

**ASX Announcement**

25 June 2021

## **ISSUE OF INCENTIVE OPTIONS**

Southern Hemisphere Mining Limited (ASX: SUH) (the Company) advises that it has approved the issue of 3,800,000 unquoted options to employees under its Employee Incentive Option Plan (EOP).

The Company also advises that it intends to make an offer of unquoted options to Directors conditional upon shareholder approval.

At the Company's 2020 Annual General Meeting, shareholders approved the implementation of the company's EOP, which allowed the Board to issue incentive options to its employees and consultants, with the objective of aligning their objectives more closely with the interests of the Company, while also attracting, motivating and retaining valuable employees and consultants.

At the time of this approval, the terms of the EOP allow participation by Directors in the scheme.

The Directors' participation in the EOP will be subject to shareholder approval at a General Meeting of shareholders, per the attached NoM.

Should the Directors' participation in the EOP be approved, the Company is proposing to issue a total of 6,000,000 unquoted options to directors. The options convert to shares on the milestone's of:

- Increasing JORC resource by 30% CuEq from current 149mt @0.41% CuEq; or
- A 30 trading day VWAP of 20 cents per share or greater; or
- Company takeover.

Further details are in the attached Notice of Meeting.

**Approved by the board of directors**

**Luke Abbott**

**Company Secretary**

### **CONTACTS:**

For further information on this update or the Company generally, please visit our website at [www.shmining.com.au](http://www.shmining.com.au) or contact the company :

[cosec@shmining.com.au](mailto:cosec@shmining.com.au)

Telephone: +61 8 6144 0590

## **Notice of General Meeting**

### **Southern Hemisphere Mining Limited**

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A General Meeting of Southern Hemisphere Mining Limited (ACN: 140 494 784) will be held at Suite 2, 20 Howard Street, Perth, Western Australia 6000 at 10:00am (WST) on 30 July 2021.

This notice of General Meeting should be read in its entirety. If Shareholders are in any doubt as to how they should vote, they should seek advice from their professional advisor or contact the company if you wish to discuss any matter concerning the Meeting.

**Southern Hemisphere Mining Limited**  
**ACN 140 494 784**

**Notice of General Meeting**

Notice is hereby given that a General Meeting of the Shareholders of Southern Hemisphere Mining Limited will be held at Suite 2, 20 Howard Street, Perth, Western Australia 6000 at 10:00am (WST) on 30 July 2021 (**Meeting**).

The Explanatory Statement to this Notice of Meeting provides additional information on matters to be considered at the Meeting. The Explanatory Statement and Proxy Form form part of this Notice of Meeting.

Shareholders can vote by attending the Meeting by returning a completed Proxy Form or attending the Meeting in person. Instructions on how to complete a Proxy Form are set out in the Explanatory Statement.

Proxy Forms must be received by no later than 5:00pm (WST) on 28 July 2021.

Terms and abbreviations used in this Notice and Explanatory Statement are defined in Schedule 1 of the Explanatory Statement.

The business of the Meeting affects your shareholding and your vote is important. This Notice of Meeting should be read in its entirety. If Shareholders are in doubt as to how they should vote, they should seek advice from their professional advisors prior to voting.

The Directors have determined pursuant to Regulation 7.11.37 of the Corporations Regulations 2001 (Cth) that the persons eligible to vote at the Meeting are those who are registered Shareholders at 5:00pm (WST) on 28 July 2021.

**AGENDA**

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**RESOLUTION 1 - ISSUE OF PERFORMANCE OPTIONS TO A RELATED PARTY - MR STOWELL**

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

*“That for the purposes of Listing Rule 10.14, Chapter 2E of the Corporations Act and for all other purposes, Shareholders approve the issue of 4,000,000 Performance Options to Mr Mark Stowell or his nominee on the terms set out in the Explanatory Statement.”*

A voting exclusion statement is set out below.

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**RESOLUTION 2 - ISSUE OF PERFORMANCE OPTIONS TO A RELATED PARTY - MR CALDWELL**

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

*“That for the purposes of Listing Rule 10.14, Chapter 2E of the Corporations Act and for all other purposes, Shareholders approve the issue of 1,000,000 Performance Options to Mr Richard Caldwell or his nominee on the terms set out in the Explanatory Statement.”*

A voting exclusion statement is set out below.

