



# Canyon Resources Limited

ABN 13 140 087 261

## **NOTICE OF ANNUAL GENERAL MEETING AND EXPLANATORY MEMORANDUM TO SHAREHOLDERS**

**Date of Meeting**

Monday, 21 November 2022

**Time of Meeting**

3.00pm (AWST)

**Place of Meeting**

**QV1 Conference Centre, Level 2, 250 St Georges Terrace, Perth, Western Australia 6000**

**A Proxy Form is enclosed or has otherwise been provided to you**

Please read this Notice and Explanatory Memorandum carefully.

If you are unable to attend the Annual General Meeting please complete and return the Proxy Form in accordance with the specified directions.

# Canyon Resources Limited

## ABN 13 140 087 261

### NOTICE OF ANNUAL GENERAL MEETING

Notice is given that the Annual General Meeting of Shareholders of Canyon Resources Limited ABN 13 140 087 261 will be held at QV1 Conference Centre, 250 St Georges Terrace, Perth, Western Australia 6000 on 21 November 2022 at 3.00pm (AWST) for the purpose of transacting the following business referred to in this Notice of Annual General Meeting.

The Company will update Shareholders if changing circumstances will impact the planning or arrangements for the Meeting by way of announcement on ASX and the details will also be made available on our website at <https://canyonresources.com.au/>.

### AGENDA

#### Financial Reports

To receive and consider the financial report of the Company for the year ended 30 June 2022, together with the Directors' Report and the Auditor's Report as set out in the Annual Report.

#### 1 Resolution 1 – Non Binding Resolution to adopt Remuneration Report

To consider and, if thought fit, pass the following resolution as a **non-binding resolution**:

*"That the Remuneration Report for the year ended 30 June 2022 as set out in the 2022 Annual Report be adopted."*

**Note:** The vote on this Resolution is advisory only and does not bind the Directors or the Company. Shareholders are encouraged to read the Explanatory Memorandum for further details on the consequences of voting on this Resolution.

**Voting exclusion statement:** The Company will disregard any votes cast on the Resolution by or on behalf of a member of the Key Management Personnel whose remuneration details are included in the Remuneration Report, or their Closely Related Parties. However, the Company need not disregard a vote if:

(a) it is cast by a person as a proxy appointed by writing that specifies how the proxy is to vote on the proposed Resolution **or** the proxy is the Chair of the Meeting and the appointment of the Chair as proxy does not specify the way the proxy is to vote on the resolution and expressly authorises the Chair to exercise the proxy even if the resolution is connected directly or indirectly with the remuneration of a member of the Key Management Personnel; and

(b) it is not cast on behalf of a member of the Key Management Personnel whose remuneration details are included in the Remuneration Report, or their Closely Related Parties.

Further, a Restricted Voter who is appointed as a proxy will not vote on the Resolution unless:

(a) the appointment specifies the way the proxy is to vote on the Resolution; or

(b) the proxy is the Chair of the Meeting and the appointment expressly authorises the Chair to exercise the proxy even though the Resolution is connected directly or indirectly with the remuneration of a member of the Key Management Personnel. Shareholders should note that the Chair intends to vote any undirected proxies in favour of the Resolution.

Shareholders may also choose to direct the Chair to vote against the Resolution or to abstain from voting.

If any of the persons named above purport to cast a vote other than as permitted above, that vote will be disregarded by the Company (as indicated above) and those persons may be liable for breaching the voting restrictions that apply to them under the Corporations Act.

## 2 Resolution 2 – Election of Mr Mark Hohnen as a Director

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

*“That Mr Mark Hohnen, who ceases to hold office in accordance with clause 12.7(b) of the Constitution and, being eligible, offers himself for election, be elected a Director of the Company.”*

## 3 Resolution 3 – Election of Mr Scott Phegan as a Director

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

*“That Mr Scott Phegan, who ceases to hold office in accordance with clause 12.7(b) of the Constitution and, being eligible, offers himself for election, be elected a Director of the Company.”*

## 4 Resolution 4 – Re-election of Mr David Netherway as a Director

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

*“That Mr David Netherway, who retires in accordance with clause 12.3(b)(iv) of the Constitution and, being eligible for re-election, be re-elected as a Director.”*

## 5 Resolution 5 – Approval of Plan

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

*“That, pursuant to and in accordance with Listing Rule 7.2, Exception 13(b) and for all other purposes, Shareholders approve any issue of up to a maximum of 40,000,000 securities under the Plan to Eligible Employees (as defined in the Plan), known as the “Employee Awards Plan”, a summary of the rules of which are set out in the Explanatory Memorandum (including Annexure A to the Explanatory Memorandum), as an exception to Listing Rules 7.1 and 7.1A.”*

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

- (a) a person who is eligible to participate in the employee incentive scheme; or
- (b) an Associate of those persons.

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

- (a) a person as a 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 of the Meeting as a 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;
- (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 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.

Further, a Restricted Voter who is appointed as a proxy will not vote on the Resolution unless:

- (a) the appointment specifies the way the proxy is to vote on the Resolution; or
- (b) the proxy is the Chair of the Meeting and the appointment expressly authorises the Chair to exercise the proxy even though the Resolution is connected directly or indirectly with the remuneration of a member of the Key Management Personnel. Shareholders should note that the Chair intends to vote any undirected proxies in favour of the Resolution.

Shareholders may also choose to direct the Chair to vote against the Resolution or to abstain from voting.  
If any of the persons named above purport to cast a vote other than as permitted above, that vote will be disregarded by the Company (as indicated above) and those persons may be liable for breaching the voting restrictions that apply to them under the Corporations Act.

## **6 Resolution 6 – Approval of potential termination benefit in relation to securities issued pursuant to the Plan**

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

*“Subject to the passing of Resolution 5, that for the purposes of Listing Rule 10.19 and Part 2D.2 of the Corporations Act, and for all other purposes, approval be given for the giving of benefits to any current or future person holding a managerial or executive office in the Company or a related body corporate in connection with that person ceasing to hold that managerial or executive office under the terms of the Plan as set out in the Explanatory Memorandum (including Annexure A to the Explanatory Memorandum).”*

**Voting exclusion statement:** The Company will disregard any votes cast in favour of this Resolution by or on behalf of:

- (a) an officer of the Company or any of its child entities (as defined in the Listing Rules) who is entitled to participate in a termination benefit; and
- (b) an Associate of those persons.

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 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.

Further, a Restricted Voter who is appointed as a proxy will not vote on the Resolution unless:

- (a) the appointment specifies the way the proxy is to vote on the Resolution; or
- (b) the proxy is the Chair of the Meeting and the appointment expressly authorises the Chair to exercise the proxy even though the Resolution is connected directly or indirectly with the remuneration of a member of the Key Management Personnel. Shareholders should note that the Chair intends to vote any undirected proxies in favour of the Resolution.

Shareholders may also choose to direct the Chair to vote against the Resolution or to abstain from voting.

If any of the persons named above purport to cast a vote other than as permitted above, that vote will be disregarded by the Company (as indicated above) and those persons may be liable for breaching the voting restrictions that apply to them under the Corporations Act.

## **7 Resolution 7 – Grant of Tranche 1 Incentive Options to Mr Mark Hohnen (or his nominee(s))**

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

*“That, for the purposes of Listing Rule 10.14 and for all other purposes, the Directors are authorised to issue up to 1,000,000 Tranche 1 Incentive Options for no consideration, with each Incentive Option having an exercise price of \$0.09 and an expiry date of 3 years from the date of issue, to Mr Mark Hohnen (or his nominee(s)), on the terms and conditions set out in the Explanatory Memorandum (including Annexures A and B to the Explanatory Memorandum).”*

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

- (a) a person referred to in Listing Rule 10.14.1, 10.14.2 or 10.14.3 who is eligible to participate in the employee incentive scheme in question (or their nominee(s)); or
- (b) an Associate of those persons.

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 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.

Further, a Restricted Voter who is appointed as a proxy will not vote on the Resolution unless:

- (a) the appointment specifies the way the proxy is to vote on the Resolution; or
- (b) the proxy is the Chair of the Meeting and the appointment expressly authorises the Chair to exercise the proxy even though the Resolution is connected directly or indirectly with the remuneration of a member of the Key Management Personnel. Shareholders should note that the Chair intends to vote any undirected proxies in favour of the Resolution.

Shareholders may also choose to direct the Chair to vote against the Resolution or to abstain from voting.

If any of the persons named above purport to cast a vote other than as permitted above, that vote will be disregarded by the Company (as indicated above) and those persons may be liable for breaching the voting restrictions that apply to them under the Corporations Act.

## **8 Resolution 8 – Grant of Tranche 2 Incentive Options to Mr Mark Hohnen (or his nominee(s))**

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

*“That, for the purposes of Listing Rule 10.14 and for all other purposes, the Directors are authorised to issue up to 1,000,000 Tranche 2 Incentive Options for no consideration, with each Incentive Option having an exercise price of \$0.12 and an expiry date of 3 years from the date of issue, to Mr Mark Hohnen (or his nominee(s)) nominee, on the terms and conditions set out in the Explanatory Memorandum (including Annexures A and B to the Explanatory Memorandum).”*

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

- (a) a person referred to in Listing Rule 10.14.1, 10.14.2 or 10.14.3 who is eligible to participate in the employee incentive scheme in question (or their nominee(s)); or
- (b) an Associate of those persons.

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 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.

Further, a Restricted Voter who is appointed as a proxy will not vote on the Resolution unless:

- (a) the appointment specifies the way the proxy is to vote on the Resolution; or
- (b) the proxy is the Chair of the Meeting and the appointment expressly authorises the Chair to exercise the proxy even though the Resolution is connected directly or indirectly with the remuneration of a member of the Key Management Personnel. Shareholders should note that the Chair intends to vote any undirected proxies in favour of the Resolution.

