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## **REDBANK COPPER LIMITED**

**ACN 059 326 519**

## **NOTICE OF GENERAL MEETING**

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**TIME:** 10.00am (AWST)

**DATE:** 21 May 2020

**PLACE:** Level 1, 1A Agnew Way  
Subiaco, WA 6008

***This Notice of General Meeting is an important document and requires your immediate attention. Please read it carefully. If you are in doubt as to what you should do, please consult your professional adviser.***

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## TIME AND PLACE OF MEETING AND HOW TO VOTE

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### VENUE

The Extraordinary General Meeting of the Shareholders of Redbank Copper Limited ('the Company'), to which this Notice of Extraordinary General Meeting relates, will be held at 10.00am (AWST) on 21 May 2020 at Level 1, 1A Agnew Way, Subiaco WA 6008.

Due to restrictions on physical meetings as a result of COVID-19, shareholders will not be permitted to attend the Extraordinary General Meeting in person and instead are invited to participate in the Meeting via weblink. Shareholders who wish to attend the Extraordinary General Meeting via weblink must register their attendance with the Company by 10am AWST the day prior to the Extraordinary General Meeting by emailing the Company Secretary at [admin@redbankcopper.com.au](mailto:admin@redbankcopper.com.au) and including your Holder Name, Address and HIN or SRN. The Company will then provide you with the necessary details to participate in the Extraordinary General Meeting via the weblink.

The Company will provide further updates regarding this process through the ASX announcements platform and shareholder updates prior to the meeting.

### YOUR VOTE IS IMPORTANT

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

### VOTING ELIGIBILITY

The Directors have determined pursuant to Regulation 7.11.37 of the Corporations Regulations 2001 (Cth) that the persons eligible to vote at the Extraordinary General Meeting are those who are registered Shareholders at 5.00pm (AWST) on 19 May 2020.

### NO VOTING IN PERSON

Due to the COVID-19 social distancing restrictions, travel restrictions and other requirements imposed by the Federal and State governments, physical attendance at the Extraordinary Meeting of Shareholders, and hence voting in person, will not be permitted. Attendance will only be available via weblink (and you must register your attendance with the Company as noted above) and voting will only be conducted via proxy. Accordingly, the Company encourages Shareholders to submit their proxy form which accompanies this Notice with the Chair appointed as their proxy.

### VOTING BY PROXY

To vote by proxy, please complete and sign the enclosed Proxy Form and return by the time and in accordance with the instructions set out on the Proxy Form.

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

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

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

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

Further details on these changes is set out below.

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

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

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

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

Given eligible shareholders may only vote by proxy (shareholders will not be permitted to vote on a show of hands or poll at the Extraordinary General Meeting), and a person appointed as a proxy, other than the chair, is unable to attend to vote, when a Shareholder appointed someone other than the chair as their proxy, the Company will rely on section 250BC of the Corporations Act.

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

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

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

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## NOTICE OF EXTRAORDINARY GENERAL MEETING

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Notice is given that the Extraordinary General Meeting of Shareholders of Redbank Copper Limited will be held at Level 1, 1A Agnew Way, Subiaco WA 6008 at 10.00am (AWST) on 21 May 2020.

Due to restrictions on physical meetings as a result of COVID-19, shareholders will not be permitted to attend the Extraordinary General Meeting in person and instead are invited to participate in the Meeting via weblink. Shareholders who wish to attend the Extraordinary General Meeting via weblink must register their attendance with the Company by 10am AWST the day prior to the Extraordinary General Meeting by emailing the Company Secretary at [admin@redbankcopper.com.au](mailto:admin@redbankcopper.com.au) and including your Holder Name, Address and HIN or SRN. The Company will then provide you with the necessary details to participate in the Extraordinary General Meeting via the weblink. In addition, voting at the Extraordinary General Meeting will only be conducted by proxy.

Terms and abbreviations used in this Notice and Explanatory Statement are defined in the Glossary.

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## AGENDA

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### 1.0 RESOLUTION 1 – ISSUE OF SHARES UPON CONVERSION OF CONVERTIBLE LOANS – DIRECTOR DARYL HENTHORN

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

*“That, for the purposes of Listing Rule 10.11, section 208 of the Corporations Act and for all other purposes, approval is given for the Company to issue a total of 18,205,129 Shares upon conversion of convertible loans to Lantech Developments Pty Ltd ATF DAC Family Trust, an entity controlled by Director Mr Daryl Henthorn on the terms and conditions set out in the Explanatory Statement.”*

**ASX Voting Exclusion:** The Company will disregard any votes cast in favour of the Resolution by or on behalf of Lantech Developments Pty Ltd or any other person who will receive a material benefit as a result of the issue (except a benefit solely by reason of being a holder of Shares) or any of their Associates. However, this does not apply to a vote cast in favour of a resolution by:

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

**Voting Prohibition Statement:** A vote on Resolution 1 must not be cast (in any capacity) by or on behalf of Lantech Developments Pty Ltd or any other person who will receive a material benefit as a result of the issue (except a benefit solely by reason of being a holder of Shares) or any of their Associates. However, the above prohibition does not apply if it is cast by a person as proxy appointed by writing that specifies how the proxy is to vote on Resolution 1 and it is not cast on behalf of Lantech Developments Pty Ltd or any of its Associates.

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### 2.0 RESOLUTION 2 – ISSUE OF SHARES UPON CONVERSION OF CONVERTIBLE LOAN – DIRECTOR KEITH MIDDLETON

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

*“That, for the purposes of Listing Rule 10.11, section 208 of the Corporations Act and for all other purposes, approval is given for the Company to issue 6,666,667 Shares to Middleton Nominees (SA) Pty Ltd ATF The Middleton Family Trust, an entity controlled by Director Keith Middleton, upon conversion of a convertible loan on the terms and conditions set out in the Explanatory Statement.”*

**ASX Voting Exclusion:** The Company will disregard any votes cast in favour of the Resolution by or on behalf of Middleton Nominees (SA) Pty Ltd ATF The Middleton Family Trust or any other person who will receive a material benefit as a result of the issue (except a benefit solely by reason of being a holder of Shares), or any of their Associates. However, this does not apply to a vote cast in favour of a resolution by:

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

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

**Voting Prohibition Statement:** A vote on Resolution 2 must not be cast (in any capacity) by or on behalf of Middleton Nominees (SA) Pty Ltd ATF The Middleton Family Trust or any of its Associates. However, the above prohibition does not apply if it is cast by a person as proxy appointed by writing that specifies how the proxy is to vote on Resolution 2 and it is not cast on behalf of Middleton Nominees (SA) Pty Ltd ATF The Middleton Family Trust or any of its Associates.

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### 3.0 RESOLUTION 3 – ISSUE OF SHARES UPON CONVERSION OF INTERIM CONVERTIBLE LOAN – WYLLIE GROUP

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

*“That, for the purposes of Listing Rule 7.1 and for all other purposes, approval is given for the Company to issue 11,538,462 Shares to the Wyllie Group upon conversion of a convertible loan, on the terms and conditions set out in the Explanatory Statement.”*

**ASX Voting Exclusion:** The Company will disregard any votes cast in favour of the Resolution by or on behalf of the Wyllie Group any other person who will receive a material benefit as a result of the issue (except a benefit solely by reason of being a holder of Shares) or any of their Associates. However, this does not apply to a vote cast in favour of a resolution by:

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

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### 4.0 RESOLUTION 4 – ISSUE OF SHARES UPON CONVERSION OF CONVERTIBLE LOANS AND IN LIEU OF INTEREST – UNRELATED PARTIES

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

*“That, for the purposes of Listing Rule 7.1 and for all other purposes, approval is given for the Company to issue up to a total of up to 91,363,817 Shares comprising:*

- (a) 86,666,667 Shares to the Unrelated Lenders (or their nominees) upon conversion of convertible loans; and
- (b) up to 4,697,151 Shares to the Unrelated Lenders (or their nominees) in lieu of interest payable on convertible loans up to 22 May 2020,

*on the terms and conditions set out in the Explanatory Statement.”*

**ASX Voting Exclusion:** The Company will disregard any votes cast in favour of the Resolution by or on behalf of the Unrelated Lenders or any other person who will receive a material benefit as a result of the issue (except a benefit solely by reason of being a holder of Shares) or any of their Associates. However, this does not apply to a vote cast in favour of a resolution by:

- (a) a person as a proxy or attorney for a person who is entitled to vote on the resolution, in accordance with directions given to the proxy or attorney to vote on the resolution in that way; or
- (b) the chair of the meeting as proxy or attorney for a person who is entitled to vote on the resolution, in accordance with a direction given to the chair to vote on the resolution as the chair decides; or
- (c) a holder acting solely in a nominee, trustee, custodial or other fiduciary capacity on behalf of a beneficiary

provided the following conditions are met:

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

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## 5.0 RESOLUTION 5 – APPROVAL OF INCENTIVE PLAN

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

*“That, for the purposes of Listing Rule 7.2 (Exception 13(b)) and for all other purposes, approval is given for the Company to adopt an employee incentive scheme titled Redbank Incentive Plan and for the issue of securities under that Plan, on the terms and conditions set out in the Explanatory Statement.”*

**ASX Voting Exclusion:** The Company will disregard any votes cast in favour of the Resolution by or on behalf of a person who is eligible to participate in the employee incentive scheme 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) a person as a proxy or attorney for a person who is entitled to vote on the resolution, in accordance with directions given to the proxy or attorney to vote on the resolution in that way; or
- (b) the chair of the meeting as proxy or attorney for a person who is entitled to vote on the resolution, in accordance with a direction given to the chair to vote on the resolution as the chair decides; or
- (c) a holder acting solely in a nominee, trustee, custodial or other fiduciary capacity on behalf of a beneficiary provided the following conditions are met:
  - (i) the beneficiary provides written confirmation to the holder that the beneficiary is not excluded from voting, and is not an associate of a person excluded from voting, on the resolution; and
  - (ii) the holder votes on the resolution in accordance with directions given by the beneficiary to the holder to vote in that way.