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### RESOLUTION 3 - ISSUE OF PERFORMANCE OPTIONS TO A RELATED PARTY - MR FRANCES

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

*“That for the purposes of Listing Rule 10.14, Chapter 2E of the Corporations Act and for all other purposes, Shareholders approve the issue of 1,000,000 Performance to Mr David Frances or his nominee on the terms set out in the Explanatory Statement.”*

A voting exclusion statement is set out below.

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### VOTING PROHIBITION AND EXCLUSION STATEMENTS

#### Corporations Act

The Corporations Act prohibits votes being cast (in any capacity) on the following resolutions by any of the following persons:

Resolution	Persons Excluded from Voting
Resolution 1 - Issue of Performance Options to a related party - Mr Stowell	The Directors and their associates.
Resolution 2 - Issue of Performance Options to a related party - Mr Caldwell	The Directors and their associates.
Resolution 3 - Issue of Performance Options to a related party - Mr Frances	The Directors and their associates.

However, a person is not prevented from casting 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; and
- (b) it is not cast on behalf of a related party or associate of a kind referred to above.

#### Listing Rule 14.11

Under Listing Rule 14.11, the Company will disregard any votes cast in favour of a resolution by or on behalf of:

- (a) the below named person or class of persons excluded from voting; or
- (b) an associate of that person or those persons:

Resolution	Persons excluded from voting

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Resolution 1 - Issue of Performance Options to a related party - Mr Stowell	A Director or other person referred to in Listing Rule 10.14 who is eligible to participate in the Company's incentive scheme or any associate of such person.
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Resolution 2 - Issue of Performance Options to a related party - Mr Caldwell	A Director or other person referred to in Listing Rule 10.14 who is eligible to participate in the Company's incentive scheme or any associate of such person.
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Resolution 3 - Issue of Performance Options to a related party - Mr Frances	A Director or other person referred to in Listing Rule 10.14 who is eligible to participate in the Company's incentive scheme or any associate of such person.
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However, this does not apply to a vote cast in favour of a resolution by:

- (a) a person as proxy or attorney for a person who is entitled to vote on the resolution, in accordance with 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 as 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.

By order of the Board of Directors



Mr Luke Abbott  
Company Secretary  
28 June 2021

## Explanatory Statement

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### 1 INTRODUCTION

This Explanatory Statement has been prepared for the information of Shareholders in connection with the business to be conducted at the Meeting as set out in the Notice of Meeting. The purpose of this Explanatory Statement is to provide

information to Shareholders in deciding how to vote on the Resolutions set out in the Notice.

This Explanatory Statement should be read in conjunction with and forms part of the accompanying Notice, and includes the following:

1	INTRODUCTION .....	4
2	ACTION TO BE TAKEN BY SHAREHOLDERS .....	5
3	RESOLUTIONS 1 TO 3 - ISSUE OF PERFORMANCE OPTIONS TO DIRECTORS ....	6

A Proxy Form is located at the end of this Explanatory Statement.

ASX takes no responsibility for the contents of the Notice or Explanatory Statement.

Please contact the Company Secretary on +6144 0590 or by email at cosec@shmining.com.au if you wish to discuss any matter concerning the Meeting.

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## **2 ACTION TO BE TAKEN BY SHAREHOLDERS**

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

### **2.1 Voting by Proxy**

To vote by proxy, please complete and sign and return the Proxy Form (attached to the Notice) to the Company in accordance with the instructions on the Proxy Form.

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

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

The Company encourages Shareholders completing a Proxy Form to direct the proxy how to vote on the Resolutions.

The Proxy Form must be received no later than the time stipulated in the attached Notice of Meeting. Any Proxy Form received after that time will not be valid for the Meeting.

Shareholders can appoint the Chair of the Meeting as their proxy. Shareholders can complete the proxy form to provide specific instructions on how a Shareholder's vote is to be cast on each item of business, and the Chair of the Meeting must follow your instructions.

## 2.2 Voting in person

In light of the status of the evolving COVID-19 situation and the Commonwealth and State government restrictions on public gatherings in place at the date of this Notice of Meeting, the Directors strongly encourage all Shareholders to lodge a directed proxy prior to the Meeting. The Chairman will adjourn the Meeting where the number of attendees may lead to the breach of local public health laws and regulations.

