
HIPO RESOURCES LTD

ACN 147 106 974

NOTICE OF GENERAL MEETING

Notice is given that the Meeting will be held at:

TIME: 11am WST

DATE: Wednesday, 30 September 2020

PLACE: The offices of Calder Roth & Co, Level 2, 34 Colin Street, West Perth, WA

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

This Notice of Meeting should be read in its entirety. If Shareholders are in doubt as to how they should vote, they should seek advice from their professional advisers prior to voting.

The Directors have determined pursuant to Regulation 7.11.37 of the Corporations Regulations 2001 (Cth) that the persons eligible to vote at the Meeting are those who are registered Shareholders at 11.00am on 28 September 2020.

BUSINESS OF THE MEETING

AGENDA

1. RESOLUTION 1 – APPROVAL TO ISSUE SHARES UNDER THE PLACEMENT

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

“That, for the purposes of ASX Listing Rule 7.1 and for all other purposes, approval is given for the Company to issue 4,000,000 Shares at an issue price of 1.2 cents each to raise \$48,000 on the terms set out in the Explanatory Statement”.

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 person who is expected to participate in the issue; or
- (b) an associate of those persons.

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

- (a) a person as 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.

2. RESOLUTION 2 – RATIFICATION OF PRIOR ISSUE OF SHARES – LR7.1

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

“That, pursuant to and in accordance with ASX Listing Rule 7.4 and for all other purposes, Shareholders ratify the prior issue of 17,348,955 Shares issued pursuant to ASX Listing Rule 7.1 at an issue price of 1.2 cents per Share on the terms and conditions set out in the Explanatory Statement.”

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 person who participated in the issue; or
- (b) an associate of those persons.

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

- (a) a person as 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.

3. RESOLUTION 3 – RATIFICATION OF PRIOR ISSUE OF SHARES – LR7.1A

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

“That, pursuant to and in accordance with ASX Listing Rule 7.4 and for all other purposes, Shareholders ratify the prior issue of 38,651,045 Shares issued pursuant to ASX Listing Rule 7.1A, at an issue price of 1.2 cents per Share on the terms and conditions set out in the Explanatory Statement.”

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 person who participated in the issue; or
- (b) an associate of those persons.

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

- (a) a person as 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.

4. RESOLUTION 4 – RATIFICATION OF AGREEMENT TO ISSUE SHARES TO ZAMIA

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

“That, pursuant to and in accordance with ASX Listing Rule 7.4 and for all other purposes, Shareholders ratify an agreement issue 40,000,000 Shares to Zamia Metals Limited at a deemed issue price of 1.2 cents per Share on the terms and conditions set out in the Explanatory Statement”.

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) Zamia Metals Limited (or its nominee/s); or
- (b) an associate of those persons.

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

- (a) a person as 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.

5. RESOLUTION 5 – APPROVAL TO ISSUE OPTIONS

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

"That, for the purposes of ASX Listing Rule 7.1 and for all other purposes, approval is given for the Company to issue 60,000,000 Options each exercisable at a price of 0.02 cents per Share on or before 2 years from the date of issue and on the terms set out in the Explanatory Statement."

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 person who is expected to participate in the issue; or
- (b) an associate of those persons.

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

- (a) a person as 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.

6. RESOLUTION 6 – ISSUE OF SHARES IN LIEU OF DIRECTOR'S FEES DUE TO MAURICE FEILICH

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) of the Corporations Act, Listing Rule 10.11 and for all other purposes, Shareholders approve the issue of 18,612,500 Shares to Maurice Feilich"

(or his nominee), a Director, in lieu of directors' fees due for the period from July 2018 to July 2020 at a deemed issue price of 1.2 cents per Share and otherwise on the terms and conditions set out in the Explanatory Statement."

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) Maurice Feilich (or his nominee); or
- (b) an associate of those persons.

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

- (a) a person as 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.

7. RESOLUTION 7 – ISSUE OF SHARES IN LIEU OF DIRECTOR'S FEES DUE TO BENJAMIN JARVIS

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) of the Corporations Act, Listing Rule 10.11 and for all other purposes, Shareholders approve the issue of 8,814,117 Shares to Benjamin Jarvis (or his nominee), a Director, in lieu of directors' and consulting fees for the period from November 2019 to July 2020 at a deemed issue price of 1.2 cents per Share and otherwise on the terms and conditions set out in the Explanatory Statement."

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) Benjamin Jarvis (or his nominee); or
- (b) an associate of those persons.

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

- (a) a person as 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.

8. RESOLUTION 8 – ISSUE OF SHARES IN LIEU OF DIRECTOR’S FEES DUE TO DANIEL SMITH

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) of the Corporations Act, Listing Rule 10.11 and for all other purposes, Shareholders approve the issue of 1,733,333 Shares to Daniel Smith (or his nominee), a Director, in lieu of directors’ fees for the period from May 2019 to July 2020 at a deemed issue price of 1.2 cents per Share and otherwise on the terms and conditions set out in the Explanatory Statement.”

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) Daniel Smith (or his nominee); or
- (b) an associate of those persons.

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

- (a) a person as 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.

9. RESOLUTION 9 – APPROVAL OF HIPO RESOURCES LIMITED INCENTIVE PLAN (INCENTIVE PLAN)

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

“That, pursuant to and in accordance with Listing Rule 7.2 (Exception 13(b)) and for all other purposes, the Company’s employee incentive plan titled “Hipo Resources Incentive Plan” is approved and the Company is authorised to issue Performance Rights, Options and Shares on exercise of Options in accordance with the Hipo Resources Incentive Plan, on the terms and conditions set out in the Explanatory Statement”.

Voting Prohibition and Exclusion: The Company will disregard any votes cast on this Resolution by or on behalf of a person who is eligible to participate in the employee incentive scheme, or any of their respective associates.

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

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

- (b) the Chair 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

In accordance with section 250BD of the Corporations Act, 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.

The Chairman intends to exercise all undirected proxies **IN FAVOUR** of Resolution 9.

10. RESOLUTION 10 - ISSUE OF INCENTIVE OPTIONS TO MAURICE FEILICH

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

"That, for the purposes of section 195(4) of the Corporations Act, Chapter 2E of the Corporations Act, ASX Listing Rule 10.11 and for all other purposes, Shareholders approve and authorise the grant of up to 20,000,000 Incentive Options to Mr Maurice Feilich (or his nominee) on the terms and conditions set out in the Explanatory Statement".

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) Maurice Feilich (or his nominee); or
- (b) an associate of those persons.

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

- (a) a person as 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.

11. RESOLUTION 11 - ISSUE OF INCENTIVE OPTIONS TO BENJAMIN JARVIS

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

“That, for the purposes of section 195(4) of the Corporations Act, Chapter 2E of the Corporations Act, ASX Listing Rule 10.11 and for all other purposes, Shareholders approve and authorise the grant of up to 10,000,000 Incentive Options to Mr Benjamin Jarvis (or his nominee) on the terms and conditions set out in the Explanatory Statement”.

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) Benjamin Jarvis (or his nominee); or
- (b) an associate of those persons.

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

- (a) a person as 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.

12. RESOLUTION 12 - ISSUE OF INCENTIVE OPTIONS TO DANIEL SMITH

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

“That, for the purposes of section 195(4) of the Corporations Act, Chapter 2E of the Corporations Act, ASX Listing Rule 10.11 and for all other purposes, Shareholders approve and authorise the grant of up to 5,000,000 Incentive Options to Mr Daniel Smith (or his nominee) on the terms and conditions set out in the Explanatory Statement”.

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) Daniel Smith (or his nominee); or

(b) an associate of those persons.

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

- (a) a person as 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.

13. RESOLUTION 13 – APPROVAL OF CHANGE OF COMPANY’S NAME

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

“That, for the purposes of sections 157(1) and 136(2) of the Corporations Act and for all other purposes, the name of the Company be changed to QX Resources Limited and all references to the Company’s name in the Constitution be replaced with references to Hipo Resources Limited.”

Dated: 27 August 2020

By order of the Board



Daniel Smith
Company Secretary

VOTING

Voting in person

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

Voting by proxy

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

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

- 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 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.

Should you wish to discuss the matters in this Notice of Meeting please do not hesitate to contact the Company Secretary on +61 8 9486 4036.

EXPLANATORY STATEMENT

This Explanatory Statement has been prepared to provide information which the Directors believe to be material to Shareholders in deciding whether or not to pass the Resolutions.