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

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

However, the above prohibition does not apply if:

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

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## 6.0 RESOLUTION 6 – ISSUE OF PERFORMANCE RIGHTS TO DIRECTOR – MICHAEL HANNINGTON

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

*“That, for the purposes of ASX Listing Rules 10.14 and 10.19, sections 200B, 200E and 208 of the Corporations Act, and for all other purposes, approval is given for the Company to issue 7,750,000 Performance Rights to Michael Hannington, a director of the Company (or his nominee) under the Company’s Incentive Plan on the terms and conditions set out in the Explanatory Statement.”*

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

- (a) a Director of the Company, an Associate of a Director or a person whose relationship with the Company or a Director or Associate of a Director of the Company is such that, in ASX’s opinion, the acquisition should be approved by Shareholders, who is eligible to participate in the employee incentive scheme in question;
- (b) an officer of the Company or any of its child entities that is entitled to participate in a termination benefit; or
- (c) any associate of that person or those persons (a **Resolution 6 Excluded Party**).

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

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

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

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

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

Provided the Chair is not a Resolution 6 Excluded Party, the above prohibition does not apply if:

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

## 7.0 RESOLUTION 7 – ISSUE OF PERFORMANCE RIGHTS TO DIRECTOR – DARYL HENTHORN

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

*“That, for the purposes of ASX Listing Rules 10.14 and 10.19, sections 200B, 200E and 208 of the Corporations Act, and for all other purposes, approval is given for the Company to issue 4,750,000 Performance Rights to Daryl Henthorn, a director of the Company (or his nominee) under the Company’s Incentive Plan on the terms and conditions set out in the Explanatory Statement.”*

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

- (a) a Director of the Company, an Associate of a Director or a person whose relationship with the Company or a Director or Associate of a Director of the Company is such that, in ASX’s opinion, the acquisition should be approved by Shareholders, who is eligible to participate in the employee incentive scheme in question;
- (b) an officer of the Company or any of its child entities that is entitled to participate in a termination benefit; or
- (c) any associate of that person or those persons (a **Resolution 7 Excluded Party**).

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

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

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

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

Provided the Chair is not a Resolution 7 Excluded Party, the above prohibition does not apply if:

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

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## 8.0 RESOLUTION 8 – ISSUE OF PERFORMANCE RIGHTS TO DIRECTOR – KEITH MIDDLETON

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

*“That, for the purposes of ASX Listing Rules 10.14 and 10.19, sections 200B, 200E and 208 of the Corporations Act, and for all other purposes, approval is given for the Company to issue 4,750,000 Performance Rights to Keith Middleton, a director of the Company (or his nominee) under the Company’s Incentive Plan on the terms and conditions set out in the Explanatory Statement.”*

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

- (a) a Director of the Company, an Associate of a Director or a person whose relationship with the Company or a Director or Associate of a Director of the Company is such that, in ASX’s opinion, the acquisition should be approved by Shareholders, who is eligible to participate in the employee incentive scheme in question;
- (b) an officer of the Company or any of its child entities that is entitled to participate in a termination benefit; or
- (c) any associate of that person or those persons (a **Resolution 8 Excluded Party**).

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

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

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

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

Provided the Chair is not a Resolution 8 Excluded Party, the above prohibition does not apply if:

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

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**DATED: 2 APRIL 2020**

**BY ORDER OF THE BOARD**

**MS KELLY MOORE  
COMPANY SECRETARY  
REDBANK COPPER LIMITED**



## EXPLANATORY STATEMENT

This Explanatory Statement has been prepared for the information of the Shareholders of the Company in connection with the business to be conducted at the General Meeting to be held at Level 1, 1A Agnew Way, Subiaco WA 6008 at 10.00am (AWST) on 21 May 2020.

This purpose of this Explanatory Statement is to provide information which the Directors believe to be material to Shareholders in deciding whether or not to pass the Resolutions in the Notice of Meeting.

### 1.0 RESOLUTIONS 1 - 4 – ISSUE OF SHARES UPON CONVERSION OF CONVERTIBLE LOANS AND IN LIEU OF INTEREST

#### 1.1 Overview

##### Interim Loans

The Company announced on 12 September 2019 that it had secured \$300,000 in interim funding through convertible loan agreements (**Interim Loans**) with Wyllie Group Pty Ltd (**Wyllie Group**) and Lantech Developments Pty Ltd ACN 106 003 463 (**Lantech**) ATF DAC Family Trust, the latter being an entity controlled by Director Mr Daryl Henthorn, with the following key terms:

- (a) \$150,000 lent by each of Wyllie Group and Lantech;
- (b) each Interim Loan and accrued interest may be converted at the Company's election into Shares at a deemed issue price of \$0.013 per Share subject to obtaining Shareholder approval under ASX Listing 7.1 (or Listing Rule 10.11 where required). The Shares issued on conversion will be subject to voluntary escrow for 6 months from the issue date;
- (c) each Interim Loan attracts interest at a rate of 10% per annum;
- (d) each Interim Loan is repayable on 5 September 2020 to the extent it has not been repaid early or converted into Shares; and
- (e) each Interim Loan may be repayable earlier at the Company's election, or on demand from the lender upon an event of default occurring. Material events of default include failure to make payments, non-remediable breach, breach not rectified in 14 days after a notice to rectify, a warranty or representation is false or an insolvency event occurs to the Company or any Related Body Corporate.

The Company intends, subject to obtaining Shareholder approvals under Resolutions 1 to 4, to fully convert the Interim Loans by 22 May 2020. This will result in the issue of a total of 23,076,924 Shares, comprising 11,538,462 Shares to each of Wyllie Group and Lantech.

The Company will pay interest due in cash, being a total of \$22,140 in accrued interest (assuming repaid on 22 May 2020), comprising \$11,385 to Lantech and \$10,755 to Wyllie Group.

The Company used the funds from the Interim Loans towards payment of outstanding rent on tenements held by the Company and its wholly owned subsidiary Redbank Operations Pty Ltd (\$40,247 in respect of ELR94 and \$45,667 in respect of EL10335 and for the repayment of existing liabilities incurred prior to the new Board being appointed by Shareholders on 2 August 2019.

##### Viridian Capital Loan

On 21 January 2020, the Company announced it had secured a loan facility of up to \$1 million from Agri-Project Services Pty Ltd (now called Viridian Capital Pty Ltd) (**Viridian Loan**). Mr Henthorn is the sole director of Viridian Capital Pty Ltd (**Viridian**), which is wholly owned by Lantech. A total of \$600,000 was drawn down under the Viridian Loan, which has now been repaid as detailed below. No interest was paid on the loan. The funds were used as follows:

Item	Amount (\$)
Exploration	255,000
Director and consultant fees	132,000
Corporate advisory fees	62,000
Legal fees	42,000
Settlement of former director fees	33,000
Insurance	30,000
CFO and Company Secretary fees	26,000
Share registry & AGM costs	20,000
<b>Total</b>	<b>\$600,000</b>

#### Additional Loans

The Company announced on 10 February 2020 that it had secured an additional \$1.5 million in funding through convertible loan agreements (**Additional Loans**) with a number of sophisticated and professional investors known to the Company, including \$100,000 each from Lantech and Middleton Nominees (SA) Pty Ltd ATF The Middleton Family Trust (**Middleton Nominees**), the latter an entity controlled by Director Keith Middleton, on the following key terms:

- (a) each Additional Loan will automatically convert into Shares at a deemed issue price of \$0.015 per Share upon Shareholders approving the conversion under ASX Listing Rule 7.1 (or Listing Rule 10.11 where required);
- (b) each Additional Loan attracts interest at a rate of 10% per annum, which may be satisfied, at the Company's election, by the issue of Shares at a deemed issue price of \$0.015 per Share subject to obtaining Shareholder approval under ASX Listing Rule 7.1 (or Listing Rule 10.11 where required);
- (c) each Additional Loan is repayable on 30 November 2020 to the extent it has not been repaid early or converted into Shares; and
- (d) each Additional Loan may be repayable earlier at the Company's election, or on demand from the lender upon an event of default occurring. Material events of default include failure to make payments, non-remediable breach, breach not rectified in 14 days after a notice to rectify, a warranty or representation is false or an insolvency event occurs to the Company or any Related Body Corporate.

The Company has used the \$200,000 in funding from the Lantech and Middleton Nominees Additional Loans, together with a further \$400,000 from the remaining funds raised under Additional Loans, to fully repay the Viridian Loan.

The Company intends to use the remaining funds for the repayment of existing liabilities (which may include a settlement of historical loan amounts owed to entities associates with Mr Michael Fotios, and historical invoices from Ora Banda Mining Ltd totalling ~\$35,000, as disclosed in the Company's Quarterly Activities Report for the quarter ending 31 December 2019), and for general working capital. Details of the loans to the Fotios entities, as recorded in the Company's accounts as at 31 December 2019, are as follows:

Lender	Principal Outstanding 31 12 2019*	Interest Outstanding 31 12 2019*	Interest pa	Repayment Date
Delta Resource Management Pty Ltd	\$60,439	\$11,172	8%	Due on demand
Investmet Ltd	\$381,200	\$66,400	8%	Due on demand
Michael Fotios Family Trust	\$222,350	\$30,000	8%	Due on demand
Azurite Corporation Pty Ltd**	\$36,000			
Michael Fotios**	\$145			
<b>Total</b>	<b>\$700,134</b>	<b>\$107,572</b>		

\* As noted in the Company's Quarterly Activities Report for the quarter ending 31 December 2019, Delta, Investmet and Michael Fotios Family Trust requested repayment of the loans on 23 December 2019 and the Company, which disputes a substantial percentage of the amount sought, has offered to settle this debt with a negotiated settlement.

\*\* So far as the new Board is aware, the Company does not have written loan agreements with these entities and are disputing these loans. The loans were included in the Company's accounts by the previous Board on the basis the same terms apply as the loans to the other Fotios entities.

The Company intends, subject to obtaining Shareholder approvals under Resolutions 1 to 4, to fully convert the Additional Loans by 22 May 2020. This will result in the issue of 100,000,000 Shares.

