

MOUNT RIDLEY MINES LIMITED
ACN 092 304 964

NOTICE OF ANNUAL GENERAL MEETING

Date of Meeting

29 November 2019

Time of Meeting

11:00 am (WST)

Place of Meeting

RM Capital
Level 1/1205 Hay Street
WEST PERTH WA 6005

A Proxy Form is enclosed. If you are unable to attend the Annual General Meeting and wish to vote, please complete and return the enclosed Proxy Form in accordance with the specified directions.

IMPORTANT INFORMATION

*This is an important document that should be read in its entirety.
If you do not understand it you should consult your professional advisers without delay.*

*If you wish to discuss any aspect of this document with the Company please contact
Mr Johnathon Busing, Company Secretary on telephone (+61 8) 6165 8858.*

The Annual Report is available online at www.asx.com.au (ASX: MRD)

MOUNT RIDLEY MINES LIMITED
ACN 092 304 964

NOTICE OF ANNUAL GENERAL MEETING

Notice is hereby given that the Annual General Meeting of the Shareholders of Mount Ridley Mines Limited will be held at RM Capital Level 1/1205 Hay Street, WEST PERTH WA 6005 at 11:00 AM (WST) on 29 November 2019 for the purpose of transacting the following business referred to in this Notice of Annual General Meeting.

AGENDA

ORDINARY BUSINESS

ANNUAL REPORT

To receive and consider the financial report of the Company for the financial year ended 30 June 2019 and the accompanying Directors' Report, Directors' Declaration, Remuneration Report and Auditor's Report as set out in the Annual Report.

RESOLUTION 1 – ADOPTION OF REMUNERATION REPORT

To consider, and if thought fit, to pass, with or without amendment, the following resolution as a **non-binding resolution**:

“That for the purposes of section 250R(2) of the Corporations Act and for all other purposes, approval is given for the adoption of the Remuneration Report as contained in the Annual Report for the financial year ended 30 June 2019.”

The Remuneration Report is set out in the Directors' Report in the Annual Report. Please note that the vote on this Resolution is advisory only and does not bind the Directors or the Company.

Voting Prohibition Statement:

A vote on this Resolution must not be cast (in any capacity) by or on behalf of either of the following persons:

- (a) a member of the Key Management Personnel, details of whose remuneration are included in the Remuneration Report; or
- (b) a Closely Related Party of such a member.

However, a person (the **voter**) described above may cast a vote on this Resolution as a proxy if the vote is not cast on behalf of a person described above and either:

- (a) the voter is appointed as a proxy by writing that specifies the way the proxy is to vote on this Resolution; or
- (b) the voter is the Chair and the appointment of the Chair as proxy:
 - (i) does not specify the way the proxy is to vote on this Resolution; and
 - (ii) expressly authorises the Chair to exercise the proxy even though this Resolution is connected directly or indirectly with the remuneration of a member of the Key Management Personnel.

RESOLUTION 2 – ELECTION OF DIRECTOR - MR SIMON MITCHELL

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

“That for the purposes of clause 13.4 of the Company's Constitution, ASX Listing Rule 14.4 and for all other purposes, Mr Simon Mitchell, a Director who was appointed as an additional Director on 14 October 2019, retires, and being eligible, is elected as a Director.”

RESOLUTION 3 – RE-ELECTION OF MR PETER CHRISTIE

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

“That Mr Peter Christie, having retired in accordance with clause 13.2 of the Company's Constitution, ASX Listing Rule 14.5 and for all other purposes, being eligible, offers himself for re-election, be re-elected as a Director of the Company with immediate effect.”

RESOLUTION 4 – PLACEMENT OF OPTIONS

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

"That, for the purpose of ASX Listing Rule 7.1 and for all other purposes, approval is given for the Company to issue up to 600,000,000 Options on the terms and conditions set out in the Explanatory Statement."

Voting Exclusion: The Company will disregard any votes cast in favour of the Resolution by or on behalf of a person who is expected to participate in, or who will obtain a material benefit as a result of, the proposed issue (except a benefit solely by reason of being a holder of ordinary securities in the Company) or an associate of that person (or those persons). However, the Company need not disregard a vote if it is cast by a person as a proxy for a person who is entitled to vote, in accordance with the directions on the Proxy Form, or, it is cast by the person chairing the meeting as proxy for a person who is entitled to vote, in accordance with a direction on the Proxy Form to vote as the proxy decides.

RESOLUTION 5 – GRANT OF OPTIONS TO MR PETER CHRISTIE

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

"That, for the purposes of section 195(4) and section 208 of the Corporations Act, Listing Rule 10.11 and for all other purposes, approval is given for the Company to issue 10,000,000 Options to Mr Peter Christie (or his nominee(s)) on the terms and conditions set out in the Explanatory Memorandum (including Schedule 3 to the Explanatory Memorandum)."

Voting Exclusion: The Company will disregard any votes cast in favour of the Resolution by or on behalf of Peter Christie (or his nominee) or any of their associates (**Resolution 5 Excluded Party**). However, the Company need not disregard a vote if it is cast by a person as a proxy for a person who is entitled to vote, in accordance with the directions on the Proxy Form, or, provided the Chair is not a Resolution 5 Excluded Party, it is cast by the person chairing the meeting as proxy for a person who is entitled to vote, in accordance with a direction on the Proxy Form to vote as the proxy decides.

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 5 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.

RESOLUTION 6 – GRANT OF OPTIONS TO MR SIMON MITCHELL

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

"That, for the purposes of section 195(4) and section 208 of the Corporations Act, Listing Rule 10.11 and for all other purposes, approval is given for the Company to issue 10,000,000 Options to Mr Simon Mitchell (or his nominee(s)) on the terms and conditions set out in the Explanatory Memorandum (including Schedule 3 to the Explanatory Memorandum)."

Voting Exclusion: The Company will disregard any votes cast in favour of the Resolution by or on behalf of Simon Mitchell (or his nominee) or any of their associates (**Resolution 6 Excluded Party**). However, the Company need not disregard a vote if it is cast by a person as a proxy for a person who is entitled to vote, in accordance with the directions on the Proxy Form, or, provided the Chair is not a Resolution 6 Excluded Party, it is cast by the person chairing the meeting as proxy for a person who is entitled to vote, in accordance with a direction on the Proxy Form to vote as the proxy decides.

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.

RESOLUTION 7 – GRANT OF OPTIONS TO MR GUY LE PAGE

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

"That, for the purposes of section 195(4) and section 208 of the Corporations Act, Listing Rule 10.11 and for all other purposes, approval is given for the Company to issue 10,000,000 Options to Mr Guy Le Page (or his nominee(s)) on the terms and conditions set out in the Explanatory Memorandum (including Schedule 3 to the Explanatory Memorandum)."

Voting Exclusion: The Company will disregard any votes cast in favour of the Resolution by or on behalf of Guy Le Page (or his nominee) or any of their associates (**Resolution 7 Excluded Party**). However, the Company need not disregard a vote if it is cast by a person as a proxy for a person who is entitled to vote, in accordance with the directions on the Proxy Form, or, provided the Chair is not a Resolution 7 Excluded Party, it is cast by the person chairing the meeting as proxy for a person who is entitled to vote, in accordance with a direction on the Proxy Form to vote as the proxy decides.

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.

RESOLUTION 8 – GRANT OF OPTIONS TO MR JOHNATHON BUSING

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 7.1 and for all other purposes, approval is given for the Company to issue 5,000,000 Options to Mr Johnathon Busing (or his nominee(s)), on the terms and conditions set out in the Explanatory Memorandum (including Schedule 3 to the Explanatory Memorandum)."

Voting Exclusion: The Company will disregard any votes cast in favour of the Resolution by or on behalf of a person who is expected to participate in, or who will obtain a material benefit as a result of, the proposed issue (except a benefit solely by reason of being a holder of ordinary securities in the Company) or an associate of that person (or those persons). However, the Company need not disregard a vote if it is cast by a person as a proxy for a person who is entitled to vote, in accordance with the directions on the Proxy Form, or, it is cast by the person chairing the meeting as proxy for a person who is entitled to vote, in accordance with a direction on the Proxy Form to vote as the proxy decides.

RESOLUTION 9 – APPROVAL OF 10% PLACEMENT CAPACITY

To consider, and if thought fit, to pass the following resolution as a **special resolution**:

"That, for the purposes of ASX Listing Rule 7.1A and for all other purposes, approval is given for the Company to issue up to that number of Equity Securities equal to 10% of the issued capital of the

Company (at the time of issue) calculated in accordance with the formula prescribed in ASX Listing Rule 7.1A.2 and otherwise on the terms and conditions set out in the Explanatory Memorandum.”

