

# Notice of Annual General Meeting

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Astro Resources NL ACN 007 090 904

Date of Meeting: Friday, 27 November 2020

Time of Meeting: 11:00 am (AEDT)

Place of Meeting: The 2020 Annual General Meeting will be held as a virtual meeting, accessible to Shareholders via a live webcast. The online platform will include the facility for Shareholders to ask questions in relation to the business of the meeting. You can participate by logging in online at <https://agmlive.link/ARO2020>.

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

*Should you wish to discuss the matters in this Notice of Meeting please do not hesitate to contact the Company Secretary on +61 414 752 804*

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## IMPORTANT INFORMATION

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### Time and place of Meeting

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Notice is given that the Meeting will be held at 11:00 am (AEDT) on Friday, 27 November 2020.

In light of the restrictions that have been introduced as a result of the COVID-19 pandemic, the Meeting will be held virtually and webcast live to Shareholders.

Shareholders may be present virtually, vote and ask questions via the online platform at <https://agmlive.link/ARO2020>. Online registrations for the Meeting will commence at 10:30 am (AEDT). Shareholders are encouraged to register at least 30 minutes before the scheduled Meeting.

Further information on how to participate in the Meeting and use the online platform is set out in this Notice of Meeting and the Virtual Meeting Online Guide. A copy of the Virtual Meeting Online Guide has also been lodged with ASX.

The online platform will provide a reasonable opportunity for Shareholders to participate, and the Meeting will operate on the basis that such participation will constitute Shareholders being present at the Meeting for all purposes.

Voting on all resolutions will occur by way of poll, and the online platform will enable Shareholders to lodge a vote in real time.

### Your vote is important

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

### Defined terms

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Capitalised terms used in this Notice of Meeting have the meaning given in the Glossary.

### Voting eligibility

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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 7:00 pm (AEDT) on Wednesday, 25 November 2020.

### Voting in person

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Shareholders will have the opportunity to be present virtually via a live webcast and will be able to vote electronically via an online platform (including lodging a vote in real time and asking questions online).

You can access the platform at <https://agmlive.link/ARO2020>. To log in, you will need your holder identifier (SRN or HIN) and postcode.

Voting will be available between the registration open of the Meeting (10:30 am (AEDT) on 27 November 2020) and the closure of voting as announced by the Chair during the Meeting.

More information regarding online participation at the Meeting, including how to vote and ask questions, is available in the Virtual Meeting Online Guide. A copy of the Guide is available on the Company's website and has been lodged with the ASX.

In accordance with Rule 14.10 of the Constitution, the Chair has determined that voting on all resolutions at the Meeting will be conducted by poll.

### **Voting by proxy**

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Shareholder may appoint a proxy online at [www.linkmarketservices.com.au](http://www.linkmarketservices.com.au) or by submitting a proxy form to the Share Registry. Please note that your proxy appointment needs to be received by no later than 11:00 am (AEDT) on Wednesday, 25 November 2020.

Even if you plan to attend the virtual Meeting, you are still encouraged to submit a directed proxy in advance of the Meeting so that your votes can still be counted if for any reason you cannot attend (for example, if there is an issue with your internet connection on the day of the Meeting). To log in, you will need your holder identifier (SRN or HIN) and postcode. To vote by proxy, please complete and sign the enclosed Proxy Form and return by the time and in accordance with the instructions set out on the Proxy Form.

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

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

Shareholders and their proxies should be aware that:

- if proxy holders vote, they must cast all directed proxies as directed; and
- any directed proxies which are not voted will automatically default to the Chair, who must vote the proxies as directed.

Further details on these matters are set out below.

### ***Proxy vote if appointment specifies way to vote***

Section 250BB(1) of the Corporations Act provides that an appointment of a proxy may specify the way the proxy is to vote on a particular resolution and, **if it does**:

- the proxy need not vote on a show of hands, but if the proxy does so, the proxy must vote that way (i.e. as directed); and
- if the proxy has 2 or more appointments that specify different ways to vote on the resolution, the proxy must not vote on a show of hands; and
- if the proxy is the chair of the meeting at which the resolution is voted on, the proxy must vote on a poll, and must vote that way (i.e. as directed); and
- if the proxy is not the chair, the proxy need not vote on the poll, but if the proxy does so, the proxy must vote that way (i.e. as directed).

### ***Transfer of non-chair proxy to chair in certain circumstances***

Section 250BC of the Corporations Act provides that, if:

- an appointment of a proxy specifies the way the proxy is to vote on a particular resolution at a meeting of the Company's members; and
- the appointed proxy is not the chair of the meeting; and
- at the meeting, a poll is duly demanded on the resolution; and
- either of the following applies:
  - the proxy is not recorded as attending the meeting; or
  - the proxy does not vote on the resolution,

the chair of the meeting is taken, before voting on the resolution closes, to have been appointed as the proxy for the purposes of voting on the resolution at the meeting.

### ***Chair's intentions in relation to undirected proxies***

The Chair intends to vote undirected proxies in favour of all Resolutions.

### **Required Majority**

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Resolutions 1 to 9 proposed in this Notice of Meeting are ordinary resolutions and will be passed if, in each case, more than 50% of the votes cast by Shareholders entitled to vote on each resolution are cast in favour of the relevant Resolution.

Resolution 10 proposed in this notice of meeting is a special resolution and will be passed if more than 75% of the votes cast by Shareholders entitled to vote on the resolution are cast in favour of the resolution.

### **Questions at the Meeting**

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Shareholders will be able to submit written questions to the Company or the auditor in advance of the Meeting. Questions may be submitted online at [www.linkmarketservices.com.au](http://www.linkmarketservices.com.au). Questions should be submitted no later than 11:00 am (AEDT) on 20 November 2020.

