASX Listing Rule 10.12 do not apply to the proposed issue of Shares, the proposed issue therefore requires the approval of the Company's Shareholders under ASX Listing Rule 10.11.

If Resolution 5 is passed, the Company will be able to proceed with the proposed issue of Shares and Placement Options, increasing the number of Shares and Placement Options held by Matthew Gill (or his nominee) in the Company and diluting other Shareholders' Shareholdings in the Company proportionately.

If Resolution 5 is not passed, the Company will be unable to proceed with the proposed issue of the Shares and Placement Options.

ASX Listing Rule 7.1

Exception 14 of ASX Listing Rule 7.2 provides that approval under ASX Listing Rule 7.1 will not be required if the issue of equity securities is made with the approval of Shareholders under ASX Listing Rule 10.11.

As approval for the issue of Shares and Placement Options to Matthew Gill or his respective nominee is being sought under ASX Listing Rule 10.11, approval is not also required under ASX Listing Rule 7.1.

Technical Information Required by ASX Listing Rule 10.13

For the purposes of ASX Listing Rule 10.13, which contains the requirements as to the contents of a notice sent to Shareholders for the purposes of ASX Listing Rule 10.11, the following information is provided to Shareholders:

	Securities to be issued to Matthew Gill or his nominee
Name of recipient	Matthew Gill or his nominee
Which category in ASX Listing Rules 10.11.1-10.11.5 the recipient falls into	Matthew Gill is a Director of the Company and therefore a Related Party under ASX Listing Rule 10.11.1.
Number and class of Securities to be issued	333,333 fully paid ordinary shares and 166,667 unlisted options to subscribe for fully paid ordinary shares
Date by which entity will issue securities	If Resolution 5 is passed, all Shares and Placement Options are expected to be issued on or about 6 September 2022 and in any event, by no later than 1 month of the date of the Meeting.
Status of Related Party relationship	Matthew Gill is a Director of the Company His nominee (if any) will be his Associate.

Issue price, exercise price and terms for Securities	The Shares will be issued for an issue price of A\$0.15 per Share. The Shares will rank pari passu with all existing securities in their class.
Purpose of issue and intended use of funds raised	It is intended that the funds will be applied towards recruitment, re-capitalisation, pre-production development and commencement of gold production at the Morning Star Gold Mine; regional exploration at the Woods Point Project; exploration at the Red Mountain Project and working capital.
Director remuneration	The Shares and Placement Options are not issued as Director remuneration or in order to incentivise the Director.
Securities issued under an agreement	The Shares and Placement Options were not issued under an agreement.
Voting exclusion statement	A voting exclusion statement is set out below.

Chapter 2E of the Corporations Act

Under Chapter 2E of the Corporations Act, for a public company to give a financial benefit to a Related Party, the public company must:

- (a) obtain the approval of the 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 Shares and Placement Options would constitute giving a financial benefit and Matthew Gill is a Related Party of the Company by virtue of being a Director of the Company.

The Directors (with respect to Resolution 5 that do not relate directly to themselves) consider that Shareholders' approval pursuant to Chapter 2E of the Corporations Act is not required in respect of the issue of Shares and Placement Options proposed to be issued to Matthew Gill or his respective nominees as such issue is at the same price and on the same terms as the May 2022 Placement (the participants in which are not Related Parties). As such, the giving of the financial benefit is on arm's length terms.

The issue of Shares and Placement Options under Resolution 5 will result in the dilution to Shareholders' interest in the Company. However, the Board considers that the issue of Shares and Placement Options to Matthew Gill or his respective nominee will recognise their previous commitments to capital raising undertaken by the Company and will help to further align their interests with Shareholders.

Voting Exclusion

The Company will disregard any votes cast in favour of the resolution by Matthew Gill and any other person who will obtain a material benefit as a result of, the proposed issue (except solely by reason of being a holder of ordinary shares in the Company) or any associate of that person or those persons. However, this does not apply to a vote cast in favour of a resolution by:

- 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;
- 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

- a holder acting solely in a nominee, trustee, custodial or other fiduciary capacity on behalf of a beneficiary provided the following conditions are met:
 - 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
 - the holder votes on the resolution in accordance with directions given by the beneficiary to the holder to vote in that way.

Recommendation

The Directors (other than Matthew Gill) recommend that shareholders vote in favour of this resolution.

Resolution 6: Approval of Proposed Option Issue to Viriathus Capital Pty Ltd - May 2022 Placement

This resolution seeks shareholder approval of the proposed issue of securities in the Company for the purposes of ASX Listing Rule 7.1. Broadly speaking, and subject to a number of exceptions, ASX Listing Rule 7.1 limits the amount of equity securities that a listed company can issue without the approval of its shareholders over any 12 month period of 15% of the fully paid ordinary shares it has on issue at the start of that period. The purpose of seeking shareholder approval of the issue of securities in this resolution is to ensure that the proposed issue of options not reduce the Company's future placement capacity.

The Company entered into a mandate letter agreement (**Mandate Letter**) with Viriathus Capital Pty Ltd and Sanlam Private Wealth Pty Ltd (together **the JLMs**) to act as joint lead managers to the May 2022 Placement announced to ASX on 4 May 2022 (and referred to above). Pursuant to the terms of the Mandate Letter, the Company agreed to pay (in summary) an Offer Management Fee of 2% of funds raised (shared equally between the JLMs) and 1,000,000 listed options to acquire Shares (**JLM Options**) (shared equally between the JLMs), a Placement Fee of 4% of certain funds introduced (shared equally between the JLMs) and a Back Office Fee of A\$8,000. The Mandate Letter contains additional provisions, including in relation to the scope of engagement and the provision of information to the JLMs, which are considered customary for an agreement of its nature.

The Company proposes to issue 500,000 JLM Options to Viriathus Capital Pty Ltd (or its nominee), each with an exercise price of A\$0.12 and an expiry date of 31 January 2023. The Company intends to apply for official quotation on ASX of the JLM Options.

The material terms of the JLM Options are set out in **Annexure B**.

No funds will be raised from this issue.

If Resolution 6 is passed, the JLM Options will not be counted as reducing the number of equity securities which the Company can issue without shareholder approval under ASX Listing Rules 7.1 and 7.1A, effectively increasing the number of securities the Company can issue without shareholder approval.

If Resolution 6 is passed, the JLM Options are expected to be issued in or about 6 September 2022, and in any event, by no later than 3 months after the date of the meeting.

If Resolution 6 is not passed, the JLM Options will be included in calculating the Company's placement capacity under ASX Listing Rules 7.1 or 7.1A, effectively decreasing the number of equity securities it can issue without shareholder approval, unless an exemption applies.

Voting Exclusion

The Company will disregard any votes cast in favour of the resolution by Viriathus Capital Pty Ltd and any other person who will obtain a material benefit as a result of, the proposed issue (except solely by reason of being a holder of ordinary shares in the Company) or any associate of that person or those persons. However, this does not apply to a vote cast in favour of a resolution by:

- 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;
- 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
- a holder acting solely in a nominee, trustee, custodial or other fiduciary capacity on behalf of a beneficiary provided the following conditions are met:
 - 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
 - the holder votes on the resolution in accordance with directions given by the beneficiary to the holder to vote in that way.

Recommendation

The Directors unanimously recommend that shareholders vote in favour of this resolution.