1. RESOLUTION 1 – APPROVAL TO ISSUE SHARES UNDER THE PLACEMENT

1.1 General

As announced on 1 July 2020, the Company had conditionally raised, in aggregate, \$720,000 (before expenses) by way of a placement (**Placement**) of 60,000,000 Shares (**Placement Shares**) at an issue price of 1.2 cents per Share to certain sophisticated and professional investors introduced by Sanlam Private Wealth Pty Ltd (**Sanlam**). The Placement Shares were issued on 3 July 2020 and consisted of 17,348,955 Shares issued pursuant to ASX Listing Rule 7.1 (**7.1 Placement**) and 38,654,045 Shares issued pursuant to ASX Listing Rule 7.1A (**7.1A Placement**).

Sanlam were paid a capital raising fee of 5% of the funds raised under the Placement, amounting to \$33,600 +GST. Executive Chairman, Maurice Feilich, is a director of Sanlam. Sanlam is not a related party of the Company.

As the total number of Shares to be issued under the Placement exceeded the Company's 15% placement capacity under Listing Rule 7.1, the Company seeks Shareholder approval to issue the balance of the Placement Shares, being 4,000,000 shares, to raise \$48,000.

1.2 ASX Listing Rule 7.1

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

Resolution 1 seeks Shareholder approval under ASX Listing Rule 7.1 for the issue of 4,000,000 Shares.

The effect of Resolution 1 will be to allow the Company to issue the remaining Placement Shares pursuant to the Placement during the period of 3 months after the Meeting (or such longer period, as may be permitted by ASX), without using the Company's 15% annual placement capacity.

If Resolution 1 is passed, the Issue will be excluded in calculating Hipo's 15% limit in Listing Rule 7.1, effectively increasing the number of equity securities it can issue without shareholder approval over the 12 month period following the Issue Date.

If Resolution 2 is not passed, the Issue will be included in calculating Hipo's 15% limit in Listing Rule 7.1, effectively decreasing the number of equity securities it can issue without shareholder approval over the 12 month period following the Issue Date.

1.3 ASX Listing Rule Requirements

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

- (a) the maximum number of securities the Company will issue is 4,000,000 Placement Shares;

- (b) the Company will issue the remaining Placement Shares progressively by 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);
- (c) the issue price of the remaining Placement Shares is 1.2 cents each;
- (d) the placees will be sophisticated and professional investors identified by the Directors. None of the placees will be related parties of the Company;
- (e) the Placement Shares will be fully paid new ordinary shares of the Company and will rank equally in all respects with the Company's existing issued Shares;
- (f) the Placement was to raise \$720,000 in total (before expenses). The funds raised from the Placement, in conjunction with existing cash reserves, will be applied as follows:
 - (i) towards the cost of the proposed transaction with Zamia (\$25,000);
 - (ii) towards expenditure on the Company's existing projects (\$500,000);
 - (iii) towards expenditure at the Queensland Gold Project (\$500,000); and
 - (iv) for general working capital and corporate administration purposes (\$95,000).
- (g) a voting exclusion statement for Resolution 1 is included in the Notice of Meeting.

The Board Board unanimously recommends that Shareholders vote **IN FAVOUR** of Resolution 1.

2. RESOLUTION 2 – RATIFICATION OF PRIOR ISSUE OF SHARES – LR7.1

2.1 Background

On 1 July 2020, the Company announced that it had conditionally raised approximately A\$672,000 before expenses through the issue of 56,000,000 Shares, each at an issue price of 1.2 cents per Share (**Placement Shares**), placed via Sanlam Private Wealth Pty Ltd to certain sophisticated and professional investors. The Placement Shares were issued on 3 July 2020 and consisted of 17,348,955 Shares issued pursuant to ASX Listing Rule 7.1 (**7.1 Placement**) and 38,654,045 Shares issued pursuant to ASX Listing Rule 7.1A (**7.1A Placement**).

Sanlam were paid a capital raising fee of 5% of the funds raised under the Placement, amount to \$33,600 +GST. Executive Chairman, Maurice Feilich, is a director of Sanlam. Sanlam is not a related party of the Company.

Resolution 2 seeks Shareholder ratification, pursuant to ASX Listing Rule 7.4, for the prior issue of 17,348,955 Shares issued pursuant to ASX Listing Rule 7.1 at an issue price of 1.2 cents per Share.

2.2 ASX Listing Rule Requirements

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.

ASX Listing Rule 7.4 provides that, where a company in a general meeting ratifies previous issues of securities made pursuant to ASX Listing Rule 7.1 (and provided the issue did not breach ASX Listing Rule 7.1), the issue of 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 25% annual placement capacity set out in ASX Listing Rule 7.1 and 7.1A without the requirement to obtain prior Shareholder approval.

Resolution 2 is an Ordinary Resolution.

2.3 Technical Information required by ASX Listing Rule 7.4

In accordance with ASX Listing Rule 7.5, the following information is provided in relation to the issue of the Placement Shares:

- (a) 17,348,955 Placement Shares were issued under ASX Listing Rule 7.1.
- (b) The Placement Shares were issued at a price of 1.2 cents per Share.
- (c) The Placement Shares are fully-paid ordinary shares and rank equally in all respects with the Company's existing issued Shares.
- (d) The Placement Shares were issued to certain professional and sophisticated investors.
- (e) the Placement was to raise \$720,000 in total (before expenses). The funds raised from the Placement will be used as follows:
 - (i) towards the cost of the proposed transaction with Zamia (\$25,000);
 - (ii) towards expenditure on the Company's existing projects (\$500,000);
 - (iii) towards expenditure at the Queensland Gold Project (\$500,000); and
 - (iv) for general working capital and corporate administration purposes (\$95,000).
- (f) A voting exclusion statement for Resolution 2 is included in the Notice of Meeting.

If resolution 2 is passed, the Issue will be excluded in calculating Hipo's 15% limit in Listing Rule 7.1, effectively increasing the number of equity securities it can issue without shareholder approval over the 12 month period following the Issue Date.

If resolution 2 is not passed, the Issue will be included in calculating Hipo's 15% limit in Listing Rule 7.1, effectively decreasing the number of equity securities it can issue without shareholder approval over the 12 month period following the Issue Date.

The Board unanimously recommends that Shareholders vote **IN FAVOUR** of Resolution 2.

3. RESOLUTION 3 – RATIFICATION OF PRIOR ISSUE OF SHARES – LR7.1A

3.1 Background

On 1 July 2020, the Company announced that it had conditionally raised approximately A\$672,000 before expenses through the issue of 56,000,000 Shares, each at an issue price of 1.2 cents per Share (**Placement Shares**), placed via Sanlam Private Wealth Pty Ltd to certain sophisticated and professional investors. The Placement Shares were issued on 3 July 2020 and consisted of 17,348,955 Shares issued pursuant to ASX Listing Rule 7.1 (**7.1 Placement**) and 38,654,045 Shares issued pursuant to ASX Listing Rule 7.1A (**7.1A Placement**).

Sanlam were paid a capital raising fee of 5% of the funds raised under the Placement, amount to \$33,600 +GST. Executive Chairman, Maurice Feilich, is a director of Sanlam. Sanlam is not a related party of the Company.

Resolution 3 seeks Shareholder ratification, pursuant to ASX Listing Rule 7.4, for the prior issue of 38,651,045 Shares issued pursuant to ASX Listing Rule 7.1A at an issue price of 1.2 cents per Share.

3.2 ASX Listing Rule Requirements

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.

ASX Listing Rule 7.1A provides that an “Eligible Entity” may seek Shareholder approval at its annual general meeting to allow it to issue Equity Securities up to 10% of its issued capital over a period up to 12 months after the annual general meeting. This extra 10% capacity is in addition of the Company’s 15% capacity under ASX Listing Rule 7.1. The Company confirms that it is an “Eligible Entity” and that it obtained approval from Shareholders at its last annual general meeting for this placement capacity in accordance with the ASX Listing Rules.

ASX Listing Rule 7.4 provides that, where a company in a general meeting ratifies previous issues of securities made pursuant to ASX Listing Rule 7.1 (and provided the issue did not breach ASX Listing Rule 7.1), the issue of 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 25% annual placement capacity set out in ASX Listing Rule 7.1 and 7.1A without the requirement to obtain prior Shareholder approval.

Resolution 3 is an Ordinary Resolution.