The Company will endeavour to address as many of the more frequently raised relevant questions as possible during the course of the Meeting. However, there may not be sufficient time available at the Meeting to address all of the questions raised. Please note that individual responses will not be sent to shareholders.

Shareholders and proxyholders will be given an opportunity to ask questions in real-time via the online platform at <https://agmlive.link/ARO2020>.

## BUSINESS OF THE MEETING

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### AGENDA

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#### 1. FINANCIAL STATEMENTS AND REPORTS

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To receive and consider the annual financial report of the Company for the financial year ended 30 June 2020 together with the declaration of the Directors, the Directors' Report, the Remuneration Report (see further Resolution 1 below) and the Auditor's Report.

#### 2. RESOLUTION 1 – ADOPTION OF REMUNERATION REPORT

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

*“That, for the purposes of section 250R(2) of the Corporations Act and for all other purposes, approval is given for the adoption of the Remuneration Report as contained in the Company's annual financial report for the financial year ended 30 June 2020.”*

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

##### **Voting Prohibition Statement:**

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

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

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

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

#### 3. RESOLUTION 2 – RE-ELECTION OF DIRECTOR – JACOB KHOURI

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

*“That, Jacob Khouri, who retires by rotation in accordance with Article 15.2 of the Company's Constitution and Listing Rule 14.4 and, being eligible, offers himself for re-election, be re-elected as a Director.”*

#### 4. RESOLUTION 3 – ELECTION OF DIRECTOR - GREGORY JONES

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

*“That, Gregory Jones, who was appointed as a Director on 6 October 2020 and retires in accordance with Article 15.5 of the Company's Constitution and Listing Rule 14.4 and, being eligible, offers himself for re-election, be re-elected as a Director.”*

## 5. RESOLUTION 4 – INCREASE THE MAXIMUM AGGREGATE AMOUNT OF NON-EXECUTIVE DIRECTORS' FEES

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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 10.17, the Company’s Constitution and for all other purposes, approval is given for the aggregate maximum amount of remuneration of the Non-Executive Directors to be increased by \$100,000 per annum to \$300,000 per annum.”*

**Voting Exclusion:** The Company will disregard any votes cast in favour of this Resolution by or on behalf of any Director or an associate of a Director. However, this does not apply to a vote cast in favour of this Resolution by:

- (a) a person, as proxy or attorney for a person who is entitled to vote on this Resolution, in accordance with the directions given to the proxy or attorney to vote on this Resolution in that way; or
- (b) the chair of the meeting as proxy or attorney for a person who is entitled to vote on this Resolution, in accordance with a direction given to the chair to vote on this Resolution as the chair decides; or
- (c) a holder acting solely in a nominee, trustee, custodial or other fiduciary capacity on behalf of a beneficiary provided the following conditions are met:
  - (i) the beneficiary provides written confirmation to the holder that the beneficiary is not excluded from voting, and is not an associate of the persons excluded from voting, on this Resolution; and
  - (ii) the holder votes on this Resolution in accordance with the directions given by the beneficiary to the holder to vote in that way.

In addition, a person appointed as a proxy must not vote on this Resolution if the proxy is either:

- (a) a member of the Key Management Personnel; or
- (b) a Closely Related Party of such a member, and the appointment does not specify the way the proxy is to vote on the Resolution. However, this restriction does not apply if:
  - (i) the proxy is the Chair of the Meeting; and
  - (ii) the appointment expressly authorises the Chair to exercise the proxy even though this Resolution is connected directly or indirectly with the remuneration of a member of the Key Management Personnel.

## 6. RESOLUTIONS 5 AND 6 – PAYMENT OF ACCRUED BONUSES TO DIRECTORS

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### Resolution 5 – Approval of payment of bonus to Mr Jacob Khouri

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

*“That, subject to Shareholders approving at the Company’s general meeting to be held on 30 October 2020, resolutions 2 to 5 set out in the notice of meeting dated 21 September 2020 and subject further to Resolution 4 being approved by shareholders, approval is given:*

- (i) *for the purposes of Chapter 2E of the Corporations Act and for all other purposes, the payment of an accrued bonus of \$150,000 to Mr Jacob Khouri for work of an executive nature performed by Mr Khouri (**JK Bonus**), to be satisfied by way of:*
  - (A) *(cash component) \$75,000 in cash, to be deferred until the next future capital raising; and*
  - (B) *(share component) \$75,000 by the issue of 21,428,571 Shares at a deemed issue price of \$0.0035 per Share; and*

- (iii) *for the purposes of ASX Listing Rule 10.11 and for all other purposes, the issue of 21,428,571 Shares to Mr Jacob Khouri or his nominee(s) at a deemed issue price of \$0.0035 per Share (totalling \$75,000), to satisfy the share component of the JK Bonus,*

*on the terms set out in the Explanatory Statement accompanying this Notice of Meeting.”*

**Voting Exclusion:** The Company will disregard any votes cast in favour of this Resolution by or on behalf of Mr Jacob Khouri, and any other person who will obtain a material benefit as a result of the issue of the shares (except a benefit solely by reason of being a holder of ordinary securities in the Company) or any associates of those persons. However, this does not apply to a vote cast in favour of this Resolution by:

- (a) a person, as proxy or attorney for a person who is entitled to vote on this Resolution, in accordance with the directions given to the proxy or attorney to vote on this Resolution in that way; or
- (b) the Chair of the Meeting as proxy or attorney for a person who is entitled to vote on this Resolution, in accordance with a direction given to the chair to vote on this Resolution as the chair decides; or
- (c) a holder acting solely in a nominee, trustee, custodial or other fiduciary capacity on behalf of a beneficiary provided the following conditions are met:
  - (i) the beneficiary provides written confirmation to the holder that the beneficiary is not excluded from voting, and is not an associate of the persons excluded from voting, on this Resolution; and
  - (ii) the holder votes on this Resolution in accordance with the directions given by the beneficiary to the holder to vote in that way.