Resolution 7: Approval of Proposed Option Issue to Sanlam Private Wealth Pty Ltd - May 2022 Placement

This resolution seeks shareholder approval of the proposed issue of securities in the Company for the purposes of ASX Listing Rule 7.1. Broadly speaking, and subject to a number of exceptions, ASX Listing Rule 7.1 limits the amount of equity securities that a listed company can issue without the approval of its shareholders over any 12 month period of 15% of the fully paid ordinary shares it has on issue at the start of that period. The purpose of seeking shareholder approval of the issue of securities in this resolution is to ensure that the proposed issue of options not reduce the Company's future placement capacity.

As set out above, the Company entered into a Mandate Letter with the JLMs in relation to the May 2022 Placement under which payment for the JLMs' services includes the issue of 1,000,000 JLM Options (shared equally between the JLMs).

The Company proposes to issue 500,000 JLM Options to Sanlam Private Wealth Pty Ltd (or its nominee), each with an exercise price of A\$0.12 and an expiry date of 31 January 2023. The Company intends to apply for official quotation on ASX of the JLM Options.

The material terms of the JLM Options are set out in **Annexure B**.

No funds will be raised from this issue.

If Resolution 7 is passed, the JLM Options will not be counted as reducing the number of equity securities which the Company can issue without shareholder approval under ASX Listing Rules 7.1 and 7.1A, effectively increasing the number of securities the Company can issue without shareholder approval.

If Resolution 7 is passed, the JLM Options are expected to be issued in or about 6 September 2022, and in any event, by no later than 3 months after the date of the meeting.

If Resolution 7 is not passed, the JLM Options will be included in calculating the Company's placement capacity under ASX Listing Rules 7.1 or 7.1A, effectively decreasing the number of equity securities it can issue without shareholder approval, unless an exemption applies.

Voting Exclusion

The Company will disregard any votes cast in favour of the resolution by Sanlam Private Wealth Pty Ltd and any other person who will obtain a material benefit as a result of, the proposed issue (except solely

by reason of being a holder of ordinary shares in the Company) or any associate of that person or those persons. However, this does not apply to a vote cast in favour of a resolution by:

- 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;
- 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
- a holder acting solely in a nominee, trustee, custodial or other fiduciary capacity on behalf of a beneficiary provided the following conditions are met:
 - 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
 - the holder votes on the resolution in accordance with directions given by the beneficiary to the holder to vote in that way.

Recommendation

The Directors unanimously recommend that shareholders vote in favour of this resolution.

Resolutions 8 to 11 (inclusive): Proposed Funding Facilities

Background

As announced on 4 May 2022, the Company has entered into an indicative non-binding term sheet in connection with a proposed A\$30 million convertible note and equity facility with Obsidian Global GP, LLC (**Obsidian**), comprising of:

- a convertible note facility enabling the Company to draw down up to A\$7.5 million through the issue of debt securities, which will be convertible into Shares (**Convertible Notes**) (**Convertible Note Facility**); and
- an equity facility enabling the Company to draw down up to A\$22.5 million through the issue of new shares in the Company (**Shares**) (**Equity Facility**)

(together, the **Proposed Funding Facilities**).

The Company intends to apply funds drawn down under the Proposed Funding Facilities towards:

- recruitment, re-capitalisation, pre-production development and commencement of gold production at the Morning Star Gold Mine, Victoria (approximately A\$1.6 million);
- re-start under the currently permitted Dayshift Only and work to secure 24/7 permitting to double production capacity (approximately A\$1.1 million);
- care and maintenance costs associated with the Company's Red Mountain project (approximately A\$300,000); and
- general corporate and working capital purposes (approximately A\$500,000).

Further details in respect of the Proposed Funding Facilities are set out below.

The Company has agreed in principle terms to the Proposed Funding Facilities, but has yet to execute definitive agreements with Obsidian. The Company proposes to seek shareholder approval based on the proposed material terms set out in these Explanatory Notes and, upon Resolutions 8 to 11 all being passed, the Company will enter into the definitive agreements.

Proposed Funding Facilities

Under the terms of the Proposed Funding Facilities, the Company has the ability to draw down up to A\$30 million through the issue of Convertible Notes and/or Shares to Obsidian (or its nominee) over the term of the facilities, being 18 months in respect of the Convertible Note Facility and 24 months in respect of the Equity Facility (which Obsidian may extend by an additional 6 months) (**Term**). Subject to shareholder approval of resolutions 8 to 11 (inclusive), Obsidian will make an initial investment by providing A\$2,500,000 in immediate funding under the Convertible Note Facility and subscribing for Convertible Notes within 5 business days after the Meeting (**Initial Investment**).

Shares issued under the Equity Facility will be issued at a 5% discount to the lowest daily VWAP of Shares in the three days prior to a Draw-Down Notice (defined below) being given (**Issue Price**).

One Convertible Note will be issued for every US\$1.00 advanced by Obsidian under the Convertible Note Facility and have a face value of US\$1.15, which will be convertible into Shares at the conversion price set out in paragraph (e) of Annexure D (**Conversion Price**). The Conversion Price is subject to a benchmark price of A\$0.12 (**Benchmark Price**), such that if the Conversion Price is less than the Benchmark Price, the Company may elect to satisfy some or all of the Shares to be issued by making a cash payment at a 5% premium to the Conversion Price value of those Shares.

The Benchmark Price does not operate as a floor to the Conversion Price. Shareholders should be aware that, if the market price for Shares falls substantially over the period and the Conversion Price is less than the Benchmark Price (and the Company does not elect to satisfy the conversion by making a cash payment for some or all of the Shares that may be issued), this may result in significant dilution to the interests of other Shareholders. Refer to the tables set out in the section

"Proposed Funding Facilities summary" showing the potential dilutive effect of the Convertible Notes on the capital structure of the Company.

Draw-down under the:

- Convertible Note Facility is conditional on the satisfaction, and continued satisfaction, of each of the of the following conditions:
 - the Company having a market capitalisation of at least A\$16 million on the date Convertible Notes are proposed to be issued;
 - the average trading volume of Shares does not fall below A\$50,000 over a 10 consecutive trading day period;
 - if required by law or the ASX Listing Rules, the Company has obtained shareholder approval for the issue of the Convertible Notes;
 - no Event of Default has occurred; and
 - the Company delivering a certificate to Obsidian confirming (i) it has performed or complied in all material respects with the Convertible Note Facility, (ii) no Event of Default has occurred or would occur as a consequence of the draw-down and (iii) all relevant conditions have been satisfied; and
- Equity Facility is conditional on the satisfaction, and continued satisfaction, of each of the of the following conditions:
 - 80 days having passed since the execution of definitive documents to the Equity Facility;
 - the Shares are not suspended from trading on ASX or subject to a trading halt;
 - no Event of Default has occurred, including under the Convertible Note Facility; and
 - the Company delivering a certificate to Obsidian confirming (i) it has performed or complied in all material respects with the Equity Facility, (ii) no Event of Default has occurred or would occur as a consequence of the draw-down and (iii) all relevant conditions have been satisfied.