3.3 Technical Information required by ASX Listing Rule 7.4

In accordance with ASX Listing Rule 7.5, the following information is provided in relation to the issue of the Placement Shares:

- (a) 38,651,045 were issued pursuant to ASX Listing Rule 7.1A.
- (b) The Placement Shares were issued at a price of 1.2 cents per Share.
- (c) The Placement Shares are fully-paid ordinary shares and rank equally in all respects with the Company’s existing issued Shares.
- (d) The Placement Shares were issued to certain professional and sophisticated investors.
- (e) the Placement was to raise \$720,000 in total (before expenses). The funds raised from the Placement will be used as follows:
 - (i) towards the cost of the proposed transaction with Zamia (\$25,000);
 - (ii) towards expenditure on the Company’s existing projects (\$500,000);
 - (iii) towards expenditure at the Queensland Gold Project (\$500,000); and
 - (iv) for general working capital and corporate administration purposes (\$95,000).
- (f) A voting exclusion statement for Resolution 3 is included in the Notice of Meeting.

If resolution 3 is passed, the Issue will be excluded in calculating Hipo’s 15% limit in Listing Rule 7.1, effectively increasing the number of equity securities it can issue without shareholder approval over the 12 month period following the Issue Date.

If resolution 3 is not passed, the Issue will be included in calculating Hipo's 15% limit in Listing Rule 7.1, effectively decreasing the number of equity securities it can issue without shareholder approval over the 12 month period following the Issue Date.

The Board unanimously recommends that Shareholders vote **IN FAVOUR** of Resolution 3

4. RESOLUTION 4 – RATIFICATION OF AN AGREEMENT TO ISSUE CONSIDERATION SHARES TO ZAMIA

4.1 Background

On 1 July 2020, the Company announced that it had signed a binding heads of agreement (**HOA**) with Zamia Metals Limited (**Zamia**). The HOA provided the Company with ability, subject to due diligence, to acquire up to a 70% interest in Zamia's wholly owned subsidiary, Zamia Resources Pty Ltd (**Zamia Resources**) through a combination of minimum earn-in expenditure and the issue of 40,000,000 consideration shares to Zamia (**Consideration Shares**).

Zamia Resources is the 100% registered holder of four exploration licenses in Central Queensland goldfields covering ~115km² and housing two open pit historical gold mines, the Belyando and Lucky Break Mines.

The following is a summary of the material terms of the HOA.

- (a) Subject to Hipo being satisfied with its due diligence enquiries and electing to proceed with the proposed Transaction, the Company will pay to Zamia a further \$75,000 and issue 40,000,000 shares in the Company to Zamia, which will be subject to 12-months voluntary escrow.
- (b) Subject and in addition to paying the Consideration outlined in 4.1(a), to earn the initial 30% interest in Zamia Resources, Hipo has to spend \$425,000 in accordance with the agreed exploration work program and budget within 6 months of completion of the Transaction. Hipo can then move to a 50% interest in Zamia Resources by spending a further \$1,000,000 in accordance with the agreed work program and budget over a further 12 months through to 31 December 2021.
- (c) If Hipo fails to meet its minimum expenditure commitments as set out above, it will negotiate with Zamia how the parties wish to proceed with the HoA and the Company's expenditure on the Tenements.
- (d) The HoA provides for an automatic extension of the expenditure deadlines if the Company fails to meet them, however if the Company determines that it cannot or will not meet these minimum expenditure commitments, it will either forfeit any interest in the Permits (if such expenditure failure occurs prior to earning the initial 30% interest) or it will retain only a 30% interest in the Permits (if such expenditure failure occurs prior to earning a 50% interest in the Permits).
- (e) All expenditure by the Company on the Permits (including the minimum expenditure set out above) will be on a cost recoverable basis, and will be recovered by the Company from cash flows received from the Permits in the event of profitable production.
- (f) The Company can earn an additional 20% in Zamia Resources (moving to 70% in total), on terms to be agreed regarding expenditure on the Project on a similarly agreed work program and budget.

4.2 ASX Listing Rule Requirements

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.

Listing Rule 7.4 allows the shareholders of a listed company to approve an issue of equity securities after it has been made or agreed to be made. If they do, the issue is taken to have been approved under Listing Rule 7.1 and so does not reduce the company's capacity

to issue further equity securities without shareholder approval under 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 for such issues under Listing Rule 7.1. To this end, Resolution 4 seeks Shareholder approval to ratify the agreement to issue the Consideration Shares under and for the purposes of Listing Rule 7.4. The effect of Shareholders passing Resolution 4 and ratifying the agreement to issue the Consideration Shares will be to replenish the Company's 15% placement capacity to the extent of the Consideration Shares issued under Listing Rule 7.1.

Resolution 4 is an ordinary Resolution.

4.3 Technical Information required by ASX Listing Rule 7.4

For the purposes of Listing Rule 7.5, information regarding the ratification of the agreement to issue the Consideration Securities is provided as follows:

- (a) The names of the persons to whom the entity issued or agreed to issue the securities: Zamia, who is not a related party of the Company or a person to whom Listing Rule 10.11 applies.
- (b) The maximum number of securities agreed to be issued is 40,000,000 Shares.
- (c) The securities agreed to be issued are fully paid ordinary shares in the Company and rank equally in all respects with the Company's existing Shares on issue.
- (d) The Consideration Shares are yet to be issued. The Consideration Shares will be issued no later than three 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). It is intended that all of the Consideration Shares will be issued on the same date.
- (e) The Consideration Shares will be issued pursuant to the HOA as part consideration for the acquisition of up to a 50% interest in Zamia's wholly owned subsidiary, Zamia Resources at a deemed issue price of 1.2 cents per Share. Refer to section 4.1 for more details.
- (f) The Consideration Shares form part of the consideration for the acquisition of 30% of Zamia (as set out above in sections 4.1(a) and (b)). Accordingly, no funds will be raised through the issue of the Consideration Shares.
- (g) Other than those out in this section 4, there are no other material terms in relation to the agreement to issue the Consideration Shares.
- (h) A voting exclusion statement for Resolution 4 is included in the Notice of Meeting.

If resolution 4 is passed, the issue will be excluded in calculating Hipo's 15% limit in Listing Rule 7.1, effectively increasing the number of equity securities it can issue without shareholder approval over the 12 month period following the issue.

If resolution 4 is not passed, the issue will be included in calculating Hipo's 15% limit in Listing Rule 7.1, effectively decreasing the number of equity securities it can issue without shareholder approval over the 12 month period following the issue.

The Board unanimously recommends that Shareholders vote **IN FAVOUR** of Resolution 4.

5. RESOLUTION 5 – APPROVAL TO ISSUE OPTIONS

5.1 Introduction

Resolution 5 seeks Shareholder approval under ASX Listing Rule 7.1 for the issue of 60,000,000 Options at an issue price of \$0.001 to sophisticated and professional investors to

raise \$60,000 (**Option Issue**). As announced on 1 July 2020, the Company agreed to issue such Options subject to Shareholder approval.

The Company has engaged Sanlam to undertake the Option Issue for which they will be paid a capital raising fee of 5% of the funds raised (\$3,000 +GST). Executive Chairman, Maurice Feilich, is a director of Sanlam. Sanlam is not a related party of the Company.

5.2 ASX Listing Rule Requirements

Resolution 5 seeks Shareholder approval pursuant to Listing Rule 7.1 to issue the Options. A summary of Listing Rule 7.1 is set out at section 1.2.

The effect of Resolution 5 will be to allow the Company to issue the Options during the period of 3 months after the Meeting (or such longer period, as may be permitted by ASX), without using the Company's 15% annual placement capacity.

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

- (a) the Company will issue a maximum of 60,000,000 Options;
- (b) the Options will be issued by no later than 3 months after the date of the Meeting (or a later date to the extent permitted by any ASX waiver or modification of the ASX Listing Rules);
- (c) the Options will be issued for \$0.001 per option. Accordingly, the issue will raise \$60,000 (before costs), with proceeds to go towards working capital and corporate administration purposes.
- (d) the Options will be issued to sophisticated and professional investors. None of the subscribers will be a related party of the Company.
- (e) the Options are exercisable at a price of 2 cents per Share, on or before two years from the date of issue. The terms and conditions of the Options are set out in Annexure C.
- (f) A voting exclusion statement for Resolution 5 is included in the Notice of Meeting.

If Resolution 5 is passed, the issue will be excluded in calculating Hipo's 15% limit in Listing Rule 7.1, effectively increasing the number of equity securities it can issue without shareholder approval over the 12 month period following the issue.