Shareholders may also choose to direct the Chair to vote against the Resolution or to abstain from voting.

If any of the persons named above purport to cast a vote other than as permitted above, that vote will be disregarded by the Company (as indicated above) and those persons may be liable for breaching the voting restrictions that apply to them under the Corporations Act.

## 9 Resolution 9 – Grant of Tranche 3 Incentive Options to Mr Mark Hohnen (or his nominee(s))

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

*“That, for the purposes of Listing Rule 10.14 and for all other purposes, the Directors are authorised to issue up to 1,000,000 Tranche 3 Incentive Options for no consideration, with each Incentive Option having an exercise price of \$0.17 and an expiry date of 3 years from the date of issue, to Mr Mark Hohnen (or his nominee(s)), on the terms and conditions set out in the Explanatory Memorandum (including Annexures A and B to the Explanatory Memorandum).”*

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

- (a) a person referred to in Listing Rule 10.14.1, 10.14.2 or 10.14.3 who is eligible to participate in the employee incentive scheme in question (or their nominee(s)); or
- (b) an Associate of those persons.

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 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.

Further, a Restricted Voter who is appointed as a proxy will not vote on the Resolution unless:

- (a) the appointment specifies the way the proxy is to vote on the Resolution; or
- (b) the proxy is the Chair of the Meeting and the appointment expressly authorises the Chair to exercise the proxy even though the Resolution is connected directly or indirectly with the remuneration of a member of the Key Management Personnel. Shareholders should note that the Chair intends to vote any undirected proxies in favour of the Resolution.

Shareholders may also choose to direct the Chair to vote against the Resolution or to abstain from voting.

If any of the persons named above purport to cast a vote other than as permitted above, that vote will be disregarded by the Company (as indicated above) and those persons may be liable for breaching the voting restrictions that apply to them under the Corporations Act.

## 10 Resolution 10 – Approval of Additional 10% Placement Capacity

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

*"That, for the purpose of Listing Rule 7.1A and all other purposes, Shareholders approve the issue of Equity Securities up to 10% of the issued capital of the Company (at the time of the issue) calculated in accordance with Listing Rule 7.1A.2 and on the terms and conditions set out in the Explanatory Memorandum."*

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

- (a) any person who is expected to participate in, or who will obtain a material benefit as a result of, the proposed issue (except a benefit solely by reason of being a holder of ordinary securities in the entity); or
- (b) an Associate of those persons.

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 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 – Renewal of proportional takeover provisions

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

*"That, pursuant to and in accordance with section 648G of the Corporations Act 2001 (Cth), the existing proportional takeover provisions in the form set out in clause 9 of the Company's Constitution are renewed for a period of three years commencing on the date of the Meeting."*

### **OTHER BUSINESS**

---

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

---

Details of the definitions and abbreviations used in this Notice are set out in the Glossary to the Explanatory Memorandum.

**By order of the Board**

**Mr Matt Worner**  
Company Secretary

Dated: 18 October 2022

## How to vote

Shareholders can vote by either:

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

### Voting in person (or by attorney)

Shareholders, or their attorneys, who plan to attend the Meeting are asked to arrive at the venue 15 minutes prior to the time designated for the Meeting, if possible, so that their holding may be checked against the Company's share register and their attendance recorded. To be effective a certified copy of the Power of Attorney, or the original Power of Attorney, must be received by the Company in the same manner, and by the same time as outlined for proxy forms below.

### Voting by a Corporation

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

### Voting by proxy

- A Shareholder entitled to attend and vote is entitled to appoint a proxy. A proxy will have the right to vote on a poll and also to speak at the Meeting.
- The appointment of the proxy must specify the manner in which the proxy is to vote in respect of a particular Resolution.
- A proxy need not be a Shareholder.
- The proxy can be either an individual or a body corporate.
- If a proxy is not directed how to vote on an item of business, the proxy may generally vote, or abstain from voting, as they think fit. However, where a Restricted Voter is appointed as a proxy, the proxy may only vote on Resolutions 1, 5, 6, 7, 8 and 9 in accordance with a direction on how the proxy is to vote or, if the proxy is the Chair of the Meeting and the appointment expressly authorises the Chair to exercise the proxy even if the Resolution is connected directly or indirectly with the remuneration of a member of the Key Management Personnel.

- Should any resolution, other than those specified in this Notice, be proposed at the Meeting, a proxy may vote on that resolution as they think fit.
- If a proxy is instructed to abstain from voting on an item of business, they are directed not to vote on the Shareholder's behalf on the poll and the Shares that are the subject of the proxy appointment will not be counted in calculating the required majority.
- Shareholders who return their Proxy Forms with a direction how to vote, but who do not nominate the identity of their proxy, will be taken to have appointed the Chair of the Meeting as their proxy to vote on their behalf. If a Proxy Form is returned but the nominated proxy does not attend the Meeting, the Chair of the Meeting will act in place of the nominated proxy and vote in accordance with any instructions. Proxy appointments in favour of the Chair of the Meeting, the secretary or any Director that do not contain a direction how to vote will be used, where possible, to support each of the Resolutions proposed in this Notice, provided they are entitled to cast votes as a proxy under the voting exclusion rules which apply to some of the proposed Resolutions. These rules are explained in this Notice.
- To be effective, proxies must be received by 3.00pm (AWST) on Saturday, 19 November 2022. Proxies received after this time will be invalid.
- Proxies may be lodged using any of the following methods:
  - by returning a completed Proxy Form in person or by post using the pre-addressed envelope provided with this Notice to:  
Share Registry: Computershare Investor Services Pty Ltd, GPO Box 2975, Melbourne, VIC 3001
  - or
  - by faxing a completed Proxy Form to 1800 783 447 within Australia or +61 3 9473 2555 outside Australia;
  - or
  - by recording the proxy appointment and voting instructions via the internet at using the details set out in the Proxy Form attached to this Notice of Meeting. Only registered Shareholders may access this facility and will need their Holder Identification Number (**HIN**) or Securityholder Reference Number (**SRN**).
- The Proxy Form must be signed by the Shareholder or the Shareholder's attorney. Proxies given by corporations must be executed in accordance with the Corporations Act. Where the

appointment of a proxy is signed by the appointer's attorney, a certified copy of the Power of Attorney, or the power itself, must be received by the Company at the above address, or by facsimile, and by 3.00pm (AWST) on Saturday, 19 November 2022. If facsimile transmission is used, the Power of Attorney must be certified.

**Shareholders who are entitled to vote**

In accordance with paragraphs 7.11.37 and 7.11.38 of the Corporations Regulations, the Board has determined that a person's entitlement to vote at the Annual General Meeting will be the entitlement of that person set out in the Register of Shareholders as at 4:00pm (AWST) on Saturday, 19 November 2022.

# Canyon Resources Limited

## ABN 13 140 087 261

### EXPLANATORY MEMORANDUM

This Explanatory Memorandum is intended to provide Shareholders with sufficient information to assess the merits of the Resolutions contained in the accompanying Notice of Annual General Meeting of the Company.

Certain abbreviations and other defined terms are used throughout this Explanatory Memorandum. Defined terms are generally identifiable by the use of an upper case first letter. Details of the definitions and abbreviations are set out in the Glossary to the Explanatory Memorandum.

#### Financial Reports

The first item of the Notice deals with the presentation of the consolidated annual financial report of the Company for the financial year ended 30 June 2022, together with the Directors' declaration and report in relation to that financial year and the Auditor's Report on the financial report. Shareholders should consider these documents and raise any matters of interest with the Directors when this item is being considered.

No resolution is required to be moved in respect of this item.

Shareholders will be given a reasonable opportunity at the Annual General Meeting to ask questions and make comments on the accounts and on the management of the Company.

The Chair will also give Shareholders a reasonable opportunity to ask the Auditor or the Auditor's representative questions relevant to:

- (a) the conduct of the audit;
- (b) the preparation and content of the independent audit report;
- (c) the accounting policies adopted by the Company in relation to the preparation of the financial statements; and
- (d) the independence of the Auditor by the Company in relation to the conduct of the audit.

The Chair will also allow a reasonable opportunity for the Auditor or their representative to answer any written questions submitted to the Auditor under section 250PA of the Corporations Act.

#### 1 Resolution 1 – Non Binding Resolution to adopt Remuneration Report

Section 250R(2) of the Corporations Act requires the Company to put to its Shareholders a resolution that the Remuneration Report as disclosed in the Company's 2022 Annual Report be adopted. The Remuneration Report is set out in the Company's 2022 Annual Report and is also available on the Company's website (<https://canyonresources.com.au/>).

The vote on this Resolution is advisory only and does not bind the Directors or the Company.

However, if at least 25% of the votes cast are against adoption of the Remuneration Report at two consecutive annual general meetings, the Company will be required to put a resolution to the second Annual General Meeting (**Spill Resolution**), to approve calling a general meeting (**Spill Meeting**). If more than 50% of Shareholders vote in favour of the Spill Resolution, the Company must then convene a Spill Meeting within 90 days of the second Annual General Meeting. All of the Directors who were in office when the applicable Directors' Report was approved, other than the Managing Director, will need to stand for re-election at the Spill Meeting if they wish to continue as Directors.

The remuneration report for the financial year ended 30 June 2021 did not receive a vote of more than 25% against its adoption at the Company's last general meeting held on 29 November 2021. Accordingly, if at least 25% of the votes cast on this Resolution are against adoption of the Remuneration Report it will not result in the Company putting a Spill Resolution to Shareholders.