Upon satisfying the above conditions, the Company may, but is not obliged, to draw down on the Proposed Funding Facilities by giving written notice to Obsidian (**Draw-Down Notice**). Until such time as the Company elects to make a draw-down, the Company will be under no obligation to issue any securities and will not be penalised in any way should it elect not to make a draw-down. A Draw-Down Notice may be given to Obsidian:

- once every 80 days, in A\$1 million tranches under the Convertible Note Facility. This effectively limits the Company to making one additional draw-down under the Convertible Note Facility pursuant to the Shareholder approval sought in resolution 8, for a total of A\$3.5 million worth of Convertible Notes that may be issued; or
- once every 5 trading days for up to the lesser of (i) A\$500,000 or (ii) 20% of the aggregate 5-day traded volume of Shares prior to the date of the Draw-Down Notice subject to a maximum cap of \$2,000,000, under the Equity Facility. This effectively limits the Company to making two draw-downs under the Equity Facility pursuant to the Shareholder approval sought in resolution 9, for a total of A\$1,000,000 worth of Shares that may be issued. The Company is seeking approval for the issue of up to 10,000,000 Shares pursuant to resolution 9, assuming an issue price of A\$0.10 per Share.

In establishing the Proposed Funding Facilities, the Company will agree to pay Obsidian a facility fee of A\$900,000, being 3.0% of the total available funding under the Proposed Funding Facilities (**Facility Fee**), which may be satisfied through either the payment of cash or issue of Shares. If the Company elects to satisfy the Facility Fee through the issue of Shares, each Share will be issued at a deemed issue price equal to the 5-day VWAP of Shares immediately prior to the execution date of definitive documents to the Proposed Funding Facilities. The Facility Fee will be payable in two installments, with 50% being payable on or before completion of the Initial Investment (**First Instalment Facility Fee**, the subject of resolution 10), and the remaining 50% payable at the time the Company has drawn down half of the available funds under the Proposed Funding Facilities (**Second Instalment Facility Fee**).

Subject to shareholder approval (the subject of resolution 11), the Company will also issue Obsidian an additional 20,000,000 Shares (**Collateral Shares**), which Obsidian may sell, transfer, deal with or otherwise dispose of all or any part of the Collateral Shares during the term of the Convertible Note

Facility. Obsidian may elect to reduce the number of Collateral Shares held as security by offsetting the Company's obligation to issue Shares against any future conversion of Convertible Notes or issue of Shares under the Proposed Funding Facilities. Alternatively, if the Proposed Funding Facilities are terminated or expire in accordance with their terms, any remaining Collateral Shares held as security will be transferred to a broker nominated by the Company and be sold on-market, with 100% of the net proceeds remitted to the Company. To the extent Obsidian has traded, sold, transferred, dealt with or otherwise disposed of any part of the Collateral Shares which has not been reduced from the amount held as security, Obsidian is required to buy or otherwise acquire the remaining Collateral Shares to satisfy its obligations of returning the remaining Collateral Shares to the Company once the Proposed Funding Facilities are terminated or expire.

To the extent the issue of any Shares (including on conversion of any Convertible Notes) under either of the Convertible Note Facility or the Equity Facility would result in Obsidian and its associates acquiring a Voting Power (as defined in Chapter 6 of the Corporations Act) in the Company of more than 19.99%, Obsidian will be prohibited from converting any Convertible Notes and the Company may not give any further draw-down notices under the Equity Facility.

Pursuant to this Notice of Meeting, the Company is seeking shareholder approval for the purposes of ASX Listing Rule 7.1 for the issue of:

- **(Resolution 8)** A\$3,500,000 worth of Convertible Notes pursuant to the Convertible Note Facility;
- **(Resolution 9)** up to 10,000,000 Shares pursuant to the Equity Facility;
- **(Resolution 10)** Shares in satisfaction of the First Installment Facility Fee; and
- **(Resolution 11)** the Collateral Shares, being 20,000,000 Shares.

The Company has explored several alternative funding options to the Proposed Funding Facilities and the Company has determined that any further equity financing would not be appropriate at this time given current market conditions, and no alternative debt financing options on more favourable or suitable terms have arisen. Accordingly, the Company considers the Proposed Funding Facilities to be most preferable and in the best interest of Shareholders at the date of this Notice, having regard to the Company's current circumstances.

Summary of material terms

A summary of the terms and condition of the Proposed Funding Facilities is set out in Annexure C and a summary of the terms and conditions of the Convertible Notes which may be issued under the Convertible Note Facility is set out in Annexure D.

Shares issued under the Equity Facility will rank equally with all fully paid ordinary shares of the Company then on issue.

Proposed Funding Facilities summary

Capital Structure

Set out in the below table for illustration purposes only is a summary of the potential impact of the Proposed Funding Facilities on the entire capital structure of the Company (both Shares and other equity securities) based on:

- various Conversion Prices relative to the Company's current Share price, applicable to the Convertible Note Facility,
- various Issue Prices relative to the Company's current Share price, applicable to the Equity Facility; and
- an assumed AUD:USD exchange rate of AUD\$1.00:USD\$0.70.

As the Conversion Price and Issue Price are based on a future price of Shares and exchange rates will fluctuate over time, the exact impact on the Company's issued capital cannot be determined as at the

date of this Notice of Meeting and may change depending on the actual Conversion Price, Issue Price or exchange rate applicable at the relevant time:

Table 1: Capital Structure

	Shares	Options ¹	Convertible Notes
Current issued capital	175,814,977 ²	11,106,828 ³	Nil
Issue of Shares in satisfaction of First Instalment Facility Fee ⁴	4,500,000	-	-
Issue of Collateral Shares	20,000,000	-	-
Issue of Convertible Notes pursuant to resolution 8 (i.e. Initial Investment plus an additional draw-down)	-	-	2,450,000
Issue of Shares on draw-down of the Equity Facility pursuant to resolution 9 ⁵	10,000,000		
Total issued capital at completion of Initial Investment plus an additional draw-down	210,314,977	11,106,828	2,450,000
Convertible Notes to be issued on subsequent full draw-down of the Convertible Note Facility	-	-	2,800,000
Shares to be issued on subsequent full draw-down of the Equity Facility ⁵	215,000,000	-	-
Shares to be issued in satisfaction of Second Instalment Facility Fee ⁴	4,500,000	-	-
Total issued capital on full draw-down of Proposed Funding Facilities	429,814,977	11,106,828	5,250,000
Shares to be issued on conversion of Convertible Notes issued pursuant to resolution 8, assuming a Conversion Price of:			
• A\$0.20	20,125,000	-	-
• A\$0.12	33,541,667	-	-
• A\$0.10	40,250,000	-	-
• A\$0.05	80,500,000	-	-
Total issued capital on conversion of Convertible Notes issued pursuant to resolution 8	449,939,977 - 510,314,977	11,106,828	2,800,000
Additional Shares to be issued on conversion of additional Convertible Notes issued on full draw-down			
• A\$0.20	23,000,000	-	-
• A\$0.12	38,333,333	-	-
• A\$0.10	46,000,000	-	-
• A\$0.05	92,000,000	-	-

	Shares	Options ¹	Convertible Notes
Total issued capital on full draw-down of Proposed Funding Facilities and all Convertible Notes converted	472,939,977 - 602,314,977	11,106,828	Nil

Notes:

1. Consists of both quoted and unlisted options with various exercise prices and expiry dates.
2. Includes the Shares proposed to be issued pursuant to resolutions 2 and 5.
3. Includes the Options proposed to be issued pursuant to resolutions 4, 6 and 7, but does not include the issue of any intended offer of Bonus Loyalty Options as referred to in the Company's announcement released to ASX on 23 May 2022 (and previously on 4 May 2022).
4. Facility Fee of A\$900,000 is payable in two instalments. 50% is payable on or before completion of the Initial Investment, with the remaining 50% payable at the time the Company has drawn down half of the available funds under the Proposed Funding Facilities. May be satisfied through the issue of Shares at a deemed issue price equal to the 5-day VWAP of Shares immediately prior to the execution of definitive documents to the Proposed Funding Facilities, which is assumed to be A\$0.10.
5. Assumes an issue price of A\$0.10 per Share.

