



Auris Minerals Limited
(ACN 085 806 284)

**Notice of Annual General Meeting,
Explanatory Statement, and Proxy Form**

Annual General Meeting to be held at

**Ground Floor Meeting Room, 216 St Georges Tce
Perth Western Australia 6000**

At 11.00am (WST) on Tuesday, 21 November 2023

IMPORTANT NOTE

The Notice of Annual General Meeting and Explanatory Statement should be read in their entirety. If you are in doubt as to how you should vote, you should seek advice from your accountant, solicitor, or other professional adviser prior to voting.

Important Information

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Important dates

An indicative timetable of key proposed dates is set out below. These dates are indicative only and are subject to change.

Event	Date
Last day for receipt of Proxy Forms – Proxy Forms received after this time will be disregarded	11.00am (WST) on Sunday, 19 November 2023
Snapshot date for eligibility to vote	11.00am (WST) on Sunday, 19 November 2023
Annual General Meeting	11.00am (WST) on Tuesday, 21 November 2023

Defined terms

Capitalised terms used in this Notice of Annual General Meeting will, unless the context otherwise requires, have the same meaning given to them in the Glossary set out in the Explanatory Statement.

Notice of Annual General Meeting

Notice is hereby given that an Annual General Meeting of Auris Minerals Limited (ACN 085 806 284) (**Company** or **Auris**) will be held at Ground Floor Meeting Room, 216 St Georges Tce, Perth, Western Australia at **11.00am (WST)** on **Tuesday, 21 November 2023** for the purpose of transacting the business referred to in this Notice of Annual General Meeting.

The Explanatory Statement that accompanies and forms part of this Notice describes the various matters to be considered.

AGENDA

Financial Statements and Reports

To receive and consider the Financial Statements, Directors' Report, and Auditor's Report of the Company for the financial year ended 30 June 2023.

Resolution 1 – Adoption of the Remuneration Report

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

“That the Remuneration Report contained in the Directors' Report for the year ended 30 June 2023 be adopted by the Company.”

Notes: In accordance with the Corporations Act, the vote on this Resolution is advisory only and does not bind the Directors or the Company.

The Directors will consider the outcome of the vote and comments made by Shareholders on the Remuneration Report at the Meeting when reviewing the Company's remuneration policies.

Resolution 2 – Re-election of Mr Craig Hall as a Director

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

“That for the purposes of Listing Rule 14.5, article 12.3(b) of the Constitution and for all other purposes, Mr Craig Hall retires, and being eligible offers himself for election, be elected as a Director.”

Resolution 3 – Approval of updated Employee Incentive Plan

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

“That, for the purposes of Listing Rule 7.2 (exception 13) and for all other purposes, Shareholders approve the Company's updated Employee Incentive Plan, a summary of which is set out in Schedule 1, and for the issue of up to 47,662,596 Equity Securities under the plan in reliance on Listing Rule 7.2 (exception 13), on the terms and conditions set out in the Explanatory Statement.”

Resolution 4 – Approval of Additional Issuance Capacity

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

“That, for the purposes of Listing Rule 7.1A and for all other purposes, approval is given for the Company to issue up to that number of Equity Securities equal to 10% of the issued capital of the Company at the time of issue, calculated in accordance with the formula prescribed in Listing Rule 7.1A.2 and otherwise on the terms and conditions set out in the Explanatory Statement.”

By order of the Board

Chris Achurch
Company Secretary
6 October 2023

Voting Prohibitions and Exclusion Statements

Corporations Act voting prohibitions

Resolution	Excluded persons	Exception
Resolution 1	<p>In accordance with sections 250BD and 250R(4) of the Corporations Act, a vote on the Resolution must not be cast by:</p> <ul style="list-style-type: none"> a member of Key Management Personnel the details of whose remuneration is included in the Remuneration Report or their Closely Related Parties, regardless of the capacity in which the vote is cast; or by a proxy for a member of Key Management Personnel at the date of the Meeting or their Closely Related Parties. 	<p>The prohibition does not apply if:</p> <ul style="list-style-type: none"> the vote is cast in accordance with the directions on how the proxy is to vote, as specified in the proxy appointment; or the appointment expressly authorises the Meeting Chair to exercise the proxy even though the Resolution is in connection directly or indirectly with remuneration of a member of the Key Management Personnel.
Resolution 3	<p>In accordance with section 250BD of the Corporations Act, a person appointed as a proxy must not vote, on the basis of that appointment, on the Resolution if:</p> <ul style="list-style-type: none"> the proxy is either: <ul style="list-style-type: none"> a member of the Key Management Personnel; or a Closely Related Party of such a member; and the appointment does not specify the way the proxy is to vote on the Resolution. 	<p>The prohibition does not apply if:</p> <ul style="list-style-type: none"> the proxy is the Meeting Chair; the appointment expressly authorises the Meeting Chair to exercise the proxy even though the Resolution is in connection directly or indirectly with remuneration of a member of the Key Management Personnel.