The Company also intends, at the same time, to convert all accrued interest on the Additional Loans into Shares, other than the Additional Loans from Lantech and Middleton Nominees (which accrued interest will instead be paid out in cash). If approved by Shareholders, this will result in the issue of an additional 4,697,151 Shares and payment of \$11,699 in accrued interest (assuming repaid on 22 May 2020).

### Effect of Share Issues

Conversion of the Interim Loans and the Additional Loans, and applicable accrued interest, into Shares will result in the issue of up to 127,774,075 Shares, as detailed below (assuming converted by 22 May 2020). This will increase the total number of Shares on issue to 244,745,966 Shares, diluting existing Shareholders by approximately 52.2% (assuming no other Shares are issued).

	<b>Shares to be issued</b>
Interim Loans – conversion of \$300,000	23,076,924
Additional Loans – conversion of \$1,500,000	100,000,000
Additional Loans – conversion of interest (excluding Lantech and Middleton Nominees Additional Loans)*	4,697,151
<b>Total*</b>	<b>127,774,075</b>

\* Assumes conversion occurs on 22 May 2020. Accrued interest on the Interim Loans and Lantech and Middleton Nominees Additional Loans will be paid out rather than converted into Shares.

Following the issue of these Shares, the substantial Shareholders of the Company will be as follows (assuming no other Shares are issued or disposed by those Shareholders):

<b>Shareholder</b>	<b>Current % shareholding</b>	<b>New % Shareholding</b>
Wyllie Group	19.88%	14.21%
Cityscape Asset Pty Ltd ATF Cityscape Family Trust	0%	7.47%
Lantech	1.42%	8.12%
Investmet Ltd	12.07%	5.77%

### Current Financing Facilities

The Company currently has the following loan facilities in place which have all been fully drawn down and not repaid.

<b>Lender</b>	<b>Dated</b>	<b>Amount</b>	<b>Convertible</b>	<b>Interest % pa</b>	<b>Repayment Date</b>	<b>Use of Funds</b>
<b>\$300,000 Interim Loans</b>						
Wyllie Group	5 Sept 2019	\$150,000	\$0.013 per Share	10%	5 Sept 2020	Tenement rent, and repayment of existing liabilities
Lantech	5 Sept 2019	\$150,000	\$0.013 per Share	10%	5 Sept 2020	As above
<b>\$1.5m Additional Loans</b>						
Various*	Various	\$1,500,000	\$0.015 per Share	10%	30 November 2020	Repayment of Viridian Loan - \$600,000. Working capital - ~\$180,000 Remaining ~\$720,000 to be used for repayment of historic loan facilities with Fotios entity loans and Ora Banda invoices and general working capital

\* Sophisticated and professional investors known to the Company, including \$100,000 each from Lantech and Middleton Nominees, the former an entity controlled by Director Daryl Henthorn and the latter an entity controlled by Director Keith Middleton. All of the other lenders are not related parties of the Company or substantial shareholders – see table below.

<b>\$1.5M ADDITIONAL LOAN LENDERS</b>	<b>LOAN AMOUNT</b>
CITYSCAPE ASSET PTY LTD	\$250,000
LANTECH	\$100,000
MR GREGORY JOHN SHARPLESS & MRS JENNIFER LEE SHARPLESS	\$100,000
MIDDLETON NOMINEES	\$100,000
PRECISION OPPORTUNITIES FUND LTD	\$100,000
SHARIC SUPERANNUATION PTY LTD	\$100,000
MR WAYNE MCGRATH	\$100,000
BOTSIS HOLDINGS PTY LTD	\$75,000
STONEFIELD DEVELOPMENTS PTY LTD	\$59,500

OAKMOUNT NOMINEES PTY LTD	\$50,000
MR TROY MILANKO	\$50,000
AGENS PTY LTD	\$40,000
MRS JACQUI LAM & MR KIEN TIN DAVID LAM	\$37,500
CARDRONA ENERGY PTY LTD	\$35,000
MR DAVID JOHN PFEIFFER	\$30,000
FARRIS CORPORATION PTY LTD	\$30,000
MR ANDREW WILLIAM SPENCER	\$25,000
MR JOHN SERGIO CORREIA	\$25,000
MR LEE JAMES HALL	\$25,000
MANDATE 322 PTY LTD	\$25,000
MR NICHOLAS MURPHY	\$22,500
TCH HOLDINGS PTY LTD	\$22,500
CELTIC CAPITAL PTY LTD	\$20,000
DIZZER PTY LTD	\$15,000
MR GRAEME PETER TESTAR & MRS JODY ANNE TESTAR	\$15,000
MR SAMUEL BURNS	\$15,000
MR KARL LAUFMANN & MRS PHILLIPA LAUFMANN	\$10,500
MR GRAEME PETER TESTAR	\$10,000
LAUFMANN LONGTERM INVESTMENTS PTY LTD	\$5,250
MR WILLI LAUFMANN	\$5,250
MR XAVIER BRAUD + DR LAURE MARTIN	\$2,000
<b>TOTAL</b>	<b>\$1,500,000</b>

## 1.2 Listing Rule 14.1A

Under Listing Rule 14.1A, if a notice of meeting contains a resolution seeking approval of security holders under the Listing Rules, the notice must summarise the relevant rule and what will happen if security holders give, or do not give, that approval.

### Resolution 1

If Shareholders approve Resolution 1, the Company intends to issue Lantech with a total of 18,205,129 Shares comprising:

- (a) 11,538,462 Shares in full satisfaction of Lantech's Interim Loan. The Company will also pay accrued interest (being \$11,385 if repaid on 22 May 2020); and
- (b) 6,666,667 Shares in full satisfaction of Lantech's Additional Loan. The Company will also pay accrued interest (being \$5,863 if repaid on 22 May 2020).

If Shareholders do not approve Resolution 1, the Lantech Interim Loan and the Lantech Additional Loan (together the **Lantech Loans**) cannot be converted into Shares and the outstanding loan balance plus accrued interest will be repayable, in the case of the Lantech Interim Loan, by 5 September 2020 and, in the case of the Lantech Additional Loan, by 30 November 2020, or such later date as agreed by the parties, unless and to the extent the Company obtains Shareholder approval in the future to convert into Shares.

### Resolution 2

If Shareholders approve Resolution 2, the Company intends to issue Middleton Nominees with a total of 6,666,667 Shares in full satisfaction of its Additional Loan of \$100,000 (**Middleton Loan**). The Company will also pay accrued interest (being \$5,836 assuming repaid on 22 May 2020).

If Shareholders do not approve Resolution 2, the Middleton Loan will not be converted into Shares and the outstanding balance plus accrued interest will be repayable by 30 November 2020 or such later date as agreed by the parties, unless and to the extent the Company obtains Shareholder approval in the future to convert into Shares.

### Resolution 3

If Shareholders approve Resolution 3, the Company intends to issue the Wyllie Group up to 11,538,462 Shares to fully convert the Wyllie Group Interim Loan. If Resolutions 1, 2 and 4 are approved by Shareholders, the entire 11,538,462 Shares are intended to be issued. If any of Resolutions 1, 2 and 4 are not approved, the Company intends to convert as much of the Wyllie Group Interim Loan into Shares without the Wyllie Group acquiring Voting Power in the Company of more than 20%. The Company will also pay accrued interest (being \$10,755 if fully repaid on 22 May 2020).

If Shareholders do not approve Resolution 3, the Wyllie Group Interim Loan will not be converted into Shares and the outstanding balance plus accrued interest will be repayable by 5 September 2020, or such later date as agreed by the parties, unless and to the extent the Company obtains Shareholder approval in the future to convert into Shares.

#### Resolution 4

If Shareholders approve Resolution 4, the Company intends to issue the lenders of the Additional Loans (excluding Lantech and Middleton Nominees), or their nominees, none of whom are related parties of the Company, (together the **Unrelated Lenders**) a total of up to 91,363,817 Shares comprising 86,666,666 Shares in full satisfaction of their Additional Loans and up to 4,697,151 Shares in conversion of accrued interest (assuming converted on 22 May 2020).

If Shareholders do not approve Resolution 4, the Additional Loans from the Unrelated Lenders (and accrued interest) will not be converted into Shares and the outstanding balance plus accrued interest will be repayable by 30 November 2020, or such later date as agreed by the parties, unless and to the extent the Company obtains Shareholder approval in the future to convert into Shares.

### **1.3 Resolutions 1 and 2 - Section 208 of the Corporations Act / Listing Rule 10.11**

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

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

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

The issue of Shares under Resolution 1 to Lantech in conversion of the Lantech Loans will result in the giving of a financial benefit and Lantech is a related party of the Company by virtue of being controlled by Director Mr Daryl Henthorn.

The issue of Shares to Middleton Nominees under Resolution 2 in conversion of the Middleton Loan will result in the giving of a financial benefit and Middleton Nominees is a related party of the Company by virtue of being controlled by Director Mr Keith Middleton.

It is the view of the Company that the exceptions set out in sections 210 to 216 of the Corporations Act may, but do not necessarily, apply in the current circumstances. Accordingly, out of prudence, Shareholder approval is sought under Resolution 1 for the issue of the Shares to Lantech in conversion of the Lantech Loans and under Resolution 2 for the issue of Shares to Middleton Nominees in conversion of the Middleton Loan.

In addition, ASX Listing Rule 10.11 requires that, unless an exception in ASX Listing Rule 10.12 applies, shareholder approval must be obtained before the Company issues, or agrees to issue, securities to:

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

The issue of Shares on conversion of the Lantech Interim Loan falls within Listing Rule 10.11.1 and none of the exceptions apply. The Company therefore requires approval of the Company's Shareholders under Listing Rule 10.11 for the issue, which is sought under Resolution 1.

Listing Rule 10.12 Exception 11 applies to an agreement to issue securities that is conditional on the holders of the Company's ordinary securities approving the issue under Listing Rule 10.11 before the issue is made. If this exception applies, the securities must not be issued until the approval is obtained.

Listing Rule 10.12 Exception 11 applies to the Lantech Additional Loan and the Middleton Loan as the loans must be converted into Shares subject to Shareholder approval being obtained under Listing Rule 10.11. The Company therefore requires approval of the Company's Shareholders under Listing Rule 10.11 for the issue, which is sought under Resolution 1 in respect of the Lantech Additional Loan and Resolution 2 in respect of the Middleton Loan.