Dilution to Existing Shareholders

Set out in the below table is a summary of the number of Shares that may be issued under the Proposed Funding Facilities under various scenarios and corresponding dilution to existing Shareholders' interests in the Company (on an undiluted basis), assuming no other Shares are issued by the Company.

The maximum voting power in the Company Obsidian and its associates will acquire as a result of the issue of any Shares (including on conversion of any Convertible Notes) will be limited to a maximum of 19.99%, after which Obsidian will be prohibited from converting any Convertible Notes and the Company may not give any further draw-down notices under the Equity Facility. This does not prevent Obsidian from disposing its shareholding and being issued additional Shares under the Proposed Funding Facilities, resulting in further dilution to the existing Shareholders' interests in the Company.

Table 2: Interest of Existing Shareholders

Conversion Price	Current		After the Meeting and conversion of resolution 8 Convertible Notes ¹		Conversion of additional Convertible Notes on full draw-down ²		Full draw-down of Proposed Funding Facilities ³	
	No. of Shares Issued	% Interest	No. of Shares Issued	% Interest	No. of Shares Issued	% Interest	No. of Shares Issued	% Interest
A\$0.20	Nil	100%	44,625,000	79.8%	67,625,000	72.2%	297,125,000	37.2%
A\$0.12	Nil	100%	58,041,667	75.2%	96,375,000	64.6%	325,875,000	35.0%
A\$0.10	Nil	100%	64,750,000	73.1%	110,750,000	61.4%	340,250,000	34.1%
A\$0.05	Nil	100%	105,000,000	62.6%	197,000,000	47.2%	426,500,000	29.2%

Notes:

1. Consists of (i) First Instalment Facility Fee paid by way of Shares, (ii) Collateral Shares and (iii) Shares issued on conversion of A\$3,500,000 worth of Convertible Notes (the subject of resolution 8).
2. Consists of (i) First Instalment Facility Fee paid by way of Shares, (ii) Collateral Shares and (iii) Shares issued on conversion of A\$7,500,000 worth of Convertible Notes (the maximum available to be drawn under the Convertible Note Facility).
3. Consists of (i) First and Second Instalment Facility Fees both paid by way of Shares, (ii) Collateral Shares, (iii) Shares issued on conversion of A\$7,500,000 worth of Convertible Notes (the maximum available to be drawn under the Convertible Note Facility) and (iv) 225,000,000 Shares issued under the Equity Facility on full draw-down (assuming an issue price of A\$0.10 per Share).

Inter-Conditional Resolutions

Resolutions 8, 10 and 11 are inter-conditional, meaning that each of them will only take effect if the requisite majority of shareholders' votes at the Meeting approve all of them. If any of resolutions 8, 10 or 11 are not approved at the Meeting, none of those resolutions will take effect and the Convertible Note

Facility will not be entered into and other matters contemplated by the Convertible Note Facility will not be completed.

For the avoidance of doubt, resolution 9 is an independent resolution and not inter-conditional on the passing of resolutions 8, 10 or 11. Accordingly, if resolution 9 is approved and resolutions 8, 10 and 11 are not approved, the Company will only enter into the Equity Facility.

ASX Listing Rule 7.1

Broadly speaking, and subject to a number of exceptions, ASX Listing Rule 7.1 limits the amount of equity securities that a listed company can issue without the approval of its shareholders over any 12 month period of 15% of the fully paid ordinary shares it has on issue at the start of that period. The purpose of seeking shareholder approval for the issue of equity securities pursuant to resolutions 8 to 11 (inclusive) is to ensure that the proposed issue does not reduce the Company's future placement capacity.

The proposed issue of Convertible Notes and Shares the subject of resolutions 8 to 11 (inclusive) does not fall within any of the exceptions set out in ASX Listing Rule 7.2 and the Company wishes to retain as much flexibility as possible to issue additional equity securities in the future without having to obtain shareholder approval for such issues. Accordingly, it seeks shareholder approval under resolutions 8 to 11 (inclusive) for the purposes of ASX Listing Rule 7.1.

If resolutions 8 to 11 (inclusive) are passed, the Convertible Notes and Shares to be issued will not be counted as reducing the number of equity securities which the Company can issue without shareholder approval under ASX Listing Rules 7.1 and 7.1A (where applicable), effectively increasing the number of securities the Company can issue without shareholder approval. In addition, Shares issued on conversion of any Convertible Notes issued will not count towards the Company's placement capacity as such Shares will be issued under the exception set out in ASX Listing Rule 7.2, exception 9.

If resolution 8 and/or 9 are not passed, any issue of Convertible Notes or Shares under the Convertible Note Facility or Equity Facility, respectively, will be included in calculating the Company's placement capacity under ASX Listing Rules 7.1 and 7.1A, effectively decreasing the number of equity securities it can issue without shareholder approval over the 12 month period following the issue date, unless an exemption applies.

If resolution 10 is not passed, the Company may either (i) provided it has sufficient placement capacity, satisfy the First Installment Facility Fee through the issue of Shares, in which case the issue will be included in calculating the Company's placement capacity under ASX 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, unless an exemption applies or (ii) elect to pay the First Installment Facility Fee in cash, which will reduce the Company's cash reserve.

If resolution 11 is not passed, the Company may either (i) provided it has sufficient placement capacity, issue the Collateral Shares, in which case the issue will be included in calculating the Company's placement capacity under ASX 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, unless an exemption applies or (ii) if it does not have sufficient placement capacity, not be able to issue the Collateral Shares, in which case the Company may be required to re-negotiate with Obsidian, which may include payment of additional cash fees, reducing the Company's cash reserve.

Technical Information Required by ASX Listing Rule 7.3

The following information is provided in accordance with ASX Listing Rule 7.3:

- (a) The Convertible Notes and Shares will be issued to Obsidian Global GP, LLC (or its nominee(s)), who is not a related party or an associate of a related party of the Company.
- (b) The Company will issue:

- (i) pursuant to resolution 8, A\$3.5 million worth of Convertible Notes (being the Convertible Notes issued as part of the Initial Investment plus an additional A\$1 million worth of Convertible Notes from a further draw-down), being approximately 2,450,000 Convertible Notes based on an AUD:USD exchange rate of A\$1.00:US\$0.70.

However, as the AUD:USD exchange rate will fluctuate over time, the number of Convertible Notes that may be issued may change depending on the prevailing AUD:USD exchange rate at the time Convertible Notes are issued under the Convertible Note Facility.