The Remuneration Report explains the Board policies in relation to the nature and level of remuneration paid to Directors, sets out remuneration details for each Director and any service agreements and sets out the details of any equity based compensation.

The Chair will give Shareholders a reasonable opportunity to ask questions about, or make comments on, the Remuneration Report.

## **Voting**

Note that a voting exclusion applies to this Resolution in the terms set out in the Notice.

Shareholders are urged to carefully read the Proxy Form and provide a direction to the proxy on how to vote on this Resolution.

## **2 Resolution 2 – Election of Mr Mark Hohnen as a Director**

Resolution 2 seeks approval for the election of Mr Mark Hohnen as a Director with effect from the end of the Meeting.

Clause 12.7(a) of the Constitution provides that the Directors may at any time appoint a person to be a Director, either to fill a casual vacancy, or as an addition to the existing Directors, but so that the total number of Directors does not at any time exceed the maximum number determined by the Company in a general meeting (if applicable). Any Director so appointed holds office only until the next following Annual General Meeting and is then eligible for election and, pursuant to clause 12.3(b)(ii), may be taken into account in determining the Directors who are to retire by rotation (if any) at that meeting.

Mr Mark Hohnen having been appointed by the Board on 8 August 2022, retires from office in accordance with the requirements of clause 12.7(b) of the Constitution and submits himself for election in accordance with clause 12.7(b) of the Constitution.

## **Qualifications**

Mr Mark Hohnen has been involved in the mineral resource sector since the late 1970s and has extensive international business experience in a wide range of industries including mining and exploration, property, investment, software and agriculture. Mr Mark Hohnen has served as non-executive Chairman of Boss Resources Limited and was also a director of Kalahari Minerals and Extract Resources, having successfully negotiated the sale of both companies to Taurus Minerals Limited.

## **Other material directorships**

Currently, Mr Mark Hohnen is also a non-executive director of Parabellum Resources Limited.

## **Independence**

The Board considers that Mr Mark Hohnen, if elected, will continue to be classified as an independent director.

### **Board recommendation**

The Company confirms it has conducted appropriate checks into Mr Mark Hohnen's background and experience and those checks have not revealed any information of concern.

Based on Mr Mark Hohnen's relevant experience and qualifications, in particular Mr Mark Hohnen's significant experience and track record of success in the mining and exploration sector, the members of the Board, in the absence of Mr Mark Hohnen, support the election of Mr Mark Hohnen as a director of the Company.

### **3 Resolution 3 – Election of Mr Scott Phegan as a Director**

Resolution 3 seeks approval for the election of Mr Scott Phegan as a Director with effect from the end of the Meeting.

As noted above, clause 12.7(a) of the Constitution provides that the Directors may at any time appoint a person to be a Director, either to fill a casual vacancy, or as an addition to the existing Directors, but so that the total number of Directors does not at any time exceed the maximum number determined by the Company in a general meeting (if applicable). Any Director so appointed holds office only until the next following Annual General Meeting and is then eligible for election and, pursuant to clause 12.3(b)(ii), may be taken into account in determining the Directors who are to retire by rotation (if any) at that meeting.

Mr Scott Phegan, having been appointed by the Board on 8 August 2022, retires from office in accordance with the requirements of clause 12.7(b) of the Constitution and submits himself for election in accordance with clause 12.7(b) of the Constitution.

#### **Qualifications**

Mr Scott Phegan has held multiple technical, project, strategic and executive roles within the bauxite and alumina industries over a 30-year international career with Alcoa. In his capacity as Global Director for Process Design and Development, he was responsible for design and commissioning of multibillion-dollar refining expansions and refining development projects in Australia, Middle East, Brazil, Guinea, Ghana, Jamaica and Vietnam.

Mr Scott Phegan is intimately familiar with the bauxite industry supply lines, customers, and mining practices in relation to alumina refining and project development, as well as the bauxite business development pathway having supported customer development activities in China and Vietnam over several years. Mr Scott Phegan's experience extends across the full project execution lifecycle from study phases through to construction, commissioning and operations.

#### **Other material directorships**

Currently, Mr Scott Phegan is not a director of any other company.

#### **Independence**

The Board considers that Mr Scott Phegan, if elected, will continue to be classified as an independent director.

### **Board recommendation**

The Company confirms it has conducted appropriate checks into Mr Scott Phegan's background and experience and those checks have not revealed any information of concern.

Based on Mr Scott Phegan's relevant experience and qualifications, in particular Mr Scott Phegan's extensive experience in the bauxite and alumina industry, including the design and commissioning of

significant development and mining projects world-wide the members of the Board, in the absence of Mr Scott Phegan, support the election of Mr Scott Phegan as a director of the Company.

#### **4 Resolution 4 – Re-election of Mr David Netherway as a Director**

Pursuant to clause 12.3(b)(iv) of the Company's Constitution, Mr David Netherway, being a Director, retires by way of rotation and, being eligible, offers himself for re-election as a Director.

##### **Qualifications**

Mr David Netherway is a mining engineer with over 45 years of experience in the mining industry receiving a Bachelor of Engineering in Mining Engineering and Certified Diploma in Accounting and Finance.

##### **Other material directorships**

Currently, Mr David Netherway is also a non-executive director of Kore Potash plc and non-executive director of Elemental Altus Royalties Corp.

##### **Independence**

Mr David Netherway was appointed to the Board on 17 March 2014. The Board considers that Mr David Netherway, if re-elected, will continue to be classified as an independent director.

##### **Board recommendation**

Based on Mr David Netherway's relevant experience and qualifications, in particular Mr David Netherway's experience in the international mining industry with significant exposure to the African continent, the members of the Board, in the absence of Mr David Netherway, support the election of Mr David Netherway as a director of the Company.

#### **5 Resolution 5 – Approval of the Plan**

The Directors considered that it was desirable to establish an incentive plan under which persons who are employees or directors of, or individuals who provide services to, a Group Company (**Eligible Employees**) may be offered the opportunity to subscribe for conditional rights to receive Equity Securities in the form of Shares, Options and/or Performance Rights (together, the **Incentives**) in the Company in order to increase the range of potential incentives available to them and to strengthen links between the Company and its Eligible Employees and accordingly, adopted the Employee Awards Plan (**Plan**).

The Plan is designed to provide incentives to Eligible Employees of the Company and to recognise their contribution to the Company's success. Under the Company's current circumstances, the Directors consider that the incentives to Eligible Employees are a cost effective and efficient incentive for the Company as opposed to alternative forms of incentives such as cash bonuses or increased remuneration. To enable the Company to secure Eligible Employees who can assist the Company in achieving its objectives, it is necessary to provide remuneration and incentives to such personnel. The Plan is designed to achieve this objective, by encouraging continued improvement in performance over time and by encouraging personnel to acquire and retain significant shareholdings in the Company.

Shareholder approval is required if any issue of Incentives pursuant to the Plan is to fall within the exception to the calculation of the 25% limit imposed by Listing Rules 7.1 and 7.1A on the number of securities which may be issued without Shareholder approval. Accordingly, Shareholder approval is sought for the purposes of Listing Rule 7.2 Exception 13(b) which provides that Listing Rules 7.1 and 7.1A do not apply to an issue of Equity Securities under an employee incentive scheme that has been approved by the holders of ordinary securities within three years of the date of issue.

Prior Shareholder approval will be required before any Director or related party of the Company can participate in the Plan.

Under the Plan, the Board may offer to Eligible Employees the opportunity to subscribe for such number of Incentives in the Company as the Board may decide and on the terms set out in the rules of the Plan, a summary of which is set out in Annexure A of this Explanatory Memorandum. Incentives granted under the Plan will be offered to Participants in the Plan on the basis of the Board's view of the contribution of the Eligible Employee to the Company.

The maximum number of Incentives proposed to be issued under the Plan following Shareholder approval is expected to be 40,000,000. Once this number is reached the Company will need to seek fresh approval from Shareholders if the subsequent issue of Incentives is to fall within Listing Rule 7.2 Exception 13.

If the Resolution is passed, the Company will be able to issue Incentives under the Plan up the maximum number set out in this Notice. In addition, those issues of Incentives will be excluded from the calculation of the number of Equity Securities that the Company can issue without Shareholder approval under Listing Rule 7.1 and Listing Rule 7.1A.

If the Resolution is not passed, the Company will be able to proceed to issue Incentives under the Plan, however the issue of those Incentives will not fall within the exception to the calculation of the 25% limit imposed by Listing Rules 7.1 and 7.1A and therefore effectively decreasing the number of Equity Securities which may be issued without Shareholder approval.

In accordance with the requirements of Listing Rule 7.2 Exception 13(b), the following information is provided to Shareholders:

- (a) a summary of the terms of the Plan is set out in Annexure A of this Explanatory Memorandum;
- (b) a previous incentive plan was approved by Shareholders on 27 November 2019. A total of 9,000,000 Performance Rights have been issued pursuant to that previous incentive plan;
- (c) the maximum number of Incentives proposed to be issued under the Plan following approval of this Resolution is 40,000,000; and
- (d) a voting exclusion statement has been included in the Notice for the purposes of this Resolution.

## **6 Resolution 6 - Approval of potential termination on benefit in relation to securities issued pursuant to the Plan**

Subject to Shareholder approval of Resolution 5, Shareholder approval is also sought for all purposes of Part 2D.2 of the Corporations Act and ASX Listing Rule 10.19 to approve the giving of benefits under the Plan to a person by the Company in connection with that person ceasing to be an officer of, or ceasing to hold a managerial or executive office in, the Company (or subsidiary of the Company) on the terms and conditions in this Explanatory Memorandum. If Resolution 5 is not approved at the Meeting, this Resolution 6 will not be put to the Meeting.