ASX voting exclusion statements

Resolution	Excluded persons	Exception
Resolution 3	<p>For the purposes of Listing Rules 7.2 (exception 13) and 14.11, the Company will disregard any votes cast in favour of the Resolution by or on behalf of a person who is eligible to participate in the Equity Incentive Plan or any 'associate' (as defined in the Listing Rules) of that person or those persons.</p>	<p>The Company need not disregard a vote cast in favour of the Resolution if it is cast by:</p> <ul style="list-style-type: none"> 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; the Meeting Chair as proxy or attorney for a person who is entitled to vote on the Resolution, in accordance with a direction given to the Meeting Chair on the Resolution as the Meeting Chair decides; or a holder acting solely in a nominee,

		<p>trustee, custodial or other fiduciary capacity on behalf of a beneficiary provided the following conditions are met:</p> <ul style="list-style-type: none"> ○ the beneficiary provides written confirmation to the holder that the beneficiary is not excluded from voting, and is not an 'associate' (as defined in the Listing Rules) of a person excluded from voting, on the Resolution; and ○ the holder votes on the Resolution in accordance with directions given by the beneficiary to the holder to vote in that way.
Resolution 4	<p>At the date of this Notice, the Company is not proposing to make an issue of Equity Securities under Listing Rule 7.1A.2. Accordingly, a voting exclusion statement for the purposes of Listing Rules 7.3A.7 and 14.11 does not apply to the Resolution.</p>	

Proxy Appointment and Voting Instructions

Proxy Form

The Proxy Form (and any power of attorney or other authority, if any, under which it is signed) must be received at an address below, or by email by **11.00am (WST) on Sunday, 19 November 2023**. A Proxy Form received after that time will not be valid.

By mail	Auris Minerals Limited – PO Box 298, West Perth WA 6872
By hand	Level 1, 18 Richardson Street, West Perth WA 6005
By email	general@ausminerals.com.au

Appointment of a proxy

A Shareholder entitled to attend and vote at the Meeting is entitled to appoint a proxy. The proxy may, but need not be, a Shareholder.

The Company encourages Shareholders to appoint the Chairperson as your proxy. To do so, mark the appropriate box on the Proxy Form. If the person you wish to appoint as your proxy is someone other than the Chairperson, please write the name of that person in the space provided on the Proxy Form. If you leave this section blank, or your named proxy does not attend the Meeting, the Chairperson will be your proxy.

You are entitled to appoint up to two persons as proxies to attend the Meeting and vote on a poll. If you wish to appoint a second proxy, you may photocopy the Proxy Form.

To appoint a second proxy you must, on each Proxy Form, state (in the appropriate box) the percentage of your voting rights which are the subject of the relevant proxy. If both Proxy Forms do not specify that percentage, each proxy may exercise half your votes. Fractions of votes will be disregarded.

Corporate Shareholders

Corporate Shareholders should comply with the execution requirements set out on the proxy form or otherwise with the provisions of section 127 of the Corporations Act. Section 127 of the Corporations Act provides that a company may execute a document without using its common seal if the document is signed by:

- two directors of the company;
- a director and a company secretary of the company; or
- for a proprietary company that has a sole director who is also the sole company secretary, that director.

Corporate representatives

A corporation may elect to appoint an individual to act as its representative in accordance with section 250D of the Corporations Act, in which case the Company will require a certificate of appointment of the corporate representative executed in accordance with the Corporations Act. The certificate of appointment must be lodged with the Company and/or the Company's share registry before the Meeting or at the registration desk on the day of the Meeting.

Votes on Resolutions

All voting on the Resolutions will be conducted by poll.

You may direct your proxy how to vote by placing a mark in the 'FOR', 'AGAINST' or 'ABSTAIN' box opposite the Resolution. All your votes will be cast in accordance with such a direction unless you indicate only a portion of voting rights are to be voted on the Resolution by inserting the percentage or number of Shares you wish to vote in the appropriate boxes. If you do not mark any of the boxes next

to a Resolution, your proxy may vote as he or she chooses. If you mark more than one box on the Resolution, your vote will be invalid.

Chairperson voting undirected proxies

If the Chairperson is your proxy, the Chairperson will cast your votes in accordance with your directions on the Proxy Form. If you do not mark any of the boxes on the Resolutions, then you expressly authorise the Chairperson to vote your undirected proxies at his/her discretion.

As at the date of this Notice of Meeting, the Chairperson intends to vote undirected proxies **FOR** each of the Resolutions. In exceptional cases the Chairperson's intentions may subsequently change and in this event, the Company will make an announcement to the market.

Voting entitlement (snapshot date)

For the purposes of determining voting and attendance entitlements at the Meeting, Shares will be taken to be held by the persons who are registered as holding the Shares at **11.00am (WST) on Sunday, 19 November 2023**. Accordingly, transactions registered after that time will be disregarded in determining entitlements to attend and vote at the Meeting.

Questions from Shareholders

Questions for the Board of Directors can be submitted in the same manner as outlined above for the lodgement of Proxy Forms and must be received by no later than **11.00am (WST) on Sunday, 19 November 2023**.

The board of Directors will endeavour to prepare answers to these questions, where necessary they will be moderated and curated to cover common ground.

Copies of written questions will be made available on the Company's website prior to the Meeting.

The Chairperson will allow a reasonable opportunity for Shareholders to ask questions or make comments on the management and performance of the Company.