#### 1.4 Resolutions 1 and 2 - Shareholder Approval (Chapter 2E of the Corporations Act and Listing Rule 10.11)

In accordance with the requirements of section 219 of the Corporations Act and ASX Listing Rule 10.13, the following information is provided in relation to the proposed grant of Shares the subject of Resolutions 1 and 2:

- (a) the related parties are:
- (i) Lantech, which is a related party of the Company by virtue of being an entity controlled by Director Mr Daryl Henthorn (Mr Henthorn is one of two directors and is the controlling shareholder); and
  - (ii) Middleton Nominees, which is a related party by virtue of being an entity controlled by Director Keith Middleton. Both Lantech and Middleton Nominees are fall within the category of person set out in Listing Rule 10.11.1;
- (b) the number of Shares to be issued if Resolution 1 is passed is 18,205,129 Shares, comprising 11,538,462 Shares to Lantech in full satisfaction of Lantech's Interim Loan and 6,666,667 Shares to Lantech in full satisfaction of Lantech's Additional Loan;
- (c) the number of Shares to be issued to Middleton Nominees if Resolution 2 is passed is 6,666,667 Shares in full satisfaction of Middleton Nominees' Additional Loan;
- (d) the Shares issued will be fully paid ordinary shares in the capital of the Company issued on the same terms and conditions as the Company's existing Shares;
- (e) the Shares will be issued no later than 1 month after the date of the Meeting (or such later date to the extent permitted by any ASX waiver or modification of the Listing Rules) and it is anticipated they will be issued on the same date;
- (f) the Shares issued to Lantech on conversion of its Interim Loan will have a deemed issue price of \$0.013 per Share, while Shares issued to Lantech and Middleton Nominees on conversion of their Additional Loans will have a deemed issue price of \$0.015 per Share. The last closing price of Shares before the date of this Notice of Meeting was \$0.019. Accordingly, based on that Share price, the Shares on that date:
- (i) to be issued to Lantech are valued at \$345,897. Accordingly, there is a lost opportunity cost to the Company of \$95,897 by issuing the Shares at less than the last closing price of Shares before the date of this Notice of Meeting; and
  - (ii) to be issued to Middleton Nominees are valued at \$126,667. Accordingly, there is a lost opportunity cost to the Company of \$26,667 by issuing the Shares at less than the last closing price of Shares before the date of this Notice of Meeting;
- (g) the purpose of the issues is to convert outstanding loan amounts owed to Lantech and Middleton Nominees into Shares. No funds will be raised from the issue of the Shares as the Shares are being issued in satisfaction of repayment of the Lantech Loans and the Middleton Loan. The funds from the Lantech Interim Loan have been used towards outstanding rent on tenements held by the Company and its wholly owned subsidiary Redbank Operations Pty Ltd, as general working capital, and for the repayment of existing liabilities. The funds from the Lantech Additional Loan and the Middleton Loan have been used towards repayment of the Viridian Loan;
- (h) the Shares are to be issued in accordance with the terms of the Lantech Loans and Middleton Loan, the key terms of which are summarized in section 1.1 above;
- (i) Lantech and Director Daryl Henthorn currently have a relevant interest in 1,658,089 Shares on issue in the Company, which are registered in the name of Lantech, but no relevant interest in any other securities on issue in the Company. Middleton Nominees and Director Keith Middleton currently have no relevant interest in any securities of the Company;
- (j) the remuneration and emoluments from the Company to Directors Daryl Henthorn and Keith Middleton for the previous 2 financial years and the proposed remuneration and emoluments for the current financial year are set out below. In addition, it is proposed that Directors Daryl Henthorn and Keith Middleton are granted Performance Rights under Resolutions 7 and 8 respectively, as detailed in section 4 below:

Related Party <sup>1</sup>	Current financial year	Financial year ending 30 June 2019	Financial year ending 30 June 2018
Keith Middleton	\$48,000	Nil	Nil
Daryl Henthorn	\$48,000	Nil	Nil

Notes:

1. Mr Henthorn and Mr Middleton were appointed as directors on 2 August 2019.

- (k) Viridian Capital Pty Ltd, which Mr Henthorn controls, has, since Mr Henthorn was appointed a Director on 2 August 2019, to 31 December 2019, been paid cash by the Company for bookkeeping, administrative and analyst services totaling \$17,730, director's fees for Mr Henthorn totaling \$20,000, consulting fees totaling \$2,760 and corporate advisory fees totaling \$22,745. Mr Henthorn, Lantech and Viridian have not otherwise received any Share or cash from the Company in that period. Viridian has lent and been repaid the Viridian Loan (interest was waived) and has executed a mandate to assist the Company raise up to \$6 million as detailed in the discussion of Resolution 5 below in return for a capital raising fee of 6% of funds raised by Viridian;
- (l) the issue of the Shares the subject of Resolution 1 will dilute existing Shareholders by approximately 13.5% (assuming no other Shares are issued). The issue of the Shares the subject of Resolution 2 will dilute existing Shareholders by approximately 5.4% (assuming no other Shares are issued);
- (m) some details of the trading history of the Shares on ASX in the 12 months before the date of this Notice is set out below:

	Price	Date
<b>Highest</b>	\$0.065	28 November 2018
<b>Lowest</b>	\$0.01	14 June 2019
<b>Last</b>	\$0.019	2 August 2019

- (n) Mr Michael Hannington recommends that Shareholders vote in favour of Resolutions 1 and 2 for the following reasons:
- (i) the issue of the Shares will ensure that the Company conserves its cash. If Resolutions 1 and 2 are not passed then the Lantech Loans and Middleton Loan will be repayable on their applicable repayment dates; and
- (ii) the price at which Shares will be issued on conversion of the loans is considered a commercially reasonable discount to the last traded market price of the Shares in light of the Company's Shares being suspended from trading and its current financial position;
- (o) Mr Daryl Henthorn does not wish to make a recommendation to Shareholders in relation to Resolution 1 due to his having a material personal interest in the outcome of the Resolution on the basis that Lantech will receive Shares upon the conversion of the Lantech Loans. Mr Henthorn recommends that Shareholders vote in favour of Resolution 2 for the reasons set out in clause (n) above;
- (p) Mr Keith Middleton does not wish to make a recommendation to Shareholders in relation to Resolution 2 due to his having a material personal interest in the outcome of the Resolution on the basis that he will receive Shares upon the conversion of the Middleton Loan. Mr Middleton recommends that Shareholders vote in favour of Resolution 1 for the reasons set out in clause (n) above;
- (q) except as specified above, no other Director has a personal interest or other interest in the outcome of Resolutions 1 and 2; and
- (r) the Board is not aware of any other information that would be reasonably required by Shareholders to allow them to make a decision whether it is in the best interests of the Company to pass Resolutions 1 and 2.

Approval pursuant to Listing Rule 7.1 is not required for the issue of the Shares the subject of Resolutions 1 and 2, as approval is being obtained under Listing Rule 10.11. Accordingly, the issue of the Shares the subject of Resolutions 1 and 2, will not be included in the use of the Company's 15% annual placement capacity pursuant to Listing Rule 7.1.

## 1.5 Resolution 3

Broadly speaking, ASX Listing Rule 7.1 provides that, without the approval of the holders of its ordinary securities, a company must not, subject to specified exceptions, issue or agree to issue more equity securities during any 12 month period than that amount which represents 15% of the number of fully paid ordinary securities on issue at the commencement of that 12 month period.

The issue of Shares in conversion of the Wyllie Group Interim Loan falls within Listing Rule 7.1 and none of the exceptions apply. While the issue does not exceed the Company's 15% limit in Listing Rule 7.1 and can therefore be made without breaching that rule, the Company wishes to retain as much flexibility of possible to issue additional equity securities into the future without having to obtain shareholder approval under Listing Rule 7.1.

To do this, the Company is asking Shareholders to approve the issue under Listing Rule 7.1 so it does not use up any of 15% limit on issuing equity securities without shareholder approval under Listing Rule 7.1. To this end, under Resolution 3, the Company seeks Shareholder approval to the issue under and for the purposes of Listing Rule 7.1.

The effect of Resolution 3 will be to allow the Company, subject to compliance with the Corporations Act, to issue the Shares to the Wyllie Group during the period of 3 months after the Meeting (or a longer period, if allowed by ASX). In addition, the issue will be excluded from the calculation of the number of equity securities the Company can issue without Shareholder approval under Listing Rule 7.1.

Listing Rule 7.3 requires that the following additional information is provided in respect of Resolution 3:

- (a) the Shares will be issued to the Wyllie Group which currently holds a 19.88% shareholding in the Company and is not a related party of the Company and does not have a nominee Director;
- (b) the maximum number of Shares to be issued if Resolution 3 is passed is 11,538,462 Shares;
- (c) the Shares issued will be fully paid ordinary shares in the capital of the Company issued on the same terms and conditions as the Company's existing Shares;
- (d) the Shares will be issued no later than 3 months after the date of the Meeting (or such later date to the extent permitted by any ASX waiver or modification of the Listing Rules) and it is anticipated they will be issued on the same date;
- (e) the consideration the Company will receive from the issue of the Shares is the full conversion and discharge of the Wyllie Group's Interim Loan. The Wyllie Group Interim Loan will be converted into Shares at a conversion price of \$0.013 per Share;
- (f) the purpose of the issue is to discharge the Wyllie Group Interim Loan. No funds will be raised from the issue of the Shares as the Shares are being issued in satisfaction of repayment of the Wyllie Group Interim Loan. The Wyllie Group Interim Loan was used to pay outstanding tenement rents and for working capital; and
- (g) the Shares are being issued in accordance with the terms of the Wyllie Group Interim Loan, the material terms of which are summarized in section 1.1 above.

The issue of the Shares will dilute existing Shareholders by approximately 9.0% (assuming no other Shares are issued).

As the Wyllie Group currently holds a 19.88% shareholding in the Company (being 23,251,996 Shares), even if Shareholders approve the issue under Resolution 3, the Company can only issue that number of Shares that results in the Wyllie Group acquiring Voting Power in the Company of no more than 20%.