The term "benefit" has a wide operation and would include any automatic and accelerated vesting of Incentives upon termination or cessation of employment in accordance with their terms.

The Plan allows for Board discretion in the following circumstances:

- (a) discretion not to forfeit any unvested Shares issued under the Plan upon the participant ceasing to be employed;
- (b) discretion to determine that any unvested or vested Options or Performance Rights granted under the Plan will not immediately lapse upon the participant ceasing to be employed; and

- (c) a general discretion to reduce or waive vesting conditions to Incentives in whole or in part at any time and in any particular case, which might include upon the termination or cessation of employment.

The exercise of the above discretion by the Board may constitute a “benefit” for the purposes of section 200B of the Corporations Act and ASX Listing Rule 10.19. The Company is therefore seeking Shareholder approval for the exercise of the Board’s discretion in respect of any current or future participant in the Plan who holds:

- (a) a managerial or executive office in, or is an officer of, the Company (or subsidiary of the Company) at the time of their leaving or at any time in the three years prior to their leaving; and
- (b) Incentives under the Plan at the time of their leaving.

The value of the termination benefits that the Board may give under the Plan cannot be determined in advance. This is because various matters will or are likely to affect that value. In particular, the value of a particular benefit will depend on factors such as the Company’s share price at the time of vesting and the number of Incentives that will vest. The following additional factors may also affect the benefit’s value:

- (a) the Eligible Employee’s length of service and the status of the vesting conditions attaching to the relevant Incentives at the time the Eligible Employee’s employment or office ceases; and
- (b) the number of unvested Incentives that the Eligible Employee holds at the time they cease employment or office.

#### **Part 2D.2 of the Corporations Act**

Part 2D.2 of the Corporations Act restricts the benefits that can be given to persons who hold a “managerial or executive office” (as defined in the Corporations Act) on leaving their employment with the Company or any of its related bodies corporate, unless an exception applies.

Under section 200B of the Corporations Act, a company may only give a person a benefit in connection with their ceasing to hold a managerial or executive office in the company or a related body corporate if it is approved by shareholders under section 200E of the Corporations Act or an exemption applies.

Provided Shareholder approval is given, the value of the termination benefits may be disregarded when applying Section 200F(2)(b) or Section 200G(1)(c) of the Corporations Act (i.e. the approved benefit will not count towards the statutory cap under the legislation).

#### **Listing Rule 10.19**

Listing Rule 10.19 provides that without shareholder approval, an entity must ensure that no officer of the entity or any of its child entities will be, or may be, entitled to termination benefits if the value of those benefits and the termination benefits that are or may become payable to all officers together exceed 5% of the equity interests of the entity as set out in the latest accounts given to ASX under the Listing Rules (**5% Threshold**). Accordingly, Shareholder approval is being sought on the basis that, if Resolution 6 is passed, officers of the Company may be entitled to termination benefits under the Plan which exceed the 5% Threshold.

Depending upon the value of the termination benefits (see above), and the equity interests of the Company at the time such benefits may crystallise, it is uncertain if the giving of the benefits would exceed the 5% Threshold. In the event of such termination benefits crystallising, the Company will comply with Listing Rule 10.19.

If the Resolution is passed, the Company will be able to give termination benefits which may exceed the 5% Threshold to any current or future person holding a managerial or executive office in the

Company or a related body corporate in connection with that person ceasing to hold that managerial or executive office in accordance with the rules of the Plan.

If the Resolution is not passed, the Company will not be able to give termination benefits to any current or future person holding a managerial or executive office in the Company or a related body corporate in connection with that person ceasing to hold that managerial or executive office in accordance with the rules of the Plan where those termination benefits exceed the 5% Threshold.

The Chairman intends to vote all available proxies in favour of this Resolution.

## **7 Resolutions 7, 8 and 9 – Grant of Incentive Options to Mr Mark Hohnen (or his nominee(s))**

The Company proposes to grant a total of up to 3,000,000 Incentive Options to Mr Mark Hohnen (or his nominee(s)), as follows:

- (a) up to 1,000,000 Tranche 1 Incentive Options (each with an exercise price of \$0.09 and an expiry date of 3 years from the date of issue) (the subject of Resolution 7);
- (b) up to 1,000,000 Tranche 2 Incentive Options (each with an exercise price of \$0.12 and an expiry date of 3 years from the date of issue) (the subject of Resolution 8); and
- (c) up to 1,000,000 Tranche 3 Incentive Options (each with an exercise price of \$0.17 and an expiry date of 3 years from the date of issue) (the subject of Resolution 9).

### **7.2 Related Party Transactions Generally**

Chapter 2E of the Corporations Act prohibits a public company from giving a financial benefit to a related party of the public company unless either:

- (a) the giving of the financial benefits falls within one of the nominated exceptions to the provision; or
- (b) Shareholder approval is obtained prior to the giving of the financial benefit and the benefit is given within 15 months after obtaining such approval.

For the purposes of Chapter 2E of the Corporations Act, Mr Mark Hohnen is a related party of the Company.

Shareholder approval is not being sought in relation to Resolutions 7, 8 and 9 for the purposes of section 208 of the Corporations Act on the basis that the benefits are considered by the Board (in the absence of Mr Mark Hohnen) to constitute reasonable remuneration and therefore, the exception in section 211 of the Corporations Act applies to each of Resolutions 7, 8 and 9.

Section 211 provides that Shareholder approval is not required for the purposes of section 208 in circumstances where the benefit constitutes remuneration which would be reasonable given the Company's and the related party's circumstances.

The grant of Incentive Options encourage Mr Mark Hohnen to have a greater involvement in the achievement of the Company's objectives and to provide an incentive to strive to that end by participating in the future growth and prosperity of the Company through Share ownership. Under the Company's current circumstances, the Directors consider (in the absence of Mr Mark Hohnen) that the incentives intended for Mr Mark Hohnen (or his nominee(s)) represented by the grant of these Incentive Options are a cost effective and efficient means for the Company to provide a reward and an incentive, as opposed to alternative forms of incentive, such as the payment of additional cash compensation.

The number of Incentive Options to be granted to Mr Mark Hohnen (or his nominee(s)) has been determined based upon a consideration of:

- (a) the remuneration of the Directors;
- (b) the extensive experience and reputation of Mr Mark Hohnen within the mining industry;
- (c) the current price of Shares;
- (d) the Directors' wish to ensure that the remuneration offered is competitive with market standards or/and practice. The Directors have considered the proposed number of Incentive Options to be granted and will ensure that Mr Mark Hohnen's overall remuneration is in line with market practice;
- (e) attracting and retaining suitably qualified non-executive directors; and
- (f) incentives to attract and ensure continuity of service of Directors who have appropriate knowledge and expertise, while maintaining the Company's cash reserves. The Company does not consider that there are any significant opportunity costs to the Company or benefits foregone by the Company in issuing the Incentive Options upon the terms proposed.

### 7.3 Mr Mark Hohnen's total remuneration package

Mr Mark Hohnen's fees per annum (including superannuation) and the total financial benefit to be received by him in this current period, as a result of the grant of the Incentive Options the subject of Resolutions 7, 8 and 9, are as follows:

Director	Fees p.a. (\$)	Value of Incentive Options (\$)	Total Financial Benefit (\$)
Mr Mark Hohnen	75,000	\$22,000 (Tranche 1 Incentive Options) \$19,000 (Tranche 2 Incentive Options) \$16,000 (Tranche 3 Incentive Options)	132,000

The Company's advisers have valued the Incentive Options to be granted to Mr Mark Hohnen using the Black – Scholes Model. The value of an Incentive Option calculated by the Black – Scholes Model is a function of a number of variables. The valuation of the Black – Scholes Model has been prepared using the following assumptions:

Variable	Input
Share price	\$0.044 (Tranche 1 Incentive Options, Tranche 2 Incentive Options and Tranche 3 Incentive Options)
Exercise price	\$0.090 (Tranche 1 Incentive Options) \$0.120 (Tranche 2 Incentive Options) \$0.170 (Tranche 3 Incentive Options)

Variable	Input
Risk Free Interest Rate	3.57% (Tranche 1 Incentive Options, Tranche 2 Incentive Options and Tranche 3 Incentive Options)
Volatility	100% (Tranche 1 Incentive Options, Tranche 2 Incentive Options and Tranche 3 Incentive Options)
Time (years to expiry)	3 (Tranche 1 Incentive Options, Tranche 2 Incentive Options and Tranche 3 Incentive Options)

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

- (a) they have based the underlying value of each Share in the Company on the ASX closing price of A\$0.044 on 4 October 2022;
- (b) risk free rate of return – 3.57% (estimated, based on the Reserve Bank of Australia); and
- (c) they used a volatility of the Share price of 100%.

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

Based on the assumptions, it is considered that the estimated average value of the Incentive Options to be granted to Mr Mark Hohnen is \$0.022 per Tranche 1 Incentive Option, \$0.019 per Tranche 2 Incentive Option and \$0.016 per Tranche 3 Incentive Option.

#### **7.4 Directors' recommendation**

All the Directors were available to make a recommendation.

The Directors (who have no interest in the outcome of the Resolution) recommend that Shareholders vote in favour of Resolutions 7, 8 and 9. Mr Mark Hohnen declines to make a recommendation about Resolutions 7, 8 and 9 as he may have a material personal interest in the outcome of these particular Resolutions as they relate to the proposed grant of Incentive Options to him (or his nominee(s)). The Board is not aware of any other information that would reasonably be required by the Shareholders to allow them to make a decision whether it is in the best interests of the Company to pass Resolutions 7, 8 and 9.