Voting Exclusion: The Company will disregard any votes cast in favour of the Resolution by or on behalf of a person who is expected to participate in, or who will obtain a material benefit as a result of, the proposed issue (except a benefit solely by reason of being a holder of ordinary securities in the Company) or an associate of that person (or those persons). However, the Company will not disregard a vote if it is cast by a person as a proxy for a person who is entitled to vote, in accordance with the directions on the Proxy Form, or, it is cast by the person chairing the meeting as proxy for a person who is entitled to vote, in accordance with a direction on the Proxy Form to vote as the proxy decides.

RESOLUTION 10 – ADOPTION OF NEW CONSTITUTION

To consider and, if thought fit, to pass the following resolution as a special resolution:

“That, for the purposes of section 136(2) of the Corporations Act and for all other purposes, approval is given for the Company to repeal its existing Constitution and adopt a new constitution in its place in the form as signed by the chairman of the Meeting for identification purposes.”

RESOLUTION 11 – RATIFICATION OF PRIOR ISSUE – PLACEMENT SHARES UNDER LISTING RULE 7.1

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

“That, for the purposes of ASX Listing Rule 7.4 and for all other purposes, Shareholders ratify the issue of 349,929,646 Shares on the terms and conditions set out in the Explanatory Statement.”

Voting Exclusion: The Company will disregard any votes cast in favour of the Resolution by or on behalf of a person who participated in the issue or any associates of those persons. However, the Company need not disregard a vote if it is cast by a person as a proxy for a person who is entitled to vote, in accordance with the directions on the Proxy Form, or, it is cast by the person chairing the meeting as proxy for a person who is entitled to vote, in accordance with a direction on the Proxy Form to vote as the proxy decides.

OTHER BUSINESS

To deal with any other business which may be brought forward in accordance with the Constitution and the Corporations Act.

DATED THIS 25th DAY OF OCTOBER 2019

BY ORDER OF THE BOARD

JOHNATHON BUSING

COMPANY SECRETARY

Notes:

Definitions

Terms which are used in this Notice and which are defined in Schedule 1 of the Explanatory Memorandum have the meanings ascribed to them therein.

Details of Shareholder

If you have recently changed your address or if there is any error in the name and address used for this Notice please notify the Company Secretary. In the case of a corporation, notification is to be signed by a director or company secretary.

How to vote

Shareholders can vote by either:

- attending the Meeting and voting in person or by attorney or, in the case of corporate Shareholders, by appointing a corporate representative to attend and vote; or
- appointing a proxy to attend and vote on their behalf using the Proxy Form accompanying this Notice of Meeting and by submitting their proxy appointment and voting instructions in person, by post, or by facsimile.

Voting in person (or by attorney)

Shareholders, or their attorneys, who plan to attend the Meeting are asked to arrive at the venue 15 minutes prior to the time designated for the Meeting, if possible, so that their holding may be checked against the Company's share register and their attendance recorded. To be effective 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 below.

Voting by a Corporation

A Shareholder that is a corporation may appoint an individual to act as its representative and vote in person at the Meeting. The appointment must comply with the requirements of section 250D of the Corporations Act. The representative should bring to the Meeting evidence of his or her appointment, including any authority under which it is signed.

Voting by proxy

Each Shareholder has a right to appoint a proxy to vote on their behalf. For further information regarding voting by proxy please refer to section 2.1 of the Explanatory Memorandum enclosed with this Notice.

To be effective, proxies must be received by 5:00 pm (WST) on 27 November 2019. Proxies received after this time will be invalid.

Proxies may be lodged using any of the following methods:

- by returning a completed Proxy Form in person or by post to **PO Box 369 Nedlands WA 6909**; or
- by emailing a completed Proxy Form to johnathon.busing@mtridleymines.com.au

The Proxy Form must be signed by the Shareholder or the Shareholder's attorney. Proxies given by corporations must be executed in accordance with the Corporations Act. Where the appointment of a proxy is signed by the appointer's attorney, a certified copy of the Power of Attorney, or the power itself, must be received by the Company at the above address, or by facsimile, and by 2:00 pm (WST) on

27 November 2019. If facsimile transmission is used, the Power of Attorney must be certified.

Shareholders who are entitled to vote

In accordance with regulations 7.11.37 and 7.11.38 of the *Corporations Regulations 2001*, the Board has determined that persons eligible to vote at the Annual General Meeting will be the entitlement of those persons set out in the Register of Shareholders as at 4:00pm (WST) on 27 November 2019.

MOUNT RIDLEY MINES LIMITED
ACN 092 304 964

EXPLANATORY MEMORANDUM

1. INTRODUCTION

This Explanatory Memorandum has been prepared for the information of Shareholders of the Company in connection with the business to be conducted at the Meeting to be held RM Capital Level 1/1205 Hay Street, West Perth Western Australia at 11.00 AM (WST) on 29 November 2019.

This Explanatory Memorandum should be read in conjunction with and forms part of the accompanying Notice. The purpose of this Explanatory Memorandum is to provide information to Shareholders in deciding whether or not to pass the Resolutions in the Notice. Certain terms used in the Notice and Explanatory Memorandum are defined in Schedule 1.

2. ACTIONS TO BE TAKEN BY SHAREHOLDERS

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

2.1 Voting by Proxy

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

Please note that in accordance with section 249L of the Corporations Act, Shareholders are advised that:

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

Shareholders and their proxies should be aware that;

- 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.

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

2.2 Voting Prohibitions and Exclusions

Shareholders should be aware that voting prohibitions and/or exclusions apply to some of the Resolutions which will be put to Shareholders at the Meeting.

Any voting prohibitions and/or exclusions relevant to a Resolution is stated immediately below that respective Resolution as set out in the Notice.

3. ANNUAL REPORT

There is no requirement for Shareholders to approve the Annual Report.

Shareholders will be offered the following opportunities:

- (a) discuss the Annual Report which is available online at www.mtridleymines.com.au;
- (b) ask questions or make comment on the management of the Company; and
- (c) ask the auditor questions about the conduct of the audit and the preparation and content of the Auditor's Report.

In addition to taking questions at the Meeting, written questions to the Chairman about the management of the Company, or to the Company's auditor about:

- (a) the preparation and the content of the Auditor's Report; and
- (b) the conduct of the audit;
- (c) accounting policies by the Company in relation to the preparation of the financial statements; and
- (d) the independence of the auditor in relation to the conduct of the audit,

may be submitted no later than 5 Business Days before the date of the Meeting to the Company Secretary at the Company's registered office.

4. RESOLUTION 1 – ADOPTION OF REMUNERATION REPORT

Section 250R(2) of the Corporations Act provides that the Company is required to put the Remuneration Report to the vote of Shareholders to be adopted. The Directors' Report contains the Remuneration Report which sets out the remuneration policy for the Company and reports the remuneration arrangements in place for the executive Directors, specified executives and non-executive Directors.

Section 250R(3) of Corporations Act provides that Resolution 1 is advisory only and does not bind the Directors or the Company and failure of Shareholders to pass Resolution 1 will not require the Directors to alter any of the arrangements in the Remuneration Report.

However, the Corporations Act has been amended by the Corporations Amendment (Improving Accountability on Director and Executive Remuneration) Act 2011 (**Director and Executive Remuneration Act**) which received the Royal Assent on 27 June 2011 and came into effect on 1 July 2011.

The Director and Executive Remuneration Act introduced new sections 250U and 250Y, amongst others, into the Corporations Act, giving Shareholders the opportunity to remove the Board if the Remuneration Report receives a 'no' vote of 25% or more at two consecutive annual general meetings (**Two Strikes Rule**).

Under the Two Strikes Rule, where a resolution on the Remuneration Report receives a 'no' vote of 25% or more at two consecutive annual general meetings, the Company will be required to put to Shareholders at the second of the two annual general meetings a resolution on whether another meeting (**Spill Meeting**) should be held (within 90 days) at which all Directors (other than the managing director) who were in office at the date of approval of the applicable Directors' Report will cease to hold office immediately before that Spill Meeting but may stand for re-election at the Spill Meeting.

At the Company's previous annual general meeting the votes cast against the Remuneration Report considered at that annual general meeting were less than 25%. Accordingly, a further resolution relating to the Two Strikes Rule is not relevant for this Annual General Meeting.