A summary of the material terms of the Convertible Notes is set out in Annexure D. The Shares issued on conversion of the Convertible Notes will be fully paid ordinary shares in the capital of the Company issued on the same terms and conditions as existing Shares;

- (ii) pursuant to resolution 9, up to a maximum of 10,000,000 Shares. The Company may issue more than 10,000,000 Shares under the Equity Facility due to the variable nature of the Issue Price. However, Shares issued in excess of 10,000,000 will either be subject to future shareholder approval or utilise the Company's placement capacity under ASX Listing Rules 7.1 or 7.1A;
 - (iii) pursuant to resolution 10, such number of Shares determined by dividing A\$450,000 (being the First Instalment Facility Fee) by the 5-day VWAP of Shares immediately prior to the execution date of definitive documents to the Proposed Funding Facilities, which will occur after the Meeting subject to resolutions 8, 10 and 11 being passed. For example, assuming a 5-day VWAP of Shares equal to
 - (A) A\$0.20 (being double the current Share price), a total of 2,250,000 Shares;
 - (B) A\$0.10 (being the current Share price), will result in the issue of 4,500,000 Shares; and
 - (C) A\$0.05 (being half the current Share price), 9,000,000 Shares; and
 - (iv) pursuant to resolution 11, 20,000,000 Shares.
- (c) The Convertible Notes representing the Initial Investment is expected to be issued 5 business days after the Meeting and in any event no later than three months after the date of the Meeting. The remaining A\$1 million worth of Convertible Notes and Shares under resolutions 8 and 9, respectively, will be issued progressively as the Proposed Funding Facilities are drawn upon and in any event no later than three months after the date of the Meeting. Shares issued on conversion of any Convertible Notes will be issued progressively on conversion, with such Shares to be issued under the exception set out in ASX Listing Rule 7.2, exception 9. If any remaining Convertible Notes (issuable under the Convertible Note Facility) and/or Shares (issuable under the Equity Facility) the subject of resolutions 8 and 9 are not issued within three months of the Meeting, their issue will either utilise the Company's available placement capacity under Listing Rules 7.1 and 7.1A, or be subject to further Shareholder approval.

The Shares the subject of resolutions 10 and 11 will be issued shortly after definitive agreements relating to the Proposed Funding Facilities are executed, and in any event will be issued not later than three months after the date of the Meeting.

- (d) The:
 - (i) Convertible Notes to be issued pursuant to resolution 8 will be issued with a face value of US\$1.15. The issue price of Shares issued on conversion of each Convertible Note will be:
 - (A) if a conversion notice is given less than 60 days after the Initial Investment, equal to the 10-day VWAP of Shares prior to the date the Convertible Notes were issued (**Fixed Conversion Price**); and
 - (B) if a conversion notice is given 60 days or more after the Initial investment, equal to the lower of:
 1. the Fixed Conversion Price; and
 2. a 5% discount to the lowest daily VWAP of Shares in the 10 days prior to a conversion notice being given.

- Refer to the tables set out in the section "Proposed Funding Facilities summary" showing the potential dilutive effect of the Convertible Notes on the capital structure of the Company;
- (ii) Shares to be issued pursuant to resolution 9 will be issued at a price equal to 95% of the lowest daily VWAP during the 3 trading days following a Draw-Down Notice being given;
 - (iii) Shares to be issued pursuant to resolution 10 will be issued for nil consideration in satisfaction of the First Installment Facility Fee and therefore no proceeds will be raised from the issue. Each Share will have a deemed value equal to 5-day VWAP of Shares immediately prior to the execution date of definitive documents to the Proposed Funding Facilities; and
 - (iv) Shares to be issued pursuant to resolution 11 will be issued for nil consideration as security for the performance of the Company's obligation under the Proposed Funding Facilities and therefore no proceeds will be raised from the issue.
- (e) The purpose of the issue of the Convertible Notes and Shares is to raise funds which will be applied towards:
- (i) recruitment, re-capitalisation, pre-production development and commencement of gold production at the Morning Star Gold Mine, Victoria (approximately A\$1.6 million);
 - (ii) re-start under the currently permitted Dayshift Only and work to secure 24/7 permitting to double production capacity (approximately A\$1.1 million);
 - (iii) care and maintenance costs associated with the Company's Red Mountain project (approximately A\$300,000); and
 - (iv) general corporate and working capital (approximately A\$500,000).
- (f) The Convertible Notes and Shares will be issued under the terms of the Proposed Funding Facilities, the material terms of which are set out in set out in these Explanatory Notes and are further summarised in Annexure C.

Voting Exclusion

The Company will disregard any votes cast in favour of resolutions 8 to 11 (inclusive) by Obsidian Global GP, LLC, or who will obtain a material benefit as a result of, the proposed issue (except solely by reason of being a holder of ordinary shares in the Company) or any associate of that person or those persons. However, this does not apply to a vote cast in favour of the resolutions by:

- a person as proxy or attorney for a person who is entitled to vote on the resolutions, in accordance with the directions given to the proxy or attorney to vote on the resolutions in that way;
- the chair of the meeting as proxy or attorney for a person who is entitled to vote on the resolutions, in accordance with a direction given to the chair to vote on the resolutions as the chair decides; or
- a holder acting solely in a nominee, trustee, custodial or other fiduciary capacity on behalf of a beneficiary provided the following conditions are met:
 - 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 resolutions; and
 - the holder votes on the resolutions in accordance with directions given by the beneficiary to the holder to vote in that way.

Recommendation

The Directors unanimously recommend that shareholders vote in favour of resolution 8 to 11 (inclusive).

Annexure A

Material Terms and Conditions of Placement Options

The terms and conditions of the options are as follows:

1. Each option entitles the optionholder to subscribe for one fully paid ordinary share in the capital of White Rock Minerals Ltd (**Company**) upon exercise of the option.
2. The amount payable on exercise of an option will be A\$0.15 (15 cents).
3. Each option will expire on 30 January 2023. An option not exercised on or before the expiry date will automatically lapse on the expiry date.
4. There are no participating rights or entitlements conferred on the options and the optionholder will not be entitled to participate with respect to the options in new issues offered to shareholders during the term of the options without exercising the options.
5. In the event of any reorganisation of capital of the Company, prior to the expiry date for exercise of the options, the number of options to which the optionholder is entitled or the exercise price of the options or both will be changed to comply with the ASX Listing Rules applying to a reorganisation of capital at the time of reorganisation.
6. The number of options held will appear on an option holder statement which will be accompanied by a Notice of Exercise of Options that is to be completed when exercising options as follows:

Notice of Exercise of Options

To the Directors of White Rock Minerals Ltd ACN 142 809 970 (the "Company"),

I,

of

being the registered holder of options in the capital of the Company hereby exercise

..... such options to subscribe for fully paid ordinary shares in the Company

("Shares") and enclose application monies payable of A\$0.15 (15 cents) per option exercised.

I authorise you to register me as the holder of the Shares to be issued to me and agree to accept such Shares subject to the constitution of the Company.

Dated the day of 20__

Signed by)

the holder of the options)

7. The options can be exercised at any time prior to their expiry date by completing the Notice of Exercise of Options form (similar to the one in the above paragraph) and delivering it to the Company with 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.
8. The Company shall, within 5 business days after the receipt of a Notice of Exercise of Options, issue shares in respect of the options exercised and arrange for a holding statement for the Shares to be despatched to the optionholder.
9. If admitted to the Official List of ASX at the time, the Company will, within 7 days, apply for official quotation on ASX of the shares issued upon the exercise of the options.
10. Shares issued on exercise of an option rank equally with the then issued shares of the Company.