Elderton Audit Pty Ltd, as the Auditor responsible for preparing the Auditor's Report for the year ended 30 June 2023 (or its representative), will attend the Meeting. The Chairperson will allow a reasonable opportunity for the Shareholders as a whole to ask the Auditor questions at the Meeting about:

- (a) the conduct of the audit;
- (b) the preparation and content of the Auditor's 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 in relation to the conduct of the audit.

To assist the Board and the Auditor of the Company in responding to any questions you may have, please submit any questions you may have to the address below by no later than **5.00pm (WST) on Tuesday, 14 November 2023**.

By mail: Level 32, 152 St Georges Tce, Perth WA 6000

As required under section 250PA of the Corporations Act, at the Meeting, the Company will make available those questions directed to the Auditor received in writing at least five business days prior to the Meeting, being questions which the Auditor considers relevant to the content of the Auditor's report or the conduct of the audit of the Annual Financial Report for the year ended 30 June 2023. The Chairperson will allow a reasonable opportunity for the Auditor to respond to the questions set out on this list.

Explanatory Statement

This Explanatory Statement has been prepared for the information of Shareholders in relation to the business to be conducted at the Annual General Meeting.

The purpose of this Explanatory Statement is to provide Shareholders with all information known to the Company which is material to a decision on how to vote on the Resolutions in the accompanying Notice of Annual General Meeting.

This Explanatory Statement should be read in conjunction with the Notice of Annual General Meeting. Capitalised terms in this Explanatory Statement are defined in the Glossary.

1. Financial Statements and Reports

Shareholders are to receive and consider the Financial Statements, Directors' Report and the Auditor's Report of the Company for the financial year ended 30 June 2023.

Shareholders will be given the opportunity to ask questions of the Board and the Auditors in relation to the Annual Report for the financial year ended 30 June 2023 at the Meeting.

2. Resolution 1 – Adoption of the Remuneration Report

2.1 General

The Remuneration Report sets out the Company's remuneration arrangements for the directors and senior management of the Company. The Remuneration Report is part of the directors' report contained in the annual financial report of the company for a financial year.

The Chairperson of the Meeting must allow a reasonable opportunity for its shareholders to ask questions about or make comments on the Remuneration Report at the annual general meeting.

2.2 Corporations Act requirements

Section 250R(2) of Corporations Act requires a listed public company put a resolution to its shareholders that the remuneration report set out in the directors' report for the preceding financial year be adopted. The resolution is advisory only and does not bind the relevant company or its directors.

If 25% or more of votes that are cast on the resolution are voted against the adoption of the remuneration report at two consecutive annual general meetings of a company, its shareholders will be required to vote at the second of those annual general meetings on a resolution that a further meeting be held within 90 days at which all of the offices of director are vacated (other than the office of managing director) and each such office will be put to a vote.

2.3 Resolution

Resolution 1 is an ordinary resolution to approve the Remuneration Report. The Remuneration Report is set out in the Directors' report which forms part of the 2023 Annual Report.

The vote on Resolution 1 is advisory only and does not bind the Board or the Company. Notwithstanding, the Board will take the outcome of the vote into consideration when considering remuneration policy of the Company going forward.

2.4 Directors' recommendation

The Directors decline to make a recommendation as to how Shareholders should vote in respect of Resolution 1 as they each have an interest in the outcome of the Resolution.

3. Resolution 2 – Re-election of Mr Craig Hall as a Director

3.1 Background

Resolution 2 is an ordinary resolution to approve the re-election of Craig Hall as a Director.

Mr Hall was appointed as a Director on 1 August 2018 and was re-elected at the Company's 2021 annual general meeting.

Mr Hall will retire at the Meeting, and being eligible will submit himself for re-election. If Resolution 2 is not passed, Mr Hall will not be re-elected to his current directorship position.

3.2 Listing Rule and constitutional requirements

Listing Rule 14.5 requires that an entity which has directors must hold an election of directors at each annual general meeting. The note to the rule provides that if no director is required to stand for re-election under Listing Rule 14.4, an entity must select at least one director to stand for re-election by calling for a volunteer or by drawing lots. This rule is substantially reflected in clause 12.3(b) of the Constitution.

Craig Hall will retire in accordance with Listing Rule 14.5 and clause 12.3(b)(iv) of the Constitution.

3.3 Biography

Mr Craig Hall is an experienced geologist with over 30 years of minerals industry experience in exploration, development and production roles in a range of commodities, principally precious and base metals. He has held a variety of senior positions with mid-tier and junior sector resource companies within Australia and overseas. He has previously consulted to the minerals industry providing high quality exploration outcomes, on-site mining support, expert reporting, project valuations and strategic advice to companies through an association with a well-respected Western Australian resource consultancy.

3.4 Directors' recommendation

The Directors (other than Craig Hall) support the re-election of Mr Hall and recommend that Shareholders vote in favour of Resolution 2. Mr Hall declines to make a voting recommendation noting his interest in the Resolution.

4. Resolution 3: Approval of updated Employee Incentive Plan

4.1 Background

(a) Employee Incentive Plan

The Company currently operates an Employee Incentive Plan under which Directors, officers, employees and certain contractors may be offered awards pursuant to which they acquire or earn Equity Securities (e.g. Shares, Options, Performance Rights) in the Company.