The Chairman will allow a reasonable opportunity for Shareholders as a whole to ask about, or make comments on the Remuneration Report.

5. RESOLUTION 2 – ELECTION OF DIRECTOR - MR SIMON MITCHELL

The Constitution allows the Directors to appoint at any time a person to be a Director either to fill a casual vacancy or as an addition to the existing Directors, but only where the total number of Directors does not at any time exceed the maximum number specified by the Constitution.

Resolution 2 seeks Shareholder approval for the election of Mr Simon Mitchell as a Director. Mr Mitchell was

appointed as an additional Director on 14 October 2019 in accordance with the Constitution. Pursuant to clause 13.4 of the Constitution, Mr Mitchell holds office only until the next general meeting of Shareholders. Accordingly, Mr Mitchell will retire in accordance with clause 13.4 of the Constitution, and being eligible, seeks election from Shareholders.

Simon is a geologist and finance executive with 26 years of resources industry experience in technical and corporate roles including 10 years gold exploration and mine development experience with Normandy NFM, RGC, Goldfields and Aurora Gold in countries as diverse as Australia, Bolivia, Chile, Peru, Papua New Guinea and Indonesia. Mr Mitchell worked for 6 years at the Commonwealth Bank of Australia, predominantly in Project Finance, and more than 6 years with Toro Energy as General Manager of Business Development where he was responsible for mergers and acquisitions, capital raisings and the engagement of investors worldwide. Mr Mitchell is the Managing Director of Korean gold explorer Southern Gold Ltd (ASX: SAU) and was previously Managing Director of Asiatic Gold Ltd, an unlisted public company whose gold assets in Korea were subsequently acquired by Southern Gold.

Mr Mitchell has no interests, position, association or relationship that might influence, or reasonably be perceived to influence, in a material respect his capacity to bring an independent judgement to bear on issues before the Board and to act in the best interest of the entity and its security holders generally.

If elected the Board considers Mr Mitchell will be an independent director.

The Board supports the election of Mr Mitchell and recommends that Shareholders vote in favour of this Resolution.

6. RESOLUTION 3 – RE-ELECTION OF MR PETER CHRISTIE

ASX listing Rule 14.5 provides that an entity that has directors must hold an election of directors at each annual general meeting. The Constitution sets out the requirements for determining which Directors are to retire by rotation at an annual general meeting.

Mr Peter Christie, who has served as a Director since 8 October 2018, retires by way of rotation and seeks re-election as a Director.

Mr Christie is a qualified accountant and tax agent with over 25 years of public accounting experience. He has a Bachelor of Business from Curtin University.

If re-elected the Board considers Mr Christie to be an independent director.

All the Board supports the election of Mr Christie and recommends that Shareholders vote in favour of this Resolution.

7. RESOLUTION 4 – PLACEMENT OF OPTIONS

7.1 General

Resolution 4 seeks Shareholder approval for the issue of up to 600,000,000 unlisted Options exercisable at \$0.003 expiring on or before 30 November 2022, at an issue price of \$0.0001 to raise \$60,000 (**Placement Options**).

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

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

7.2 Technical information required by ASX Listing Rule 7.1

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

- (a) The maximum number of Options to be issued is 600,000,000;
- (b) The Options will be issued no later than 3 months after the date of the Meeting (or such later date to the extent permitted by any ASX waiver or modification of the ASX Listing Rules) and it is intended that the issue of the Options will occur on the same date;
- (c) The Options will be issued at a price of \$0.0001;
- (d) The Options will be issued to unrelated sophisticated, professional and/or other exempt investors identified by the Directors at their discretion, these investors are yet to be finalised;
- (e) The Company does not currently intend to seek quotation for the Options;
- (f) The Options will be issued on the terms and conditions set out in Schedule 3;
- (g) If the Options are exercised, the Company will raise up to \$180,000. The funds raised are intended to be used for exploration efforts at the Mount Ridley Project in Western Australia and general working capital. The Company will raise \$180,000 upon exercise of the Options; and
- (h) Should the total number of Options be exercised a total of 600,000,000 Shares would be issued. This will increase the number of Shares on issue from 2,332,864,306 (at 21 October 2019) to 2,932,864,306 (assuming that no other Options are exercised, and no other Shares are issued) with the effect that the shareholding of existing Shareholders would be diluted by an aggregate of 20.62%.

8. RESOLUTIONS 5, 6 and 7 – GRANT OF OPTIONS TO THE DIRECTORS

8.1 Background

The Company has agreed, subject to obtaining shareholder approval, to issue a total of 30,000,000 Options (**Related Party Options**) to Messrs Peter Christie, Simon Mitchell and Guy Le Page (or their nominees) (**Related Parties**) on the terms and conditions set out in below

Resolutions 5 to 7 seek Shareholder approval for the grant of the Related Party Options to the current Directors (or their nominees).

8.2 Chapter 2E of the Corporations Act and ASX 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 grant of the Related Party Options constitutes giving a financial benefit and Messrs Peter Christie, Simon Mitchell and Guy Le Page are related parties of the Company by virtue of being Directors of the Company.

In addition, ASX Listing Rule 10.11 also requires shareholder approval to be obtained where an entity issues, or agrees to issue, securities to a related party, or a person whose relationship with the entity or a related party is, in ASX's opinion, such that approval should be obtained unless an exception in ASX Listing Rule 10.12 applies.

As all of the Company's current Directors are benefitting from Resolutions 5 to 7 on similar terms, a quorum of Directors cannot be constituted to ascertain whether any exceptions set out in section sections 210 to 216 of the Corporations Act apply in the current circumstances. Accordingly, Shareholder approval is sought for the issue of the Related Party Options to the Related Parties.

8.3 Shareholder Approval – (Chapter 2E of the Corporations Act and Listing Rule 10.11)

Pursuant to and 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 Related Party Options:

- (a) the related parties are Messrs Christie, Mitchell, and Le Page and they are related parties by virtue of being Directors of the Company;
- (b) the maximum number of Related Party Options (being the nature of the financial benefit being provided) to be granted to the Related Parties is:
 - (i) 10,000,000 Related Party Options to Peter Christie (or his nominee);
 - (ii) 10,000,000 Related Party Options to Simon Mitchell (or his nominee); and
 - (iii) 10,000,000 Related Party Options to Guy Le Page (or his nominee);
- (c) The proposed financial benefit to be given is the grant of Related Party Options for no cash consideration to the Related Parties.
- (d) the Related Party Options will be granted to the Related Parties no later than 1 month after the date of the Meeting (or such later date as permitted by any ASX waiver or modification of the ASX Listing Rules) and it is anticipated the Related Party Options will be issued on one date;
- (e) the Related Party Options will be granted for nil cash consideration, accordingly no funds will be raised;
- (f) the terms and conditions of the Related Party Options are set out in Schedule 3;
- (g) the value of the Related Party Options and the pricing methodology is set out below;

The Company's advisers have valued the Related Party Options to be granted to the Related Parties using the Black – Scholes Model. The value of an Option calculated by the Black – Scholes Model is a function of a number of variables. The valuation of the Related Party Options has been prepared by the Company in conjunction with the Company's auditors using the following assumptions:

Variable	Input
Share price	\$0.001
Exercise price	\$0.003
Risk Free Interest Rate	\$1.95%
Volatility	299%
Time (years to expiry)	3 years

The Company's advisers have calculated the value of each Related Party Option based on the following assumptions:

- (i) they have based the underlying value of each Share in the Company on the ASX closing price of \$0.001 on 11 October 2019;
- (ii) risk free rate of return – 1.95% (estimated, based on government bond rates for similar time period); and
- (iii) they used a volatility of the Share price of 299% as determined from the daily movements in Share price over the last 12 months, adjusted for abnormal trading.

Any change in the variables applied in the Black – Scholes calculation between the date of the valuation and the date the Related Party Options are granted would have an impact on their value.

Based on the assumptions, it is considered that the estimated average value of the Related Party Options to be granted to the Related Parties is \$0.00098 per Related Party Option.