## 2.3 Corporate representatives

Shareholders who are body corporates may appoint a person to act as their corporate representative at the Meeting by providing that person with a certificate or letter executed in accordance with the Corporations Act authorising him or her to act as the body corporate's representative. The authority may be sent to the Company and/or registry in advance of the Meeting.

## 2.4 Eligibility to vote

The Directors have determined pursuant to Regulation 7.11.37 of the Corporations Regulations 2001 (Cth) that the persons eligible to vote at the Meeting are those who are registered Shareholders at the time stipulated in the attached Notice of Meeting.

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## 3 RESOLUTIONS 1 TO 3 - ISSUE OF PERFORMANCE OPTIONS TO DIRECTORS

### 3.1 Introduction

The Company proposes to issue Performance Options to the Directors, or their nominees as follows:

Director	Number of Performance Options
Mark Stowell	4,000,000
Richard Caldwell	1,000,000
David Frances	1,000,000
<b>Total</b>	<b>6,000,000</b>

The Performance Options will vest upon:

- (a) the Company announcing at least a 30% increase in the CuEq resource at the Company's Llahuin Copper-Gold Project from from the current 149Mt at 0.41% CuEq (611,000t CuEq) to 800,000t CuEq; or
- (b) the Company's Shares having a 20 (trading days) VWAP of 20c or above; or
- (c) a change of control event occurring, being:

- (i) An offeror under a takeover offer for all Shares announcing that it has achieved acceptances in respect of more than 50.1% of Shares and that the takeover bid has become unconditional; or
- (ii) The Company announcing that either Shareholders have at a Court convened meeting of Shareholders voted in favor, by the necessary majority, of a proposed scheme of arrangement under which all of the Company's Shares are to be either cancelled, transferred to a third party, or a Court by order approves the proposed scheme of arrangement,

other than where the person acquiring control, at the time the Options are issued, controls the Company.

The Options have no exercise price, a term of 5 years and otherwise on the conditions in SCHEDULE 2.

The Performance Options are issued as reward, motivate and retain the Directors and link the Company's performance to the creation of Shareholder value. The issue is in accordance with the SUH Incentive Option Plan approved by Shareholders at the Company's 2020 annual general meeting.

The effect of the issues under Resolutions 1 to 3 (assuming shareholders passing such Resolutions and on a fully diluted basis) on the capital structure of the Company is as follows:

Item	Number (fully diluted)	%
Shares currently on issue	244,439,757	96.41
Options currently on issue	3,100,000	1.22
Performance Options to be issued to Directors (Resolutions 1-3)	6,000,000	2.37
<b>Total</b>	<b>253,539,757</b>	<b>100%</b>

### 3.2 Regulatory requirements

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

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

- (a) the giving of the financial benefit falls within one of the exceptions to the provision; or
- (b) prior shareholder approval is obtained to the giving of the financial benefit.

Related party is widely defined under the Corporations Act, and includes directors of a company. Financial benefit is defined broadly and includes benefits from the



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

Section 195(4) of the Corporations Act provides that a director of a public company may not vote or be present during meetings of directors when matters in which that director holds a material personal interest are being considered, except in certain circumstances or unless non-interested directors pass a resolution approving the interested director's participation.

Given approval is being sought for the issue of Performance Options to all Directors pursuant to Resolutions 1 to 3, each of the Directors (comprising the Board) have a material personal interest in the outcomes of Resolutions 1 to 3 and a quorum cannot be formed to consider the matters contemplated by Resolutions 1 to 3 at Board level. The Board therefore proposes to seek shareholder approval for such issues.

Accordingly, Resolutions 1 to 3 seek Shareholder approval under Chapter 2E of the Corporations Act for the issue of Performance Options to Directors.

#### *Chapter 10, ASX Listing Rules*

Listing Rule 10.11 provides that an entity cannot issue securities to a related party or their associates without shareholder approval. The prohibition is subject to a number of exceptions, including an issue made under an employee incentive plan made with shareholder approval under Listing Rule 10.14. Shareholders have previously approved an employee incentive plan on 30 November 2020, and the Company seeks Shareholder approval to issue Performance Options to the Directors.

The effect of passing Resolutions 1 to 3 will be to allow the Directors to issue securities in accordance with the Resolutions. If Resolution 1, 2 or 3 is not passed, the Company will not be able to proceed with the issue the subject of the Resolution not passed.