If Resolution 5 is not passed, the issue will be included in calculating Hipo's 15% limit in Listing Rule 7.1, effectively decreasing the number of equity securities it can issue without shareholder approval over the 12 month period following the issue.

The Board unanimously recommends that Shareholders vote **IN FAVOUR** of Resolution 5.

6. RESOLUTIONS 6 TO 8 – ISSUE OF SHARES TO DIRECTORS IN LIEU OF DIRECTOR'S FEES

6.1 Introduction

Resolutions 6 to 8 seek Shareholder approval under section 195(4) of the Corporations Act and Listing Rule 10.11 to permit the Directors, Maurice Feilich, Benjamin Jarvis and Daniel Smith (or their nominees), to be issued, in aggregate, 29,159,950 Shares at the same price as the Shares issued pursuant to the Company's Placement to raise \$720,000 announced on 1 July 2020 (1.2 cents per Share) (refer section 1.1 above). The purpose of the issue is to

conserve the Company's cash reserves by satisfying certain outstanding Directors' and consulting fees due totalling \$349,919.40 as set out below:

Resolution	Director	Fees due	Number of Shares	Period
6	Maurice Feilich	\$223,350	18,612,500	July 2018 to July 2020
7	Benjamin Jarvis	\$105,769.40	8,814,117	November 2019 to July 2020
8	Daniel Smith	\$20,800	1,733,333	May 2019 to July 2020

6.2 Requirement for Shareholder approval

Listing Rule 10.11

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.

Hipo Resources is proposing to issue ordinary shares to Directors of the Company in lieu of outstanding director fees. As the issue of the Shares in lieu of outstanding director fees involves the issue of Shares to a related party of the Company, Shareholder approval pursuant to ASX Listing Rule 10.11 is required unless an exception applies. ASX Listing Rule 10.11 provides that unless one of the exceptions in ASX Listing Rule 10.12 applies, a listed company must not issue or agree to issue equity securities to:

- (a) 10.11.1 a related party;
- (b) 10.11.2 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) 10.11.3 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) 10.11.4 an associate of a person referred to in Listing Rules 10.11.1 to 10.11.3; or
- (e) 10.11.5 a person whose relationship with the company or a person referred to in Listing Rules 10.11.1 to 10.11.4 is such that, in ASX's opinion, the issue or agreement should be approved by its shareholders.

The proposed issues pursuant to Resolutions 6 to 8 fall within ASX Listing Rule 10.11.1 and does not fall within any of the exceptions in ASX Listing Rule 10.12. It therefore requires the approval of Hipo Resources shareholders under Listing Rule 10.11.

Approval pursuant to ASX Listing Rule 7.1 is not required for the issue of the Shares pursuant to Resolutions 6 to 8 as approval is being obtained under ASX Listing Rule 10.11. Accordingly, the issue of Shares in lieu of outstanding director fees to Messer's Feilich, Jarvis and Smith (or their nominee/s) will not be included in the use of the Company's 15% annual placement capacity pursuant to ASX Listing Rule 7.1.

If resolution 6 is passed, Hipo Resources will be able to proceed with the Issue of Shares to Mr Maurice Feilich in lieu of outstanding director fees, preserving the Company's cash.

If Resolution 6 is not passed, Hipo Resources will not be able to proceed with the Issue of Shares to Mr Maurice Feilich in lieu of outstanding director fees, therefore the Company will be required to settle these outstanding fees in cash.

If resolution 7 is passed, Hipo Resources will be able to proceed with the Issue of Shares to Mr Benjamin Jarvis in lieu of outstanding director fees, preserving the Company's cash.

If Resolution 7 is not passed, Hipo Resources will not be able to proceed with the Issue of Shares to Mr Benjamin Jarvis in lieu of outstanding director fees, therefore the Company will be required to settle these outstanding fees in cash.

If resolution 8 is passed, Hipo Resources will be able to proceed with the Issue of Shares to Mr Daniel Smith in lieu of outstanding director fees, preserving the Company's cash.

If Resolution 8 is not passed, Hipo Resources will not be able to proceed with the Issue of Shares to Mr Daniel Smith in lieu of outstanding director fees, therefore the Company will be required to settle these outstanding fees in cash.

Chapter 2E of the Corporations Act

Chapter 2E of the Corporations Act prohibits a public company from giving a financial benefit to a related party (such as a Director) of the company without Shareholder approval unless either:

- (a) The giving of the financial benefit falls within one of the exceptions in section 210 to 216 of the Corporations Act; or
- (b) Shareholder approval is obtained prior to the giving of the financial benefit.

Section 210 of the Corporations Act provides an exception for a financial benefit to a related party that would be reasonable in the circumstances if the Company and the related party were dealing on arm's length terms. Section 211 of the Corporations Act provides an exception for a financial benefit that is remuneration to an officer of the Company where the remuneration is reasonable given the circumstances of the Company and the officer (including the responsibilities involved in such office or employment).

Financial benefit is defined broadly. It is necessary to look at the economic and commercial substance and the effect of the transaction in determining the financial benefit. The Corporations Act requires that any consideration that is given is disregarded, even if the consideration is adequate.

The accrued Directors' fees are being converted into Shares. The proposed Share issues do not involve any additional remuneration to the Directors. The Shares the subject of Resolutions 6 to 8 will be issued at a deemed issue price of 1.2 cents per Share, being the issue price of the Placement announced on 1 July 2020. For that reason and given the Company's financial circumstances, the Board considers the Share issues the subject of Resolutions 6 to 8 to be both on arm's length terms and reasonable remuneration in all of the circumstances and therefore consider that Shareholder approval is not required under Chapter 2E of the Corporations Act.

Section 195(4) of the Corporations Act

Shareholder approval is also being sought under section 195 of the Corporations Act, which provides that a director of a public company may not vote or be present during meetings of directors when matters in which that director holds a material personal interest are being considered, except in certain circumstances or unless non-interested directors pass a resolution approving the interested directors' participation.

Section 195(4) of the Corporations Act relevantly provides that if there are not enough directors to form a quorum for a directors' meeting because of this restriction, one or more of the directors may call a general meeting and the general meeting may pass a resolution to deal

with the matter. It might be argued (but it is neither conceded nor, indeed is it thought by the Board to be the case) that three of the five Directors comprising the Board have a material personal interest in the outcome of Resolutions 6 to 8. If each does have such an interest, then a quorum could not be formed to consider the matters contemplated by Resolutions 6 to 8 at Board level. For the avoidance of any doubt, and for the purpose of transparency and best practice corporate governance, the Directors have exercised their right under section 195(4) of the Corporations Act to put the issue to Shareholders to resolve. This will authorise the Directors to effect the transactions and carry out related matters contemplated in this Notice of Meeting even if one or more of the Directors has a material personal interest in Resolutions 6 to 8.

6.3 Information required by Listing Rule 10.13

For the purposes of Listing Rule 10.13, the following information is provided about the issues the subject of Resolutions 6 to 8.

- (a) The Shares will be issued to the Directors pursuant to Listing Rule 10.11.1, as set out in section 6.1 above.
- (b) The maximum number of Shares to be issued is as set out in section 6.1 above.
- (c) The Shares will be issued for a deemed issue price of 1.2 cents being the issue price under the Placement announced on 1 July 2020 as set out in section 1.1 above.
- (d) The Shares will be issued in lieu of Directors' fees owing to certain of the Directors for the periods set out below. Therefore, no funds will be raised from the issue of the Shares. The current remuneration of the directors is as set out in section 8.4(d) below.

Resolution	Director	Fees due	Period
6	Maurice Feilich	\$223,350	July 2018 to July 2020
7	Benjamin Jarvis	\$105,769.40	November 2019 to July 2020
8	Daniel Smith	\$20,800	May 2019 to July 2020

- (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 an ASX waiver or modification of the ASX Listing Rules).
- (f) The Shares will be fully paid new ordinary shares of the Company and will rank equally in all respects with the Company's existing issued Shares;
- (g) A voting exclusion statement for Resolutions 6 to 8 is included in the Notice of Meeting.

6.4 Directors' recommendation

The Board recommends that Shareholders vote in favour of Resolutions 6 to 8 as approving the Resolutions will allow the Company to issue securities and conserve funds whilst preserving the Company's 15% annual placement capacity permitted by Listing Rule 7.1.

7. RESOLUTION 9 - APPROVAL OF HIPO RESOURCES LIMITED'S INCENTIVE PLAN

7.1 Background

Whilst the Constitution and Corporations Act do not require that Shareholders approve an Incentive Plan, as a matter of good corporate governance the Board is seeking such approval under Resolution 9.