If Shareholders approve Resolution 4, the Company intends to issue the Shares to the Wyllie Group at the same time as Shares are issued to the Unrelated Lenders, which is expected to enable the Wyllie Group to be issued all of the Shares proposed under Resolution 3 without going above 20% Voting Power.

If Shareholders do not approve Resolution 4, the Company intends to issue as many Shares under Resolution 3 as it legally can to the Wyllie Group without breaching the 20% cap. To the extent any of the Shares are not able to be legally issued within 3 months of the date of the Meeting (or such longer period allowed by ASX), the Company will need to repay any part of the Interim Loan that has not been converted on the repayment date (unless and to the extent the Company obtains a further Shareholder approval to issue Shares to the Wyllie Group to convert the remainder of its Interim Loan).

## **1.6 Resolution 4**

Broadly speaking, ASX Listing Rule 7.1 provides that, without the approval of the holders of its ordinary securities, a company must not, subject to specified exceptions, issue or agree to issue more equity securities during any 12 month period than that amount which represents 15% of the number of fully paid ordinary securities on issue at the commencement of that 12 month period.

Listing Rule 7.2 Exception 17 applies to an agreement to issue securities that is conditional on the holders of the Company's ordinary securities approving the issue under Listing Rule 7.1 before the issue is made. If this exception applies, the securities must not be issued until the approval is obtained.

Listing Rule 7.2 Exception 17 applies to the Additional Loans to the Unrelated Lenders as their terms provide that the loans must be converted into Shares upon Shareholder approval being obtained under Listing Rule 7.1. The issue of Shares in conversion of the Additional Loans to the Unrelated Lenders exceeds the 15% limit in Listing Rule 7.1. The issue requires approval of the Company's Shareholders under Listing Rule 7.1 and this approval is sought under Resolution 4.

The issue of Shares in conversion of accrued interest owed on the Additional Loans from the Unrelated Lenders, falls within Listing Rule 7.1 and none of the exceptions apply. While the issue does not exceed the Company's 15% limit in Listing Rule 7.1 and can therefore be made without breaching that rule, the Company wishes to retain as much flexibility as possible to issue additional equity securities into the future without having to obtain shareholder approval under Listing Rule 7.1. To do this, the Company is asking Shareholders to approve the issue under Listing Rule 7.1 so it does not use up any of the 15% limit on issuing equity securities without shareholder approval under Listing Rule 7.1. To this end, under Resolution 4, the Company seeks Shareholder approval to the issue under and for the purposes of Listing Rule 7.1.



The effect of Resolution 4 will be to allow the Company to issue the Shares to the Unrelated Lenders during the period of 3 months after the Meeting (or a longer period, if allowed by ASX). In addition, the issue will be excluded from the calculation of the number of equity securities the Company can issue without Shareholder approval under Listing Rule 7.1.

Listing Rule 7.3 requires that the following additional information is provided in respect of Resolution 4:

- (a) the Shares will be issued to the Unrelated Lenders who are sophisticated and professional investors known to the Company, none of whom are related parties of the Company;
- (b) the maximum number of Shares to be issued if Resolution 4 is passed is up to 91,363,817 Shares comprising 86,666,666 Shares in full satisfaction of the Unrelated Party Additional Loans and up to 4,697,151 Shares in conversion of accrued interest (assuming converted on 22 May 2020);
- (c) the Shares issued will be fully paid ordinary shares in the capital of the Company issued on the same terms and conditions as the Company's existing Shares;
- (d) the Shares will be issued no later than 3 months after the date of the Meeting (or such later date to the extent permitted by any ASX waiver or modification of the Listing Rules) and it is anticipated they will be issued on the same date;
- (e) the consideration the Company will receive from the issue of the Shares is the full conversion and discharge of the Additional Loans from the Unrelated Lenders. The Additional Loans and accrued interest owed to the Unrelated Lenders will be converted into Shares at a conversion price of \$0.15 per Share;
- (f) the purpose of the issue is to discharge the Additional Loans from the Unrelated Lenders (plus accrued interest). No funds will be raised from the issue of the Shares as the Shares are being issued in satisfaction of repayment of the Additional Loans and accrued interest from the Unrelated Lenders; and
- (g) the Shares are being issued in accordance with the terms of the Additional Loans, the material terms of which are summarized in section 1.1 above.

The issue of the Shares the subject of Resolution 4 will dilute existing Shareholders by approximately 43.8% (assuming no other Shares are issued).

Following the issue of these Shares, the substantial Shareholders of the Company will be as follows (assuming no other Shares are issued or disposed by those Shareholders):

Shareholder	Current % shareholding	New % Shareholding
Wyllie Group	19.88%	11.2%
Cityscape Asset Pty Ltd ATF Cityscape Family Trust	0%	8.8%
Investmet Ltd	12.07%	6.8%

## 2.0 RESOLUTION 5 – APPROVAL OF INCENTIVE PLAN

Resolution 5 seeks Shareholders approval for the adoption of the employee incentive scheme titled Redbank Incentive Plan (**Plan**) in accordance with Listing Rule 7.2 (Exception 13(b)).

The Plan was adopted by the Board on 12 February 2020.

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

Listing Rule 7.2 (Exception 13(b)) sets out an exception to Listing Rule 7.1 which provides that issues under an employee incentive scheme are exempt for a period of 3 years from the date on which shareholders approve the issue of securities under the scheme as an exception to Listing Rule 7.1.

If Resolution 5 is passed, the Company will be able to issue securities under the Plan to eligible participants over a period of 3 years without impacting on the Company's ability to issue up to 15% of its total ordinary securities without Shareholder approval in any 12 month period under Listing Rule 7.1.

If Resolution 5 is not passed, the Company's 15% placement capacity under Listing Rule 7.1 will be reduced each time it issues securities under the Plan to eligible participants (unless issued under another exception under Listing Rule 7.2 eg with Shareholder approval under Listing Rule 10.11 where issued to a related party).

A summary of the key terms and conditions of the Plan is set out in Schedule 1. In addition, a copy of the Plan is available for review by Shareholders at the registered office of the Company until the date of the Meeting. A copy of the Plan can also be sent to Shareholders upon request to the Company Secretary. Shareholders are invited to contact the Company if they have any queries or concerns.

No securities have previously been issued under the Plan.

The maximum number of equity securities proposed to be issued under the Plan following Shareholder approval is 50,000,000 (inclusive of the incentives proposed to be granted under Resolutions 6 to 8). This maximum is 43% of the Shares currently on issue but only 20% of the number of Shares on issue if Shares are issued under Resolutions 1 to 4.

The objective of the Incentive Plan is to attract, motivate and retain key employees, officers and contractors and it is considered by the Company that the adoption of the Plan and the future issue of Awards under the Plan will provide selected employees, officers and contractors with the opportunity to participate in the future growth of the Company.

Any future issues of Shares under the Plan to a related party or a person whose relation with the Company or the related party is, in ASX's opinion, such that approval should be obtained will require additional Shareholder approval under Listing Rule 10.14 at the relevant time. For this reason, the Company is also seeking approval under Resolutions 6 to 8 for the issue of Awards to certain Directors pursuant to the Plan.

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### **3.0 RESOLUTIONS 6, 7 AND 8 – GRANT OF PERFORMANCE RIGHTS TO DIRECTORS**

#### **3.1 General**

The Company intends, subject to obtaining Shareholder approval, to offer to grant Performance Rights to the current Directors of the Company (or their nominees) (the **Related Parties**) under the Redbank Incentive Plan (**Plan**). Please refer to Schedule 1 for a summary of the terms of the Plan.

Resolutions 6, 7 and 8 seek Shareholder approval for the grant of the Performance Rights to Michael Hannington, Daryl Henthorn and Keith Middleton respectively.

#### **3.2 Chapter 2E of the Corporations Act**

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

- (a) obtain the approval of the public company's members in the manner set out in sections 217 to 227 of the Corporations Act; and
- (a) give the benefit within 15 months following such approval,
- (b) unless the giving of the financial benefit falls within an exception set out in sections 210 to 216 of the Corporations Act.

The grant of the Performance Rights constitutes giving a financial benefit and Directors Michael Hannington, Daryl Henthorn and Keith Middleton are related parties of the Company by virtue of being Directors of the Company.

It is the view of the Company that the exceptions set out in sections 210 to 216 of the Corporations Act may, but do not necessarily, apply in the current circumstances. Accordingly, out of prudence, Shareholder approval is sought for the grant of Performance Rights to the relevant Related Parties or their nominees.

#### **3.3 Listing Rule 10.14**

Listing Rule 10.14 provides that a listed entity must not permit any of the following persons to acquire equity securities under an employee incentive Plan unless it obtains shareholder approval:

- (a) 10.14.1: a director of the entity;
- (b) 10.14.12: an associate of a director of the entity; or
- (c) 10.14.3: a person whose relationship with the entity, director or associate of the director is, in ASX's opinion, such that the acquisition should be approved by Shareholders.

The grant of the Performance Rights under Resolutions 6, 7 and 8 involves the grant of securities to related parties of the Company. This falls within Listing Rule 10.14.1 and therefore Shareholder approval is required for the grant under Listing Rule 10.14, which approval is sought under Resolutions 6, 7 and 8.

If Resolutions 6, 7 and 8 are passed, the Company will be able to proceed with the offer and grant of the Performance Rights under those Resolutions. If a Resolution is not passed, the Company will not be able to grant the Performance Rights the subject of that Resolution.

### 3.4 Technical Information required by Listing Rule 10.15 and section 219 of the Corporations Act

Pursuant to and in accordance with Listing Rule 10.15 and section 219 of the Corporations Act, the following information is provided in relation to Resolutions 6, 7 and 8:

- (a) the Performance Rights are to be granted to the Related Parties as set out below.