In accordance with section 224 of the Corporations Act, a vote on this Resolution must not be cast (in any capacity) by or on behalf of Mr Khouri or an associate of Mr Khouri (each, an **Excluded Person**), except where it is cast by an Excluded Person as proxy for a person who is entitled to vote in accordance with a specified direction on the Proxy Form.

In addition, pursuant to section 250BD of the Corporations Act, a person appointed as a proxy must not vote on this Resolution if the proxy is either:

- (a) a member of the Key Management Personnel; or
- (b) a Closely Related Party of such a member, and the appointment does not specify the way the proxy is to vote on the Resolution. However, this restriction does not apply if:
  - (i) the proxy is the Chair of the Meeting; and
  - (ii) the appointment expressly authorises the Chair to exercise the proxy even though this Resolution is connected directly or indirectly with the remuneration of a member of the Key Management Personnel.

## **Resolution 6 – Approval of payment of bonus to Mr Vincent Fayad**

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

*“That approval is given:*

- (i) *for the purposes of Chapter 2E of the Corporations Act and for all other purposes, the payment of an accrued bonus of \$150,000 to Mr Vincent Fayad for work of an executive nature performed by Mr Fayad (VF Bonus), to be satisfied by way of:*
  - (A) *(cash component) \$75,000 in cash, to be deferred until the next future capital raising; and*
  - (B) *(share component) \$75,000 by the issue of 21,428,571 Shares at a deemed issue price of \$0.0035 per Share; and*

- (ii) *for the purposes of ASX Listing Rule 10.11 and for all other purposes, the issue of 21,428,571 Shares to Mr Vincent Fayad or his nominee(s) at a deemed issue price of \$0.0035 per Share (totalling \$75,000), to satisfy the share component of the VF Bonus,*

*on the terms set out in the Explanatory Statement accompanying this Notice of Meeting.”*

**Voting Exclusion:** The Company will disregard any votes cast in favour of this Resolution by or on behalf of Mr Vincent Fayad, and any other person who will obtain a material benefit as a result of the issue of the shares (except a benefit solely by reason of being a holder of ordinary securities in the Company) or any associates of those persons. However, this does not apply to a vote cast in favour of this Resolution by:

- (a) a person, as proxy or attorney for a person who is entitled to vote on this Resolution, in accordance with the directions given to the proxy or attorney to vote on this Resolution in that way; or
- (b) the chair of the meeting as proxy or attorney for a person who is entitled to vote on this Resolution, in accordance with a direction given to the chair to vote on this Resolution as the chair decides; or
- (c) a holder acting solely in a nominee, trustee, custodial or other fiduciary capacity on behalf of a beneficiary provided the following conditions are met:
  - (i) the beneficiary provides written confirmation to the holder that the beneficiary is not excluded from voting, and is not an associate of the persons excluded from voting, on this Resolution; and
  - (ii) the holder votes on this Resolution in accordance with the directions given by the beneficiary to the holder to vote in that way.

In accordance with section 224 of the Corporations Act, a vote on this Resolution must not be cast (in any capacity) by or on behalf of Mr Fayad or an associate of Mr Fayad (each, an **Excluded Person**), except where it is cast by an Excluded Person as proxy for a person who is entitled to vote in accordance with a specified direction on the Proxy Form.

In addition, pursuant to section 250BD of the Corporations Act, a person appointed as a proxy must not vote on this Resolution if the proxy is either:

- (a) a member of the Key Management Personnel; or
- (b) a Closely Related Party of such a member, and the appointment does not specify the way the proxy is to vote on the Resolution. However, this restriction does not apply if:
  - (i) the proxy is the Chair of the Meeting; and
  - (ii) the appointment expressly authorises the Chair to exercise the proxy even though this Resolution is connected directly or indirectly with the remuneration of a member of the Key Management Personnel.

## **7. RESOLUTIONS 7 AND 8 – APPROVAL OF ISSUE OF SHARES IN LIEU OF PAYMENT OF ACCRUED DIRECTORS’ FEES**

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### **Resolution 7 – Approval of issue of Shares in lieu of payment of accrued director’s fee to Mr Jacob Khouri**

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

*“That, subject to Shareholders approving at the Company’s general meeting to be held on 30 October 2020 resolutions 2 to 5 set out in the notice of meeting dated 21 September 2020, approval is given for the purposes of Chapter 2E of the Corporations Act and ASX Listing Rule 10.11 and for all other purposes, for the issue of 7,004,095 Shares to Mr Jacob Khouri or his nominee(s) at a deemed issue price of \$0.0035 per Share (totalling \$24,514.33), to satisfy the balance of accrued director’s fees due to Mr Jacob Khouri as at 30 June 2020, on the terms set out in the Explanatory Statement accompanying this Notice of Meeting.”*



**Voting Exclusion:** The Company will disregard any votes cast in favour of this Resolution by or on behalf of Mr Jacob Khouri, and any other person who will obtain a material benefit as a result of the issue of the shares (except a benefit solely by reason of being a holder of ordinary securities in the Company) or any associates of those persons. However, this does not apply to a vote cast in favour of this Resolution by:

- (a) a person, as proxy or attorney for a person who is entitled to vote on this Resolution, in accordance with the directions given to the proxy or attorney to vote on this Resolution in that way; or
- (b) the Chair of the Meeting as proxy or attorney for a person who is entitled to vote on this Resolution, in accordance with a direction given to the chair to vote on this Resolution as the chair decides; or
- (c) a holder acting solely in a nominee, trustee, custodial or other fiduciary capacity on behalf of a beneficiary provided the following conditions are met:
  - (i) the beneficiary provides written confirmation to the holder that the beneficiary is not excluded from voting, and is not an associate of the persons excluded from voting, on this Resolution; and
  - (ii) the holder votes on this Resolution in accordance with the directions given by the beneficiary to the holder to vote in that way.