The aim of the Incentive Plan is to allow the Board to assist eligible participants who, in the Board's opinion, are dedicated and will provide ongoing commitment and effort to the Company. Participants in the Incentive Plan may include full-time or permanent part-time employees of the Company or a related body corporate (which includes Directors, the Company Secretary and officers), or such other persons as the Board determines, including contractors of the Group (Eligible Participants).

The Incentive Plan is subject to the Corporations Act, including that financial benefits (including issues of securities under the Incentive Plan) issued to related parties require prior shareholder approval under Chapter 2E of the Corporations Act, unless an exception applies. See below for further information on Chapter 2E.

The Board believes that grants to Eligible Participants under the Incentive Plan will provide a powerful tool to underpin the Company's employment and engagement strategy, and that the implementation of the Incentive Plan will:

- (a) enable the Company to recruit, incentivise and retain key personnel needed to achieve the Company's business objectives;
- (b) link the reward of key personnel with the achievements of strategic goals and the long-term performance of the Company;
- (c) align the financial interest of participants of the Incentive Plan with those of Shareholders; and
- (d) provide incentives to participants of the Incentive Plan to focus on superior performance that creates Shareholder value.

The key features of the Incentive Plan are as follows:

- (e) The Board will determine the number of Incentive Options (or Performance Rights as applicable) to be granted to Eligible Participants (or their nominees), the vesting conditions (if any) and expiry date of the Incentive Options at its sole discretion. As at the date of this Notice, the Board intends to cap the maximum number of equity securities issued under the Incentive Scheme within the three year period from the date of passing of Resolution 9 is 50,000,000 securities.;
- (f) The Incentive Options, once granted, will not be transferable unless the Board determines otherwise or a transfer is required by law and provided that the transfer complies with the Corporations Act; and
- (g) Subject to the Corporations Act and the ASX Listing Rules for Companies and restrictions on reducing the rights of a holder of Incentive Options, the Board will have the power to amend the Incentive Plan as it sees fit.

As at the date of this Notice, no securities have been issued under the Incentive Plan.

Details of any securities issued pursuant to the Incentive Plan will be published in the Company's Annual Report relating to the period in which they were issued.

7.2 Specific information required by Listing Rule 7.2, Exception 13(b)

Pursuant to and in accordance with Listing Rule 7.2, Exception 13(b), a detailed overview of the terms of the Incentive Plan is attached in **Annexure A**. A copy of the Incentive Plan may be obtained by contacting the Company.

A voting exclusion statement is included in the Notice.

8. RESOLUTIONS 10 TO 12 - GRANT OF INCENTIVE OPTIONS TO THE DIRECTORS

8.1 Details of the proposed grant of options to Directors

Subject to obtaining Shareholder approval in respect of Resolutions 10 to 12, the Company proposes to grant options exercisable at a price of \$0.025 per Share in respect of Tranche A options and \$0.035 per Share in respect of Tranche B options, and expiring on or before 2 years and 3 years, respectively, from the date of their issue (**Incentive Options**) to Messer's Feilich, Jarvis and Smith (or their nominees).

The Incentive Options proposed to be issued form part of the remuneration planning of the directors.

Having regard to the varied roles that Messer's Feilich, Jarvis and Smith hold in respect of the development of the Company, the Board considers that the grant of Incentive Options to Messer's Feilich, Jarvis and Smith is an appropriate form of long-term incentive-based remuneration.

8.2 Approval for the purposes of the ASX Listing Rules and the Corporations Act

Resolutions 10 to 12 seek Shareholder approval for the grant of Incentive Options to Messer's Feilich, Jarvis and Smith for the purposes of:

- (a) ASX Listing Rule 10.11, which broadly provides that Shareholder approval is required before a director, or an associate of a director, may acquire securities under an employee incentive scheme;
- (b) Chapter 2E of the Corporations Act, which prohibits a public company from giving a financial benefit to a related party of a public company unless the giving of the financial benefit falls within one of the nominated exceptions or Shareholder approval is obtained prior to the giving of the financial benefit; and
- (c) Section 195(4) of the Corporations Act, details of which are set out in Section 7.2 above, given approval is being sought for the grant of incentive options to all directors pursuant to Resolutions 10 to 12. It might be argued (but it is neither conceded nor, indeed is it thought by the Board to be the case) that the three Directors comprising the Board have a material personal interest in the outcomes of Resolutions 11 to 12. If each does have such an interest, then a quorum could not be formed to consider the matters contemplated by Resolutions 10 to 12 at Board level. For the avoidance of any doubt, and for the purpose of transparency and best practice corporate governance, the Directors have exercised their right under section 195(4) of the Corporations Act to put the issue to Shareholders to resolve. This will authorise the Directors to effect the transactions and carry out related matters contemplated in this Notice of Meeting even if one or more of the Directors has a material personal interest in Resolutions 10 to 12.

Shareholder approval under ASX Listing Rule 7.1 is not required for the issue of securities that have been approved under ASX Listing Rule 10.11. Accordingly, provided that each of Resolutions 10 to 12 are approved by Shareholders, the grant of Incentive Options to Messer's Feilich, Jarvis and Smith (and any subsequent acquisition of Shares upon exercise of those Incentive Options) will not be included in the calculation of the Company's 15% annual placement capacity for the purposes of ASX Listing Rule.

7.1. Listing Rule 10.11

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.

Hipo Resources is proposing to issue Incentive Options to Directors of the Company as part of its remuneration planning. As the proposed issue of the Incentive Options involves the issue of securities to a related party of the Company, Shareholder approval pursuant to ASX Listing Rule 10.11 is required unless an exception applies. ASX Listing Rule 10.11 provides that unless one of the exceptions in ASX Listing Rule 10.12 applies, a listed company must not issue or agree to issue equity securities to:

- (a) 10.11.1 a related party;
- (b) 10.11.2 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) 10.11.3 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) 10.11.4 an associate of a person referred to in Listing Rules 10.11.1 to 10.11.3; or
- (e) 10.11.5 a person whose relationship with the company or a person referred to in Listing Rules 10.11.1 to 10.11.4 is such that, in ASX's opinion, the issue or agreement should be approved by its shareholders.

The proposed issues pursuant to Resolutions 10 to 12 fall within ASX Listing Rule 10.11.1 and does not fall within any of the exceptions in ASX Listing Rule 10.12. It therefore requires the approval of Hipo Resources shareholders under Listing Rule 10.11.

If resolution 10 is passed, Hipo Resources will be able to proceed with the Issue of Incentive Options to Mr Maurice Feilich as part of its remuneration planning, preserving the Company's cash.

If Resolution 10 is not passed, Hipo Resources will not be able to proceed with the Issue of Incentive Options to Mr Maurice Feilich as part of its remuneration planning, therefore the Company may be required to increase the cash remuneration paid to directors.

If resolution 11 is passed, Hipo Resources will be able to proceed with the Issue of Incentive Options to Mr Benjamin Jarvis as part of its remuneration planning, preserving the Company's cash.

If Resolution 11 is not passed, Hipo Resources will not be able to proceed with the Issue of Incentive Options to Mr Benjamin Jarvis as part of its remuneration planning, therefore the Company may be required to increase the cash remuneration paid to directors.

If resolution 12 is passed, Hipo Resources will be able to proceed with the Issue of Incentive Options to Mr Daniel Smith as part of its remuneration planning, preserving the Company's cash.

If Resolution 12 is not passed, Hipo Resources will not be able to proceed with the Issue of Incentive Options to Mr Daniel Smith as part of its remuneration planning, therefore the Company may be required to increase the cash remuneration paid to directors.