- (h) The terms of the Related Party Options are set out in Schedule 3 to this Explanatory Memorandum.
- (i) Related Parties Current Holdings

Set out below are details of each of the Related Parties' relevant interest in Shares and Options of the Company as at the date of this Notice:

Management Personnel	Number of Shares	Number of Options
Peter Christie	26,553,692	3,319,212
Simon Mitchell	-	-
Guy Le Page	19,583,334	2,447,917
Total	31,667,144	20,000,000

- (j) If passed, Resolutions 5, 6 and 7 will give the Directors power to grant a total of 30,000,000 Management Options on the terms and conditions as set out in Annexure A to this Explanatory Memorandum and as otherwise mentioned above.
- (k) The Company currently has 2,332,864,306 Shares (21 October 2019) and the following Options on issue:

Number of Options	Exercise Price	Expiry Date
22,500,000 (unlisted Options)	\$0.015	29 November 2019
22,500,000 (unlisted Options)	\$0.015	1 December 2020
519,823,025 (unlisted Options)	\$0.003	30 November 2022

- (l) If all Related Party Options granted as proposed above are exercised, a total of 30,000,000 Shares would be issued. This will increase the number of Shares on issue from 2,332,864,306 (21 October 2019) to 2,362,864,306 (assuming that no other Options are exercised and no other Shares are issued) with the effect that the shareholding of existing Shareholders would be diluted by an aggregate of 1.27% comprising 0.42% by Mr Mitchell, 0.42% by Mr Christie, and 0.42% by Mr Le Page.
- (m) Related Parties total remuneration package

The Related Parties' fees per annum (including superannuation) and the total financial benefit to be received by them in this current period, as a result of the grant of the Related Party Options the subject of Resolutions 5, 6 and 7, are as follows:

Management Personnel	Fees FY 2020 (A\$)	Value of Related Party Options(A\$)	Total Financial Benefit (A\$)
Peter Christie	\$60,000	\$9,860	\$69,860
Simon Mitchell	\$30,000	\$9,860	\$39,860
Guy Le Page	\$30,000	\$9,860	\$39,860
Total	\$120,000	\$29,580	\$149,580

The indicative option valuation of \$29,580 is a theoretical valuation of each Management Option using the Black – Scholes Model.

- (n) Company's historical Share price

The following table gives details of the highest, lowest and latest closing prices of the Company's Shares trading on ASX over the past 12 months ending on 11 October 2019:

Highest Price (A\$)/Date	Lowest Price (A\$)/Date	Latest Price (A\$)/Date
\$0.003 on 31 January 2019	\$0.001 on 3 September 2019	\$0.001 on 11 October 2019

- (o) the Board acknowledges the grant of Options to Messrs Christie, Mitchell and Le Page is contrary to Recommendation 8.3 of The Corporate Governance Principles and Recommendations with 2014 Amendments (3rd Edition) as published by The ASX Corporate Governance Council. However, the Board considers the grant of Options to Messrs Christie, Mitchell and Le Page reasonable in the circumstances for the reason set out below;
- (p) the primary purpose of the grant of the Related Party Options to the Related Parties is to provide a performance linked incentive component in the remuneration package for the Related Parties to motivate and reward the performance of the Related Parties in their respective roles as Directors.
- (q) Mr Peter Christie declines to make a recommendation to Shareholders in relation to Resolution 5 due to his material personal interest in the outcome of the Resolution on the basis that he is to be granted Related Party Options in the Company should the Resolution be passed. However, in respect of Resolutions 6 and 7 recommends that Shareholders vote in favour of those Resolutions **for the following reasons:**
- (i) the grant of the Related Party Options will align the interests of the Related Parties with those of Shareholders. Each Director will have a greater involvement with, and share in, any future growth of profitability of the Company;
 - (ii) the grant of the Related Party Options is a reasonable and appropriate method to provide cost effective remuneration as the non-cash form of this benefit will allow the Company to

spend a greater proportion of its cash reserves on its operations than it would if alternative cash forms of remuneration were given to the Related Parties; and

- (iii) it is not considered that there are any significant opportunity costs to the Company or benefits foregone by the Company in granting the Related Party Options upon the terms proposed;
- (r) Mr Simon Mitchell declines to make a recommendation to Shareholders in relation to Resolution 6 due to his material personal interest in the outcome of the Resolution on the basis that he is to be granted Related Party Options in the Company should Resolution 6 be passed. However, in respect of Resolutions 5 and 7 recommends that Shareholders vote in favour of those Resolutions for the reasons set out in paragraph (q);
- (s) Mr Guy Le Page declines to make a recommendation to Shareholders in relation to Resolution 7 due to his material personal interest in the outcome of the Resolution on the basis that he is to be granted Related Party Options in the Company should Resolution 7 be passed. However, in respect of Resolutions 6 and 7 recommends that Shareholders vote in favour of those Resolutions for the reasons set out in paragraph (q);
- (t) in forming their recommendations, each Director considered the experience of each other Related Party, the current market price of Shares, the current market practices when determining the number of Related Party Options to be granted as well as the exercise price and expiry date of those Related Party Options; and
- (u) 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 5 to 7.

Approval pursuant to ASX Listing Rule 7.1 is not required in order to issue the Related Party Options to the Related Parties as approval is being obtained under ASX Listing Rule 10.11. Accordingly, the issue of Related Party Options to the Related Parties will not be included in the 15% calculation of the Company's annual placement capacity pursuant to ASX Listing Rule 7.1.

9. RESOLUTION 8 – GRANT OF OPTIONS TO MR JOHNATHON BUSING

9.1 Background

The Company proposes to grant a total of 5,000,000 Options (each with an exercise price of \$0.003 and an expiry date of 30 November 2022) to Mr Busing or his nominee(s).

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

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

The Board considers the grant of Options to the Company secretary Mr Busing reasonable in the circumstances, given the necessity to attract the highest calibre of professionals to the Company, while maintaining the Company's cash reserves.

The number of Options to be granted to Mr Busing has been determined based upon a consideration of:

- (a) the remuneration of Mr Busing; and
- (b) incentives to attract and ensure continuity of service of management who have appropriate knowledge and expertise, while maintaining the Company's cash reserves. The Company does

not consider that there are any significant opportunity costs to the Company or benefits foregone by the Company in issuing the Options to Mr Busing upon the terms proposed.

9.2 Technical Information required by ASX Listing Rules 7.1

Pursuant to and in accordance with ASX Listing Rule 7.3, the following information is provided in relation to this Resolution:

- (a) The maximum amount of Options to be issued to Mr Busing is 5,000,000.
- (b) The Options will be issued no later than 3 months after the date of the Meeting (or such later date to the extent permitted by any ASX waiver or modification of the ASX Listing Rules) and it is intended that allotment will occur on the same date.
- (c) The Options will be issued on the terms and conditions set out in Schedule 3 ;
- (d) The Options are being issued to Johnathon Busing, who is not a related party of the Company; and
- (e) No funds will be raised by the issue of the Options as the Options are being issued as part consideration for Company secretarial advisory services.

10. RESOLUTION 9 – APPROVAL OF 10% PLACEMENT CAPACITY

ASX Listing Rule 7.1A enables eligible entities to issue Equity Securities up to 10% of its issued capital over a 12 month period after the annual general meeting (**10% Placement Facility**) where shareholder approval is obtained. The 10% Placement Facility is in addition to the Company's 15% placement capacity under ASX Listing Rule 7.1.

An eligible entity for the purposes of ASX Listing Rule 7.1A is an entity that is not included in the S&P/ASX 300 Index and has a market capitalisation of \$300 million or less. The Company currently is not included in the S&P/ASX 300 Index and has a market capitalisation of \$2.33 million as at 4 October 2019 and is accordingly, an eligible entity.

The Company is now seeking Shareholder approval by way of a special resolution to have the ability to issue Equity Securities under the 10% Placement Facility.

The exact number of Equity Securities to be issued under the 10% Placement Facility will be determined in accordance with the formula prescribed in ASX Listing Rule 7.1A.2 (refer to Section 7.2(c) below).

As disclosed in the Annual Report, the Company continues to actively seek to acquire new resource assets and investments and continue to develop its existing projects. The Company may use the 10% Placement Facility to acquire new resource assets or investments in addition for the purposes of raising capital.

The Directors believe Resolution 9 is in the best interests of the Company and its Shareholders and unanimously recommend that Shareholders vote in favour of this Resolution.

10.1 ASX Listing Rule 7.1A

(a) Shareholder approval

The ability to issue Equity Securities under the 10% Placement Facility is subject to Shareholder approval by way of a special resolution at an annual general meeting. Accordingly, at least 75% of votes cast by Shareholders present and eligible to vote at the Meeting must be in favour of Resolution 9 for it to be passed.

(b) Equity Securities

Any Equity Securities issued under the 10% Placement Facility must be in the same class as an existing quoted class of Equity Securities of the Company.