	Michael Hannington	Daryl Henthorn	Keith Middleton
<b>Tranche 1</b>	2,250,000	1,250,000	1,250,000
<b>Tranche 2</b>	2,250,000	1,250,000	1,250,000
<b>Tranche 3</b>	3,250,000	2,250,000	2,250,000
<b>Total</b>	<b>7,750,000</b>	<b>4,750,000</b>	<b>4,750,000</b>

- (b) The Related Parties fall within Listing Rule 10.14.1 by virtue of being Directors.
- (c) The remuneration and emoluments from the Company to the Related Parties for the previous 2 financial years and the proposed total remuneration and emoluments for the current financial year are set out below. This is in addition to the Performance Rights proposed to be granted under Resolutions 6, 7 and 8.

Related Party <sup>1</sup>	Current financial year	Financial year ending 30 June 2019	Financial year ending 30 June 2018
Michael Hannington	\$265,000	Nil	Nil
Keith Middleton	\$48,000	Nil	Nil
Daryl Henthorn	\$48,000	Nil	Nil

Notes:

1. The Related Parties were appointed as directors on 2 August 2019.

- (d) The Related Parties have not previously been granted any Performance Rights or other incentives under the Plan.
- (e) Each Related Party Performance Right will have a nil exercise price and an expiry date of 5 years from the date of grant. The Performance Rights will only vest and be exercisable into Shares (on a one for one basis subject to adjustment in accordance with the Plan) upon satisfaction or waiver by the Board of the following vesting conditions. Refer to Schedule 1 for a summary of the Plan (which applies to the Performance Rights) and Schedule 2 for a summary of the material terms of the Performance Rights.

	Vesting Conditions
<b>Tranche 1</b>	The Company raises at least \$4 million under a placement at an issue price of at least \$0.023 per Share and the Company's Shares re-commence trading on the ASX.
<b>Tranche 2</b>	A JORC 2012 compliant mineral resource is announced for the Company's Redbank project in the Northern Territory.
<b>Tranche 3</b>	The relevant Director remains a Director or consultant to the Company for 18 months from the date the Performance Rights are granted to the Director.

- (f) The Company wishes to grant Performance Rights as they are a cost effective mechanism to incentivise the Related Parties, they minimize dilution to Shareholders compared with the grant of Options and are simpler to administer than the grant of Shares that would need to be cancelled if the Vesting Conditions are not satisfied or waived.
- (g) The total of the fair value of the Performance Rights proposed to be granted, as determined on 24 March 2020 using the methodology set out in Schedule 3, meaning the value of the Performance Rights proposed to be granted to the Related Parties is as follows:

	Michael Hannington	Daryl Henthorn	Keith Middleton
<b>Tranche 1</b>	\$34,200	\$19,000	\$19,000
<b>Tranche 2</b>	\$25,650	\$14,250	\$14,250
<b>Tranche 3</b>	\$30,875	\$21,375	\$21,375
<b>Total</b>	<b>\$90,725</b>	<b>\$54,625</b>	<b>\$54,625</b>

- (h) The Performance Rights will be granted no later than 6 months after the date of the Meeting (or such later date to the extent permitted by any ASX waiver or modification of the Listing Rules)] and it is intended that issue of the Performance Rights will occur on the same date.
- (i) The Performance Rights will have a nil issue price.
- (j) A summary of the material terms of the Plan is provided in Schedule 1.
- (k) There is no loan being provided to Related Parties in respect of the Performance Rights.
- (l) Details of any securities issued under the Plan will be published in the Company's annual report relating to the period in which they were issued, along with a statement that approval for the issue was obtained under Listing Rule 10.14.
- (m) Any additional persons covered by Listing Rule 10.14 who become entitled to participate in an issue of securities under the Plan after Resolutions 6, 7 and 8 are approved and who were not named in this Notice of Meeting will not participate until approval is obtained under that rule.
- (n) Lantech and Director Daryl Henthorn currently have a relevant interest in 1,658,089 Shares on issue in the Company, which are registered in the name of Lantech, but no relevant interest in any other securities on issue in the Company. Directors Michael Hannington and Keith Middleton currently have no relevant interest in any securities of the Company.
- (o) If all Performance Rights granted to the Related Parties are exercised, a total of 17,250,000 Shares would be issued. This will increase the number of Shares on issue from 116,971,891 to 134,221,891 (assuming that no other Shares are issued in the meantime) with the effect that the shareholding of existing Shareholders would be diluted by an aggregate of 12.3%, comprising 5.5% by Michael Hannington and 3.4% by each of Daryl Henthorn and Keith Middleton.
- (p) Some details of the trading history of the Shares on ASX in the 12 months before the date of this Notice are set out below:

	Price	Date
<b>Highest</b>	\$0.065	28 November 2018
<b>Lowest</b>	\$0.01	14 June 2019
<b>Last</b>	\$0.019	2 August 2019

- (q) The Board acknowledges the grant of Performance Rights to those Related Parties who are non-executive Directors with performance-based vesting conditions is contrary to the guidelines to Recommendation 8.2 of The Corporate Governance Principles and Recommendations (4th Edition) as published by The ASX Corporate Governance Council. However, the Board considers the grant of Performance Rights to Daryl Henthorn and Keith Middleton is reasonable in the circumstances having regard to the size and level of operations of the Company, its cash reserves and importance to the Company of attracting and retaining non-executive Directors in a manner which does not unduly impact on the Company's cash resources.
- (r) A primary purpose of the grant of the Performance Rights to the Related Parties is to provide a performance linked incentive component in the overall remuneration package for each Related Party to motivate and reward the performance of the Related Party in their respective roles as Directors and to assist the Company in retaining their services and expertise in a manner which does not unduly impact on the cash reserves of the Company.
- (s) Michael Hannington does not wish to make a recommendation to Shareholders in relation to Resolution 6 due to having a material personal interest in the outcome of the Resolution on the basis that he or his nominee is to be granted Performance Rights in the Company should that Resolution be passed. However, in respect of Resolutions 7 and 8, he recommends that Shareholders vote in favour of each of those Resolutions for the following reasons:
  - (i) the grant of Performance Rights, in particular the vesting conditions of the Performance Rights, will align their interests with those of Shareholders and provide a meaningful incentive to work towards the Company becoming commercially successful;
  - (ii) the grant of the Performance Rights is a reasonable and appropriate method to provide cost effective supplementary remuneration to the Related Parties, thereby allowing the Company to spend a greater proportion of its cash reserves on its operations than it would be if alternative cash forms of remuneration were given to the Related Parties; and
  - (iii) it is not considered there is any significant opportunity cost to the Company or benefits foregone by the Company in granting the Performance Rights upon the terms proposed.

- (t) Daryl Henthorn does not wish to make a recommendation to Shareholders in relation to Resolution 7 due to having a material personal interest in the outcome of the Resolution on the basis that he or his nominee are to be granted Performance Rights in the Company should that Resolution be passed. However, in respect of Resolutions 6 and 8, he recommends that Shareholders vote in favour of each of those Resolutions for the reasons set out in the paragraphs above.
- (u) Keith Middleton does not wish to make a recommendation to Shareholders in relation to Resolution 8 due to having a material personal interest in the outcome of the Resolution on the basis that he or his nominee are to be granted Performance Rights in the Company should that Resolution be passed. However, in respect of Resolutions 6 and 7, he recommends that Shareholders vote in favour of each of those Resolutions for the reasons set out in the paragraphs above.
- (v) Except as specified above, no other Director has a personal interest or other interest in the outcome of Resolutions 6, 7 and 8.
- (w) In forming their various recommendations, each Director when making a recommendation considered the qualifications and experience of each other Related Party, the current market price of Shares, the current market practices when determining the number of Performance Rights to be granted as well as the exercise price, expiry date and other material terms of those Performance Rights.
- (x) The Board is not aware of any other information that would be reasonably required by Shareholders to allow them to make a decision whether it is in the best interests of the Company to pass Resolutions 6, 7 and 8.
- (y) Approval pursuant to Listing Rule 7.1 is not required in order to grant the Performance Rights to the Related Parties or their nominees as approval is being obtained under Listing Rule 10.14. Accordingly, the issue of Performance Rights to the Related Parties or their nominees will not be included in the 15% calculation of the Company's twelve month capacity to issue Shares or other securities without shareholder approval pursuant to Listing Rule 7.1.

### **3.5 Sections 200B and 200E of the Corporations Act**

- (a) The Related Parties each occupy a managerial or executive office with the Company within the meaning of section 200AA of the Corporations Act.
- (a) Section 200B of the Corporations Act generally provides that, subject to specific exceptions, Shareholder approval is required for the giving of benefits to a person occupying a managerial or executive office with the Company in connection with their retirement from a managerial or executive office. The term 'benefits' is widely defined and may include the early vesting or acceleration of conditions or waiver of exercise or forfeiture conditions or performance hurdles.
- (b) The Plan, and the terms and conditions of grant of the Performance Rights under the Plan to the Related Parties (or their nominees), contain a number of provisions which may operate to entitle the Related Parties (or their nominees) to an early vest of Performance Rights earlier and/or in different circumstances than might otherwise be the case in connection with their ceasing to hold a managerial or executive office with the Company. Some of the relevant provisions in the Plan (or terms and conditions) are subject to the Board exercising their discretion to allow such exercise (whether by waiving conditions of exercise or extending the period for exercise or otherwise).
- (c) Accordingly, the retirement benefit that may be given under the Plan is the waiver of vesting conditions in certain circumstances (or extension of time to vest Performance Rights) including upon termination of employment or executive office with the Company due to resignation, redundancy, retirement, permanent incapacity or death or where a takeover bid is made for the Shares in the Company.
- (d) The value of any such benefits which may be given to the Related Parties cannot presently be ascertained but matters, events and circumstances that will, or are likely to, affect the calculation of that value include:
  - (i) the number of Performance Rights held by the participant;
  - (ii) the number of Performance Rights that vest early;
  - (iii) the price of Shares on the ASX on the date of calculation;
  - (iv) the status of any vesting conditions or other conditions for the Performance Rights at the time of ceasing to hold a managerial or executive office with the Company; and
  - (v) the participant's length of service and reasons for ceasing to hold a managerial or executive office with the Company.
- (e) Shareholder approval is sought under section 200E of the Corporations Act to the giving of any benefit to the Related Parties in connection with their future cessation of office or position with the Company under the terms of the Plan (or terms and conditions of grant) in relation to the Performance Rights, including as a result of any future exercise of a discretion by the Board under the terms of the Plan or the terms and conditions of the Performance Rights.
- (f) The Related Parties have advised that they have no current intention to resign from their positions with the Company.