8.3 Information required by the ASX Listing Rules

For the purpose of the approval sought under ASX Listing Rule 10.11, the following information is provided in relation to the proposed grant of Incentive Options to Messer's Feilich, Jarvis and Smith:

- (a) the Incentive Options are proposed to be issued to Directors of the Company, Messer's Feilich, Jarvis and Smith (or their nominees), each a related party of the Company, under Listing Rule 10.11.1;
- (b) the maximum number of Incentive Options that may be granted pursuant to Resolutions 10 to 12 respectively, is 20,000,000 Incentive Options to Mr Feilich, 10,000,000 Incentive Options to Mr Jarvis and 5,000,000 Incentive Options to Mr Smith;
- (c) the Incentive Options will be granted on the general terms and conditions set out in Annexure B of this Explanatory Statement, and on the specific terms and conditions set out in Annexure C of this Explanatory Statement. No price is payable for the grant of the Incentive Options, or on vesting of the Incentive Options, however there will be an Exercise Price to be paid by a prescribed date in order to convert the Incentive Options into new ordinary shares. The value of the Incentive Options to be issued to the Directors is set out in section 8.4(a) below. Options were chosen as the form of security to incentivise the directors as it minimises upfront dilution and, if all Incentive Options are exercised, will raise \$1,050,000 through the issue of Shares at a premium to the current share price.
- (d) The remuneration of the Directors for the last two financial years is set out in section 8.4(d) below.
- (e) The Incentive Options are not being issued under an agreement.
- (f) A voting exclusion statement is included in the Notice of Meeting.
- (g) No loans are being provided by the Company for the acquisition of securities under the Incentive Plan.
- (h) the Incentive Options will be issued no later than 1 month after the date of the Meeting (or such later date to the extent permitted by any ASX waiver or modification of the ASX Listing Rules).
- (i) Shareholder approval under ASX Listing Rule 7.1 is not required for issues that have been approved under ASX Listing Rule 10.11. Accordingly, provided Resolutions 10 to 12 are approved by Shareholders, the grant of Incentive Options to the Directors (and any subsequent acquisition of Shares on the valid exercise of those Incentive Options) will not be included in the calculation of the Company's 15% annual placement capacity for the purposes of ASX Listing Rule 7.1.

8.4 Information required by the Corporations Act

Chapter 2E of the Corporations Act prohibits a public company from giving a financial benefit to a related party of a public company unless the benefit falls within one of the various exceptions to the general prohibition. A "related party" for the purposes of the Corporations Act is defined broadly and includes a director of the Company. "Financial Benefit" has a wide meaning and includes the issue of securities by a public company.

The proposed offer of Incentive Options to Messer's Feilich, Jarvis and Smith will form part of their remuneration package. Given the circumstances of the Company, the Directors consider that the proposed grant of Incentive Options would constitute reasonable remuneration and, accordingly, may fall within an exception to the related party provisions in Chapter 2E of the Corporations Act. In reaching this conclusion, the Board has had regard to a variety of factors including market practice and the remuneration offered to persons in comparable positions at similar companies. Notwithstanding this conclusion, the Board has resolved that the Company should also seek Shareholder approval pursuant to Chapter 2E of the Corporations Act as a matter of good corporate governance.

Pursuant to, and in accordance with the requirements of Chapter 2E, and in particular section 219 of the Corporations Act, the following information is provided for the purposes of obtaining Shareholder approval for Resolutions 10 to 12:

- (a) the related parties to whom a financial benefit is proposed to be given are Messer's Feilich, Jarvis and Smith (or their nominees), who are Directors of the Company.

The nature of the financial benefit proposed to be given to Messer's Feilich, Jarvis and Smith is the grant of, in aggregate, 35,000,000 Incentive Options, as follows:

Resolution	Director	Number of Incentive Options	Indicative Value
10	Maurice Feilich	20,000,000	\$166,200
11	Benjamin Jarvis	10,000,000	\$83,100
12	Daniel Smith	5,000,000	\$41,550

The Incentive Options will be granted under the Incentive Plan, on the general terms and conditions set out in Annexure A of this Explanatory Statement, and the specific terms and conditions set out in Annexure B of this Explanatory Statement. The Incentive Options have an exercise price of \$0.025 per Share for Tranche A and \$0.035 per Share for Tranche B and an expiry date of 2 years and 3 years from the date of their issue, respectively, as set out in the table below:

Director	Tranche	Number of Incentive Options	Exercise Price (cents)	Expiry Date
Maurice Feilich	A	10,000,000	\$0.025	2 years from issue
	B	10,000,000	\$0.035	3 years from issue
Benjamin Jarvis	A	5,000,000	\$0.025	2 years from issue
	B	5,000,000	\$0.035	3 years from issue
Daniel Smith	A	2,500,000	\$0.025	2 years from issue
	B	2,500,000	\$0.035	3 years from issue

- (b) No funds will be raised from the grant of the Incentive Options. If all Incentive Options proposed to be issued pursuant to Resolutions 10 to 12 are exercised, an amount of \$1,050,000 will be raised and used to provide additional working capital for the Company.
- (c) Each of the directors have any interest in the outcome of Resolutions 10 to 12.
- (d) Directors' remuneration packages for the previous two years:

Director	2019/2020 Financial Year	2018/2019 Financial Year
Maurice Feilich	\$106,667	\$120,000
Benjamin Jarvis	\$32,000	\$36,000
Daniel Smith	\$32,000	\$36,000

- Maurice Feilich was appointed as a Non-executive Director on 1 July 2017 and Executive Chairman on 26 September 2017.
- Benjamin Jarvis was appointed a Non-executive Director on 24 October 2019.
- Daniel Smith was appointed a Non-executive Director on 13 June 2018.

(e) The securities currently held by Messer's Feilich, Jarvis and Smith and those that may be issued subject to Shareholder approval at the Meeting are set out in the table below:

Director	Existing Shares	Existing Options	New Incentive Options (subject to shareholder approval under Resolutions 10 to 12)
Maurice Feilich	16,453,374	Nil	20,000,000
Benjamin Jarvis	10,118,386	Nil	10,000,000
Daniel Smith	Nil	Nil	5,000,000

(f) The dilution effect on Shareholders, if all Incentive Options the subject of Resolutions 10 to 12 are exercised, and no other options are exercised and no other Shares are issued, will be 7.9% as set out below.

	Shares (ASX:HIP)
Shares currently on issue	442,602,373
Resolution 10 - Incentive Options to be granted to Maurice Feilich	20,000,000
Resolution 11 - Incentive Options to be granted to Benjamin Jarvis	10,000,000
Resolutions 12 - Incentive Options to be granted to Daniel Smith	5,000,000
Expanded Capital if all Director Options proposed in this Notice of Meeting are exercised	477,602,373
Dilutionary effect of Incentive Options	7.9%

(g) In the 12 months prior to the date of this Notice of Meeting, the highest, lowest and latest practicable trading price (as at 25 August 2020) of the Shares on ASX are as set out below:

	Shares (ASX:HIP)
Highest (22, July 2020)	\$0.024
Lowest (multiple dates)	\$0.007
Latest (25 August, 2020)	\$0.02

(h) The value of the financial benefit to be provided to Messer's Feilich, Jarvis and Smith is set out in the table below.

These values have been calculated by Calder Roth & Co using a Black Scholes option pricing model for the Incentive Options.

Calder Roth & Co made the following assumptions under the model:

- the Incentive Options don't have market vesting conditions attached and the exercise of the Incentive Options does not affect the value of the underlying asset;
- a grant date of 3 August 2020 which was also adopted as the valuation date;

- it used \$0.02, being the underlying share price on the valuation date, which was input into the pricing model;
- a share price volatility of 100% based on the historical volatility of the Company's ASX listed share price;
- the risk free rate of interest used in the 5 year Australian Government Bond yield of 0.40%; and
- a dividend yield of 0%.

Director	Number of Incentive Options	Indicative Value
Maurice Feilich	20,000,000	\$166,200
Benjamin Jarvis	10,000,000	\$83,100
Daniel Smith	5,000,000	\$41,550

(i) Directors' recommendation and basis of recommendation:

Maurice Feilich has a material personal interest in Resolution 10 and abstains from making a recommendation in respect of Resolution 10. Benjamin Jarvis has a material personal interest in Resolution 11 and abstains from making a recommendation in respect of Resolution 11. Daniel Smith has a material personal interest in Resolution 12 and abstains from making a recommendation in respect of Resolution 12.

As the Incentive Options are a performance based incentive, they will have incentive to ensure that the market price of the Company's Shares increases to create value in the Incentive Options and this will benefit all Shareholders. The issue of Incentive Options is a non-cash form of remuneration, thus conserving the Company's liquid funds. The exercise of the Incentive Options will provide additional working capital for the Company at no significant cost. If all of the Incentive Options proposed to be issued pursuant to Resolutions 10 to 12 are exercised, an amount of \$1,050,000 would be raised.

8.5 Other information

There are no material opportunity costs to the Company, no taxation consequences to the Company and no material benefits foregone by the Company in granting the Incentive Options to Messer's Feilich, Jarvis and Smith.

The Directors are not aware of any information, other than the information set out in this Explanatory Statement that would reasonably be required by Shareholders in order to decide whether or not it is in the Company's interests to pass Resolutions 10 to 12.