The Company, as at the date of this Notice, has on issue one class of quoted Equity Securities, being Shares (ASX: MRD).

(c) Formula for calculating 10% Placement Facility

ASX Listing Rule 7.1A.2 provides that eligible entities which have obtained shareholder approval at an annual general meeting may issue or agree to issue, during the 12 month period after the annual general meeting, the number of Equity Securities calculated in accordance with the following formula:

$$(A \times D) - E$$

Where:

A is number of shares on issue 12 months before the date of issue or agreement:

- (A) plus the number of fully paid shares issued in the previous 12 months under an exception in ASX Listing Rule 7.2;
- (B) plus the number of partly paid shares that became fully paid in the previous 12 months;
- (C) plus the number of fully paid shares issued in the previous 12 months with approval of holders of shares under ASX Listing Rules 7.1 and 7.4. This does not include an issue of fully paid shares under the entity's 15% placement capacity without shareholder approval;
- (D) less the number of fully paid shares cancelled in the previous 12 months.

Note that A has the same meaning in ASX Listing Rule 7.1 when calculating an entity's 15% placement capacity.

D is 10%.

E is the number of Equity Securities issued or agreed to be issued under ASX Listing Rule 7.1A.2 in 12 months

before the date of issue or agreement to issue that are not issued with the approval of shareholders under ASX Listing Rule 7.1 or 7.4.

(d) ASX Listing Rule 7.1A and ASX Listing Rule 7.3A

The ability of an entity to issue Equity Securities under ASX Listing Rule 7.1A is in addition to the entity's 15% placement capacity under ASX Listing Rule 7.1.

At the date of this Notice, the Company has on issue 2,332,864,306 Shares (21 October 2019) and therefore has a capacity to issue:

- (i) 349,929,646 Equity Securities under ASX Listing Rule 7.1; and
- (ii) subject to Shareholder approval being sought under Resolution 9, 233,286,431 Equity Securities under ASX Listing Rule 7.1A.

The actual number of Equity Securities that the Company will have capacity to issue under ASX Listing Rule 7.1A will be calculated at the date of issue of the Equity Securities in accordance with the formula prescribed in ASX Listing Rule 7.1A.2 (refer to Section 7.2(c) above).

(e) Minimum Issue Price

The issue price of Equity Securities issued under ASX Listing Rule 7.1A must be not less than 75% of the VWAP of Equity Securities in the same class calculated over the 15 Trading Days on which trades in that class were recorded immediately before:

- (i) the date on which the price at which the Equity Securities are to be issued is agreed; or
- (ii) if the Equity Securities are not issued within 5 Trading Days of the date in section 7.2(e)(i) above, the date on which the Equity Securities are issued.

(f) 10% Placement Period

Shareholder approval of the 10% Placement Facility under ASX Listing Rule 7.1A is valid from the date of the annual general meeting at which the approval is obtained and expires on the earlier of:

- (i) the date that is 12 months after the date of the annual general meeting at which the approval is obtained; or
- (ii) the date of the approval by shareholders of a transaction under ASX Listing Rules 11.1.2 (a significant change to the nature or scale of activities) or 11.2 (disposal of main undertaking),

or such longer period if allowed by ASX (**10% Placement Period**).

10.2 Purpose of Resolution 9

The effect of Resolution 9 will be to allow the Directors to issue Equity Securities under ASX Listing Rule 7.1A during the 10% Placement Period without using the Company's 15% placement capacity under ASX Listing Rule 7.1.

10.3 Other information required by ASX Listing Rule 7.3A

Pursuant to and in accordance with ASX Listing Rule 7.3A, the following information is provided in relation to the approval of the 10% Placement Facility the subject of Resolution 9:

- (a) The Equity Securities will be issued at an issue price of not less than 75% of the VWAP of the Company's Equity Securities in that class calculated over the 15 Trading Days on which trades in that class were recorded immediately before:
 - (i) the date on which the price at which the Equity Securities in that class are to be issued is agreed; or
 - (ii) if the Equity Securities are not issued within 5 Trading Days of the date in section 7.4(a)(A) above, the date on which the Equity Securities are issued.
- (b) If Resolution 9 is approved by Shareholders and the Company issues Equity Securities under the 10% Placement Facility, the existing Shareholders' voting power in the Company will be diluted as shown in the below table (in the case of Listed Options, only if the Listed Options are exercised) where Shareholders do not receive any Shares under the issue. There is also a risk that:
 - (i) the market price for the Company's Equity Securities may be significantly lower on the date of the issue of the Equity Securities under the 10% Placement Facility than at the date of the Meeting; and
 - (ii) the Equity Securities may be issued at a price that is at a discount to the market price for the Company's Equity Securities on the issue date or the Equity Securities are issued as part of the consideration for the acquisition of a new asset, which may have an effect on the amount of funds raised by the issue of the Equity Securities.

The below table shows the dilution of existing Shareholders on the basis of the current market price of Shares and the current number of ordinary securities for variable "A" calculated in accordance with the formula in ASX Listing Rule 7.1A(2) as at the date of this Notice.

The below table shows:

- (a) two examples where variable "A" has increased by 50% and 100%. Variable "A" is based on the number of ordinary securities the Company has on issue as at the date of this Notice. The number of ordinary securities on issue may increase as a result of issues of ordinary securities that do not require Shareholder approval (for example, a pro rata entitlements issue or scrip issued under a takeover offer) or future issues under ASX Listing Rule 7.1 that may be ratified at a future Shareholders' meeting; and

- (b) two examples where the issue price of ordinary securities has decreased by 50% and increased by 100% as against the current market price and demonstrates various examples as to the number of Equity Securities that may be issued under the 10% Placement Facility and funds raised.

Variable 'A'	Number of Shares issued and funds raised under the additional 10% Placement Facility and dilution effect	Dilution		
		\$0.0005 Issue Price at half the current market price	\$0.001 Issue Price at current market price	\$0.002 Issue Price at double the current market price
Current Variable 'A' 2,332,864,306 (21 October 2019) Shares	Shares issued	233,286,431	233,286,431	231,286,431
	Funds raised	\$116,643	\$233,286	\$466,572
	Dilution	10%	10%	10%
50% increase in current Variable 'A' 3,499,296,459 Shares	Shares issued	349,929,646	349,929,646	349,929,646
	Funds raised	\$174,964	\$349,929	\$699,859
	Dilution	10%	10%	10%
100% increase in current Variable 'A' 4,665,728,612 Shares	Shares issued	466,572,861	466,572,861	466,572,861
	Funds raised	\$233,286	\$466,572	\$933,145
	Dilution	10%	10%	10%

The table has been prepared on the following assumptions:

- There are currently 2,332,864,306 Shares on issue (21 October 2019), being the existing Shares as at the date of this Notice of Meeting;
- The Company issues the maximum number of Equity Securities available under the 10% Placement Facility;
- No Listed Options (including any Listed Options issued under the 10% Placement Facility) or other Options are exercised into Shares before the date of the issue of the Equity Securities;
- The 10% voting dilution reflects the aggregate percentage dilution against the issued share capital at the time of issue. This is why the voting dilution is shown in each example as 10%;
- The table does not show an example of dilution that may be caused to a particular Shareholder by reason of placements under the 10% Placement Facility, based on the Shareholder's holding at the date of the Meeting;
- The table only shows the effect of the issue of Equity Securities under ASX Listing Rule 7.1A, not under the 15% placement capacity under ASX Listing Rule 7.1;
- The issue of Equity Securities under the 10% Placement Facility consists only of Shares. If the issue of Equity Securities includes Listed Options or other quoted Options, it is assumed that those Listed Options or quoted Options are exercised into Shares for the purpose of calculating the voting dilution effect on existing Shareholders;
- The issue price is \$0.001, being the closing price of the Shares on ASX on 18 October 2019;
- The Company has not issued any Equity Securities in the 12 months prior to the Meeting that were not issued under an exception in ASX Listing Rule 7.2 or with approval under ASX Listing Rule 7.1.