11. If:
 - a. a takeover bid within the meaning of the Corporations Act is made for the shares in the Company and the bidder acquires a relevant interest in at least 50.1% of the shares and the bid is declared unconditional, any options not exercised within 7 days thereafter will automatically lapse; or
 - b. a court orders a meeting to be held in relation to a proposed scheme of arrangement in relation to the Company the effect of which may be that a person will have a relevant interest in at least 90% of the ordinary shares in the Company and that resolution is passed by the requisite majorities, any options not exercised during the period which is 2 days of the court order will automatically lapse.
12. The optionholder may exercise any number of the options without prejudice to the optionholder's ability to subsequently exercise any remaining options.
13. The options are transferrable subject to any restriction or escrow arrangements imposed by ASX or under any applicable securities laws.

Annexure B

Material Terms and Conditions of JLM Options

The terms and conditions of the options are as follows:

1. Each option entitles the optionholder to subscribe for one fully paid ordinary share in the capital of White Rock Minerals Ltd (**Company**) upon exercise of the option.
2. The amount payable on exercise of an option will be A\$0.12 (12 cents).
3. Each option will expire on 31 January 2023. An option not exercised on or before the expiry date will automatically lapse on the expiry date.
4. The Company will apply for quotation of the options on ASX.
5. There are no participating rights or entitlements conferred on the options and the optionholder will not be entitled to participate with respect to the options in new issues offered to shareholders during the term of the options without exercising the options.
6. In the event of any reorganisation of capital of the Company, prior to the expiry date for exercise of the options, the number of options to which the optionholder is entitled or the exercise price of the options or both will be changed to comply with the ASX Listing Rules applying to a reorganisation of capital at the time of reorganisation.
7. The number of options held will appear on an option holder statement which will be accompanied by a Notice of Exercise of Options that is to be completed when exercising options as follows:

Notice of Exercise of Options

To the Directors of White Rock Minerals Ltd ACN 142 809 970 (the "Company"),

I,
of

being the registered holder of options in the capital of the Company hereby exercise
..... such options to subscribe for fully paid ordinary shares in the Company
("Shares") and enclose application monies payable of A\$0.12 (12 cents) per option exercised.

I authorise you to register me as the holder of the Shares to be issued to me and agree to accept such
Shares subject to the constitution of the Company.

Dated the day of 20__

Signed by)

the holder of the options)

8. The options can be exercised at any time prior to their expiry date by completing the Notice of Exercise of Options form (similar to the one in the above paragraph) and delivering it to the Company with 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.
9. The Company shall, within 5 business days after the receipt of a Notice of Exercise of Options, issue shares in respect of the options exercised and arrange for a holding statement for the Shares to be despatched to the optionholder.
10. If admitted to the Official List of ASX at the time, the Company will, within 7 days, apply for official quotation on ASX of the shares issued upon the exercise of the options.
11. Shares issued on exercise of an option rank equally with the then issued shares of the Company.

12. If:
 - a. a takeover bid within the meaning of the Corporations Act is made for the shares in the Company and the bidder acquires a relevant interest in at least 50.1% of the shares and the bid is declared unconditional, any options not exercised within 7 days thereafter will automatically lapse; or
 - b. a court orders a meeting to be held in relation to a proposed scheme of arrangement in relation to the Company the effect of which may be that a person will have a relevant interest in at least 90% of the ordinary shares in the Company and that resolution is passed by the requisite majorities, any options not exercised during the period which is 2 days of the court order will automatically lapse.
13. The optionholder may exercise any number of the options without prejudice to the optionholder's ability to subsequently exercise any remaining options.
14. The options are transferrable subject to any restriction or escrow arrangements imposed by ASX or under any applicable securities laws.

Annexure C

Material Terms of the Proposed Funding Facilities

The material terms and conditions of the Proposed Funding Facilities are as follows:

(a) Facility

The Proposed Funding Facilities comprises:

- (i) the Convertible Note Facility, enabling the Company to draw down up to A\$7.5 million through the issue of Convertible Notes, with A\$2.5 million upon signing definitive documents and further amounts which may be drawn if so elected by the Company every 80 days, for up to A\$1 million; and
- (ii) the Equity Facility, enabling the Company to draw down up to A\$22.5 million through the issue of Shares, which may be drawn upon every 5 trading days for up to the lesser of (i) A\$500,000 or (ii) 20% of the total 5-day traded volume of Shares prior to the date of the Draw-Down Notice.

Until such time as the Company elects to draw-down under the Proposed Funding Facilities, the Company will be under no obligation to issue any securities and will not be penalised in any way should it elect not to make a draw-down under the Proposed Funding Facilities.

(b) Facility Fee

The Company will pay Obsidian a Facility Fee equal to 3.0% of the total available funding under the Proposed Funding Facilities. The Facility Fee is payable in either cash or the issue of Shares in two installments:

- (i) 50%, being A\$450,000, is payable on or before completion of the Initial Investment; and
- (ii) 50%, being A\$450,000, is payable at the time the Company has drawn down half of the available funds under the Proposed Funding Facilities (i.e. drawn down a minimum of A\$15,000,000).

Shares issued in satisfaction of the Facility Fee will be issued at a deemed issue price equal to the 5-day VWAP of Shares immediately prior to the execution date of definitive documents to the Proposed Funding Facilities.

(c) Term

The term of the Convertible Note Facility is 18 months and the term of the Equity Facility is 24 months, both of which Obsidian may extend by an additional 6 months.

(d) Conditions to draw-down

Draw-down under the Convertible Note Facility is conditional on the satisfaction, and continued satisfaction, of each of the of the following conditions:

- (i) the Company having a market capitalisation of at least A\$16,000,000 on the date Convertible Notes are proposed to be issued;
- (ii) the average trading volume of Shares does not fall below A\$50,000 over a 10 consecutive trading day period;
- (iii) if required by law or the ASX Listing Rules, the Company has obtained shareholder approval for the issue of the Convertible Notes; and
- (iv) an Event of Default has occurred.

Draw-down under the Equity Facility is conditional on the satisfaction, and continued satisfaction, of each of the of the following conditions:

- (i) 80 days having passed since execution of definitive documents to the Equity Facility;
- (ii) the Shares are not suspended from trading on ASX or subject to a trading halt; and
- (iii) no Event of default has occurred, including under the Convertible Note Facility.

(e) **Covenants and undertakings**

- (i) **(Right to amend)** The Company must not agree to any amendment, waiver, extension or modification of any convertible securities issued by the Company, or grant any security securing the Company's obligation under any convertible securities issued by the Company without first giving Obsidian 5 business days' notice of the proposed amendment, waiver, extension or modification, or grant of security and offering Obsidian the right to amend, waive, extend or modify the Convertible Note Facility, or be granted the same security, to the same effect.
- (ii) **(No Sale of Shares)** On each trading day, Obsidian agrees not to sell Shares issued from the conversion of Convertible Notes or under the Equity Facility or Collateral Shares in excess of the greater of (i) 15% of the daily trading volume of Shares on ASX and Chi-X on the relevant trading day and (ii) A\$50,000.
- (iii) **(No variable priced securities)** The Company must not issue or agree to issue any debt, equity or equity-linked securities that have a variable interest rate or are convertible into, exchangeable or exercisable for, or include the right to receive Shares or other securities at a conversion, repayment, exercise or exchange rate or other price that is based on, and/or varies with, the trading prices of Shares, or which may be reset at some future date after the initial issuance.
- (iv) **(Pre-emptive right)** The Company must not issue or agree to issue any debt, equity or equity-linked securities or raise any debt or equity capital (other than as permitted under the Convertible Note Facility) without first providing Obsidian an opportunity to provide the debt or equity capital. If Obsidian does not accept the offer within 10 business days, the Company may only seek to raise the debt or equity capital on the same terms as those offered to Obsidian.
- (v) **(No security interest)** The Company must not grant any security interest over any of its assets other than a permitted security interest.
- (vi) **(Disposals)** If the Company disposes, in a single transaction or in a series of transactions, of all or any part of its assets for consideration in excess of \$500,000, the Company must apply at least 50% of the net proceeds of the disposal in or towards repayment of all outstanding amounts under the Convertible Note Facility.