### **3.3 Information required by Chapter 2E of the Corporations Act**

For the purposes of section 219 of the Corporations Act and ASIC Regulatory Guide 76, the following information is provided to Shareholders to enable them to assess the merits of Resolutions 1 to 3:

- (a) The related party to whom Resolutions 1 to 3 would permit the benefit to be given are Mark Stowell, Richard Caldwell and David Frances, who are each Directors, or their nominees.
- (b) The nature of the financial benefit:
  - (i) 4,000,000 Performance Options to Mark Stowell;
  - (ii) 1,000,000 Performance Options to Richard Caldwell; and
  - (iii) 1,000,000 Performance Options to David Frances.

- (c) The Performance Options are Options that vest upon the Company announcing an increased CuEq resource for the Llahuin Copper-Gold Project from the current 149Mt at 0.41% CuEq (611,000t CuEq) to 800,000t CuEq, or a 20 (Trading days) VWAP at 20c or above. Options have no exercise price, a term of 5 years and otherwise on the conditions in SCHEDULE 2.

- (d) Reasons for giving the benefit:

The reason for giving the benefit is set out in section 3.1 above.

- (e) The existing relevant interest of the Directors in securities of the Company are set out below:

Related Party	Shares	Options
Mark Stowell	9,856,886	4,000,000
Richard Caldwell	6,000,000	1,000,000
David Frances	0	1,000,000

- (f) Total remuneration package

Related Party	Estimate	Actual
	Current Financial Year (30 June 2021)	Previous Financial year (30 June 2020)
	(\$)	(\$)
Mark Stowell	84,000	51,000
Richard Caldwell <sup>1</sup>	24,000	0
David Frances <sup>1</sup>	24,000	0

Messrs Caldwell and Francis were appointed Directors on 5 February 2021.

- (g) Dilution

The dilutive effect of the issues under Resolutions 1 to 3 on the capital structure of the Company is set out in section 3.1.

- (h) Valuation of the financial benefit to be given

Using the Black & Scholes method and applying the following assumptions, the value of each Performance Option is 0.4 cents per option based on a 10% chance of exploration success.

- (i) Other Information

The Directors are not aware of any other information that is reasonably required by Shareholders to allow them to make a decision on whether it is in the best interests of the Company to pass Resolutions 1 to 3.

### **3.4 Resolutions 1 to 3 - Information required by Listing Rule 10.15**

For the purposes of Listing Rule 10.15, the following information is provided about the grant of the Performance Options under Resolutions 1 to 3:

- (a) The persons participating in the issue are Mark Stowell, Richard Caldwell and David Frances or their nominees, each of whom is a related party.
- (b) Each of the persons is a Director, is therefore a related party and subject to Listing Rule 10.14.1.
- (c) The maximum number of securities to be issued is 6,000,000 Performance Options, with the details set out in section 3.1 above.
- (d) The Directors' current total remuneration packages are set out in section 3.3(f) above.
- (e) No securities have been issued to the Directors under the Company's incentive scheme.
- (f) The Performance Options vest upon the Company announcing at least a 30% increase in the CuEq resource at the Company's Llahuin Copper-Gold Project from the current 149Mt at 0.41% CuEq (611,000t CuEq) to 800,000t CuEq or a 20 day VWAP (trading days) of 20 cents or above or a Change of Control Event, have no exercise price, a term of 5 years and are otherwise on the conditions in SCHEDULE 2
- (g) The securities will be issued no later than 1 month after the date of the Meeting (or such later date to the extent permitted by any ASX waiver or modification of the Listing Rules) and it is intended that issue will occur on the same date.
- (h) The Performance Options will be issued for nil cash consideration and have no exercise price.
- (i) Shareholders approved the plan under which the Performance Options will be issued at the Company's annual general meeting on 30 November 2020. A summary of the terms of the plan are set out in SCHEDULE 3.
- (j) No loans are offered with respect to the Performance Options.
- (k) Details of any securities issued under the Company's incentive scheme will be published in the Company's annual report relating to the period in which they were issued, along with a statement that approval for the issue was obtained under Listing Rule 10.14.
- (l) Any additional persons covered by Listing Rule 10.14 who become entitled to participate in an issue of securities under the Company's incentive scheme

after the Resolutions are approved and who were not named in this Notice of Meeting will not participate until approval is obtained under that rule.

(m) A voting exclusion statement is included in the Notice.