In accordance with section 224 of the Corporations Act, a vote on this Resolution must not be cast (in any capacity) by or on behalf of Mr Khouri or an associate of Mr Khouri (each, an **Excluded Person**), except where it is cast by an Excluded Person as proxy for a person who is entitled to vote in accordance with a specified direction on the Proxy Form.

In addition, pursuant to section 250BD of the Corporations Act, a person appointed as a proxy must not vote on this Resolution if the proxy is either:

- (a) a member of the Key Management Personnel; or
- (b) a Closely Related Party of such a member, and the appointment does not specify the way the proxy is to vote on the Resolution. However, this restriction does not apply if:
  - (i) the proxy is the Chair of the Meeting; and
  - (ii) the appointment expressly authorises the Chair to exercise the proxy even though this Resolution is connected directly or indirectly with the remuneration of a member of the Key Management Personnel.

#### **Resolution 8 – Approval of issue of Shares in lieu of payment of accrued director’s fee to Mr Vincent Fayad**

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

*“That approval is given for the purposes of Chapter 2E of the Corporations Act and ASX Listing Rule 10.11 and for all other purposes, for the issue of 11,171,276 Shares to Mr Vincent Fayad or his nominee(s) at a deemed issue price of \$0.0035 per Share (totalling \$39,099.47), to satisfy the balance of accrued director’s fees due to Mr Vincent Fayad as at 30 June 2020, on the terms set out in the Explanatory Statement accompanying this Notice of Meeting.”*

**Voting Exclusion:** The Company will disregard any votes cast in favour of this Resolution by or on behalf of Mr Vincent Fayad, and any other person who will obtain a material benefit as a result of the issue of the shares (except a benefit solely by reason of being a holder of ordinary securities in the Company) or any associates of those persons. However, this does not apply to a vote cast in favour of this Resolution by:

- (a) a person, as proxy or attorney for a person who is entitled to vote on this Resolution, in accordance with the directions given to the proxy or attorney to vote on this Resolution in that way; or
- (b) the chair of the meeting as proxy or attorney for a person who is entitled to vote on this Resolution, in accordance with a direction given to the chair to vote on this Resolution as the chair decides; or
- (c) a holder acting solely in a nominee, trustee, custodial or other fiduciary capacity on behalf of a beneficiary provided the following conditions are met:

- (i) the beneficiary provides written confirmation to the holder that the beneficiary is not excluded from voting, and is not an associate of the persons excluded from voting, on this Resolution; and
- (ii) the holder votes on this Resolution in accordance with the directions given by the beneficiary to the holder to vote in that way.

In accordance with section 224 of the Corporations Act, a vote on this Resolution must not be cast (in any capacity) by or on behalf of Mr Fayad or an associate of Mr Fayad (each, an **Excluded Person**), except where it is cast by an Excluded Person as proxy for a person who is entitled to vote in accordance with a specified direction on the Proxy Form.

In addition, pursuant to section 250BD of the Corporations Act, a person appointed as a proxy must not vote on this Resolution if the proxy is either:

- (a) a member of the Key Management Personnel; or
- (b) a Closely Related Party of such a member, and the appointment does not specify the way the proxy is to vote on the Resolution. However, this restriction does not apply if:
  - (i) the proxy is the Chair of the Meeting; and
  - (ii) the appointment expressly authorises the Chair to exercise the proxy even though this Resolution is connected directly or indirectly with the remuneration of a member of the Key Management Personnel.

## 8. RESOLUTION 9 – FURTHER APPROVAL TO THE ISSUE OF SHARES IN LIEU OF PAYMENT OF ACCRUED INTEREST ON THE GCM LOAN AND ADVISORY FEE TO MINING INVESTMENTS LIMITED

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

*“That, subject to Shareholders approving at the Company’s general meeting to be held on 30 October 2020 resolutions 2 to 5 set out in the notice of meeting dated 21 September 2020, approval is given for the purposes of ASX Listing Rule 10.11 and for all other purposes, to the issue to Gun Capital Management of 28,683,714 Shares at a deemed issue price of \$0.0035 per Share as follows:*

- (a) 20,969,428 Shares at a deemed issue price of \$0.0035 per Share in full satisfaction of the outstanding interest (\$73,393) due until repayment of the GCM Loan on 30 October 2020; and
  - (b) 7,714,286 Shares at a deemed issue price of \$0.0035 per Share in full satisfaction of the outstanding monthly management fee (\$27,000) due as at 30 June 2020 in connection advisory services provided by Mining Investments Limited, a company associated with Gun Capital Management,
- as explained in further detail and on the terms set out in the Explanatory Statement accompanying this Notice of Meeting.”*

**Voting Exclusion:** The Company will disregard any votes cast in favour of this Resolution by or on behalf of Gun Capital Management or any person who will obtain a material benefit as a result of the proposed issue (except a benefit solely by reason of being a holder of ordinary securities in Company), or any associates of those persons. However, this does not apply to a vote cast in favour of this Resolution by:

- (a) a person, as proxy or attorney for a person who is entitled to vote on this Resolution, in accordance with the directions given to the proxy or attorney to vote on this Resolution in that way; or
- (b) the Chair of the Meeting as proxy or attorney for a person who is entitled to vote on this Resolution, in accordance with a direction given to the chair to vote on this Resolution as the chair decides; or
- (c) a holder acting solely in a nominee, trustee, custodial or other fiduciary capacity on behalf of a beneficiary provided the following conditions are met:
  - i) the beneficiary provides written confirmation to the holder that the beneficiary is not excluded from voting, and is not an associate of the persons excluded from voting, on this Resolution; and

- ii) the holder votes on this Resolution in accordance with the directions given by the beneficiary to the holder to vote in that way.