### **3.6 Listing Rule 10.19**

- (a) Listing Rule 10.19 provides that, without the approval of shareholders, an entity must ensure that no officer of the entity or any of its child entities will be, or may be, entitled to termination benefits if the value of those benefits and the termination benefits that may become payable to all officers together exceed 5% of the equity interests of the entity as set out in the latest accounts given to the ASX under the Listing Rules.
- (b) Section 4.5 above notes that the Plan, and the terms and conditions of grant of Performance Rights under the Plan to the Related Parties, contain a number of provisions which may constitute benefits for the purposes of section 200B of the Corporations Act. These provisions may also constitute termination benefits for the purposes of ASX Listing Rule 10.19. As such, the Company is also seeking Shareholder approval for these benefits to be given.
- (c) If Shareholders approve Resolutions 6, 7 and 8, the value of the benefits will not be counted towards the 5% cap set out in Listing Rule 10.19.

### **3.7 Voting Prohibition – Section 224 of the Corporations Act**

Sections 224(1) and (2) of the Corporations Act provide that a vote may not be cast (in any capacity) by or on behalf of the related party to whom the resolution would permit a financial benefit to be given (or an associate of that person) other than a vote cast as a proxy by a person in writing that specifies how the proxy is to vote on the proposed resolution and which is not cast on behalf of the relevant related party (or an associate of that person).

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### **ENQUIRIES**

Shareholders are required to contact the Company Secretary on +61 8 6558 1859 if they have any queries in respect of the matters set out in these documents.

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## GLOSSARY

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**\$** means Australian dollars.

**Award** means an Option or Performance Rights granted under the Plan.

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

**Acquisition Date** means, in respect of an Award, the later of:

- (a) the date the Board resolves to accept an Application Form from an Eligible Participant or Nominee (as applicable) and to issue the Award to the applicant; and
- (b) the date any conditions precedent to the issue of the Award are satisfied or waived.

**ASIC** means the Australian Securities and Investments Commission.

**ASX** means ASX Limited or the financial market operated by ASX Limited, as the context requires.

**ASX Listing Rules** or **Listing Rules** means the Listing Rules of ASX.

**Board** means the board of directors of the Company.

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

**Change of Control** means:

- (a) a bona fide takeover bid is declared unconditional and the bidder has acquired a relevant interest in at least 50.1% of the Company's issued Shares;
- (b) a court approves, under Section 411(4)(b) of the Corporations Act, a proposed compromise or arrangement (other than a compromise or arrangement with the Company's creditors) for the purposes of, or in connection with, a scheme for the reconstruction of the Company or its amalgamation with any other company or companies; or
- (c) in any other case, a person obtains voting power in the Company which the Board (which for the avoidance of doubt will comprise those Directors immediately prior to the person acquiring that voting power) determines, acting in good faith and in accordance with their fiduciary duties, is sufficient to control the composition of the Board.

**Class Order** means ASIC Legislative Instrument 14/1000 as amended or replaced from time to time.

**Company** means Redbank Copper Limited (ACN 059 326 519).

**Constitution** means the Company's constitution.

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

**Directors** mean the current directors of the Company.

**Eligible Participants** means a Director (whether executive or non-executive), a full or part time employee of the Company or any of its subsidiaries (Group Company), a casual employee or contractor of a Group Company (but, if the Class Order is being relied on, only to the extent permitted by the Class Order) and a prospective participant who has entered into an agreement to become an Eligible Participant.

**Explanatory Statement** means the explanatory statement to the Notice.

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

**Lantech** means Lantech Developments Pty Ltd ACN 106 003 463 ATF DAC Family Trust.

**Market Value**, in respect of a Share, means, where the Company is listed on ASX, the volume weighted average market price (as defined in the ASX Listing Rules) for a Share traded on the ASX during the 7 day period up to and including the day on which the Market Value is to be determined.

**Nominee** means a nominee of an Eligible Participant that is one of the following:

- (a) an immediate family member of the Eligible Participant;
- (b) a company whose members comprise no persons other than the Eligible Participant or immediate family members of the Eligible Participant; or
- (c) subject to Board approval, a trustee of a trust, in respect of which the Eligible Participant, or an immediate family member of the Eligible Participant, is the trustee, or the Eligible Participant, or an immediate family member of the Eligible Participant, Controls a body corporate which is the trustee, but always excluding a self-managed superannuation fund (within the meaning of the *Superannuation Industry (Supervision) Act 1993*).

**Notice of Meeting** or **Notice of General Meeting** means this notice of general meeting including the Explanatory Statement.

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

**Performance Right** means a performance right issued under the Company's Incentive Plan.

**Plan** means the Company's incentive plan adopted by the Board on 12 February 2020.

**Proxy Form** means the proxy form accompanying the Notice.

**Related Body Corporate** has the meaning given in the Corporations Act.

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

**Share** means a share in the Company.

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

**Unrelated Lenders** has the meaning given in section 1.2 of the Explanatory Memorandum.

**Voting Power** has the meaning given in the Corporations Act.

**VWAP** means volume weight average market price, as defined in the ASX Listing Rules.

**Wyllie Group** means Wyllie Group Pty Ltd ACN 008 763 120.



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## SCHEDULE 1 – INCENTIVE PLAN SUMMARY

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Terms used in this summary that are not defined in the Notice have the meaning given to those terms in the Incentive Plan.

### 1.0 Eligibility

The Board may, from time to time, in its absolute discretion, make a written invitation to any Eligible Participant to apply for Options or Performance Rights (together, **Awards**), upon the terms set out in the Incentive Plan and upon such additional terms and conditions as the Board determines.

### 2.0 Invitation and Application Form

An invitation to apply for the issue of Awards under the Incentive Plan must be made by way of an invitation (Invitation). At a minimum, the Invitation must include the following information:

- (a) the type of Award that the Eligible participant may apply for, being Options or Performance Rights;
- (b) the maximum number of each type of Award that the Eligible Participant may apply for, or the formula for determining the number of each type of Award that may be applied for;
- (c) the maximum number of Shares that the Participant is entitled to acquire on the exercise of each Option or Performance Right or the formula for determining the maximum number of Shares;
- (d) where Options are offered, the Option Exercise Price of any Options, or the formula for determining the Option Exercise Price;
- (e) any Vesting Conditions;
- (f) any Restriction Period the Board has resolved to apply to Shares acquired in accordance with this Plan;
- (g) the Expiry Date of the Options or Performance Rights;
- (h) any other terms and conditions applicable to the Awards;
- (i) the date by which an Invitation must be accepted (Closing Date); and
- (j) any other information required by law or, where the Company is listed on a stock exchange, the stock exchange rules, or considered by the Board to be relevant to the Awards or Shares to be acquired on the exercise of Options or Performance Rights.

An Eligible Participant (or permitted Nominee) may apply for the Awards by signing and returning an Application Form to the Company no later than the Closing Date. The Board may accept or reject any Application Form in its absolute discretion.

Where the Company needs to rely on the Class Order in respect of an Invitation, the Company must have reasonable grounds to believe, when making an Invitation, that the number of Shares to be received on exercise of Options or Performance Rights offered under an Invitation, when aggregated with the number of Shares issued or that may be issued as a result of offers made in reliance on the Class Order at any time during the previous 3 year period under an employee incentive scheme covered by the Class Order or under an ASIC exempt arrangement of a similar kind to an employee incentive scheme, will not exceed 5% of the total number of Shares on issue at the date of the Invitation.

The Company's obligation to issue or transfer Awards is conditional on:

- (k) the issue or transfer of the Award complying with all applicable legislation, applicable stock exchange rules and the Constitution; and
- (l) all necessary approvals required under any applicable legislation and applicable stock exchange rules being obtained prior to the issue or transfer of the Awards.

### 3.0 Terms of the Awards

- (a) All Shares issued under the Plan will rank equally in all respects with the Shares of the same class for the time being on issue except as regards any rights attaching to such Shares by reference to a record date prior to the date of their issue.
- (b) Each Option or Performance Right will entitle its holder to subscribe for and be issued, one fully paid ordinary share in the capital of the Company (upon vesting and exercise of that Award) unless the Plan or an applicable Invitation otherwise provides.

- (c) There are no participating rights or entitlements inherent in Options or Performance Rights and participants will not be entitled to participate in new issues of securities offered to Shareholders of the Company without exercising the Options or Performance Rights, except to the extent an Invitation otherwise provides where permitted by the ASX Listing Rules.
- (d) There is no right to a change in the exercise price or in number of underlying Shares over which an Option or Performance Right can be exercised, except to the extent an Invitation otherwise provides where permitted by the ASX Listing Rules.
- (e) In the event of a re-organisation of the capital of the Company, the Company may alter the rights of the holder of an Award to the extent necessary to comply with the ASX Listing Rules applying to re-organisations at the time of the re-organisation.
- (f) Subdivision 83A-C of the Income Tax Assessment Act 1997 applies to the Awards except to the extent an Invitation provides otherwise.