### **3.5 Directors recommendation**

The Directors refrain from making a recommendation in relation to Resolutions 1 to 3 as they have a personal interest in the Resolutions.

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## SCHEDULE 1 GLOSSARY

**\$ or A\$** means Australian dollars.

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

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

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

**Chair** means the chair of the Meeting.

**Company** means Southern Hemisphere Mining Limited (ACN 140 494 784).

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

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

**CuEq** means copper and equivalent metals gold, silver, zinc, molybdenum and lead.

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

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

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

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

**Option** means an option to be issued a Share.

**Performance Options** means an Option on the terms in SCHEDULE 2.

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

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

**Section** means a section of the Explanatory Statement.

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

**Shareholder** means a registered holder of a Share.

**WST** means Western Australian Standard Time.

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## SCHEDULE 2 TERMS OF PERFORMANCE OPTIONS

(a) Entitlement

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

(b) Vesting

The Options vest upon the earlier of

- 1) The Company announcing a 30% increase in the CuEq resources for the Company's Llahuin Copper Gold Project from the current 149Mt at 0.41% CuEq (611,000t CuEq) to 800,000t CuEq or
- 2) A 20 day VWAP (trading days) of 20 cents or above. Or
- 3) A Change of Control Event occurring.

For the purposes of this clause:

- (i) equivalent metals to copper are gold, silver, zinc, Molybdenum and lead;
- (ii) in determining whether a vesting condition (1) is met, the Company will obtain an opinion from a suitably qualified independent expert opining on whether the vesting condition has been met;
- (iii) a change of control event is one of the following events (**Change of Control Event**)
  - (A) An offeror under a takeover offer for all Shares announcing that it has achieved acceptances in respect of more than 50.1% of Shares and that the takeover bid has become unconditional; or
  - (B) The Company announcing that either Shareholders have at a Court convened meeting of Shareholders voted in favor, by the necessary majority, of a proposed scheme of arrangement under which all of the Company's Shares are to be either cancelled, transferred to a third party, or a Court by order approves the proposed scheme of arrangement,

other than where the person acquiring control, at the time the Options are issued, controls the Company.

(c) Exercise Period

The Options are exercisable at any time after the Options have vested and prior to the date 5 years from issue (**Exercise Period**).

(d) Notice of Exercise

The Options may be exercised during the Exercise Period by notice in writing to the Company in the manner specified on the Option certificate (Notice of Exercise). All Options must be exercised at the same time and only one Notice of Exercise can be given.

(e) Exercise Date

A Notice of Exercise is only effective on and from the date of receipt of the Notice of Exercise (**Exercise Date**).

(f) Timing of issue of Shares on exercise

Within 5 Business Days after the Exercise Date (or such other period as required by the Listing Rules from time to time), the Company will:

- (i) allot and issue the number of Shares required under these terms and conditions in respect of the number of Options specified in the Notice of Exercise and for which cleared funds have been received by the Company;

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

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

(g) Shares issued on exercise

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

(h) Quotation of Shares issued on exercise

If admitted to the official list of ASX at the time, application will be made by the Company to ASX for quotation of the Shares issued upon the exercise of the Options.

(i) Reconstruction of capital

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

(i) Participation in new issues

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

(j) Change in exercise price

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

(k) Transferability

The Options are not transferable other than to a related party of the recipient, where there is no change of beneficial ownership or control of the Options.

(l) Company incentive scheme

The Company's incentive scheme approved by Shareholders on 30 November 2020 applies to the Options. To the extent of any inconsistency, these terms prevail over the terms of the incentive scheme.

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### SCHEDULE 3 SUMMARY OF TERMS OF THE SUH INCENTION OPTION PLAN

The key terms of the Plan are summarised below:

- (a) **Eligibility:** Participants in the Plan may be:
- (i) a Director (whether executive or non-executive) of the Company and any Associated Body Corporate of the Company (each a **Group Company**);
  - (ii) a full or part time employee of any Group Company;
  - (iii) a casual employee or contractor of a Group Company to the extent permitted by ASIC Class Order 14/1000 as amended or replaced (**Class Order**) or as otherwise permitted by the Board in its sole discretion; or
  - (iv) a prospective participant, being a person to whom the offer is made but who can only accept the offer if an arrangement has been entered into that will result in the person becoming a participant under subparagraphs (i), (ii), or (iii) above,
- who is declared by the Board to be eligible to receive grants of Options under the Plan (**Eligible Participants**).
- (b) **Offer:** The Board may, from time to time, in its absolute discretion, make a written offer to any Eligible Participant (including an **Eligible Participant who has previously received an offer**) to apply for up to a specified number of Options, upon the terms set out in the Plan and upon such additional terms and conditions as the Board determines.
- (c) **Plan limit:** The Company must have reasonable grounds to believe, when making an offer, that the number of Shares to be received on exercise of Options offered under an offer, when aggregated with the number of Shares issued or that may be issued as a result of offers made in reliance on the Class Order at any time during the previous 3 year period under an employee incentive scheme covered by the Class Order or an ASIC exempt arrangement of a similar kind to an employee incentive scheme, will not exceed 5% of the total number of Shares on issue at the date of the offer.
- (d) **Issue price:** Unless the Options are quoted on the ASX, Options issued under the Plan will be issued for no more than nominal cash consideration.
- (e) **Vesting Conditions:** An Option may be made subject to vesting conditions as determined by the Board in its discretion and as specified in the offer for the Option.
- (f) **Vesting:** The Board may in its absolute discretion (except in respect of a Change of Control occurring where Vesting Conditions are deemed to be automatically waived) by written notice to a Participant (being an Eligible Participant to whom Options have been granted under the Plan or their nominee where the Options have been



granted to the nominee of the Eligible Participant), resolve to waive any of the Vesting Conditions applying to Options due to:

- (i) Special Circumstances arising in relation to a Relevant Person in respect of those Options; or
  - (ii) a Change of Control occurring; or
  - (iii) the Company passing a resolution for voluntary winding up, or an order is made for the compulsory winding up of the Company.
- (g) **Lapse of an Option:** An Option will lapse upon the earlier to occur of:
- (i) an unauthorised dealing in the Option;
  - (ii) a Vesting Condition in relation to the Option is not satisfied by its due date, or becomes incapable of satisfaction, unless the Board exercises its discretion to waive the Vesting Conditions and vest the Option in the circumstances set out in paragraph (f) or the Board resolves, in its absolute discretion, to allow the unvested Options to remain unvested after the Relevant Person ceases to be an Eligible Participant;
  - (iii) in respect of unvested Option only, an Eligible Participant ceases to be an Eligible Participant, unless the Board exercises its discretion to vest the Option in the circumstances set out in paragraph (f) or the Board resolves, in its absolute discretion, to allow the unvested Options to remain unvested after the Relevant Person ceases to be an Eligible Participant;
  - (iv) in respect of vested Options only, a relevant person ceases to be an Eligible Participant and the Option granted in respect of that person is not exercised within one (1) month (or such later date as the Board determines) of the date that person ceases to be an Eligible Participant;
  - (v) the Board deems that an Option lapses due to fraud, dishonesty or other improper behaviour of the Eligible Participant;
  - (vi) a winding up resolution or order is made and the Board does not exercise its discretion to vest the Option;
  - (vii) the expiry date of the Option.
- (h) **Not transferrable:** Options are only transferrable in Special Circumstances with the prior written consent of the Board (which may be withheld in its absolute discretion) or by force of law upon death, to the **Participant's** legal personal representative or upon bankruptcy to the participant's trustee in bankruptcy.