## **9. RESOLUTION 10 – APPROVAL OF ADDITIONAL PLACEMENT CAPACITY UNDER LISTING RULE 7.1A**

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

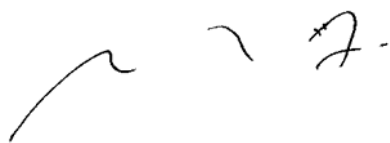
*“That, for the purposes of Listing Rule 7.1A and for all other purposes, approval is given for the issue of Equity Securities totalling up to 10% of the issued capital of the Company at the time of issue, calculated in accordance with the formula prescribed in Listing Rule 7.1A.2 and on the terms and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

**Voting Exclusion:** The Company will disregard any votes cast in favour of this Resolution by or on behalf of any person who is expected to participate in the proposed issue of Equity Securities under this Resolution, or any person who will obtain a material benefit as a result of the proposed issue (except a benefit solely by reason of being a holder of ordinary securities in Company), or any associates of those persons. However, this does not apply to a vote cast in favour of this Resolution by:

- (a) a person, as proxy or attorney for a person who is entitled to vote on this Resolution, in accordance with the directions given to the proxy or attorney to vote on this Resolution in that way; or
- (b) the Chair of the Meeting as proxy or attorney for a person who is entitled to vote on this Resolution, in accordance with a direction given to the chair to vote on this Resolution as the chair decides; or
- (c) a holder acting solely in a nominee, trustee, custodial or other fiduciary capacity on behalf of a beneficiary provided the following conditions are met:
  - (i) the beneficiary provides written confirmation to the holder that the beneficiary is not excluded from voting, and is not an associate of the persons excluded from voting, on this Resolution; and
  - (ii) the holder votes on this Resolution in accordance with the directions given by the beneficiary to the holder to vote in that way.

**Dated: 16 October 2020**

**By order of the Board**



**Vince Fayad**  
**Company Secretary and Executive Director**

## EXPLANATORY STATEMENT

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

### 1. FINANCIAL STATEMENTS AND REPORTS

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In accordance with the Constitution, the business of the Meeting will include receipt and consideration of the annual financial report of the Company for the financial year ended 30 June 2020 together with the declaration of the Directors, the Directors' Report, the Remuneration Report and the Auditor's Report (**2020 Annual Report**).

Shareholders may request a hard copy of the Company's 2020 Annual Report, free of charge, by contacting the Company Secretary on +61 414 752 804 or by email at vince.fayad@vfassociates.com.au. The Company will not provide a hard copy of the Company's 2020 Annual Report to Shareholders unless specifically requested to do so. The Company's 2020 Annual Report is available on the Company's ASX announcements platform at [www.asx.com.au](http://www.asx.com.au) under the ticker "ARO".

### 2. RESOLUTION 1 – ADOPTION OF REMUNERATION REPORT

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#### 2.1 General

The Corporations Act requires that at a listed company's annual general meeting, a resolution that the company's remuneration report for the relevant year be adopted be put to its shareholders. While such a resolution is to be determined as an ordinary resolution, it is advisory only and does not bind the directors or the company.

The Company's Remuneration Report for the financial year ended 30 June 2020 is contained in the "Director's Report" section of the 2020 Annual Report, and sets out the Company's remuneration arrangements for the Directors and senior management of the Company.

A reasonable opportunity will be provided for questions about or comments on the Remuneration Report at the Annual General Meeting.

#### 2.2 Voting consequences

A company is required to put to its shareholders a resolution proposing the calling of another meeting of shareholders to consider the re-election of the directors of the company (**Spill Resolution**) if, at consecutive annual general meetings, at least 25% of the votes cast on a remuneration report resolution are voted against adoption of the remuneration report and at the first of those annual general meetings a Spill Resolution was not put to a vote. If required, the Spill Resolution must be put to a vote at the second of those annual general meetings.

If more than 50% of shareholders vote in favour of the Spill Resolution, the company must convene an extraordinary general meeting (**Spill Meeting**) within 90 days of the second annual general meeting to consider the re-election of the company's directors. All of the directors of the company who were in office when the directors' report (as included in the company's annual financial report for the most recent financial year) was approved, other than the managing director of the company, will cease to hold office immediately before the end of the Spill Meeting but may stand for re-election at the Spill Meeting.

Following the Spill Meeting those persons whose election or re-election as directors is approved will be the directors of the company.

## 2.3 Previous voting results

At the Company's annual general meeting held in 2019, the votes cast against the remuneration report considered at that annual general meeting were less than 25%. Accordingly, if at least 25% of the votes cast at this Annual General Meeting in respect of Resolution 1 are against the adoption of the Remuneration Report, a Spill Resolution will *not* be held at this Annual General Meeting.

## 2.4 Proxy voting restrictions

If you choose to appoint a proxy, you are encouraged to direct your proxy how to vote on Resolution 1 (Adoption of Remuneration Report) by marking either "For", "Against" or "Abstain" on the Proxy Form for Resolution 1.