#### **7.5 Information Requirements – Listing Rules 10.14 and 10.15**

Listing Rule 10.14 provides that the Company must not permit any of the following persons to acquire Equity Securities under an employee incentive scheme:

- a director of the Company (Listing Rule 10.14.1);
- an Associate of a director of the Company (Listing Rule 10.14.12); or
- a person whose relationship with the Company or a person referred to in Listing Rule 10.14.1 or 10.14.2 is such that, in ASX's opinion, the acquisition should be approved by its Shareholders (Listing Rule 10.14.3),

unless it obtains the approval of its Shareholders.

The proposed grant of Incentive Options to Mr Mark Hohnen (or his nominee(s)) pursuant to Resolutions 7, 8 and 9 falls within Listing Rule 10.14.1 and therefore requires the approval of Shareholders under Listing Rule 10.14.

If each of Resolutions 7, 8 and 9 is passed, the Company will grant Incentive Options to Mr Mark Hohnen (or his nominee(s)) as noted above.

If each of Resolutions 7, 8 and 9 is not passed, the Company will not grant the Incentive Options the subject of the applicable Resolution(s) to Mr Mark Hohnen (or his nominee(s)) and the Company may need to consider alternative ways to remunerate Mr Mark Hohnen, including by the payment of cash.

The following further information is provided to Shareholders for the purposes of Listing Rule 10.15:

- (a) the Incentive Options will be granted to Mr Mark Hohnen (or his nominee(s)), as noted above;
- (b) Mr Mark Hohnen is a Director and is therefore a Listing Rule 10.14.1 party;
- (c) up to 3,000,000 Incentive Options will be granted to Mr Mark Hohnen (or his nominee(s)), as follows:
  - (i) up to 1,000,000 Tranche 1 Incentive Options (the subject of Resolution 7);
  - (ii) up to 1,000,000 Tranche 2 Incentive Options (the subject of Resolution 8); and
  - (iii) up to 1,000,000 Tranche 3 Incentive Options (the subject of Resolution 9).
- (d) Mr Mark Hohnen is a Director of the Company and the issue the subject of Resolutions 7, 8 and 9 is intended to remunerate or incentivise Mr Mark Hohnen, whose current total remuneration package is set out above in paragraph 7.3;
- (e) no Incentives that have previously been issued to Mr Mark Hohnen under the Plan;
- (f) the terms and conditions of the Incentive Options are set out in Annexure B to this Explanatory Memorandum;
- (g) the Incentive Options will be granted on a date which will be no later than 3 years after the date of this Meeting, unless otherwise extended by way of ASX granting a waiver to the Listing Rules;
- (h) the Incentive Options will be granted for no consideration;
- (i) a summary of the material terms of the Plan is set out in Annexure A;
- (j) details of any securities issued under the Plan will be published in the annual report of the Company relating to a period in which they were issued, along with a statement that approval for the issue was obtained under Listing Rule 10.14;
- (k) any additional persons covered by Listing Rule 10.14 who become entitled to participate in the Plan after these Resolutions are approved and who were not named in the Notice will not participate until approval is obtained under that rule; and
- (l) a voting exclusion statement applies to Resolutions 7, 8 and 9 as set out in the Notice of Meeting.

## 7.6 Voting

Shareholders are urged to carefully read the Proxy Form and provide a direction to the proxy on how to vote on the Resolutions.

## 8 Resolution 10 – Approval of Additional 10% Placement Capacity

### 8.1 Background

Broadly speaking, and subject to a number of exceptions, Listing Rule 7.1 limits the amount of equity securities that a listed company can issue without the approval of its shareholders over any 12-month period to 15% of the fully paid ordinary securities it had on issue at the start of that period.

Under Listing Rule 7.1A, however, an eligible entity can seek approval from its members, by way of a special resolution passed at its annual general meeting, to increase this 15% limit by an extra 10% to 25% (**Listing Rule 7.1A Mandate**).

An 'eligible entity' means an entity which is not included in the S&P/ASX 300 Index and which has a market capitalisation of \$300 million or less. The Company is an eligible entity for these purposes.

This Resolution seeks Shareholder approval by way of special resolution for the Company to have the additional 10% capacity provided for in Listing Rule 7.1A to issue Equity Securities without Shareholder approval.

If this Resolution is passed, the Company will be able to issue Equity Securities up to the combined 25% limit in Listing Rules 7.1 and 7.1A without any further Shareholder approval.

If this Resolution is not passed, the Company will not be able to access the additional 10% capacity to issue Equity Securities without Shareholder approval provided for in Listing Rule 7.1A and will remain subject to the 15% limit on issuing Equity Securities without Shareholder approval set out in Listing Rule 7.1.

### 8.2 The number of Equity Securities which may be issued pursuant to the Listing Rule 7.1A Mandate

Based on the number of Shares on issue at the date of this Notice, the Company will have 811,866,507 Shares on issue and therefore, subject to Shareholder approval being obtained under this Resolution, 81,186,650 Equity Securities will be permitted to be issued in accordance with Listing Rule 7.1A. Shareholders should note that the calculation of the number of Equity Securities permitted to be issued under the Listing Rule 7.1A Mandate is a moving calculation and will be based the formula set out in Listing Rule 7.1A.2 at the time of issue of the Equity Securities. That formula is:

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

- A** is the number of Shares on issue 12 months immediately preceding the date of issue or agreement (**Relevant Period**):
- (a) plus the number of fully paid Shares issued in the Relevant Period under an exception in Listing Rule 7.2 other than exception 9, 16 or 17;
    - (i) plus the number of fully paid Shares issued in the Relevant Period on the conversion of convertible securities within Listing Rule 7.2 exception 9 where:
      - (ii) the convertible securities were issued or agreed to be issued before the commencement of the relevant period; or

- (iii) the issue of, or agreement to issue, the convertible securities was approved or taken under the Listing Rules to have been approved, under Listing Rules 7.1 or 7.4;
- (b) plus the number of Shares issued in the Relevant Period under an agreement to issue securities within Listing Rule 7.2 exception 16 where:
  - (i) the agreement was entered into before the commencement of the Relevant Period; or
  - (ii) the agreement or issue was approved, or taken under these rules to have been approved, under Listing Rules 7.1 or 7.4;
- (c) plus the number of fully paid Shares issued in the Relevant Period with approval of holders of Shares under Listing Rules 7.1 and 7.4;
- (d) plus the number of partly paid Shares that become fully paid in the Relevant Period;
- (e) less the number of fully paid Shares cancelled in the Relevant Period.

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

**D** is 10%

**E** is the number of Equity Securities issued or agreed to be issued under Listing Rule 7.1A.2 in the Relevant Period where the issue or agreement to issue has not been subsequently approved by Shareholders under Listing Rule 7.4.

### **8.3 Specific information required by Listing Rule 7.3A**

- (a) If the Resolution is passed, the Listing Rule 7.1A Mandate will be valid during the period from the date of the Meeting and will expire on the earlier of:
  - (i) the date that is 12 months after the date of the Meeting;
  - (ii) the time and date of the Company's next annual general meeting; and
  - (iii) the time and date on which the Company receives approval by Shareholders for a transaction under Listing Rules 11.1.2 (a significant change to the nature or scale of activities) or 11.2 (disposal of main undertaking) (**Approval Period**).
- (b) The Equity Securities to be issued will be in an existing class of quoted securities and will be issued for cash consideration at an issue price per Equity Security of not less than 75% of the volume weighted average price for the Company's Equity Securities over the 15 Trading Days on which trades in the class were recorded immediately before:
  - (i) the date on which the price at which the Equity Securities are to be issued is agreed by the Company and the recipient of the Equity Securities; or
  - (ii) if the Equity Securities are not issued within ten Trading Days of the date in paragraph (i) above, the date on which the Equity Securities are issued.
- (c) the Shares are being issued to progress the Company's bauxite exploration and development projects in Cameroon and for general working capital;

- (d) If this Resolution is approved by Shareholders and the Company issues Equity Securities under the Listing Rule 7.1A Mandate, the existing Shareholders' economic and voting interests in the Company will be diluted. There is also a risk that:
- (i) the market price for the Company's Equity Securities may be significantly lower on the date of the issue of the Equity Securities than on the date the Listing Rule 7.1A Mandate was approved; and
  - (ii) the Equity Securities may be issued at a price that is at a discount to the market price for the Company's Equity Securities on the issue date or the Equity Securities; or

The table below demonstrates the potential dilution of existing Shareholders in three differing scenarios.

Variable 'A' (refer above for calculation)		Dilution		
		\$0.024 Issue Price at half the last closing price	\$0.048 Issue Price at the last closing price	\$0.096 Issue Price at double the last closing price
<b>Current Variable 'A'</b> 811,866,507 Shares	<b>Shares issued</b>	81,186,650	81,186,650	81,186,650
	<b>Funds raised</b>	\$1,948,479.60	\$3,896,959.20	\$7,793,918.40
	<b>Dilution</b>	10%	10%	10%
<b>50% increase in current Variable 'A'</b> 1,217,799,760 Shares	<b>Shares issued</b>	121,779,976	121,779,976	121,779,976
	<b>Funds raised</b>	\$2,922,719.42	\$5,845,438.85	\$11,690,877.69
	<b>Dilution</b>	10%	10%	10%
<b>100% increase in current variable 'A'</b> 1,623,733,014 Shares	<b>Shares issued</b>	162,373,301	162,373,301	162,373,301
	<b>Funds raised</b>	\$3,896,959.22	\$7,793,918.45	\$15,587,836.89
	<b>Dilution</b>	10%	10%	10%

**Note:** This table assumes:

- No Options are exercised before the date of the issue of the Equity Securities.
- The issue of Equity Securities under the Listing Rule 7.1A Mandate consists only of Shares. If the issue of Equity Securities includes quoted Options, for the purposes of the above table, it is assumed that those quoted Options are exercised into Shares for the purposes of calculating the voting dilution effect on existing Shareholders.
- The table does not show an example of dilution that may be caused to a particular Shareholder by reason of placements under the Listing Rule 7.1A Mandate, based on that Shareholder's holding at the date of the Meeting.