- (i) **Shares:** Shares resulting from the exercise of the Options shall, subject to any Sale Restrictions (refer paragraph (k)) from the date of issue, rank on equal terms with all other Shares on issue.
- (j) **Quotation of Shares:** If Shares of the same class as those issued upon exercise of Options issued under the Plan are quoted on the ASX, the Company will, subject to the ASX Listing Rules, apply to the ASX for those Shares to be quoted on ASX within 10 business days of the later of the date the Shares are issued and the date any restriction period applying to the disposal of Shares ends.
- (k) **Sale Restrictions:** The Board may, in its discretion, determine at any time up until exercise of Options, that a restriction period will apply to some or all of the Shares issued to an Eligible Participant (or their eligible nominee) on exercise of those Options up to a **maximum** of seven (7) years from the grant date of the Options. In addition, the Board may, in its sole discretion, having regard to the circumstances at the time, waive any such restriction period determined.
- (l) **No Participation Rights:** There are no participating rights or entitlements inherent in the Options and holders will not be entitled to participate in new issues of capital offered to Shareholders during the currency of the Options.
- (m) **Change in exercise price of number of underlying securities:** Unless specified in the offer of the Options and subject to compliance with the ASX Listing Rules, an Option does not confer the right to a change in exercise price or in the number of underlying Shares over which the Option can be exercised.
- (n) **Reorganisation:** If, at any time, the issued capital of the Company is reorganised (including consolidation, subdivision, reduction or return), all rights of a **holder** of an Option are to be changed in a manner consistent with the Corporations Act and the ASX Listing Rules at the time of the reorganisation.
- (o) **Amendments:** Subject to express restrictions set out in the Plan and complying with the Corporations Act, ASX Listing Rules and any other **applicable** law, the Board may at any time by resolution amend or add to all or any of the provisions of the Plan, or the terms or conditions of any Option granted under the Plan including giving any amendment retrospective effect.
- (p) **Trust:** The Board may, at any time, establish a trust for the sole purpose of acquiring and holding Shares in respect of which a Participant may exercise, or has exercised, vested Options, including for the purpose of enforcing the disposal restrictions and appoint a trustee to act as trustee of the trust. The trustee will hold the Shares as trustee for and on behalf of a Participant as beneficial owner upon the terms of the trust. The Board may at any time amend all or any of the provisions of the Plan to effect the establishment of such a trust and the appointment of such a trustee.

**Definitions:** Capitalised terms used in the above summary are as defined in the Plan, including:

**Associated Body Corporate means:**

- (a) a related body corporate (as defined in the Corporations Act) of the Company;
- (b) a body corporate which has an entitlement to not less than 20% of the voting Shares of the Company; and
- (c) a body corporate in which the Company has an entitlement to not less than 20% of the voting shares.

**Change of Control means:**

- (a) a bona fide Takeover Bid is declared unconditional and the bidder has acquired a Relevant Interest in more than 50% of the Company's issued Shares;
- (b) a court approves, under section 411(4)(b) of the Corporations Act, a proposed compromise or arrangement for the purposes of, or in connection with, a scheme for the reconstruction of the Company or its amalgamation with any other company or companies; or
- (c) in any other case, a person obtains Voting Power in the Company which the Board (which for the avoidance of doubt will comprise those Directors immediately prior to the person acquiring that Voting Power) determines, acting in good faith and in accordance with their fiduciary duties, is sufficient to control the composition of the Board.

**Relevant Person means:**

- (a) in respect of an Eligible Participant, that person; and
- (b) in respect of a nominee of an Eligible Participant, that Eligible Participant.

**Special Circumstances means:**

- (a) a Relevant Person ceasing to be an Eligible Participant due to:
  - (i) death or Total or Permanent Disability of a Relevant Person; or
  - (ii) Retirement or Redundancy of a Relevant Person;
- (b) a Relevant Person suffering Severe Financial Hardship;
- (c) any other circumstance stated to constitute "Special Circumstances" in the terms of the relevant Offer made to and accepted by the Participant; or
- (d) any other circumstances determined by the Board at any time (whether before or after the Offer) and notified to the relevant Participant which circumstances may relate to the Participant, a class of Participant, including the Participant or particular circumstances or class of circumstances applying to the Participant.

**SOUTHERN HEMISPHERE MINING LIMITED**  
**ACN 140 494 784**

**PROXY FORM**

**Shareholder Name:**

\_\_\_\_\_

**Shareholder Address:**

\_\_\_\_\_

\_\_\_\_\_

\_\_\_\_\_

**Number of Shares** \_\_\_\_\_

**LODGEMENT OF PROXY FORM  
BY MAIL ☒**

GPO Box Z5207, St George's  
Terrace, Perth WA 6831

**BY FAX ☐**

+61 8 6144 0593

**BY HAND ☐**

Suite 2, 20 Howard Street,  
Perth WA 6000

**BY EMAIL ☐**

cosec@shmining.com.au

**Appointment of a proxy**

I/We being a member(s) of Southern Hemisphere Mining Limited are entitled to attend and vote and hereby appoint:

The Chairman  
(Mark Box)

☐

**OR** if you are **NOT** appointing the Chairman as your proxy, please write the name of the person or body corporate (excluding the registered shareholder) that you are appointing as your proxy \_\_\_\_\_

is authorised to act generally 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 General Meeting of Southern Hemisphere Mining Limited to be held at Suite 2, 20 Howard Street, Perth, Western Australia at 10:00am (WST) on, 30 July 2021 and at any adjournment or postponement of that meeting.