#### 4.0 Vesting and Exercise of Options and Performance Rights

- (g) **Vesting Conditions:** Subject to clause 4(b) below, an Option or Performance Right acquired under the Plan will not vest and be exercisable unless the Vesting Conditions (if any) attaching to that Option or Performance Right have been satisfied (as determined by the Board acting reasonably) and the Board has notified the Eligible Participant of that fact within 10 Business Days of becoming aware that any Vesting Condition has been satisfied.
- (h) **Waiver of Vesting Conditions:** Notwithstanding clause 4(a) above, the Board may in its discretion (except to the extent otherwise provided by an Invitation), by written notice to an Eligible Participant, resolve to waive any of the Vesting Conditions applying to an Option or Performance Right. For clarity, the Board may in its discretion waive or reduce any Vesting Conditions after the time specified for satisfaction of those Vesting Conditions has passed. An Invitation may provide that Vesting Conditions lapse automatically on a Change of Control.
- (i) **Exercise on Vesting:** A Participant (or their personal legal representative where applicable) may, subject to the terms of any Invitation, exercise any vested Option or Performance Right at any time after the Board notifies that the Option or Performance Right has vested and before it lapses.
- (j) **Cash Payment:** Subject to the Corporations Act, the ASX Listing Rules, the Plan and the terms of any Invitation, where an Invitation so provides, when all Vesting Conditions in respect of an Option or Performance Right have been satisfied or waived, the Board may, in its discretion, within 10 Business Days of receipt of a valid notice of exercise for the vested Option or Performance Right, in lieu of issuing or transferring a Share to the Participant on exercise of the Option or Performance Right, pay the Participant or his or her personal representative (as the case may be) a cash payment for the Option or Performance Right exercised equal to the Market Value of a Share up to and including the date the Option or Performance Right was exercised, less, in respect of an Option, any Option Exercise Price. A vested Option or Performance Right automatically lapses upon payment of a Cash Payment in respect of the vested Option or Performance Right.
- (k) **Lapsing of Options/Performance Rights:** An Option or Performance Right will lapse upon the earlier of:
  - (i) the Board, in its discretion, resolving an Option or Performance Right lapses as a result of an unauthorised disposal of, or hedging of, the Option or Performance Right;
  - (ii) a Vesting Condition not being satisfied or becoming incapable of satisfaction (and not being waived by the Board in its discretion);
  - (iii) in respect of an unvested Option or Performance Right, the holder ceases to be an Eligible Participant and the Board does not exercise its discretion to vest the Option or Performance Right or allow it to remain unvested;
  - (iv) in respect of a vested Option or Performance Right, a holder ceases to be an Eligible Participant and the Board, in its discretion, resolves that the Option or Performance Right must be exercised within one (1) month (or such later date as the Board determines) of the date the Relevant Person ceases to be an Eligible Participant, and the Option or Performance Right is not exercised within that period and the Board resolves, at its discretion, that the Option or Performance Right lapses as a result;
  - (v) upon payment of a Cash Payment in respect of the vested Option or Performance Right;
  - (vi) the Board deems that an Option or Performance Right lapses due to fraud, dishonesty or other improper behaviour of the holder/Eligible Participant under the rules of the Incentive Plan;
  - (vii) in respect of an unvested Option or Performance Right, a winding up resolution or order is made, and the Option or Performance Right does not vest in accordance with rules of the Incentive Plan;

and

(viii) the Expiry Date of the Option or Performance Right.

## **5.0 Disposal Restrictions**

- (a) Shares can be made subject to a Restriction Period which prohibit disposal until satisfied or waived at the Board's discretion (unless an Invitation otherwise provides).
- (b) A Share that is subject to a Restriction Period is unable to be disposed during the Restriction Period.
- (c) An Option or Performance Right is non-transferable other than in Special Circumstances with the consent of the Board (which may be withheld in its discretion) or by force of law upon death to the Participant's legal personal representative or upon bankruptcy to the Participant's trustee in bankruptcy.
- (d) The Company may implement any procedure it considers appropriate to restrict a Participant from dealing with any Shares for as long as those Shares are subject to a Restriction Period.
- (e) Shares are deemed to be subject to a Restriction Period to the extent necessary to comply with any escrow restrictions imposed by the ASX Listing Rules.
- (f) The Participant agrees to execute a restriction agreement in relation to the Restricted Shares reflecting any Restriction Period applying to the Restricted Shares under the Plan or any escrow imposed by the ASX Listing Rules.
- (g) No issue or allocation of Awards and/or Shares will be made to the extent that it would contravene the Constitution, Listing Rules, the Corporations Act or any other applicable law.

## SCHEDULE 2 – PERFORMANCE RIGHT MATERIAL TERMS AND CONDITIONS

The Performance Rights proposed to be issued under Resolutions 6 to 8 will be issued subject to the terms and conditions of the Plan, which are summarised in Schedule 1, and the following material terms and conditions.

- (a) The Performance Rights are to be granted to the Related Parties as set out below.

	<b>Michael Hannington</b>	<b>Daryl Henthorn</b>	<b>Keith Middleton</b>
<b>Tranche 1</b>	2,250,000	1,250,000	1,250,000
<b>Tranche 2</b>	2,250,000	1,250,000	1,250,000
<b>Tranche 3</b>	3,250,000	2,250,000	2,250,000
<b>Total</b>	<b>7,750,000</b>	<b>4,750,000</b>	<b>4,750,000</b>

- (b) The Performance Rights will only vest and be exercisable into Shares upon satisfaction or waiver by the Board of the following vesting conditions.

	<b>Vesting Conditions</b>
<b>Tranche 1</b>	The Company raises at least \$4 million under a placement at an issue price of at least \$0.023 per Share and the Company's Shares re-commence trading on the ASX.
<b>Tranche 2</b>	A JORC 2012 compliant mineral resource is announced for the Company's Redbank project in the Northern Territory.
<b>Tranche 3</b>	The relevant Director remains a Director or consultant to the Company for 18 months from the date the Performance Rights are granted to the Director.

- (c) The Board may in its discretion, by written notice, resolve to waive any of the Vesting Conditions applying to a Performance Right.
- (d) Each Performance Right entitles its holder to subscribe for and be issued, one Share (upon vesting and exercise of that Performance Right).
- (e) A Performance Right is non-transferable other than in Special Circumstances with the consent of the Board (which may be withheld in its discretion) or by force of law upon death to the Participant's legal personal representative or upon bankruptcy to the Participant's trustee in bankruptcy.
- (f) No issue or allocation of Performance Rights and/or Shares will be made to the extent that it would contravene the Constitution, Listing Rules, the Corporations Act or any other applicable law.
- (g) There are no participating rights or entitlements inherent in the Performance Rights and participants will not be entitled to participate in new issues of securities offered to Shareholders of the Company without exercising the Performance Rights.
- (h) There is no right to a change in the exercise price or in number of underlying Shares over which a Performance Right can be exercised.
- (i) In the event of a reorganisation of the capital of the Company, the Company may alter the rights of the holder of a Performance Right to the extent necessary to comply with the ASX Listing Rules applying to reorganizations at the time of the reorganisation.

### SCHEDULE 3 – PERFORMANCE RIGHT VALUATION METHOD

The Related Party Performance Rights to be issued to the Related Parties pursuant to Resolutions 6 to 8 have been valued by internal management.

Using the valuation methodology below and based on the assumptions set out below, the Related Party Performance Rights were ascribed the following value:

	MR MICHAEL HANNINGTON	MR DARYL HENTHORN	MR KEITH MIDDLETON
Indicative value of each Related Party's Performance Rights	\$90,725	\$54,625	\$54,625

In respect of the Performance Rights, the value is measured using the valuation of Shares (\$0.019 per share, being the price as quoted on the ASX as at 24 March 2020) and the probability of the Performance Rights being converted as the vesting conditions.

MR MICHAEL HANNINGTON	Tranche 1	Tranche 2	Tranche 3
Underlying Share Value	\$0.019	\$0.019	\$0.019
Exercise Price	Nil	Nil	Nil
Valuation Date	24 Mar 2020	24 Mar 2020	24 Mar 2020
Vesting Period (months)	60	60	60
Probability	80%	60%	50%
Number of Performance Rights	2,250,000	2,250,000	3,250,000
Value per Performance Right	\$0.0152	\$0.0114	\$0.0095
Indicative Value per Performance Right Tranche	\$34,200	\$25,650	\$30,875

MR DARYL HENTHORN	Tranche 1	Tranche 2	Tranche 3
Underlying Share Value	\$0.019	\$0.019	\$0.019
Exercise Price	Nil	Nil	Nil
Valuation Date	24 Mar 2020	24 Mar 2020	24 Mar 2020
Vesting Period (months)	60	60	60
Probability	80%	60%	50%
Number of Performance Rights	1,250,000	1,250,000	2,250,000
Value per Performance Right	\$0.0152	\$0.0114	\$0.0095
Indicative Value per Performance Right Tranche	\$19,000	\$14,250	\$21,375

MR KEITH MIDDLETON	Tranche 1	Tranche 2	Tranche 3
Underlying Share Value	\$0.019	\$0.019	\$0.019
Exercise Price	Nil	Nil	Nil
Valuation Date	24 Mar 2020	24 Mar 2020	24 Mar 2020
Vesting Period (months)	60	60	60
Probability	80%	60%	50%
Number of Performance Rights	1,250,000	1,250,000	2,250,000
Value per Performance Right	\$0.0152	\$0.0114	\$0.0095
Indicative Value per Performance Right Tranche	\$19,000	\$14,250	\$21,375

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

Holder Number:

Holder Name:

Holder Address:

## Vote by Proxy: RCP

Your proxy voting instruction must be received by **10.00am (AWST) on Tuesday, 19 May 2020**, being **not later than 48 hours** before the commencement of the Meeting. Any Proxy Voting instructions received after that time will not be valid for the scheduled Meeting.

### SUBMIT YOUR PROXY VOTE ONLINE

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

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

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



### SUBMIT YOUR PROXY VOTE BY PAPER

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

#### YOUR NAME AND ADDRESS

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

#### VOTING UNDER STEP 1 - APPOINTING A PROXY

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

#### DEFAULT TO THE CHAIRMAN OF THE MEETING

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

#### VOTES ON ITEMS OF BUSINESS – PROXY APPOINTMENT

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

#### APPOINTMENT OF SECOND PROXY

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

#### SIGNING INSTRUCTIONS

You must sign this form as follows in the spaces provided

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

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

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

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

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

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

#### CORPORATE REPRESENTATIVES

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

#### ATTENDING THE MEETING

In the interests of public health and safety of our Shareholders, the Company is not able to allow Shareholders to physically attend the Shareholder Meeting. Please refer to the accompanying Notice of Meeting for further information.

#### POWER OF ATTORNEY

If a representative as power of attorney of a Shareholder of the Company is to attend the Meeting, a certified copy of the Power of Attorney, or the original Power of Attorney, must be received by the Company in the same manner, and by the same time as outlined for proxy forms.