The Employee Incentive Plan was adopted by Shareholders at the Company's 2021 annual general meeting on 5 November 2021.

The key objectives of the plan are:

- establishing a method by which eligible participants can participate in the future growth and profitability of the Company;
- providing an incentive and reward for eligible participants for their contributions to the Company;
- attracting and retaining a high standard of managerial and technical personnel for the benefit of the Company; and

- aligning the interests of the eligible participants more closely with the interests of Shareholders, by providing an opportunity for eligible participants to hold an equity interest in the Company.

(b) **Limit on issue of Equity Securities**

At the Company's 2021 annual general meeting, Shareholders approved an initial limit of 23,831,298 Equity Securities that may be issued under the Employee Incentive Plan.

As at the date of this Notice, the Company has not issued any Equity Securities under the plan.

Accordingly, the Board considers it appropriate to increase the maximum number of Equity Securities which may be issued under the Employee Incentive Plan to 47,662,596 in order to enable the Company to offer further awards under the Employee Incentive Plan.

(c) **Legislative amendments and changes to Employee Incentive Plan**

As a result of the *Treasury Laws Amendment (Cost of Living Support and Other Measures) Act 2022* (Cth), the Corporations Act has been amended to include a new Division 1A into Part 7.12 governing the operation of employee share schemes (**ESS Division**).

The ESS Division came into effect on 1 October 2022. It was initially intended to replace and expand the disclosure, financial services licensing and other relief for employee share schemes in place at that time, including under *ASIC Class Order [14/1000] – Employee incentive schemes: Listed bodies*.

An interim period initially operated to allow entities to transition their employee share schemes from the old class order relief to the new ESS Division. This transitional period has ended, and the Company must now comply with the ESS Division. Accordingly, the Board considers it appropriate to update the Employee Incentive Plan Rules to reflect the changes.

A summary of the material changes to the Employee Incentive Plan Rules is set out in the table below.

Subject	Change
Eligible persons	<p>The updated Employee Incentive Plan Rules has been amended to reflect the expanded scope of eligibility under the ESS Division. It now includes:</p> <ul style="list-style-type: none"> • any employee of the Company or its Associated Entities, whether actual or prospective; • any director of the Company or its Associated Entities, whether actual or prospective; • any individual who provides services to the Company or its Associated Entities (i.e. a contractor), whether actual or prospective; • any person who otherwise constitutes a 'primary participant' under section 1100L(1)(a) of the Corporations Act – this definition reflects the persons listed above, but may amended to include additional persons by regulation; and • any other person who is a 'related person' of a 'primary participant' under section 1100L(1)(b) of the Corporations Act – this includes, certain immediate family members, controlled bodies corporate, a related self-managed superannuation fund trustee, and persons prescribed by regulation.

Subject	Change
Issue cap	<p>The ESS Division makes a distinction between those awards in relation to which monetary consideration is payable (whether on issue, transfer or exercise), and those awards where no monetary consideration is payable.</p> <p>For those awards under an employee share scheme in relation to which no monetary consideration is payable, there is no limitation under the ESS Division on the number of awards or underlying shares which may be offered.</p> <p>However, for awards under an employee share scheme in relation to which monetary consideration is payable, the percentage amount is 5% or such other figure as set out in the company's constitution.</p> <p>The updated Employee Incentive Plan Rules reflect the issue cap under the ESS Division. Further, except where required by law, the calculation of the issue cap excludes any awards offered:</p> <ul style="list-style-type: none"> • in circumstances where the Company does not rely upon on the ESS Division or a legislative instrument having similar effect; • to a person situated outside of Australia at the time of receipt of the offer; • an offer that did not need disclosure due to sections 708 or 1012D of the Corporations Act; or • an offer made under a prospectus or other disclosure document. <p>Importantly, the issue cap under the ESS Division is separate to the Listing Rule restrictions on issuing Equity Securities.</p>
Determination of market value	<p>The updated rules provide additional flexibility in terms of valuation methodology, as well as expressly addressing valuation of convertible securities (e.g. Options, Performance Rights). Market value of securities (including awards) under the updated rules will be determined by reference to a method of valuation required by applicable law or otherwise:</p> <ul style="list-style-type: none"> • for a valuation of Shares, the VWAP of Shares in the 10 trading days preceding the day on which the valuation is taken to be conducted; • for valuation of convertible awards, a relevant pricing model or method of valuation under the accounting standards applicable to the preparation of financial reports by the Company, as determined by the Board; and • such other a method of valuation as determined by the Board.

4.2 Resolution

Resolution 3 is an ordinary resolution seeking Shareholder approval to adopt the Company's updated Employee Incentive Plan, as amended to reflect the legislative changes in the ESS Division, for the purposes of Listing Rule 7.2 (exception 13), including to increase the maximum number of Equity Securities which may be issued under the plan to 47,662,596.

4.3 Corporations Act requirements

(a) Financial assistance

Section 260A of the Corporations Act restricts a company from providing financial assistance for the acquisition of shares in itself, subject to certain exceptions.

Section 260C(4) of the Corporations Act provides an exception to these restrictions where a company provides financial assistance under an employee share scheme (e.g. the Employee Incentive Plan) approved at a general meeting of the company.