- (c) The Company will only issue the Equity Securities during the 10% Placement Period. The approval under Resolution 9 for the issue of the Equity Securities will cease to be valid in the event that Shareholders approve a transaction under ASX Listing Rule 11.1.2 (a significant change to the nature or scale of the Company's activities) or 11.2 (disposal of the Company's main undertaking).
- (d) The Company may seek to issue Equity Securities under the 10% Placement Facility for the following purposes:
 - (i) non-cash consideration for the acquisition of new resources, assets and investments. In such circumstances the Company will provide a valuation of the non-cash consideration as required by ASX Listing Rule 7.1A.3; or
 - (ii) cash consideration. In such circumstances, the Company intends to use the funds raised towards an acquisition of new resources, assets or investments (including expenses associated with such an acquisition), continued exploration and feasibility study expenditure on the Company's current assets and/or general working capital.
- (e) The Company will comply with the disclosure obligations under ASX Listing Rules 7.1A(4) and 3.10.5A upon issue of any Equity Securities.
- (f) The Company's allocation policy is dependent on the prevailing market conditions at the time of any proposed issue pursuant to the 10% Placement Facility. The identity of the allottees of the Equity Securities under the 10% Placement Facility will be determined on a case-by-case basis having regard to, but not limited to, the following factors:
 - (i) the methods of raising funds that are available to the Company, including but not limited to, rights issue or other issues in which existing Shareholders can participate;
 - (ii) the effect of the issue of the Equity Securities on the control of the Company;
 - (iii) the financial situation and solvency of the Company; and
 - (iv) advice from corporate, financial and broking advisers (if applicable).

The allottees under the 10% Placement Facility have not been determined as at the date of this Notice but may include existing Shareholders, substantial Shareholders and/or new investors who are not related parties or associates of a related party of the Company.

Further, if the Company is successful in acquiring new resources, assets or investments, it is likely that the allottees under the 10% Placement Facility will be the vendors of the new resources, assets or investments.

- (g) The Company previously obtained Shareholder approval under ASX Listing Rule 7.1A at its annual general meeting held on 29 November 2018 (**Previous Approval**). The Company has not issued any Equity Securities pursuant to the Previous Approval. However, in the 12 months preceding the date of this Annual General Meeting, the Company otherwise issued a total of 285,628,192 shares and 371,125,082 Options, representing approximately 11% of the total diluted number of Equity Securities on issue at 30 November 2018. Details of the Equity Securities issued in the preceding 12 month period are set out in Schedule 2.

When the Company issues Equity Securities pursuant to the 10% Placement Facility, it must give to ASX:

- (i) a list of the recipients of the Equity Securities and the number of Equity Securities issued to each (not for release to the market), in accordance with ASX Listing Rule 7.1A.4; and
- (ii) the information required by ASX Listing Rule 3.10.5A for release to the market.

10.4 Voting Exclusion

A voting exclusion statement is included in this Notice. As at the date of this Notice, the Company has not invited any existing Shareholder to participate in an issue of Equity Securities under ASX Listing Rule 7.1A. Therefore, no existing Shareholders will be excluded from voting on Resolution 9.

11. RESOLUTION 10 – REPLACEMENT OF CONSTITUTION

11.1 General

A company may modify or repeal its constitution or a provision of its constitution by special resolution of Shareholders.

This Resolution is a special resolution which will enable the Company to repeal its existing Constitution and adopt a new constitution (**Proposed Constitution**) which is of the type required for a listed public company limited by shares updated to ensure it reflects the current provisions of the Corporations Act and ASX Listing Rules.

The key change to the Constitution is to adopt the provisions dealing with restricted securities as outlined below. These provisions will comply with the proposed changes to ASX Listing Rule 15.12 which is due to be finalised and released in December 2019. ASX is requiring all ASX listed entities to adopt these changes at their next annual general meeting.

The Directors believe that it is preferable in the circumstances to replace the existing Constitution with the Proposed Constitution rather than to amend a multitude of specific provisions.

The Proposed Constitution is broadly consistent with the provisions of the existing Constitution.

A copy of the Proposed Constitution is available for review by Shareholders at the Company's website www.mtridleymines.com/ and at the office of the Company. A copy of the Proposed Constitution can also be sent to Shareholders upon request to the Company Secretary (+61 8 6165 8858). Shareholders are invited to contact the Company if they have any queries or concerns.

11.2 Summary of material proposed changes

Restricted Securities (clause 2.12)

The Proposed Constitution complies with the proposed changes to ASX Listing Rule 15.12 which is due to be finalised and released in December 2019. Under this change, ASX will require certain more significant holders of restricted securities and their controllers (such as related parties, promoters, substantial holders, service providers and their associates) to execute a formal escrow agreement in the form Appendix 9A, as is currently the case. However, for less significant holdings (such as non-related parties and non-promoters), ASX will instead permit the Company to issue restriction notices to holders of restricted securities in the form of a new Appendix 9C advising them of the restriction rather than requiring signed restriction agreements.

Direct Voting (clause 13, specifically clauses 13.35 – 13.40)

The Proposed Constitution includes a new provision which allows Shareholders to exercise their voting rights through direct voting (in addition to exercising their existing rights to appoint a proxy). Direct voting is a mechanism by which Shareholders can vote directly on resolutions which are to be determined by poll. Votes cast by direct vote by a Shareholder are taken to have been cast on the poll as if the Shareholder had cast the votes on the poll at the meeting. In order for direct voting to be available, Directors must elect that votes can be cast via direct vote for all or any resolutions and determine the manner appropriate for the casting of direct votes. If such a determination is made by the Directors, the notice of meeting will include information on the application of direct voting.

These provisions are consistent with the equivalent provisions of the existing Constitution.

Partial (proportional) takeover provisions (new clause 36)

A proportional takeover bid is a takeover bid where the offer made to each shareholder is only for a proportion of that shareholder's shares.

Pursuant to section 648G of the Corporations Act, the Company has included in the Proposed Constitution a provision whereby a proportional takeover bid for Shares may only proceed after the bid has been approved by a meeting of Shareholders held in accordance with the terms set out in the Corporations Act.

This clause is consistent with the equivalent provisions of the existing Constitution. This clause of the Proposed Constitution will cease to have effect on the third anniversary of the date of the adoption of last renewal of the clause. Adopting the Proposed Constitution will have the effect of "refreshing" the relevant provisions, which would otherwise have required re-approval by Shareholders within 3 years of the Company's listing.

Information required by section 648G of the Corporations Act

Effect of proposed proportional takeover provisions

Where offers have been made under a proportional off-market bid in respect of a class of securities in a company, the registration of a transfer giving effect to a contract resulting from the acceptance of an offer made under such a proportional off-market bid is prohibited unless and until a resolution to approve the proportional off-market bid is passed.

Reasons for proportional takeover provisions

A proportional takeover bid may result in control of the Company changing without Shareholders having the opportunity to dispose of all their Shares. By making a partial bid, a bidder can obtain practical control of the Company by acquiring less than a majority interest. Shareholders are exposed to the risk of being left as a minority in the Company and the risk of the bidder being able to acquire control of the Company without payment of an adequate control premium. These amended provisions allow Shareholders to decide whether a proportional takeover bid is acceptable in principle and assist in ensuring that any partial bid is appropriately priced.

Knowledge of any acquisition proposals

As at the date of this Notice of Meeting, no Director is aware of any proposal by any person to acquire, or to increase the extent of, a substantial interest in the Company.

Potential advantages and disadvantages of proportional takeover provisions

The Directors consider that the proportional takeover provisions have no potential advantages or disadvantages for them and that they remain free to make a recommendation on whether an offer under a proportional takeover bid should be accepted.

The potential advantages of the proportional takeover provisions for Shareholders include:

- (a) the right to decide by majority vote whether an offer under a proportional takeover bid should proceed;
- (b) assisting in preventing Shareholders from being locked in as a minority;
- (c) increasing the bargaining power of Shareholders which may assist in ensuring that any proportional takeover bid is adequately priced; and
- (d) each individual Shareholder may better assess the likely outcome of the proportional takeover bid by knowing the view of the majority of Shareholders which may assist in deciding whether to accept or reject an offer under the takeover bid.

The potential disadvantages of the proportional takeover provisions for Shareholders include:

- (a) proportional takeover bids may be discouraged;

- (b) lost opportunity to sell a portion of their Shares at a premium; and
- (c) the likelihood of a proportional takeover bid succeeding may be reduced.

Recommendation of the Board

The Directors do not believe the potential disadvantages outweigh the potential advantages of adopting the proportional takeover provisions and as a result consider that the proportional takeover provision in the Proposed Constitution is in the interest of Shareholders and unanimously recommend that Shareholders vote in favour of this Resolution.