If you appoint a member of the Key Management Personnel whose remuneration details are included in the Remuneration Report (who is not the Chair) or a Closely Related Party of that member as your proxy, and you do not direct that person on how to vote on this Resolution 1, the proxy **cannot** exercise your vote and your vote will **not** be counted in relation to this Resolution 1.

The Chair intends to vote all undirected proxies in favour of Resolution 1. If the Chair of the Meeting is appointed as your proxy and you have not specified the way the Chair is to vote on Resolution 1, by signing and returning the Proxy Form you are giving express authorisation for the Chair to vote the proxy in accordance with the Chair's intention on Resolution 1, even though this Resolution is connected directly or indirectly with the remuneration of a member of the Key Management Personnel.

Key Management Personnel of the Company are the Directors and those other persons having authority and responsibility for planning, directing and controlling the activities of the Company, directly or indirectly. The Remuneration Report identifies the Company's Key Management Personnel for the financial year ended 30 June 2020. Their 'closely related parties' are defined in the Corporations Act (as extracted in the Glossary to this Notice), and include certain of their family members, dependants and companies they control.

## 2.5 No recommendation

The Board makes no recommendation with respect to voting on Resolution 1.

## 3. RESOLUTION 2 – RE-ELECTION OF DIRECTOR – JACOB KHOURI

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Article 15.2 of the Constitution provides that at any every annual general meeting of the Company, one third of the Directors for the time being (or if their number is not a multiple of 3, such number as is appropriate to ensure that no Director holds office for more than 3 years) must retire from office, but each retiring Director is eligible for re-election.

Mr Jacob Khouri retires in accordance with Article 15.2 of the Company's Constitution and, being eligible, offers himself for re-election as an Executive Director.

Full details of Mr Khouri's qualifications and experience are set out on page 32 of the 2020 Annual Report lodged with the ASX on 28 September 2020. However, in accordance with Recommendation 1.2 of the ASX Corporate Governance Council's Corporate Governance Principles and Recommendations (4th edition) (**ASX Corporate Governance Principles**), the Company provides the following information in respect to Mr Khouri:

- (a) **Position:** Mr Khouri has held the position of Non-Executive Chairman of the Company since 18 August 2015.
- (b) **Independence:** Mr Khouri is a director of Gun Capital Management Pty Ltd, a substantial shareholder of the Company. Accordingly, in accordance with the ASX

Corporate Governance Principles, the Board considers Mr Khouri *not* to be an independent Director of the Company.

- (c) **Qualifications, Skills and Experience:** Mr Khouri is the founder and operator of a successful mechanical engineering business. He also has a broad range of corporate experience, having served as a director of Gun Capital Corporate and Gun Capital Management. Having served this role, Mr Khouri has a solid understanding of new market trends and sustainability issues.
- (d) **Other Listed Company Directorships:** none.

**Board recommendation:** The Directors (with Mr Khouri abstaining) recommend that you vote in favour of Resolution 2.

#### 4. RESOLUTION 3 - ELECTION OF DIRECTOR – GREGORY JONES

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Article 15.5 of the Constitution allows the Directors to appoint at any time a person to be a Director either to fill a casual vacancy or as an addition to the existing Directors, but only where the total number of Directors does not at any time exceed the maximum number specified by the Constitution.

Pursuant to clause 15.5 of the Constitution and ASX Listing Rule 14.4, any Director so appointed holds office only until the next following annual general meeting and is then eligible for election by Shareholders.

Mr Gregory Jones, having been appointed on 6 October 2020 as an addition to the existing Directors, will retire in accordance with Article 15.5 of the Constitution and ASX Listing Rule 14.4 and being eligible, seeks election by the Shareholders.

In accordance with the ASX Corporate Governance Principles, the Company provides the following information in respect to Mr Jones:

- (a) **Position:** Mr Jones holds the position as a Non-Executive Director of the Company.
- (b) **Independence:** Having considered the independence of Mr Jones in accordance with the ASX Corporate Governance Principles, the Company considers Mr Jones to be an independent Director of the Company.
- (c) **Qualifications, Skills and Experience:** Mr Jones is a member of the Australian Institute of Mining and Metallurgy (AusIMM), Australian Institute of Geoscientists (AIG) and competent person as defined under the 2012 JORC code.

Mr Jones is a geologist with more than 35 years of exploration and mine operation experience gained in a broad range of commodities within Australia and overseas. Mr Jones has held senior management positions in a number of successful resource companies including Western Mining Corporation, Sino Gold Limited and CBH Limited. His technical and management experience spans a wide spectrum of activities from grass-roots exploration through to resource definition and new project generation, project assessment and acquisition, mine feasibility studies and mine operations.

Over the last decade Mr Jones has served on a number of boards of ASX listed resource companies, in executive (including Managing Director) and non-executive positions.

- (d) **Other Listed Company Directorships:** in the past 3 years, Mr Jones has not served as a non-executive director of any currently listed company.

**Board recommendation:** The Directors (with Mr Jones abstaining) recommend that you vote in favour of Resolution 3.

## **5. RESOLUTION 4 – INCREASE THE MAXIMUM AGGREGATE AMOUNT OF NON-EXECUTIVE DIRECTORS' FEES**

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### **5.1 Background**

The Company is seeking Shareholder approval under Listing Rule 10.17 to increase the total aggregate amount of directors' fees that may be paid to all of the Company's non-executive Directors in any financial year (**Fee Pool**) by \$100,000, from \$200,000 to \$300,000 per annum.

The total aggregate amount of fees paid to non-executive Directors for FY20 was \$86,000. The Company has not sought Shareholder approval to increase the annual aggregate amount of non-executive Directors' fees since its 1999 Annual General Meeting, at which the Shareholders approved a Fee Pool of \$200,000 per annum.