(f) **Security**

The Company will issue Obsidian 20,000,000 Shares (**Collateral Shares**), which Obsidian may sell, transfer, deal with or otherwise dispose of all or any part of the Collateral Shares during the term of the Convertible Note Facility.

Obsidian may elect to reduce the number of Collateral Shares held as security by offsetting the Company's obligation to issue Shares against any future conversion of Convertible Notes or issue of Shares under the Proposed Funding Facilities. Alternatively, if the Proposed Funding Facilities are terminated or expire in accordance with their terms, any remaining Collateral Shares held as security will be transferred to a broker nominated by the Company and be sold on-market, with 100% of the net proceeds remitted to the Company.

To the extent Obsidian has traded, sold, transferred, dealt with or otherwise disposed of any part of the Collateral Shares, Obsidian is required to buy or otherwise acquire the remaining Collateral Shares to satisfy its obligations of returning the remaining Collateral Shares to the Company once the Proposed Funding Facilities are terminated or expire.

(g) **Termination**

The Proposed Funding Facilities may be terminated by Obsidian:

- (i) due to an Event of Default as described below; or
- (ii) there is a change in any applicable law which will:
 - (A) render compliance by the parties under the Proposed Funding Facilities and the transactions thereunder by either of them illegal, unlawful, void, voidable, contrary to or in breach of any applicable law or impossible;
 - (B) materially vary the obligations or liabilities of the parties under the Proposed Funding Facilities and the transactions thereunder, such that Obsidian's rights are materially adversely affected; or
 - (C) make it materially impracticable for Obsidian to undertake any of the transactions under the Proposed Funding Facilities;
- (iii) trading in securities generally in Australia has been suspended or limited to a period exceeding two consecutive business days;
- (iv) a banking moratorium has been declared by an Australian governmental authority; or
- (v) there is a material outbreak or escalation of hostilities or another national / international calamity of such magnitude in its effect on, or adverse change in, the Australian financial market, which makes it impracticable for Obsidian, acting reasonably, to carry out the transactions under the Proposed Funding Facilities.

In the case of the Equity Facility only, the Company may terminate the Equity Facility for convenience, provided it has paid the Facility Fee.

(h) **Default**

If an Event of Default occurs that is either (i) not capable of being remedied (ii) that is capable of being remedied but is unremedied within 10 business days of its occurrence or (iii) there have been two or more previous Events of Default, Obsidian may:

- (i) in the case of the Convertible Notes Facility:
 - (A) declare by giving written notice to the Company that all Convertible Notes are to be redeemed at a 5% premium to the Face Value and all other amounts payable by the Company under the Proposed Funding Facilities are immediately due and payable; and/or
 - (B) give a Conversion Notice and require that all or some of the Convertible Notes be converted at a Conversion Price equal to the lower of:
 - 1. 20% discount to the lowest daily VWAP of Shares in the 10 days prior to the Conversion Notice being given; and
 - 2. the 10-day VWAP of Shares prior to the date the Convertible Notes were issued; and/or
 - (C) terminate the Convertible Note Facility; and
- (ii) in the case of the Equity Facility:
 - (A) declare all amounts payable by the Company under the Proposed Funding Facilities are immediately due and payable; and/or
 - (B) terminate the Equity Facility.

If an Event of Default occurs, interest will accrue daily and be compounded monthly be payable at a rate of 10% per annum until the Company discharges all outstanding amounts under the Proposed Funding Facilities in full.

If any Event of Default occurs and remains unremedied, the Face Value of all outstanding Convertible Notes will increase by 10% in the first instance and afterward by an additional 2% for any further unremedied Event of Default.

(i) **Events of Default**

- (i) **(Repayment Notice)** The Company fails to make a repayment on or before the day which is 10 business days after the date on which the Company gives a notice of it wishing to make an early redemption.
- (ii) **(Failure to make payment)** The Company fails to pay or repay any amount payable under the agreements to the Proposed Funding Facilities (**Transaction Documents**) when due.
- (iii) **(Material breach)** The Company materially breaches or otherwise fails to comply in full with any of its material obligations under the Transaction Documents and does not cure that breach or failure within 5 business days of notice of it by Obsidian, or an Event of Default occurs under any Transaction Document.
- (iv) **(Due diligence information)** Any of the materials disclosed by the Company during due diligence to Obsidian is inaccurate, false or misleading in any material respect, as of the date on which it is made or delivered.
- (v) **(Insolvent)** Either the Company or any of its subsidiaries is (each a **Group Company**), admits that it is, is declared by a court of competent jurisdiction to be, or is deemed under any applicable law to be, insolvent or unable to pay its debts as and when they become due.
- (vi) **(Liquidator)** A Group Company is served with a statutory demand (in accordance with Division 2 of Part 5.4 of the Corporations Act) or a foreign equivalent that is not set aside within 30 business days.
- (vii) **(Controller)** A controller within the meaning of section 9 of the Corporations Act, administrator or similar officer is appointed over all or any of the assets or undertaking of any Group Company or any formal step preliminary to such appointment is taken.
- (viii) **(Winding-up)** An application or order is made, a proceeding is commenced, a resolution is passed or proposed in a notice of meeting, or an application to a court or other steps are taken, for the winding up or dissolution of any Group Company, or for any Group Company to enter an arrangement, compromise or composition with, or assignment for the benefit of, any of its creditors.
- (ix) **(Cease of business)** A Group Company ceases, suspends, or indicates that it may cease or suspend all or a substantial part of its business; or disposes, or indicates that it may dispose, of a substantial part of its assets, other than where the relevant Group Company is not the Company, does not trade, and the event will not have a material adverse effect.
- (x) **(Capital reduction)** A Group Company takes action to reduce its capital or pass a resolution referred to in section 254N(1) of the Corporations Act.
- (xi) **(Issue of securities)** Any Convertible Notes or Shares are not issued to Obsidian within 2 business days of the issue or conversion date (as relevant).
- (xii) **(Quotation)** Any Shares issued to Obsidian are not quoted on ASX by the third business day immediately following the date of their issue.
- (xiii) **(ASX Listing Rules)** The Company fails to comply with the ASX Listing Rules in any material respect.
- (xiv) **(Suspension)** A stop order, suspension of trading, cessation of quotation, or removal of the Company or its Shares from the ASX Official List is requested by the Company or requested or imposed by any governmental authority; except for a suspension of trading

not exceeding five Trading Days in a rolling twelve month period or as agreed to by Obsidian.