12. RESOLUTION 12 – RATIFICATION OF PRIOR ISSUE OF PLACEMENT SHARES UNDER LISTING RULE 7.1

12.1 General

On 24 October 2019, the Company issued 349,929,646 Shares at an issue price of \$0.0008 per Share to raise \$279,944 (**Placement**).

This Resolution seeks Shareholder ratification pursuant to ASX Listing Rule 7.4 for the issue of those Shares (**Ratification**).

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

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

By ratifying this issue, the Company will retain the flexibility to issue equity securities in the future up to the 15% annual placement capacity set out in ASX Listing Rule 7.1 without the requirement to obtain prior Shareholder approval.

12.2 Technical information required by ASX Listing Rule 7.4

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

- (a) 349,929,646 Shares were issued pursuant ASX Listing Rule 7.1;
- (b) the issue price was \$0.0008 per Share;
- (c) the Shares issued were all fully paid ordinary shares in the capital of the Company issued on the same terms and conditions as the Company's existing Shares;
- (d) the Shares were issued to professional and sophisticated investors and none of these subscribers are related parties of the Company; and
- (e) the funds raised from this issue are intended to be predominantly used for working capital purposes.

Schedule 1 – Definitions

In this Notice and the Explanatory Memorandum:

\$ means Australian Dollars.

10% Placement Facility has the meaning given in Section 7.1.

10% Placement Period has the meaning given in Section 7.2.

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

Annual Report means the Directors' Report, the Financial Report and the Auditor's Report in respect to the financial year ended 30 June 2019.

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

Auditor's Report means the auditor's report on the Financial Report.

Board means the board of Directors.

Business Day means:

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

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

Closely Related Party of a member of the Key Management Personnel means:

- (a) a spouse or child of the member;
- (b) a child of the member's spouse;
- (c) a dependent of the member or the member's spouse;
- (d) anyone else who is one of the member's family and may be expected to influence the member, or be influenced by the member, in the member's dealing with the entity;
- (e) a company the member controls; or
- (f) a person prescribed by the Corporations Regulations 2001 (Cth) for the purposes of the definition of 'closely related party' in the Corporations Act.

Company means Mount Ridley Mines Limited (ACN 092 304 964).

Constitution means the constitution of the Company.

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

Director means a director of the Company.

Equity Securities has the same meaning as in the ASX Listing Rules and includes a Share, a right to a Share or Option, an Option, a convertible security and any security that ASX decides to classify as an Equity Security.

Explanatory Memorandum means the explanatory memorandum attached to the Notice.

Financial Report means the annual financial report prepared under Chapter 2M of the Corporations Act of the Company and its controlled entities contained in the Annual Report.

Key Management Personnel has the same meaning as in the accounting standards issued by the Australian Accounting Standards Board and means those persons having authority and responsibility for planning, directing and controlling the activities of the Company, or if the Company is part of a consolidated entity, of the consolidated entity, directly or indirectly, including any director (whether executive or otherwise) of the Company, or if the Company is part of a consolidated entity, of an entity within the consolidated group.

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

Notice or **Notice of Meeting** means this notice of meeting, including the Explanatory Memorandum and the Proxy Form.

Option means an option to acquire a Share.

Optionholder means a holder of an Option

Proxy Form means the proxy form attached to the Notice.

Remuneration Report means the remuneration report of the Company contained in the Directors' Report.

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

Schedule means a schedule to this Notice.

Section means a section contained in this Explanatory Memorandum.

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

Shareholder means a shareholder of the Company.

Trading Day means a day determined by ASX to be a trading day in accordance with the ASX Listing Rules.

Two Strikes Rule has the meaning in Section 4.

Variable A means "A" as set out in the formula in ASX Listing Rule 7.1A(2).

VWAP means volume weighted average price.

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

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

Schedule 2 – Equity Shares Issued in 12 Months Preceding the Annual General Meeting

Date of issue of securities post 30 November 2017	Quantity of Equity Securities issued	Class of Equity Securities and summary of terms	Names of recipients or basis on which recipients determined	Issue price of Equity Securities and discount to Market Price ¹ on the trading day prior to the issue	If issued for cash – the total consideration, what it was spent on and the intended use of any remaining funds
					If issued for non-cash consideration – a description of the consideration and the current value of the consideration
Issue – 31/1/19 Appendix 3B – 31/1/19	285,828,192	Fully paid ordinary shares ²	Issued pursuant to rights issue prospectus shortfall to sophisticated and professional investors as announced by the Company on 16 November 2018	Issue price of \$0.001 Discount of 66% based on closing price of \$0.003 on 31 December 2019	Total funds raised \$285,828 Funds to be used for working capital and the Company's exploration efforts at its 100% owned Mt Ridley Project ⁴ The Company has not spent the funds since the raising
Issue – 31/1/19 Appendix 3B – 31/1/19	142,914,096	Unlisted Options ³	Issued pursuant to rights issue prospectus shortfall to professional and sophisticated investors as announced by the Company on 16 November 2018	Nil cash consideration as the Unlisted Options were issued as 1:2 free attaching options to the rights issue prospectus	Non-cash consideration – free attaching Options to shortfall Current value ⁵ = \$140,919
Issue – 31/1/19 Appendix 3B – 31/1/19	228,214,986	Unlisted Options ³	Issued to participants of the company placement in October 2018 being professional and sophisticated investors of the Company.	Nil cash consideration as the Unlisted Options were issued as 1:1 free attaching option to placement completed in October 2018.	Non-cash consideration – free attaching Options to placement participants Current value ⁵ = \$225,029

Notes:

1. Market Price means the closing price on ASX (excluding special crossings, overnight sales and exchange traded option exercises). For the purposes of this table the discount is calculated on the Market Price on the last trading day on which a sale was recorded prior to the date of issue of the relevant Equity Securities.
2. Fully paid ordinary shares in the capital of the Company, ASX Code: MRD (terms are set out in the Constitution).
3. Unquoted Options, exercisable at \$0.003 each, on or before 20 November 2022. The full terms and conditions are disclosed as Schedule 3 to this notice of meeting.

4. This is a statement of current intentions as at the date of this Notice. As with any budget, intervening events and new circumstances have the potential to affect the manner in which the funds are ultimately applied. The Board reserves the right to alter the way the funds are applied on this basis.
5. In respect of quoted Equity Securities the value is based on the closing price of the Shares (\$0.001)
6. In respect of unquoted Equity Securities the value of Options is measured using the Black & Scholes option pricing model. Measurement inputs include the Share price on the measurement date, the exercise price, the term of the Option, the impact of dilution, the expected volatility of the underlying Share (based on weighted average historic volatility adjusted for changes expected due to publicly available information), the expected dividend yield and the risk free interest rate for the term of the Option. No account is taken of any performance conditions included in the terms of the Option other than market based performance conditions (i.e. conditions linked to the price of Shares).

Schedule 3 – Terms and Conditions of Options

(a) **Entitlement**

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

(b) **Exercise Price**

Subject to paragraph (i), the amount payable upon exercise of each Option will be \$0.003 (**Exercise Price**)

(c) **Expiry Date**

Each Option will expire at 5:00 pm (WST) on 30 November 2022 (**Expiry Date**). An Option not exercised before the Expiry Date will automatically lapse on the Expiry Date.

(d) **Exercise Period**

The Options are exercisable at any time on or prior to the Expiry Date (**Exercise Period**).

(e) **Notice of Exercise**

The Options may be exercised during the Exercise Period by notice in writing to the Company in the manner specified on the Option certificate (**Notice of Exercise**) and payment of the Exercise Price for each Option being exercised in Australian currency by electronic funds transfer or other means of payment acceptable to the Company.

(f) **Exercise Date**

A Notice of Exercise is only effective on and from the later of the date of receipt of the Notice of Exercise and the date of receipt of the payment of the Exercise Price for each Option being exercised in cleared funds (**Exercise Date**).

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

Within 15 Business Days after the Exercise Date, the Company will:

- (i) issue the number of Shares required under these terms and conditions in respect of the number of Options specified in the Notice of Exercise and for which cleared funds have been received by the Company;
- (ii) if required, give ASX a notice that complies with section 708A(5)(e) of the Corporations Act, or, if the Company is unable to issue such a notice, lodge with ASIC a prospectus prepared in accordance with the Corporations Act and do all such things necessary to satisfy section 708A(11) of the Corporations Act to ensure that an offer for sale of the Shares does not require disclosure to investors; and
- (iii) if admitted to the official list of ASX at the time, apply for official quotation on ASX of Shares issued pursuant to the exercise of the Options.