9. RESOLUTION 13 - APPROVAL OF CHANGE OF COMPANY'S NAME

In accordance with section 157(1)(a) of the Corporations Act, the Company submits to Shareholders for consideration and adoption by way of a special resolution for the name of the Company to be changed to QX Resources Limited. The Company also seeks approval under section 136(2) of the Corporations Act to amend the Company's Constitution to reflect the change of name.

The Board believes that the change of name is necessary to better reflect the Company's primary focus on its precious metals assets within Queensland.

Resolution 13 is a special resolution and, therefore, requires the approval of 75% of the votes cast by Shareholders present and eligible to vote (in person, by proxy, by attorney or, in the case of a corporate Shareholder, by a corporate representative).

In accordance with section 157(3) of the Corporations Act, the change of name will take effect when ASIC alters the details of the Company's registration.

The Directors recommend Shareholders vote **IN FAVOUR** of Resolution 13.

GLOSSARY

\$ means Australian dollars.

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

ASIC means the Australian Securities & Investments Commission.

ASX means ASX Limited (ACN 008 624 691) or the financial market operated by ASX Limited, as the context requires.

ASX Listing Rules means the Listing Rules of ASX.

Award means a right to acquire Shares under the Incentive Plan, and includes Incentive Options and/or a Performance Right(s).

Board means the current board of directors of the Company.

Chair means the chair of the Meeting.

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

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

Company means Hipo Resources Limited (ACN 147 106 974).

Constitution means the Company's constitution.

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

Directors means the current directors of the Company.

Equity Securities 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 Statement means the explanatory statement accompanying the Notice.

Incentive Option means an option to acquire a Share on the terms and conditions set out in Annexure B.

Incentive Plan means the Hipo Resources Limited Incentive Plan, a summary of which is set out in Annexure A.

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.

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

Option means an option to acquire a Share.

Ordinary Securities has the meaning set out in the ASX Listing Rules.

Proxy Form means the proxy form accompanying the Notice.

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

Section means a section of the Explanatory Statement.

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

Shareholder means a registered holder of a Share.

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

Annexure A: Summary of terms of the Incentive Plan

The terms and conditions of the Incentive Plan are summarised below:

1. Board

The Board, or a duly appointed committee of the Board, is responsible for the operation of the Incentive Plan.

2. Participants

Directors, full-time, part-time and casual employees, and contractors of the Group are all eligible to participate in the Incentive Plan.

3. Eligibility

The Board has absolute discretion to determine the eligibility of participants. Some of the factors the Board will have regard to in determining eligibility include:

- (a) the potential contribution of the participant to the growth and profitability of the Group;
- (b) the seniority of the participant and the position that the participant occupies within the Group;
- (c) the length of service of the participant with the Group;
- (d) the record of employment of the participant with the Group;
- (e) the extent (if any) of the existing participation of the participant in the Incentive Plan; and
- (f) any other matters the Board considers relevant.

4. Invitations and Awards

The Board may, in its absolute discretion, invite eligible participants to participate in the Incentive Plan. An invitation may be made on such terms and conditions as the Board decides from time to time, including as to the terms of the Award offered and whether the Award comprises Performance Rights and/or Options.

5. Number of Performance Rights and/or Options

- (a) The Board has discretion to determine the number of Performance Rights and/or Incentive Options granted to participants under an Award, however where required by law, the Board will ensure that the number of Performance Rights and/or Incentive Options offered to eligible participants over a three-year period does not exceed 5% of the Company's issued capital.
- (b) Further, in determining the number of Performance Rights and/or Incentive Options to be granted to participants, the Board will have regard to:
 - (i) current market practice; and
 - (ii) the overall cost to the Company of grants under the Incentive Plan.

6. No payment on grant or vesting

Unless the Board determines otherwise, no payment is required for the grant, on the vesting, or the issue, transfer or allocation of Shares following vesting of a Performance Right or Incentive Option.

7. Vesting conditions

Vesting of an Award may be conditional on the participant satisfying the pre-determined vesting conditions determined by the Board within the vesting period. The vesting period applicable to the Performance Rights or Incentive Options is the period determined by the Board.

8. Vesting of Award

The Award will only vest if the participant meets any specified vesting conditions within the vesting period. If the terms of grant require the Award to be exercised, the participant must exercise the Award in order for vesting to occur. Any Award that has not vested within the vesting period will lapse.

9. Entitlements under Awards

Prior to vesting and exercise (if required) of an Award, and the issue of Shares to the participant in accordance with the rules of the Incentive Plan, a participant is not entitled to exercise any votes in respect of the Shares to which the Award relates, nor is the holder entitled to participate in any dividend or any new issue of securities by the Company in respect of that Award.

10. Issue, transfer or allocation of Shares on vesting of Award

The Shares to be provided on vesting and exercise (if required) of the Award may be issued by the Company or acquired on market by the Company (or any trustee of the Incentive Plan) and transferred or allocated to the holder of the Performance Right. Any Shares issued under the Incentive Plan will rank *pari passu* with the existing Shares. The Board may impose restrictions on the transferability of a Share issued, transferred or allocated to a participant following vesting of a Performance Right, which shall be set out in the terms of the invitation.

11. Cessation of eligibility

- (a) Where a participant ceases to be eligible to participate in the Incentive Plan, the Board may determine that some or all of the participant's Award lapses, vests, is exercisable for a prescribed period (if applicable), or is no longer subject to some or all applicable restrictions.
- (b) The Board may specify in an invitation how a participant's Award will be treated in the event that the participant ceases to be eligible to participate in the Incentive Plan, which may vary depending upon the circumstances in which the participant ceases to be eligible.

12. Change of control

- (a) On a change of control event (which includes a takeover, merger or any person acquiring a relevant interest in more than 50% of the issued share capital in the Company and other similar events) the Board may, in its discretion, determine the manner in which any or all of a participant's Awards may be dealt with including in a manner that allows the participant to participate in and/or benefit from any transaction arising from or in connection with the change of control event.
- (b) The Board may specify in an invitation how a participant's Award will be treated on a change of control event, which may vary depending upon the circumstances of the change of control event.

13. Capital reorganisation

In the event of any capital reorganisation prior to vesting and exercise (if required) of an Award, the Award may be adjusted having regard to the relevant listing rules.

14. Clawback provision

The Board may determine that any unvested Award and vested but unexercised Award (if exercise is required) will lapse if, in the Board's opinion, among other things:

- (a) the participant has acted fraudulently or dishonestly, engaged in gross misconduct, breached his or her duties or obligations (including where the participant's Award vests as a result of such conduct and the Board forms the opinion that the Award would not have otherwise vested); or
- (b) there is a material misstatement or omission in the financial statements of a Group company.

15. Governing Law

This incentive plan is governed by and shall be construed in accordance with the laws of Western Australia.

Annexure B: Summary of terms of the Incentive Options

The key terms and conditions of the Incentive Options to be granted to Maurice Feilich, Benjamin Jarvis and Daniel Smith under the Incentive Plan are summarised below:

- (a) The Options will be issued for nil consideration.
 - (b) Each Option gives the Optionholder the right to subscribe for one Share. To obtain the right given by each Option, the Optionholder must exercise the Options in accordance with the terms and conditions of the Options.
 - (c) The Options will expire at 5.00 p.m. (WST) on the date that is 24 months from the date of issue (**Tranche A**) and 36 months from the date of issue (**Tranche B**) (**Expiry Date**). Any Option not exercised before the Expiry Date will automatically lapse on the Expiry Date.
 - (d) The amount payable upon exercise of each Option will be \$0.025 per Share (**Tranche A**) and \$0.035 per Share (**Tranche B**) (**Exercise Price**).
 - (e) The Options held by each Optionholder may be exercised in whole or in part, and if exercised in part, multiples of 1,000 must be exercised on each occasion.
 - (f) An Optionholder may exercise their Options by lodging with the Company, before the Expiry Date:
 - (i) a written notice of exercise of Options specifying the number of Options being exercised; and
 - (ii) a cheque or electronic funds transfer for the Exercise Price for the number of Options being exercised;
- (Exercise Notice).**
- (g) An Exercise Notice is only effective when the Company has received the full amount of the Exercise Price in cleared funds.
 - (h) Within 10 Business Days of receipt of the Exercise Notice accompanied by the Exercise Price, the Company will issue the number of Shares required in respect of the number of Options specified in the Exercise Notice.
 - (i) The Options are transferable.
 - (j) All Shares issued upon the exercise of Options will upon issue rank *pari passu* in all respects with other Shares.
 - (k) The Company will not apply for quotation of the Options on the ASX.
 - (l) 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.
 - (m) There are no participating rights or entitlements inherent in the Options and Optionholders will not be entitled to participate in new issues of capital offered to Shareholders during the exercise period of the Options. However, the Company will ensure that for the purposes of determining entitlements to any such issue, the record date will be in accordance with the ASX Listing Rules. This will give Optionholders the opportunity to exercise their Options prior to the date for determining entitlements to participate in any such issue.
 - (n) 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.
 - (o) Deferred Taxation - Subdivision 83A-C of the Income Tax Assessment Act 1997 (Cth) applies to the Incentive Options.