If 2 proxies are appointed, the proportion or number of votes that these proxies are authorised to exercise is \_\_\_\_% / \_\_\_\_\_ shares to

\_\_\_\_\_ (Proxy 1) and \_\_\_\_% / \_\_\_\_\_ shares to \_\_\_\_\_ (Proxy 2)

**IMPORTANT** - If you appoint the Chair of the meeting as your Proxy and you do not specify in this Proxy Form the way the Chair is to vote on the resolution, then the Chair of the meeting may vote as he thinks fit for the resolution and you hereby expressly **AUTHORISE** 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 for the Company. The Chair of the meeting intends to vote undirected proxies which he holds in favour of all resolutions.

**Votes on items of business**

(Voting directions to your proxy – please mark X to indicate your directions)

		FOR	AGAINST	ABSTAIN*
<b>Resolution 1</b>	Proposed issue of Performance options to Mr Stowell	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
<b>Resolution 2</b>	Proposed issue of Performance options to Mr Caldwell	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
<b>Resolution 3</b>	Proposed issue of Performance options to Mr Frances	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>

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

**Signature(s) of Shareholder(s)**

This section must be signed in accordance with the instructions overleaf to enable your directions to be implemented.

INDIVIDUAL/SECURITY HOLDER 1  
Individual/Sole Director and Sole Company  
Secretary

SECURITY HOLDER 2  
Director

SECURITY HOLDER 3  
Director/Company Secretary

**Contact details**

Contact Name & Email address

Contact Telephone Number

Date

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

# Voting by Proxy - How to complete the Proxy Form

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## Your Name, Address and Shareholder Details

Your name and address is shown on the form of proxy as it appears on the share register of Southern Hemisphere Mining Limited.

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## Appointment of a Proxy

Please write the name of that person you wish to appoint as proxy in the space indicated. If you leave this section blank, or your named proxy does not attend the meeting, the Chairman will be your proxy and vote on your behalf. A proxy need not be a shareholder of Southern Hemisphere Mining Limited.

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## Votes on Items of Business

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

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## Appointment of a Second Proxy

If you wish to appoint a second proxy, an additional Proxy Form may be obtained by telephoning the Company or you may copy this form.

To appoint a second proxy you must:

- indicate that you wish to appoint a second proxy by marking the box;
  - on each of the first Proxy Form and the second Proxy Form state the percentage of your voting rights or number of shares applicable to that form; and
  - return both forms together.
- 

## Authorised Signature/s

You must sign this form as follows in the spaces provided:

- Individual: Where the holdings is in one name, the Shareholder must sign.
- Joint Holding Where the holding is in more than one name, all of the Shareholders should sign.
- Power of Attorney If signed under a Power of Attorney, you must have already lodged it with the Company, or alternatively, attach the Power of Attorney or a certified copy to this Proxy 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) does not have a Company Secretary, a Sole Director can also sign alone. Otherwise this form must be signed by a Director jointly with another Director or a Company Secretary. Please sign in the appropriate place to indicate the office held.

If a representative of the corporation is to attend the meeting and a proxy form is not used, then an appropriate "Certificate of Appointment of Representative" should be produced prior to admission.

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## Attending the Meeting

Completion of a Proxy Form will not prevent individual Shareholders from attending the meeting in person if they wish. Where a Shareholder completes and lodges a valid Proxy Form and attends the meeting in person, the proxy's authority to speak and vote for that Shareholder is suspended while the Shareholder is present at the meeting.

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## Lodgement of Proxy Form

This Proxy Form and any Power of Attorney or other authority under which it is signed must be received no later than 48 hours before the commencement of the meeting. Any Proxy Form received after that time will not be valid for the scheduled meeting.

Documents may be lodged by facsimile to the Company's registered office on +61 8 6144 0593, or by mail to GPO Box Z5207, St George's Terrace, Perth WA 6831 or delivery to the registered office of the Company at Suite 2, 20 Howard Street, Perth WA 6000 (during business hours – Monday to Friday 9:00am to 5:00pm) or emailed to the Company Secretary at [cosec@shmining.com.au](mailto:cosec@shmining.com.au).