(b) **Self-acquisition**

Section 259B(1) of the Corporations Act prohibits a company from taking security over its own shares, subject to certain exceptions.

Section 259B(2) of the Corporations Act provides an exception to this prohibition where a company takes security over its own shares under an employee share scheme (e.g. the Employee Incentive Plan) that has been approved at a general meeting of the company.

(c) **Relevance to Employee Incentive Plan**

The Employee Incentive Plan allows for the grant of loan-funded awards whereby the Company may provide limited-recourse, secured loans to eligible participants to fund their acquisition of Equity Securities under the plan. Such arrangements would constitute financial assistance for the purposes of section 260A of the Corporations Act, and would generally involve the Company taking security over its own shares for the purposes of section 259B.

4.4 Listing Rule requirements

Subject to a number of exceptions, Listing Rule 7.1 limits the amount of Equity Securities that a listed entity 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.

Listing Rule 7.2 (exception 13(b)) provides an exception to Listing Rule 7.1 for the issue of Equity Securities under an employee incentive scheme (e.g. the Employee Incentive Plan) that has been approved by an entity's shareholders. For a period of 3 years from approval, Equity Securities issued to persons who are not 'related party' of the entity for the purposes of the Listing Rules under the employee incentive scheme are not counted in the calculation of the entity's 15% issuing capacity under Listing Rule 7.1.

If Resolution 3 is approved, Equity Securities issued under the Company's Employee Incentive Plan to persons who are not 'related party' of the Company for the purposes of the Listing Rules will be excluded from the Company's 15% issuing capacity under Listing Rule 7.1.

If Resolution 3 is not approved, the updated Employee Incentive Plan Rules will still have effect, but the Company will need to issue Equity Securities under the plan to non-Related Parties pursuant to its Listing Rule 7.1 issuing capacity. This will reduce the Company's capacity to issue Equity Securities without Shareholder approval under Listing Rule 7.1 for the 12 months following the date of the issue of the relevant securities.

4.5 Listing Rule information requirements

The following information is provided in relation to the Employee Incentive Plan, for the purposes of Listing Rule 7.2 (exception 13(b)):

(a) **Summary of terms**

A summary of the material terms of the Employee Incentive Plan is set out in Schedule 1.

(b) **Securities issued/granted since listing or last approval**

The Company has not previously issued any Equity Securities to the Directors under the Employee Incentive Plan.

(c) **Maximum number of securities proposed to be issued**

The maximum number of Equity Securities proposed to be issued/granted by the Company under the Employee Incentive Plan over the next 3 years (excluding any Equity Securities issued with Shareholder approval under Listing Rule 10.14) is 47,662,596.

4.6 Directors' recommendation

The Directors unanimously recommend that Shareholders vote in favour of Resolution 3. This will give the Board the flexibility to issue awards to eligible participants (who are not 'related parties' of the Company for the purposes of the Listing Rules) under the Employee Incentive Plan without using the Company's issuing capacity under Listing Rule 7.1.

5. Resolution 4 – Approval of Additional Issuance Capacity

5.1 General

Resolution 4 seeks Shareholder approval for an additional issuing capacity under Listing Rule 7.1A (**Additional Issuance Capacity**).

If approved, the Resolution will enable the Company to issue additional Equity Securities (calculated below) over a 12-month period without having to obtain Shareholder approval. If the Resolution is not approved, the Company's ability to issue Equity Securities without Shareholder approval will remain limited to the amount permitted under Listing Rule 7.1.

Resolution 4 is a special resolution. It must be passed by at least 75% of the votes cast by Shareholders present and entitled to vote on the Resolution.

5.2 Applicable Listing Rules

Listing Rule 7.1A provides that an eligible entity may seek shareholder approval by way of a special resolution passed at its annual general meeting, to allow it to issue Equity Securities totalling up to 10% of its issued share capital through placements over a 12-month period after the annual general meeting (i.e. the Additional Issuance Capacity). This capacity is in addition to the 15% annual issuance capacity under Listing Rule 7.1.

An "eligible entity" for the purposes of Listing Rule 7.1A is an entity that is not included in the S&P/ASX 300 Index and has a market capitalisation of \$300 million or less. The Company meets the requirements of an eligible entity for this purpose because it is not included in the S&P/ASX 300 Index and has a market capitalisation of less than \$300 million.

5.3 Overview of Listing Rule 7.1A

(a) **Quoted securities**

Equity Securities issued under the Additional Issuance Capacity must be the same as an existing class of Equity Securities of the Company quoted on ASX.

As at the date of the Notice, the Company has two classes of quoted Equity Securities on issue, being fully paid ordinary Shares and Options with an exercise price of \$0.08 and expiring 30 November 2023.