The Board is seeking Shareholder approval to increase the Fee Pool for non-executive Directors for the following reasons:

- to ensure that the Company's non-executive Directors are fairly remunerated having regard to the market rates in respect of the remuneration of non-executive Directors of other comparable companies; and
- to ensure that the Company maintains the ability and flexibility in the future to pay competitive fees and attract and retain high calibre non-executive Directors.

The above also takes into account the pending likely growth in the Company's activities.

The Board:

- may consider appointing one other Non-Executive Director; and
- at this stage, does not intend to increase the fees payable to current or future directors in the foreseeable future.

### **5.2 Purpose of approval**

Listing Rule 10.17 provides that a listed company must not increase the total aggregate amount of directors' fees payable to all of its non-executive Directors without the approval of holders of its ordinary securities.

If Resolution 4 is passed by Shareholders, the maximum aggregate amount of directors' fees that may be paid to the Company's non-executive Directors in any financial year will be increased to \$300,000 per annum. If Resolution 4 is not passed by Shareholders, that amount will remain at \$200,000 per annum.

In accordance with Listing Rule 10.17, the Company confirms that it has not issued any securities to non-executive Directors under Listing Rule 10.11 or 10.14 with Shareholder approval at any time within the preceding 3 years from the date of this Notice. However, if Resolution 5 (Approval of payment of bonus to Mr Jacob Khouri) and Resolution 7 (Approval of issue of Shares to Mr Jacob Khouri in lieu of payment of Director's fees) are approved by Shareholders at this Meeting, a total of 28,432,666 Shares will be issued to Mr Khouri, the Non-Executive Chairman of the Company. Also note that Mr Khouri is an associate of Gun Capital Management and Mining Investments Limited which at the date of this Notice of Meeting holds collectively hold 23.85% of the issued share capital of the Company. However, assuming that all of the resolutions in the EGM are approved Gun Capital Management and Mining Investments Limited shareholding will reduce to 18.2% of the issued share capital of the Company.

The Board also notes that:

- payment of the JK Bonus to Mr Khouri is outside the current Fee Pool of \$200,000 per annum.
- Mr Fayad is an Executive Director and therefore the VF Bonus is not included in the calculation of the Fee Pool. Additionally, if Mr Fayad's was to be included the Fee Pool, it will cause the Company to exceed the current Fee Pool of \$200,000 per annum.

### 5.3 Voting Exclusion

A voting exclusion statement for this Resolution 4 is contained in the Notice of Meeting.

### 5.4 Board recommendation

The Directors (excluding Mr Jacob Khouri) unanimously recommend that Shareholders vote in favour of Resolution 4.

The Chair intends to vote undirected proxies in favour of Resolution 4.

## **6. RESOLUTIONS 5 AND 6 – PAYMENT OF ACCRUED BONUSES TO DIRECTORS**

### 6.1 Background

At a meeting of the Board held on 9 September 2020 (Messrs Jacob Khouri and Vincent Fayad not present or voting):

- a bonus of \$150,000 was approved to be paid to Mr Jacob Khouri, Non-Executive Chairman of the Company, (**JK Bonus**) to be satisfied:
  - 50% (\$75,000) in cash, to be deferred until the next future capital raising, which may occur in the first quarter of the 2021 calendar year; and
  - 50% (\$75,000) by the issue of 21,428,571 Shares at a deemed issue price of \$0.0035 per Share; and
- a bonus of \$150,000 was approved to be paid to Mr Vincent Fayad, Executive Director and Company Secretary of the Company, (**VF Bonus**) to be satisfied:
  - 50% (\$75,000) in cash, to be deferred until the next future capital raising which may occur in the first quarter of the 2021 calendar year; and
  - 50% (\$75,000) by the issue of 21,428,571 Shares at a deemed issue price of \$0.0035 per Share,

(collectively, the **Bonuses**).

The Bonuses are being paid to these two Directors in consideration of the significant additional work of an executive nature they have done on behalf of the Company over the last 4 years in particular. The work fell to them as the Company has no employees. No payment or accrual for such remuneration was sought by these Directors over that time in order to preserve the Company's cash position.

The Board notes that:



- The payment of the JK Bonus to Mr Khouri is outside of the current maximum aggregate amount of directors' fees for all of the Company's non-executive Directors (**Fee Pool**). The current Fee Pool is \$200,000 per annum, which was approved by Shareholders at the 1999 Annual General Meeting. The Directors consider the previous approval is dated. As the payment to Mr Khouri is outside the current Fee Pool, Resolution 5 is subject to shareholders approving Resolution 4 which increases the Director's Fee Pool from \$200,000 to \$300,000.
- Mr Fayad is an Executive Director and therefore the VF Bonus payment is not included in the calculation of the Fee Pool.

Shareholders should note that if resolutions 2 to 5 referred to in the Company's notice for the general meeting to be held on 30 October 2020 are not passed by Shareholders then Resolution 5 will be withdrawn, as it may be the case that an issue of Shares to Mr Khouri at the relevant time could lead to a breach by Mr Khouri's associate, Gun Capital Management, of the takeover provisions of the Corporations Act.

## **6.2 Purpose of approval – Chapter 2E of the Corporations Act**

For a public company, or an entity that the public company controls, to give a financial benefit to a related party of the public company, the public company or entity must:

- obtain the approval of the public company's members in the manner set out in sections 217 to 227 of the Corporations Act; and
- give the benefit within 15 months following such approval,

unless the giving of the financial benefit falls within an exception set out in sections 210 to 216 of the Corporations Act.