The table shows only the effect of issues of Equity Securities under Listing Rule 7.1A, not under the 15% placement capacity under Listing Rule 7.1.

- (e) The identity of the persons to whom Shares will be issued is not yet known and will be determined on a case by case basis having regard to market conditions at the time of the proposed issue of Equity Securities and the Company's allocation policy, which involves consideration of matters including, but not limited to:
  - (i) the ability of the Company to raise funds at the time of the proposed issue of Equity Securities and whether the raising of any funds under such placement could be carried out by means of an entitlement offer, or a placement and an entitlements offer;
  - (ii) the dilutionary effect of the proposed issue of the Equity Securities on existing Shareholders at the time of proposed issued of Equity Securities;
  - (iii) the financial situation and solvency of the Company; and
  - (iv) advice from its professional advisers, including corporate, financial and broking advisers (if applicable).
- (f) The persons to whom Shares will be issued under the Listing Rule 7.1A Mandate have not been determined as at the date of this Notice, but will not include related parties (or their Associates) of the Company.
- (g) The Company has not previously issued or agreed to issue Equity Securities under Listing Rule 7.1A2 in the 12 months preceding the date of the Meeting.

## **9 Resolution 11 –Renewal of proportional takeover provisions**

### **Background**

The Corporations Act permits a company to include in its constitution provisions (called **takeover approval provisions**) requiring that a proportional or partial takeover offer (ie an offer for less than 100% of the shares but for the same proportion of each shareholder's shares) be approved by a majority of shareholders, before it may proceed. In effect, the approval of Resolution 11 will enable the Company to refuse to register shares acquired under a proportional takeover bid unless than bid is approved by a majority of shareholders.

The Company's Constitution currently contains provisions dealing with proportional takeover bids.

### **Section 648G of the Corporations Act**

The following information is provided pursuant to section 648G of the Corporations Act.

#### **(a) Operation of the proportional takeover provisions**

If the proportional takeover provisions set out in clause 9 of the Company's Constitution are renewed the registration of a transfer of Shares acquired under a proportional takeover offer will be prohibited unless an approving resolution is passed by Shareholders in the Company in the manner provided in clause 9 of the Company's Constitution.

The proportional takeover provisions do not apply to a full takeover bid for all of the Shares of the Company.

If the Company's existing proportional takeover provisions are renewed and a proportional takeover offer is subsequently made for Shares in the Company, the Directors must seek Shareholder approval by a majority vote to register transfers under the proportional takeover bid. The Shareholder approval can be obtained either at a general meeting of Shareholders or by postal ballot, as decided by the Board.

In either case, those Shareholders who are entitled to vote at the general meeting or by postal ballot are the Shareholders (other than the bidder and its associates) who are recorded on the register of members at the end of the day on which the first of the takeover offers under the proportional takeover bid is made.

The resolution must be voted on at least 14 days before the last day of the offer period under the proportional takeover bid. The resolution will be passed if more than 50 percent of eligible votes are cast in favour of the approval. If no such resolution has been voted on at least 14 days before the last day of the bid period then a resolution to approve the registration of transfers under the bid is taken to have been passed.

If the resolution is not passed by a majority of the shares voted, then the offer will be deemed to be withdrawn and registration of any transfer of shares resulting from the offer will be prohibited. Acceptances will be returned and any contracts formed by acceptance will be rescinded. If the resolution is approved, transfers of shares to the bidder will be registered provided they comply with the other provisions of the Constitution.

If renewed, clause 9 of the Company's Constitution will have effect for a three year period commencing on 18 November 2022.

**(b) Current acquisition proposals**

As at the day on which this Notice and Explanatory Memorandum is prepared, none of the Directors of the Company is aware of a proposal by a person to acquire, or to increase the extent of, a substantial interest in the Company.

**(c) Advantages of proportional takeover provisions to Shareholders**

Potential advantages to Shareholders of the renewal of proportional takeover provisions in the Company's Constitution are set out below:

- (i) The takeover approval provisions may enable Shareholders to act together and so avoid the coercion of Shareholders that might otherwise arise where they believe a partial offer is inadequate, but nevertheless accept through concern that a significant number of other Shareholders will accept.
- (ii) The takeover approval provisions may provide Shareholders with protection against being coerced into accepting a partial bid at a high premium where the bidder indicates its intention to mount a subsequent bid for the remaining shares at a much reduced price. This puts pressure on Shareholders to accept the initial bid in order to maximise their returns.
- (iii) If a partial bid is made, the takeover approval provisions may make it more probable that a bidder will set its offer price at a level that will be attractive to at least a majority of Shareholders.
- (iv) The body of Shareholders may more effectively advise and guide the Directors' response to a partial bid, and knowing the view of the majority of Shareholders may assist individual Shareholders to assess the likely outcome of the proportional bid and decide whether or not to accept an offer under the bid.
- (v) The takeover approval provisions may make it more probable that any takeover offer will be a full bid for the whole shareholding of each Shareholder, so that Shareholders may have the opportunity of disposing of all their Shares rather than only a proportion.

**(d) Disadvantages of the proportional takeover provisions to Shareholders**

Potential disadvantages to Shareholders of the renewal of proportional takeover provisions in the Company's Constitution are set out below:

- (i) By placing obstacles in the way of partial offers, the proposal may tend to discourage partial offers, thus reducing the opportunity for Shareholders to sell a portion of their holding.
- (ii) It is possible that the existence of the takeover approval provisions might have an adverse effect on the market value of the Company's Shares by making a partial offer less likely thus reducing any takeover speculation element in the Share price.
- (iii) An individual Shareholder who wishes to accept a proportional offer will be unable to sell to the bidder unless a majority of Shareholders favour the proportional takeover scheme (which may be viewed as an additional restriction on the ability of individual Shareholders to deal freely in their Shares).
- (iv) If a proportional takeover offer is made, the Company will incur the cost of either calling a meeting of Shareholders or conducting a postal ballot.

**(e) Advantages and disadvantages of the proportional takeover provisions for the Directors**

Potential advantages and disadvantages to the Directors of the renewal of proportional takeover provisions in the Company's Constitution are set out below:

- (i) If the Directors consider that a proportional bid should be opposed, they will be assisted in preventing the bidder from securing control of the Company as the bidder will need a majority of votes to be cast in its favour by the independent Shareholders, before the bidder can succeed.
- (ii) On the other hand, under the takeover approval provisions, if a proportional takeover offer is received, the Directors must call a meeting or conduct a postal ballot to seek the Shareholders' views. They must do so even if the Directors believe that the offer should be accepted.
- (iii) At present, it is only the Directors who express any formal view on the adequacy or otherwise of a takeover bid, on behalf of the Company. Under the takeover approval provisions the most effective view on a proportional bid will become the view expressed by the vote of the Shareholders themselves, at the meeting or through the postal ballot.
- (iv) The takeover approval provisions may make it easier for the Directors to discharge their fiduciary and statutory duties as directors in the event of a proportional takeover bid.

**(f) Reasons for proposing the Resolution**

Having considered the advantages and disadvantages to Shareholders and the Directors, the Directors have decided to put this Resolution to Shareholders, to give Shareholders an opportunity to take advantage of the protections which the takeover approval provisions offer, if a proportional takeover offer is made.

## GLOSSARY

**\$** means Australian dollars.

**5% Threshold** has the meaning set out on page 15.

**Accounting Standards** has the meaning given to that term in the Corporations Act.

**Annual Report** means the annual report of the Company for the year ended 30 June 2022.

**Associate** has the meaning given to that term in the Listing Rules.

**ASX** means ASX Limited ABN 98 008 624 691 and, where the context permits, the Australian Securities Exchange operated by ASX Limited.

**Auditor** means the Company's auditor from time to time (if any).

**Auditor's Report** means the report of the Auditor contained in the Annual Report for the year ended 30 June 2022.

**AWST** means western standard time as recognised in Perth, Western Australia.

**Board** means the Directors.

**Chair or Chairman** means the individual elected to chair any meeting of the Company from time to time.

**Closely Related Party** has the meaning given to that term in the Corporations Act.

**Company** means Canyon Resources Limited ABN 13 140 087 261.

**Constitution** means the Company's constitution, as amended from time to time.

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

**Directors** means the directors of the Company.

**Dispose** has the meaning given to that term in the Listing Rules and **Disposal** has a corresponding meaning.

**Eligible Employee** has the meaning set out on page 13.

**Equity Securities** has the meaning given to that term in the Listing Rules.

**Explanatory Memorandum** means the explanatory memorandum accompanying this Notice.

**Key Management Personnel** has the meaning given to that term in the Accounting Standards.

**Incentives** has the meaning set out on page 13.

**Incentive Option** means a Tranche 1 Incentive Option, Tranche 2 Incentive Option or Tranche 3 Incentive Option.

**Listing Rule 7.1A Mandate** has the meaning set out on page 19.

**Listing Rules** means the ASX Listing Rules.

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

**Notice** or **Notice of Meeting** means this Notice of Annual General Meeting.

**Option** means an option to acquire a Share.

**Optionholder** means a holder of an Option.

**Participant** has the meaning given to that term in Annexure A.

**Performance Rights** means the performance rights granted under the Plan.

**Plan** has the meaning set out on page 13.

**Proxy Form** means the proxy form accompanying the Notice by way of email where the Shareholder has elected to receive notices by email, or the personalised proxy form accompanying the postcard circulated by way of post where the Shareholder has not elected to receive notices by email.