(b) **Formula for calculating Additional Issuance Capacity**

Listing Rule 7.1A.2 provides that the Company may issue or agree to issue a number of Equity Securities calculated in accordance with the following formula under the Additional Issuance Capacity:

$$\text{Additional Issuance Capacity} = (A \times D) - E$$

where:

- A** is the number of Shares on issue 12 months before the commencement of the relevant period:
- plus the number of Shares issued in the period from the date the Company was admitted to the official list of ASX to the date immediately preceding the date of the issue or agreement (**Relevant Period**) under an exception in Listing Rule 7.2 (other than exceptions 9, 16 or 17);
 - plus the number of Shares issued in the Relevant Period on the conversion of convertible securities within Listing Rule 7.2 exception 9 where:
 - the convertible securities were issued or agreed to be issued before the commencement of the Relevant Period; or
 - the issue of, or agreement to issue, the convertible securities was approved, or taken under these rules to have been approved, under Listing Rules 7.1 or 7.4;
 - plus the number of Shares issued in the Relevant Period under an agreement to issue securities within Listing Rule 7.2 exception 16 where:
 - the agreement was entered into before the commencement of the Relevant Period; or
 - the agreement or issue was approved, or taken under these rules to have been approved, under Listing Rules 7.1 or rule 7.4;
 - plus the number of Shares issued in the Relevant Period with approval under Listing Rules 7.1 or 7.4;
 - plus the number of partly paid ordinary securities that became fully paid in the Relevant Period; and
 - less the number of Shares cancelled in the Relevant Period;
- D** is 10%; and
- 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 has not been subsequently approved by the Shareholders under Listing Rule 7.4.

(c) **Interaction with Listing Rule 7.1**

Listing Rule 7.1 limits the number of Equity Securities that an entity may issue without the approval of its shareholders over any 12 month period to 15% of the fully-paid ordinary shares it had on issue at the start of that period, subject to certain exceptions.

The Additional Issuance Capacity under Listing Rule 7.1A is in addition to the Company's 15% placement capacity under Listing Rule 7.1.

5.4 Listing Rule requirements

The following information is provided in relation to Resolution 4, in accordance with Listing Rule 7.3A:

(a) **Period over which approval will be valid**

The Additional Issuance Capacity will commence on date of the Meeting and expire on the earlier of:

- 12 months from the Meeting date;
- the Company's next annual general meeting; and
- when a transaction under Listing Rules 11.1.2 (change to nature or scale of activities) or 11.2 (change involving main undertaking) is approved by Shareholders.

(b) **Minimum price at which Equity Securities may be issued**

The issue price of any Equity Security under the Additional Issuance Capacity will not be less than 75% of the VWAP for securities in the same class, calculated over the 15 trading days on which trades in that class were recorded immediately before:

- the date on which the price at which the securities are to be issued is agreed; or
- if the securities are not issued within 10 trading days of the date above, the date on which the securities are issued.

(c) **Purposes for which funds may be used**

The Company does not have any current intention to issue Equity Securities using the Additional Issuance Capacity. However, it may decide to do so for cash consideration to fund working capital requirements, advancing projects, potential acquisitions, meet financial commitments and capital management activities.

The Company will comply with the disclosure obligations under Listing Rules 7.1A.4 and 3.10.3 upon any issue of Equity Securities under Listing Rule 7.1A.

(d) **Risk of economic and voting dilution**

Any issue of Equity Securities under the Additional Issuance Capacity will dilute the interests of Shareholders who do not receive Shares under the issue.

If Resolution 4 is approved and the Company issues Equity Securities under the Additional Issuance Capacity, then there is a risk to existing Shareholders of economic and voting dilution, including the risk that:

- the market price for Equity Securities in the same class may be significantly lower on the issue date of the new Equity Securities than on the date of the Meeting; and
- the new Equity Securities may be issued at a price that is at a discount to the market price for Equity Securities in the same class on the issue date.

This may have an effect on the amount of funds raised by the issue of the Equity Securities.

The table below identifies the potential dilution to existing Shareholders following the issue of Equity Securities under the Additional Issuance Capacity (based on the formula set out above) using different variables for the number of issued Shares and the market price of Shares.

Number of Shares on issue	Share price ¹	New Shares issued	Funds raised	Voting dilution	Economic dilution
476,625,957 (Shares currently on issue / current variable 'A' in Listing Rule 7.1A)	\$0.008 (current market price)	47,662,596	\$381,300.77	10.00%	0.00%
	\$0.006 (25% decrease)	47,662,596	\$285,975.57	10.00%	2.27%
	\$0.004 (50% decrease)	47,662,596	\$190,650.38	10.00%	4.55%
714,938,936 (50% increase)	\$0.008 (current market price)	71,493,894	\$571,951.15	10.00%	0.00%
	\$0.006 (25% decrease)	71,493,894	\$428,963.36	10.00%	2.27%
	\$0.004 (50% decrease)	71,493,894	\$285,975.57	10.00%	4.55%
953,251,914 (100% increase)	\$0.008 (current market price)	95,325,191	\$762,601.53	10.00%	0.00%
	\$0.006 (25% decrease)	95,325,191	\$571,951.15	10.00%	2.27%
	\$0.004 (50% decrease)	95,325,191	\$381,300.77	10.00%	4.55%

Notes: The above table has been prepared on the following assumptions:

1. share prices are rounded to three decimal places;
2. the current market price is the closing price at which Shares were traded on 6 October 2023 (being \$0.008);
3. the current Shares on issue are the Shares at 6 October 2023 (being 476,625,957 Shares);
4. the Company issues the maximum number of Equity Securities available under the Additional Issuance Capacity;
5. existing Shareholders' holdings do not change from the date of this Meeting to the date of the issue under the Additional Issuance Capacity;
6. the Company issues Shares only and does not issue other types of Equity Securities (such as Options) under the Additional Issuance Capacity;

7. the impact of placements under Listing Rule 7.1 or following the conversion of convertible securities (e.g. Options) is not included in the calculations; and
8. economic dilution (**ED**) is calculated using the following formula:

$$ED = (MP - (NMC / TS)) / MP$$

where:

MP = the market price of shares traded on ASX, expressed in dollars;

MC = market capitalisation prior to issue of Equity Securities, being the MP multiplied by the number of shares on issue;

NMC = notional market capitalisation, being the market capitalisation plus the NSV;

NSV = new security value, being the number of new Equity Securities multiplied by the issue price of those Equity Securities; and

TS = total shares on issue following new Equity Security issue.