If a notice delivered under (g)(ii) for any reason is not effective to ensure that an offer for sale of the Shares does not require disclosure to investors, the Company must, no later than 20 Business Days after becoming aware of such notice being ineffective, lodge with ASIC a prospectus prepared in accordance with the Corporations Act and do all such things necessary to satisfy section 708A(11) of the Corporations Act to ensure that an offer for sale of the Shares does not require disclosure to investors.

(h) **Shares issued on exercise**

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

(i) **Reconstruction of capital**

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

(j) **Participation in new issues**

There are no participation rights or entitlements inherent in the Options and holders will not be entitled to participate in new issues of capital offered to Shareholders during the currency of the Options without exercising the Options.

(k) **Change in exercise price**

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

(l) **Transferability**

The Options are transferable subject to any restriction or escrow arrangements imposed by ASX or under applicable Australian securities laws.



ABN 93 092 304 964

LODGE YOUR PROXY APPOINTMENT ONLINE



ONLINE PROXY APPOINTMENT

www.advancedshare.com.au/investor-login



MOBILE DEVICE PROXY APPOINTMENT

Lodge your proxy by scanning the QR code below, and enter your registered postcode.

It is a fast, convenient and a secure way to lodge your vote.

2019 ANNUAL GENERAL MEETING PROXY FORM

I/We being shareholder(s) of Mount Ridley Mines Ltd and entitled to attend and vote hereby:

APPOINT A PROXY

The Chair of the meeting

OR



PLEASE NOTE: If you leave the section blank, the Chair of the Meeting will be your proxy.

or failing the individual(s) or body corporate(s) named, or if no individual(s) or body corporate(s) named, the Chair of the Meeting, as my/our proxy to act generally at the meeting on my/our behalf, including to vote in accordance with the following directions (or, if no directions have been given, and to the extent permitted by law, as the proxy sees fit), at the Annual General Meeting of the Company to be held at **RM Capital, Level 1, 1205 Hay Street West Perth WA 6005 on Friday 29 November 2019 at 11.00am (AWST)** and at any adjournment or postponement of that Meeting.

Chair authorised to exercise undirected proxies on remuneration related resolutions: Where I/we have appointed the Chair of the Meeting as my/our proxy (or the Chair becomes my/our proxy by default), I/we expressly authorise the Chair to exercise my/our proxy on Item 1 (except where I/we have indicated a different voting intention below) even though this Item is connected directly or indirectly with the remuneration of a member(s) of key management personnel, which includes the Chair. I/we acknowledge the Chair of the Meeting intends to vote all undirected proxies available to them in favour of each Item of Business.

VOTING DIRECTIONS

Agenda Items

	For	Against	Abstain*
1 ADOPTION OF REMUNERATION REPORT	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
2 ELECTION OF DIRECTOR - MR SIMON MITCHELL	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
3 RE-ELECTION OF MR PETER CHRISTIE	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
4 PLACEMENT OF OPTIONS	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
5 GRANT OF OPTIONS TO MR PETER CHRISTIE	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
6 GRANT OF OPTIONS TO MR SIMON MITCHELL	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
7 GRANT OF OPTIONS TO MR GUY LE PAGE	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
8 GRANT OF OPTIONS TO MR JOHNATHON BUSING	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
9 APPROVAL OF 10% PLACEMENT CAPACITY	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
10 ADOPTION OF NEW CONSTITUTION	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
11 RATIFICATION OF PRIOR ISSUE – PLACEMENT SHARES UNDER LISTING RULE 7.1	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>



* If you mark the Abstain box for a particular Item, you are directing your proxy not to vote on your behalf on a show of hands or on a poll and your votes will not be counted in computing the required majority on a poll.

SIGNATURE OF SHAREHOLDERS – THIS MUST BE COMPLETED

Shareholder 1 (Individual)

Joint Shareholder 2 (Individual)

Joint Shareholder 3 (Individual)

Sole Director and Sole Company Secretary

Director/Company Secretary (Delete one)

Director

This form should be signed by the shareholder. If a joint holding, all the shareholders should sign. If signed by the shareholder's attorney, the power of attorney must have been previously noted by the registry or a certified copy attached to this form. If executed by a company, the form must be executed in accordance with the company's constitution and the Corporations Act 2001 (Cth).

Email Address

☐

Please tick here to agree to receive communications sent by the company via email. This may include meeting notifications, dividend remittance, and selected announcements.

HOW TO COMPLETE THIS SHAREHOLDER PROXY FORM

**IF YOU WOULD LIKE TO ATTEND AND VOTE AT THE MEETING, PLEASE BRING THIS FORM WITH YOU.
THIS WILL ASSIST IN REGISTERING YOUR ATTENDANCE.**

CHANGE OF ADDRESS

This form shows your address as it appears on Company's share register. If this information is incorrect, please make the correction on the form. Shareholders sponsored by a broker should advise their broker of any changes.

APPOINTMENT OF A PROXY

If you wish to appoint the Chair as your proxy, mark the box in Step 1. If you wish to appoint someone other than the Chair, please write that person's name in the box in Step 1. A proxy need not be a shareholder of the Company. A proxy may be an individual or a body corporate.

DEFAULT TO THE CHAIR OF THE MEETING

If you leave Step 1 blank, or if your appointed proxy does not attend the Meeting, then the proxy appointment will automatically default to the Chair of the Meeting.

VOTING DIRECTIONS – PROXY APPOINTMENT

You may direct your proxy on how to vote by placing a mark in 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 a given item, your proxy may vote as they choose to the extent they are permitted by law. If you mark more than one box on an item, your vote on that item will be invalid.

PROXY VOTING BY KEY MANAGEMENT PERSONNEL

If you wish to appoint a Director (other than the Chair) or other member of the Company's key management personnel, or their closely related parties, as your proxy, you must specify how they should vote on Item 1, by marking the appropriate box. If you do not, your proxy will not be able to exercise your vote for Item 1.

PLEASE NOTE: If you appoint the Chair as your proxy (or if they are appointed by default) but do not direct them how to vote on an item (that is, you do not complete any of the boxes "For", "Against" or "Abstain" opposite that item), the Chair may vote as they see fit on that item.

APPOINTMENT OF A SECOND PROXY

You are entitled to appoint up to two persons as proxies to attend the meeting and vote on a poll. If you wish to appoint a second proxy, an additional Proxy Form may be obtained by telephoning Advanced Share Registry Limited or you may copy this form and return them both together.

To appoint a second proxy you must:

- On each Proxy Form state the percentage of your voting rights or number of shares applicable to that form. If the appointments do not specify the percentage or number of votes that each proxy may exercise, each proxy may exercise half your votes. Fractions of votes will be disregarded; and
- Return both forms together.

CORPORATE REPRESENTATIVES

If a representative of a nominated corporation is to attend the meeting the appropriate "Certificate of Appointment of Corporate Representative" should be produced prior to admission in accordance with the Notice of Meeting. A Corporate Representative Form may be obtained from Advanced Share Registry.

SIGNING INSTRUCTIONS ON THE PROXY FORM

Individual:

Where the holding is in one name, the security holder must sign.

Joint Holding:

Where the holding is in more than one name, all of the security holders should sign.

Power of Attorney:

If you have not already lodged the Power of Attorney with Advanced Share Registry, please attach the original or a certified photocopy of the Power of Attorney to this form when you return it.

Companies:

Where the company has a Sole Director who is also the Sole Company Secretary, this form must be signed by that person. If the company (pursuant to section 204A of the Corporations Act 2001) does not have a Company Secretary, a Sole Director can sign alone. Otherwise this form must be signed by a Director jointly with either another Director or a Company Secretary. Please sign in the appropriate place to indicate the office held.

LODGE YOUR PROXY FORM

This Proxy Form (and any power of attorney under which it is signed) must be received at an address given below by 11.00am (AWST) on 27 November 2019, being not later than 48 hours before the commencement of the Meeting. Proxy Forms received after that time will not be valid for the scheduled meeting.



ONLINE PROXY APPOINTMENT

www.advancedshare.com.au/investor-login



BY MAIL

Advanced Share Registry Limited
110 Stirling Hwy, Nedlands WA 6009; or
PO Box 1156, Nedlands WA 6909



BY FAX

+61 8 9262 3723



BY EMAIL

admin@advancedshare.com.au



IN PERSON

Advanced Share Registry Limited
110 Stirling Hwy, Nedlands WA 6009



ALL ENQUIRIES TO

Telephone: +61 8 9389 8033