**Relevant Period** has the meaning set out on page 19.

**Remuneration Report** means the remuneration report set out in the Annual Report for the year ended 30 June 2022.

**Resolution** means a resolution contained in the Notice.

**Restricted Voter** means Key Management Personnel and their Closely Related Parties as at the date of the Meeting.

**Shareholder** means a member of the Company from time to time.

**Shares** means fully paid ordinary shares in the capital of the Company.

**Spill Meeting** has the meaning set out on page 10.

**Spill Resolution** has the meaning set out on page 10.

**Takeover approval provisions** has the meaning set out on page 22.

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

**Tranche 1 Incentive Option** means an Option to acquire Shares with an exercise price of \$0.09 and an expiry date of 3 years from the date of issue, issued on the terms set out in Annexure B to this Explanatory Memorandum.

**Tranche 2 Incentive Option** means an Option to acquire Shares with an exercise price of \$0.12 and an expiry date of 3 years from the

date of issue, issued on the terms set out in Annexure B to this Explanatory Memorandum.

**Tranche 3 Incentive Option** means an Option to acquire Shares with an exercise price of \$0.17 and an expiry date of 3 years from the date of issue, issued on the terms set out in Annexure B to this Explanatory Memorandum.

## Annexure A – Summary of terms of the Plan

- (a) **Eligibility:** The Board may (in its absolute discretion) provide an offer to an Eligible Employee of a Group Company to participate in the Plan (**Offer**). Where such person (or a permitted nominee of such person) accepts the Offer, he or she will become a participant under the Plan (**Participant**).
- (b) **Issue cap:** Offers made under the Plan which require the payment of monetary consideration by the Participant in respect of the issue, transfer or exercise of an Incentive are subject to an issue cap of 5% of the number of Shares on issue (as adjusted or increased as permitted by law and under the Constitution from time to time).
- (c) **Offer:** The Board may make an Offer at any time. Where an Offer is made under the Plan which requires the payment of monetary consideration by the Participant in respect of the issue, transfer or exercise of an Incentive then, subject to limited exceptions, the Offer must include the following information:
- (i) the name and address of the person to whom the Offer is being made to;
  - (ii) the date of the Offer;
  - (iii) the first acceptance date (which must be at least 14 days after receiving the Offer) and the final acceptance date that the person can accept the Offer;
  - (iv) the number of Options, Performance Rights or Shares being offered and the maximum number which can be applied for;
  - (v) the amount payable per Incentive by the person on application for the Incentives offered (if any), or the manner of determining such amount payable;
  - (vi) the conditions (if any) determined by the Board which are required to be satisfied, reached and met before an Incentive will be issued, and whether not it is issued subject to further vesting conditions;
  - (vii) the vesting conditions attaching to the Incentive (if applicable);
  - (viii) the first exercise date and last exercise date of the Incentives;
  - (ix) the exercise price (if any) or the manner of determining the exercise price of the Incentives;
  - (x) the vesting period (if any) of the Incentives;
  - (xi) general information about the risks of acquiring and holding the Incentives (and underlying Shares) the subject of the Offer;
  - (xii) a copy of the Plan;
  - (xiii) any other specific terms and conditions applicable to the Offer;
  - (xiv) to the extent required by applicable law:
    - (A) an explanation of how an Eligible Employee could, from time to time, ascertain the market price of the Shares underlying the Options or Performance Rights;
    - (B) the terms of any loan or contribution plan under which an Eligible Employee may obtain Incentives, or a summary of the terms of the

- loan together with a statement that the Participant can request a copy of the terms;
- (C) the trust deed of any trust that will hold Incentives on trust for an Eligible Employee, or a summary of the terms of the trust deed together with a statement that the Participant can request a copy of the trust deed;
  - (D) a copy of any disclosure document prepared by the Company under Part 6D.2 of the Corporations Act in the 12 months before the date of the Offer; and
  - (E) any other information required by applicable laws; and
- (xv) a prominent statement to the effect that:
- (A) any advice given by the Company in relation to Incentives issued under the Plan, and Shares issued upon exercise of the Options or Performance Rights, does not take into account an Eligible Employee's objectives, financial situation and needs; and
  - (B) the Eligible Employee should obtain their own financial product advice in relation to the Offer from a person who is licensed by ASIC to give such advice.
- (d) **Terms of Offer:** The terms and conditions applicable to an Offer, and any accompanying document, must not include any misleading or deceptive statements, or omit any information that would result in those materials becoming misleading or deceptive. The Company must provide the Participant with an updated Offer as soon as practicable after becoming aware that the document that was provided has become out of date, or is otherwise not correct, in a material respect.
- (e) **Issue Price:** The issue price (if any) in respect of the Incentives granted under the Plan is as determined by the Board at its discretion.
- (f) **Nominees:** An Eligible Employee may, by notice in writing to the Board and subject to applicable laws, nominate a nominee in whose favour the Eligible Employee wishes the Incentives to be issued. The nominee may be an immediate family member of the Eligible Employee, a corporate trustee of a self-managed superannuation fund where the Eligible Employee is a director of the trustee or a company whose members comprise no persons other than the Eligible Employee or immediate family members of the Eligible Employee. The Board may, in its sole and absolute discretion, decide not to permit the Incentives to be issued to a nominee.
- (g) **Dealing:** Incentives may not be sold, assigned, transferred or otherwise dealt with except on the death of the Participant in limited circumstances or with the prior consent of the Board.
- (h) **Vesting:** An Incentive will vest when the Participant receives a vesting notice from the Company confirming that the vesting conditions attaching to the Incentives are met or waived. The Board may, in its sole and absolute discretion, and subject to the Listing Rules, reduce or waive any vesting conditions, and/or determine that an unvested Incentive will immediately vest and become immediately exercisable upon:
- (i) a takeover bid (as defined in the Corporations Act) becoming or being declared unconditional;

- (ii) the Court sanctioning a compromise or arrangement relating to the Company under Part 5.1 of the Corporations Act;
  - (iii) any other merger, consolidation or amalgamation involving the Company occurring which results in the holders of Shares immediately prior to the merger, consolidation or amalgamation being entitled to 50% or less of the voting shares in the body corporate resulting from the merger, consolidation or amalgamation;
  - (iv) any Group Company entering into agreements to sell in aggregate a majority in value of the businesses or assets of the Group to a person, or a number of persons, none of which are Group Companies; or
  - (v) the Board determining in its reasonable opinion that control of the Company has or is likely to change or pass to one or more persons.
- (i) **Exercise of Incentive:** Upon receiving a vesting notice with respect to their Incentives, a Participant may exercise those Incentives by delivery to the Company Secretary of the certificate for the Incentives (if any), a signed notice of exercise and payment equal to the exercise price (if any) for the number of Incentives sought to be exercised.
- (j) **Lapse of Incentive:** Unless otherwise determined by the Board, an Incentive will not vest and will lapse on the earlier of:
- (i) the Board determining that the vesting conditions attaching to the Incentive have not been satisfied, reached or met in accordance with its terms or is not capable of being satisfied, reached or met;
  - (ii) the day immediately following the last exercise date; or
  - (iii) with respect of unvested Incentives, the date the Participant ceases employment, engagement or office with the Company, subject to certain exceptions.
- (k) **Issue of Shares on vesting of Options or Performance Rights:** Following exercise of the Options or Performance Rights, the Company will, subject to the terms of the Company's relevant policies, issue or transfer Shares to that Participant and apply for official quotation or listing of those Shares on the ASX if applicable. Unless and until the Options or Performance Rights have been exercised and the relevant Shares issued to that Participant as a result of that exercise, a Participant has no right or interest in those Shares.
- (l) **Ranking of Shares:** Shares issued upon exercise of the Options or Performance Right will rank equally in all respects with existing Shares, except for entitlements which had a record date before the date of the issue of that Share.
- (m) **Adjustment of Options or Performance Rights:** If, prior to the vesting of an Option or Performance Right, there is a reorganisation of the issued share capital of the Company (including a consolidation, sub-division or reduction of capital or return of capital to Shareholders), the number of Options or Performance Rights to which a Participant is entitled will be adjusted in a manner required by the Listing Rules.
- (n) **Clawback:** If the Board determines that:
- (i) a Participant (or Eligible Employee who has nominated a nominee to receive the Incentives) at any time:
    - (A) has been dismissed or removed from office for a reason which entitles a Group Company to dismiss the Participant (or Eligible Employee) without notice;

- (B) has been convicted on indictment of an offence against the Corporations Act in connection with the affairs of a Group Company;
- (C) has had a judgement entered against him or her in civil proceedings in respect of the contravention by the Participant (or Eligible Employee) of his or her duties at law, in equity or under statute in his or her capacity as an executive or Director of a Group Company;
- (D) has committed an act of fraud, defalcation or gross misconduct in relation to the affairs of that body corporate (whether or not charged with an offence);
- (E) is in material breach of any of his or her duties or obligations to a Group Company; or
- (F) has done an act which brings a Group Company into disrepute,

then the Board may determine that all unvested Shares held by the Participant will be forfeited and any Options or Performance Rights held by the Participant will lapse; and

- (ii) there has been a material misstatement in the Company's financial statements or some other event has occurred which, as a result, means that the relevant vesting conditions (if any) to an Incentive which has vested were not, or should not have been determined to have been satisfied, then the Participant shall cease to be entitled to those vested Incentives and the Board may:

- (A) by written notice to the Participant cancel the relevant Options or Performance Rights for no consideration or determine that the relevant Shares are forfeited;
- (B) by written notice to the Participant require that the Participant pay to the Company the after tax value of the relevant Incentives, with such payment to be made within 30 Business Days of receipt of such notice; or
- (C) adjust fixed remuneration, incentives or participation in the Plan of a relevant Participant in the current year or any future year to take account of the after tax value of the relevant Incentives.