(e) **Allocation policy**

The Company's allocation policy is dependent on the prevailing market conditions at the time of any proposed issue pursuant to the Additional Issuance Capacity.

The Company has not yet identified allottees to receive the Equity Securities under the Additional Issuance Capacity. However, they may include current Shareholders, new investors, or both. None of the allottees will be Related Parties or Associates of Related Parties.

Potential allottees will be determined on a case-by-case basis having regard to the factors including but not limited to the following:

- the purpose of the issue;
- the methods of raising funds that are available to the Company including, but not limited to, an entitlements issue or other issue in which existing security holders can participate;
- the effect of the issue of the Equity Securities on the control of the Company;
- the financial situation and solvency of the Company;
- prevailing market conditions; and
- advice from corporate, financial and broking advisers (if applicable).

(f) **Details of prior issues**

Since the approval of the Company's Additional Issuance Capacity under Listing Rule 7.1A at the Company's 2022 Annual General Meeting, the Company has not issued any Equity Securities under Listing Rule 7.1A in the 12 months prior to the Meeting.

5.5 Directors' recommendation

The Directors unanimously recommend that Shareholders vote in favour of Resolution 4 as it will give the Company the flexibility to raise additional working capital whilst preserving the Company's cash reserves.

Glossary of terms

In this Explanatory Statement, the following terms have the following meaning unless the context otherwise requires:

Additional Issuance Capacity	Has the meaning given to that term in Section 5.1 of this Explanatory Statement.
Annual General Meeting or Meeting	The annual general meeting of Shareholders or any adjournment thereof, convened by the Notice.
Annual Report	The annual report of the Company for the financial year ended 30 June 2023, including the annual financial report, the Directors' report and the Auditor's report.
Associate	Has the meaning given to that term in the Listing Rules.
Associated Entity	Has the meaning given to that term in the Corporations Act.
ASX	ASX Limited (ACN 008 624 691) or the financial market known as the Australian Securities Exchange operated by ASX Limited, as the context requires.
Auditor	Elderton Audit Pty Ltd.
Board	The Board of Directors of the Company.
Business Day	Has the meaning given to that term in the Listing Rules.
Chairperson	The chair of the Meeting.
Closely Related Party	Has the meaning given in section 9 of the Corporations Act.
Company	Auris Minerals Limited (ACN 085 806 284).
Constitution	The constitution of the Company.
Corporations Act	The <i>Corporations Act 2001</i> (Cth).
Director	A director of the Company.
Employee Incentive Plan	The Employee Incentive Plan of the Company.
Equity Security	Has the meaning given to that term in Listing Rule 19.12, being: <ul style="list-style-type: none">(a) a share;(b) a unit(c) a right to a share or unit or option;(d) an option over an issued or unissued security;(e) a convertible security;(f) any security that ASX decides to classify as an equity security;(g) but not a security that ASX decides to classify as a debt security.
Explanatory Statement	This explanatory statement which accompanies and forms part of the Notice.
Key Management Personnel	Has the meaning given in section 9 of the Corporations Act.
Listing Rules	The listing rules of ASX, as amended from time to time.
Notice	This notice of Annual General Meeting.
Option	An option to acquire a Share.
Option Holder	The holder of an Option.

Performance Right	A contractual right to be issued or transferred a Share on satisfaction of a performance hurdle or other vesting condition.
Proxy Form	The proxy form accompanying the Notice.
Related Party	Has the meaning given to that term in the Listing Rules.
Remuneration Report	The remuneration report of the Company for the period ended 30 June 2023, appearing in the Director's report as set out in the 2023 Annual Report.
Resolution	A resolution set out in the Notice.
Section	A section of the Explanatory Statement.
Share	A fully paid ordinary share in the Company.
Shareholder	The holder of a Share in the Company.
VWAP	Stands for volume-weighted average price, and has the meaning given to that term in the Listing Rules.
WST	Australian Western Standard Time, being the time in Perth, Western Australia.

Schedule 1 – Material Terms of Employee Incentive Plan

1. Awards

Under the Rules of the Employee Incentive Plan (**Plan Rules**), Awards may be offered relying on the ESS Division, at the discretion of the Board. Awards may also be offered to persons to whom securities may be offered without disclosure.

An “Award” includes any share-based incentive award, including:

- shares;
- options to subscribe for a share issued in accordance with the Employee Incentive Plan and subject to the satisfaction of any vesting conditions, performance conditions and/or exercise conditions and payment of the relevant exercise price;
- performance rights which provide entitlements to be issued with shares, subject to the satisfaction of any vesting conditions and/or performance conditions; or
- any other “ESS interests” as defined in section 1100M(1) of the Corporations Act.