Annexure C: Summary of terms of options

- (a) Each Option gives the Optionholder the right to subscribe for one Share. To obtain the right given by each Option, the Optionholder must exercise the Options in accordance with the terms and conditions of the Options.
- (b) The Options will expire at 5.00 p.m. (WST) on the date two years from the date of issue (**Expiry Date**). Any Option not exercised before the Expiry Date will automatically lapse on the Expiry Date.
- (c) The amount payable upon exercise of each Option will be \$0.02 per Share (**Exercise Price**).
- (d) The Options held by each Optionholder may be exercised in whole or in part, and if exercised in part, multiples of 1,000 must be exercised on each occasion.
- (e) An Optionholder may exercise their Options by lodging with the Company, before the Expiry Date:
 - (i) a written notice of exercise of Options specifying the number of Options being exercised; and
 - (ii) a cheque or electronic funds transfer for the Exercise Price for the number of Options being exercised;**(Exercise Notice)**.
- (f) An Exercise Notice is only effective when the Company has received the full amount of the Exercise Price in cleared funds.
- (g) Within 10 Business Days of receipt of the Exercise Notice accompanied by the Exercise Price, the Company will issue the number of Shares required in respect of the number of Options specified in the Exercise Notice.
- (h) The Options are transferable.
- (i) All Shares issued upon the exercise of Options will upon issue rank *pari passu* in all respects with other Shares.
- (j) The Company will not apply for quotation of the Options on the ASX.
- (k) 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.
- (l) There are no participating rights or entitlements inherent in the Options and Optionholders will not be entitled to participate in new issues of capital offered to Shareholders during the exercise period of the Options. However, the Company will ensure that for the purposes of determining entitlements to any such issue, the record date will be in accordance with the ASX Listing Rules. This will give Optionholders the opportunity to exercise their Options prior to the date for determining entitlements to participate in any such issue.
- (m) 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

**PROXY FORM
ANNUAL GENERAL MEETING
HIPO RESOURCES LTD
ACN 147 106 974**

I/We

of:

being a Shareholder entitled to attend and vote at the Meeting, hereby appoint:

Name:

OR: the Chair of the Meeting as my/our proxy.

or failing the person so named or, if no person is named, the Chair, or the Chair's nominee, to vote in accordance with the following directions, or, if no directions have been given, and subject to the relevant laws as the proxy sees fit, at the Meeting to be held at the offices of, Calder Roth & Co, Level 2, 34 Colin Street, West Perth, Western Australia, on Wednesday, 30 September 2020 at 11.00am, and at any adjournment thereof.

AUTHORITY FOR CHAIR TO VOTE UNDIRECTED PROXIES ON REMUNERATION RELATED RESOLUTIONS

Where I/we have appointed the Chair as my/our proxy (or where the Chair becomes my/our proxy by default), I/we expressly authorise the Chair to exercise my/our proxy on Resolution 1 (except where I/we have indicated a different voting intention below) even though Resolution 1 is connected directly or indirectly with the remuneration of a member of the Key Management Personnel, which includes the Chair.

CHAIR'S VOTING INTENTION IN RELATION TO UNDIRECTED PROXIES

The Chair intends to vote undirected proxies in favour of all Resolutions. In exceptional circumstances the Chair may change his/her voting intention on any Resolution. In the event this occurs an ASX announcement will be made immediately disclosing the reasons for the change.

Voting on business of the Meeting		FOR	AGAINST	ABSTAIN
Resolution 1	Approval to issue Shares under the Placement	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Resolution 2	Ratification of Prior issue of Shares – 7.1	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Resolution 3	Ratification of Prior issue of Shares – 7.1A	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Resolution 4	Ratification of agreement to issue Shares to Zamia	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Resolution 5	Approval to issue Options	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Resolution 6	Approval to issue Shares to directors in lieu of director fees - Feilich	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Resolution 7	Approval to issue Shares to directors in lieu of director fees - Jarvis	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Resolution 8	Approval to issue Shares to directors in lieu of director fees - Smith	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Resolution 9	Approval of Hipo Resources Limited Incentive Plan	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Resolution 10	Issue of Incentive Options to directors - Feilich	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Resolution 11	Issue of Incentive Options to directors - Jarvis	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Resolution 12	Issue of Incentive Options to directors - Smith	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Resolution 13	Approval of change of Company's name	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>

Please note: If you mark the abstain box for a particular Resolution, you are directing your proxy not to vote on that Resolution on a show of hands or on a poll and your votes will not be counted in computing the required majority on a poll.

If two proxies are being appointed, the proportion of voting rights this proxy represents is: _____ %

Signature of Shareholder(s):

Individual or Shareholder 1

Sole Director/Company Secretary

Shareholder 2

Director

Shareholder 3

Director/Company Secretary

Date: _____

Contact name: _____

Contact ph (daytime): _____

E-mail address: _____

**Consent for contact by e-mail
in relation to this Proxy Form:** YES NO

Instructions for completing Proxy Form

1. **(Appointing a proxy):** A Shareholder entitled to attend and cast a vote at the Meeting is entitled to appoint a proxy to attend and vote on their behalf at the Meeting. If a Shareholder is entitled to cast 2 or more votes at the Meeting, the Shareholder may appoint a second proxy to attend and vote on their behalf at the Meeting. However, where both proxies attend the Meeting, voting may only be exercised on a poll. The appointment of a second proxy must be done on a separate copy of the Proxy Form. A Shareholder who appoints 2 proxies may specify the proportion or number of votes each proxy is appointed to exercise. If a Shareholder appoints 2 proxies and the appointments do not specify the proportion or number of the Shareholder's votes each proxy is appointed to exercise, each proxy may exercise one-half of the votes. Any fractions of votes resulting from the application of these principles will be disregarded. A duly appointed proxy need not be a Shareholder.
2. **(Direction to vote):** A Shareholder may direct a proxy how to vote by marking one of the boxes opposite each item of business. The direction may specify the proportion or number of votes that the proxy may exercise by writing the percentage or number of Shares next to the box marked for the relevant item of business. Where a box is not marked, the proxy may vote as they choose subject to the relevant laws. Where more than one box is marked on an item the vote will be invalid on that item.
3. **(Signing instructions):**
 - **(Individual):** Where the holding is in one name, the Shareholder must sign.
 - **(Joint holding):** Where the holding is in more than one name, all of the Shareholders should sign.
 - **(Power of attorney):** If you have not already provided the power of attorney with the registry, please attach a certified photocopy of the power of attorney to this Proxy Form when you return it.
 - **(Companies):** Where the company has a sole director who is also the sole company secretary, that person must sign. Where the company (pursuant to Section 204A of the Corporations Act) does not have a company secretary, a sole director can also sign alone. Otherwise, a director jointly with either another director or a company secretary must sign. Please sign in the appropriate place to indicate the office held. In addition, if a representative of a company is appointed pursuant to Section 250D of the Corporations Act to attend the Meeting, the documentation evidencing such appointment should be produced prior to admission to the Meeting. A form of a certificate evidencing the appointment may be obtained from the Company.
4. **(Attending the Meeting):** Completion of a Proxy Form will not prevent individual Shareholders from attending the Meeting in person if they wish. Where a Shareholder completes and lodges a valid Proxy Form and attends the Meeting in person, then the proxy's authority to speak and vote for that Shareholder is suspended while the Shareholder is present at the Meeting.
5. **(Return of Proxy Form):** To vote by proxy, please complete and sign the enclosed Proxy Form and return by:
 - (a) post to Hipo Resources Limited, c/- Calder Roth & Co, PO Box 782, West Perth, WA 6872; or
 - (b) facsimile to the Company on facsimile number +61 8 9486 4799; or
 - (c) email to the Company at info@hiporesources.com.au,

so that it is received not less than 48 hours prior to commencement of the Meeting.

Proxy Forms received later than this time will be invalid.