- (xv) **(Unenforceable)** A Transaction Document has become, or is claimed (other than in a vexatious or frivolous proceeding) by any person other than Obsidian or any of its affiliates to be, wholly or partly void, voidable or unenforceable.
- (xvi) **(Third party action)** Any third party commences any action, investigation or proceeding against any person or otherwise asserts any claim which seeks to restrain, challenge, limit, modify or delay the right of Obsidian or the Company to enter into any Transaction Documents or to undertake any of the transactions contemplated by the Transaction Documents (other than in a vexatious or frivolous proceeding).
- (xvii) **(Security Interest)**
 - (A) A Security Interest (as defined in the *Personal Property Securities Act 2009* (Cth)) over any assets of a Group Company is enforced in respect of an amount or amounts totaling more than A\$250,000.
 - (B) Any Group Company grants any Security Interest over any of its assets, or a Security Interest comes into existence over any assets of any Group Company, other than a permitted security interest.
- (xviii) **(Future liabilities)** Any present or future liabilities, including contingent liabilities, of any Group Company for an amount or amounts totaling more than A\$250,000 are not satisfied on time, or become prematurely payable.
- (xix) **(Default)** A Group Company is in default under a document or agreement (including a governmental authorisation) binding on it or its assets in a material respect which relates to financial indebtedness or is otherwise material.
- (xx) **(Material adverse change)** An event occurs which has a material adverse effect on:
 - (A) the assets, liabilities, results of operations, condition (financial or otherwise), business, or prospects of the Company (taken as a whole);
 - (B) the ability of the Company to perform its obligations under the Transaction Documents; or
 - (C) the validity or enforceability against the Company of any material provision of any Transaction Document,but does not include an event, occurrence or matter:
 - (D) which is known to Obsidian prior to the date of the Transaction Documents;
 - (E) is fairly disclosed in an announcement to the ASX prior to the date of the Transaction Documents or is fairly disclosed by the Company to Obsidian in writing prior to the date of the Transaction Documents; or
 - (F) which is required to be done or procured by the Company pursuant to a Transaction Document.
- (xxi) **(Shareholder approval)** The Company does not obtain shareholder approval to the extent required by law or the ASX Listing Rules for the issue of the Convertible Notes or any Shares under the Transaction Documents within 60 days of the date the obligation to issue such Convertible Notes or Shares arises.
- (xxii) **(Change of Control)** A Change of Control in respect of the Company occurs. For this clause:
 - (A) **Change of Control** means a situation or occurrence where the Company comes under the Control of a person who did not Control the Company at the date of the Transaction Documents; and
 - (B) **Control** means a person acquiring or holding, directly or indirectly: (i) the power to control the appointment or dismissal of the majority of directors of the Company; (ii) shares in the Company conferring 50% or more of the voting or

economic interest in the Company; or (iii) the capacity to control the financial and operating policies or management of the Company.

- (xxiii) **(Transaction Documents)** Any Event of Default (however described) occurs under the Convertible Note Facility or the Equity Facility.

The Proposed Funding Facilities also contains such other terms as are considered standard for an agreement of its nature, including representations and warranties, indemnities and confidentiality provisions.

Annexure D

Terms and Conditions of Convertible Notes

The material terms and conditions of the Convertible Notes are as follows:

(a) **Face Value**

One Convertible Note will be issued for every US\$1.00 advanced by Obsidian under the Convertible Note Facility and have a face value of US\$1.15.

(b) **Maturity Date**

Each Convertible Note will mature on the date that is 24 months after the date of completion of the Initial Investment.

(c) **Interest**

None.

(d) **Conversion**

Each Convertible Note issued under the Convertible Note Facility may be converted into such number of Shares equal to the aggregate Face Value of Convertible Notes being converted divided by the Conversion Price, either (i) at the election of Obsidian or (ii) on the Maturity Date.

In the event the Company is unable to issue Shares to Obsidian on the conversion of any Convertible Notes for any reason, Obsidian may either:

- (i) require the Company to defer the issue until such a time as the Company is capable of issuing those Shares at the same Conversion Price; or
- (ii) require the Company to repay, in lieu of the issue, the greater of:
 - (A) a 5% premium to the outstanding Face Value which would otherwise have been converted; and
 - (B) the outstanding Face Value which would otherwise have been converted multiplied by the ratio of the Variable Conversion Price as against the highest 3-day VWAP of Shares from (1) when an Event of Default occurred or payment was due to (2) the date on which such repayment is to be made.

(e) **Conversion price**

If a Conversion Notice is given:

- (i) less than 60 days after the Initial Investment, the Conversion Price will be the 10-day VWAP of Shares prior to the date the Convertible Notes were issued (**Fixed Conversion Price**); and
- (ii) 60 days or more after the Initial Investment, the Conversion Price will be the lower of (**Variable Conversion Price**):
 - (A) the Fixed Conversion Price; and
 - (B) a 5% discount to the lowest daily VWAP of Shares in the 10 days prior to the Conversion Notice being given,

provided that, if the Conversion Price is less than A\$0.12 (**Benchmark Price**), the Company may elect to satisfy some or all of the Shares to be issued by making a cash payment at a 5% premium to the Conversion Price value of those Shares.

(f) **Variation to Conversion Price**

In the event the Company undertakes a bonus issue, rights issue or capital reorganisation (including consolidation, subdivision, reduction or return), the Conversion Price (including the Benchmark Price) will be varied to the extent applicable and subject to the ASX Listing Rules to place Obsidian in substantially the same position as it would have been had no such event occurred.

Where the Company (i) issues or agrees to issue Shares at a price per Share less than the Fixed Conversion Price, (ii) issues options to acquire Shares with an exercise price less than the Fixed Conversion Price, or (iii) issues debt, equity or equity-linked securities which are convertible into, exchangeable or exercisable for, or include the right to receive Shares or other securities at a fixed price which is less than the Fixed Conversion Price, then the Fixed Conversion will be reduced accordingly.

(g) **Conversion right**

If Obsidian elects to convert all or some of its Convertible Notes into Shares at any time up to and including the Maturity Date then, it may do so by giving a written notice to the Company (**Conversion Notice**) specifying the number of Convertible Notes the investor intends to convert, the aggregate principal amount of those Convertible Notes and the applicable Conversion Price.

(h) **Redemption**

At any time prior to the Maturity Date, the Company may redeem all or some of the outstanding Convertible Notes, at a 5% premium to the Face Value, by giving not less than 10 days' written notice to Obsidian, specifying the aggregate principal amount and number of the Convertible Notes that the Company intends to redeem.

(i) **Covenants / Default**

As per the Proposed Funding Facilities. Refer to Annexure C.

(j) **Assignment**

Obsidian may assign, transfer, encumber or otherwise deal with the Convertible Notes without the prior written consent of the Company provided the assignee:

- (i) executes a deed of covenant in favour of the Company, agreeing to be bound by the terms of the Convertible Note Facility to the extent of the assignment; and
- (ii) is a sophisticated or professional investor under section 708(8) or 708(11) of the Corporations Act; and
- (iii) the assignment of the Convertible Note to such person would not result in assignee and its associates acquiring a Voting Power (as defined in Chapter 6 of the Corporations Act) in the Company of more than 19.99%.

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 **1.00pm Melbourne time on Saturday, 3 September 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 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.

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.

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>.

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