Awards may, among other things, be loan-funded or issued as tax-deferred incentives under Australian tax legislation.

2. Eligibility

Persons who may participate in the Employee Incentive Plan (**Eligible Person**) are:

- an employee of the Company or its Associated Entities, whether actual or prospective;
- a director of the Company or its Associated Entities, whether actual or prospective;
- an individual who provides services to the Company or its Associated Entities (i.e. a contractor), whether actual or prospective;
- a person who otherwise constitutes a ‘primary participant’ under section 1100L(1)(a) of the Corporations Act; and
- any other person who is a ‘related person’ of a ‘primary participant’ under section 1100L(1)(b) of the Corporations Act, such as a spouse, child or parent, a controlled body corporate, or a related self-managed superannuation fund trustee.

3. Administration of Employee Incentive Plan

Subject to the requirements of the Listing Rules and the Corporations Act, the Board will administer the Employee Incentive Plan. It may determine the persons to whom the Awards will be offered under the Employee Incentive Plan, and the number of Awards which may be offered to those persons.

4. Offer

Following determination that an Eligible Person may participate in the Employee Incentive Plan, the Board may from time to time make an offer in writing to an Eligible Person. Each offer must specify, in clear, concise and effective manner:

- the date of the offer, and the final date the offer must be accepted by (**Final Acceptance Date**);
- the name and address of the Eligible Person to whom the offer is made;
- the type of Awards being offered;
- the maximum number of Awards being offered;
- in the case of an Option, the exercise price and the exercise period;
- the vesting conditions (if any), the performance conditions and performance period (if any), the test dates (if any) and/or exercise conditions (if any) relating to the Awards being offered;

- the term and expiry date or end date (if any);
- the summary of any rights attaching to the Awards;
- agreement with the Eligible Person for the Company to supply details to third parties (including the share registry of the Company) where required by law;
- if the Offer is made for no monetary consideration under the ESS Division, a statement that the offer is made pursuant to Division 1A of Part 7.12 of the Corporations Act; and
- any other matters required to be specified in the Offer by either the Corporations Act, the Listing Rules or an applicable ASIC instrument of relief, and attach an Application and a copy of this Employee Incentive Plan.

5. Vesting of Awards

The Board may, at its absolute discretion, determine that Awards issued will be subject to vesting conditions (e.g. performance milestones) and in those circumstances, Awards cannot vest in the Eligible Person until such time as those vesting conditions have been satisfied or waived.

If the vesting conditions are not satisfied, the Awards will lapse or be cancelled.

6. Restriction Conditions

Awards may be subject to restriction conditions (such as a period of employment) which must be satisfied before the underlying Shares can be sold, transferred, or encumbered.

7. Power of Attorney

In consideration of the issue of the Awards, each Participant irrevocably appoints each Director and the Secretary (as appointed from time to time) of the Company severally as his or her attorney, to do all acts and things and to complete and execute any documents, including for the purposes of giving effect to the buy-back or sale of forfeited Shares, and the application of the proceeds of the sale of forfeited Shares.

8. Issue Cap

Pursuant to the 'issue cap' under section 1100V of the Corporations Act, the Directors will not make an offer of Awards under the Employee Incentive Plan where monetary consideration is payable in relation to those Awards and which relies on the ESS Division, unless they have reasonable grounds to believe that:

- the total number of Shares that are, or are covered by, the Awards that may be issued under the offer; and
- the total number of Shares that are, or are covered by, Awards that have been issued, or could have been issued, under offers made in connection with the Employee Incentive Plan at any time in the 3 year period prior to the offer being made,

does not exceed 5% (or such other percentage as specified in the Constitution, from time to time) of the total number of underlying Shares in that class on issue, as at the date of the offer.

Offers of Awards under the Employee Incentive Plan where no monetary consideration is payable in relation to those Awards, and which relies on the ESS Division, are not subject to any issue cap.

9. Restriction on Transfer

Shares, or any beneficial or legal interest in Shares, may not be transferred, encumbered or otherwise disposed of, or have a security interest granted over them, unless all restrictions on the transfer, encumbrance or disposal of the Shares have been met, the Board has waived such restrictions, or prior consent of the Board is obtained which consent may impose such terms and conditions on such transfer, encumbrance or disposal as the Board sees fit.

10. Rights Attaching to Shares

Any Shares issued by the Company to an Eligible Person will rank equally with all existing Shares on and from the date of issue.

11. Dividends and Voting Rights

An Eligible Person who holds Awards which are plan Shares is entitled to receive:

- a notice of meeting of shareholders and may exercise any voting rights attaching to those plan Shares; and
- income deriving from those plan Shares, including dividends and distributions declared or paid on those plan Shares.

Holders of Awards that are convertible into plan Shares do not have any of the following rights unless and until plan Shares are allocated or acquired on vesting and exercise:

- the right to receive notice of, attend and vote at general meetings of the Company;
- the right to dividends by the Company;
- the right to a return of capital by the Company; or
- the right to participate in the surplus assets of the Company on winding-up.