- (o) **Amendments to the Plan:** Subject to and in accordance with the Listing Rules, the Board may amend, revoke, add to or vary the Plan (without the necessity of obtaining the prior or subsequent consent or approval of Shareholders of the Company), provided that rights or entitlements in respect of any Option, Performance Right or Share granted before the date of the amendment shall not be reduced or adversely affected without the prior written consent of the Participant affected by the amendment.

## Annexure B – Summary of terms of the Incentive Options

The terms of the Incentive Options proposed to be granted to Mr Mark Hohnen (or his nominee(s)) are set out below (and are otherwise governed by the terms of the Plan):

- (a) Each Incentive Option entitles the holder to subscribe for one Share.
- (b) The Incentive Options will be issued for nil consideration.
- (c) The exercise prices for the Incentive Options are as follows (**Exercise Price**):
  - (i) for 1,000,000 Tranche 1 Incentive Options, \$0.09 each;
  - (ii) for 1,000,000 Tranche 2 Incentive Options, \$0.12 each; and
  - (iii) for 1,000,000 Tranche 3 Incentive Options, \$0.17 each.
- (d) The Incentive Options will lapse at 5.00 pm, AWST on the date 3 years from their date of issue (**Expiry Date**).
- (e) The Incentive Options are not transferable.
- (f) The Incentive Options will not be quoted.
- (g) There are no participating rights or entitlements inherent in these Incentive Options and holders of the Incentive Options will not be entitled to participate in new issues of capital that may be offered to shareholders during the currency of the Incentive Option.
- (h) Subject to all applicable laws, Optionholders have the right to exercise their Incentive Options prior to the date of determining entitlements to any capital issues to the then existing shareholders of the Company made during the currency of the Incentive Options.
- (i) In the event of any re-organisation (including reconstruction, consolidation, subdivision, reduction or return of capital) of the issued capital of the Company, the Incentive Options will be re-organised as required by the Listing Rules, but in all other respects the terms of exercise will remain unchanged.
- (j) The Incentive Options shall be exercisable at any time before the Expiry (**Exercise Period**) by the delivery to the registered office of the Company of a notice in writing (**Exercise Notice**) stating the intention of the Optionholder to exercise all or a specified number of Incentive Options held by them accompanied by an Option Certificate and a cheque made payable to the Company or an electronic payment, of the aggregate Exercise Price of the Incentive Options being exercised. The Exercise Notice and cleared funds must be received by the Company during the Exercise Period. An exercise of only some Incentive Options shall not affect the rights of the Optionholder to the balance of the Incentive Options held by the Optionholder.
- (k) The Company shall allot the resultant Shares and deliver or arrange delivery of a statement of shareholdings with a holders' identification number within 5 business days of exercise of the Incentive Options.
- (l) The Shares allotted shall rank, from the date of allotment, equally with the then existing ordinary Shares of the Company in all respects.
- (m) If there is a bonus share issue (**Bonus Issue**) to the holders of Shares, the number of Shares over which an Incentive Option is exercisable will be increased by the number of Shares which the Optionholder would have received if the Incentive Option had been exercised before the record date for the Bonus Issue (**Bonus Shares**). The Bonus Shares must be paid up by the Company out of the profits or reserves (as the case may be) in the same manner as was

applied in the Bonus Issue and upon issue rank pari passu in all respects with the other shares of that class on issue at the date of issue of the Bonus Shares.

- (n) If there is a pro rata issue (other than a Bonus Issue) to the holders of Shares during the currency of, and prior to the exercise of any Incentive Options, the Exercise Price of an Incentive Option will be reduced according to the formula provided for in the Listing Rules (whether or not the Company is listed on the ASX at the time).
- (o) The Incentive Options will not give any right to participate in dividends until Shares are allotted pursuant to the exercise of the relevant Incentive Options.



Canyon Resources Limited  
ABN 13 140 087 261

CAYRM

MR RETURN SAMPLE  
123 SAMPLE STREET  
SAMPLE SUBURB  
SAMPLETOWN VIC 3030



## Need assistance?



**Phone:**

1300 850 505 (within Australia)  
+61 3 9415 4000 (outside Australia)



**Online:**

[www.investorcentre.com/contact](http://www.investorcentre.com/contact)



## YOUR VOTE IS IMPORTANT

For your proxy appointment to be effective it must be received by **3:00pm (AWST) on Saturday, 19 November 2022.**

# Proxy Form

## How to Vote on Items of Business

All your securities will be voted in accordance with your directions.

### APPOINTMENT OF PROXY

**Voting 100% of your holding:** Direct your proxy how to vote by marking one of the boxes opposite each item of business. If you do not mark a box your proxy may vote or abstain as they choose (to the extent permitted by law). If you mark more than one box on an item your vote will be invalid on that item.

**Voting a portion of your holding:** Indicate a portion of your voting rights by inserting the percentage or number of securities you wish to vote in the For, Against or Abstain box or boxes. The sum of the votes cast must not exceed your voting entitlement or 100%.

**Appointing a second proxy:** You are entitled to appoint up to two proxies to attend the meeting and vote on a poll. If you appoint two proxies you must specify the percentage of votes or number of securities for each proxy, otherwise each proxy may exercise half of the votes. When appointing a second proxy write both names and the percentage of votes or number of securities for each in Step 1 overleaf.

**A proxy need not be a securityholder of the Company.**

## SIGNING INSTRUCTIONS FOR POSTAL FORMS

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

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

**Power of Attorney:** If you have not already lodged the Power of Attorney with the registry, please attach a certified photocopy of the Power of Attorney to this form when you return it.

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

## PARTICIPATING IN THE MEETING

### Corporate Representative

If a representative of a corporate securityholder or proxy is to participate in the meeting you will need to provide the appropriate "Appointment of Corporate Representative". A form may be obtained from Computershare or online at [www.investorcentre.com/au](http://www.investorcentre.com/au) and select "Printable Forms".

## Lodge your Proxy Form:

**XX**

### Online:

Lodge your vote online at [www.investorvote.com.au](http://www.investorvote.com.au) using your secure access information or use your mobile device to scan the personalised QR code.

Your secure access information is



**Control Number: 999999**

**PIN: 99999**

For Intermediary Online subscribers (custodians) go to [www.intermediaryonline.com](http://www.intermediaryonline.com)

### By Mail:

Computershare Investor Services Pty Limited  
GPO Box 242  
Melbourne VIC 3001  
Australia

### By Fax:

1800 783 447 within Australia or  
+61 3 9473 2555 outside Australia



**PLEASE NOTE:** For security reasons it is important that you keep your SRN/HIN confidential.

You may elect to receive meeting-related documents, or request a particular one, in electronic or physical form and may elect not to receive annual reports. To do so, contact Computershare.

**Change of address.** If incorrect, mark this box and make the correction in the space to the left. Securityholders sponsored by a broker (reference number commences with 'X') should advise your broker of any changes.



IND

# Proxy Form

Please mark  to indicate your directions

## Step 1 Appoint a Proxy to Vote on Your Behalf

XX

I/We being a member/s of Canyon Resources Limited hereby appoint

the Chairman of the Meeting **OR**

**PLEASE NOTE:** Leave this box blank if you have selected the Chairman of the Meeting. Do not insert your own name(s).

or failing the individual or body corporate named, or if no individual or body corporate is named, the Chairman of the Meeting, as my/our proxy to act generally at the meeting on my/our behalf and to vote in accordance with the following directions (or if no directions have been given, and to the extent permitted by law, as the proxy sees fit) at the Annual General Meeting of Canyon Resources Limited to be held at QV1 Conference Centre, Level 2, 250 St Georges Terrace, Perth, WA 6000 on Monday, 21 November 2022 at 3:00pm (AWST) and at any adjournment or postponement of that meeting.

**Chairman authorised to exercise undirected proxies on remuneration related resolutions:** Where I/we have appointed the Chairman of the Meeting as my/our proxy (or the Chairman becomes my/our proxy by default), I/we expressly authorise the Chairman to exercise my/our proxy on Resolutions 1, 5, 6, 7, 8 and 9 (except where I/we have indicated a different voting intention in step 2) even though Resolutions 1, 5, 6, 7, 8 and 9 are connected directly or indirectly with the remuneration of a member of key management personnel, which includes the Chairman.

**Important Note:** If the Chairman of the Meeting is (or becomes) your proxy you can direct the Chairman to vote for or against or abstain from voting on Resolutions 1, 5, 6, 7, 8 and 9 by marking the appropriate box in step 2.

## Step 2 Items of Business

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

	For	Against	Abstain		For	Against	Abstain
1	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	9	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
2	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	10	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
3	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	11	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
4	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>				
5	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>				
6	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>				
7	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>				
8	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>				

The Chairman of the Meeting intends to vote undirected proxies in favour of each item of business. In exceptional circumstances, the Chairman of the Meeting may change his/her voting intention on any resolution, in which case an ASX announcement will be made.

## Step 3 Signature of Securityholder(s) *This section must be completed.*

Individual or Securityholder 1  Securityholder 2  Securityholder 3  / /  
Sole Director & Sole Company Secretary Director Director/Company Secretary Date

**Update your communication details** (Optional)

Mobile Number  Email Address  By providing your email address, you consent to receive future Notice of Meeting & Proxy communications electronically