The payment of the Bonuses to Messrs Khouri and Fayad, including the issue of shares under the share component as contemplated by each of Resolutions 5 and 6, constitutes the giving a financial benefit. Each of Messrs Khouri and Fayad is a Related Party of the Company by virtue of being a Director. However, the Directors (with Messrs Khouri and Fayad, who each has a material personal interest in this matter, abstaining) have formed the view that that Shareholder approval pursuant to Chapter 2E of the Corporations Act is not required, as the Bonuses fall within the reasonable remuneration exception in section 211 of the Corporations Act. In reaching this conclusion, the Board has had regard to various factors including market practice, the current remuneration of Messrs Khouri and Fayad and the extra work that has been performed by these Directors, and the remuneration offered to persons in comparable positions at comparable companies.

Nevertheless, the Directors have resolved, as a matter of good corporate governance, that the Company seek Shareholder approval to the proposed payment of the Bonuses, pursuant to Chapter 2E of the Corporations Act.

**For Resolution 5**, if it is passed by Shareholders, the Company will pay the JK Bonus to Mr Khouri (including the issue of 21,428,571 Shares to Mr Khouri or his nominee to satisfy the share component of the JK Bonus). Further, if Shareholder approval is given for the purposes of Listing Rule 10.11, approval will not be required under Listing Rule 7.1 and the Shares issued to Mr Khouri will not be counted towards the Company's 15% Placement Capacity. If the Resolution is not passed, the Company will not pay any part of the JK Bonus to Mr Khouri.

**For Resolution 6**, if it is passed by Shareholders, the Company will pay the VF Bonus to Mr Fayad (including the issue of 21,428,571 Shares to Mr Fayad or his nominee to satisfy the share component of the VF Bonus). Further, if Shareholder approval is given for the purposes of Listing Rule 10.11, approval will not be required under Listing Rule 7.1 and the Shares issued to Mr Fayad will not be counted towards the Company's 15% Placement Capacity. If the Resolution is not passed, the Company will not pay any part of the VF Bonus to Mr Fayad.

### **6.3 Resolution 5 - Payment of bonus to Mr Jacob Khouri – Technical information required under Chapter 2E of the Corporations Act**

In accordance with the requirements of Chapter 2E, and in particular with section 219, of the Corporations Act, the following information is provided for the purposes of obtaining Shareholder approval for Resolution 5:

- (a) The related party to whom a financial benefit will be given is Mr Jacob Khouri, who is the Non-Executive Chairman of the Company.
- (b) The nature of the financial benefit proposed to be given to Mr Khouri is the payment of a bonus of \$150,000, to be satisfied by the payment of \$75,000 in cash (to be deferred until the next future capital raising), and the issue of 21,428,571 Shares at a deemed issue price of \$0.0035 per Share (totalling \$75,000), but with no cash being received by the Company. At the date of this Notice of Meeting, the likely next capital raising will be in the first quarter of the 2021 calendar year.
- (c) The value of the financial benefit to be provided to Mr Khouri is \$150,000.
- (d) The JK Bonus contains a substantial share component. This aligns Mr Khouri's interest with that of Shareholders.
- (e) The share component sought is less than that which would otherwise be provided under an employee incentive plan. Specifically, an option plan is typically of the value of the Company and the amounts being sought is considered to be below that amount.
- (f) The Shares to be issued to Mr Khouri as the share component will be fully paid ordinary shares in the Company and will rank equally with the Company's existing shares on issue. The Company will apply for official quotation of those Shares.
- (g) The amount sought to be paid as the cash component is subject to further capital raisings being undertaken by the Company.
- (h) The Company considers that there would be no adverse tax consequence arising from the payment of the JK Bonus and that subject to the Company meeting legislative requirements for continuity of ownership and the same business test principles at the time where it generates sufficient assessable income, the whole of the JK Bonus payment should be tax deductible for the Company.
- (i) Mr Khouri is the proposed recipient of the JK Bonus and has a material personal interest in the outcome of the Resolution. Mr Khouri abstains from making a recommendation in respect of Resolution 5. The other Directors (with Mr Vincent Fayad abstaining) unanimously recommend that Shareholders vote in favour of this Resolution on the basis that the proposed total amount is fair and reasonable to the Company having regard to the extensive additional duties that have been undertaken over a significant period of time.

### **6.4 Resolution 6 - Payment of bonus to Mr Vincent Fayad – Technical information required under Chapter 2E of the Corporations Act**

In accordance with the requirements of Chapter 2E, and in particular with section 219, of the Corporations Act, the following information is provided for the purposes of obtaining Shareholder approval for Resolution 6:

- (a) The related party to whom a financial benefit will be given is Mr Vincent Fayad (or his nominee, Kafta Enterprises Pty Ltd and one of the key employees of the business), who is an Executive Director and the Company Secretary.
- (b) The nature of the financial benefit proposed to be given to Mr Fayad is the payment of a bonus of \$150,000, to be satisfied by the payment of \$75,000 in cash (to be deferred until the next future capital raising), and the issue of 21,428,571 Shares at

a deemed issue price of \$0.0035 per Share (totalling \$75,000), but with no cash being received by the Company. At the date of this Notice of Meeting, the likely next capital raising is likely to be the first quarter of the 2021 calendar year.

- (c) The value of the financial benefit to be provided to Mr Fayad is \$150,000.
- (d) The VF Bonus contains a substantial share component. This aligns Mr Fayad's interest with that of Shareholders.
- (e) The share component sought is less than that which would otherwise be provided under an employee incentive plan. Specifically, an option plan is typically of the value of the Company and the amounts being sought is considered to be below that amount.
- (f) The Shares to be issued to Mr Fayad (or his nominee) as the share component will be fully paid ordinary shares in the Company and will rank equally with the Company's existing shares on issue. The Company will apply for official quotation of those Shares.
- (g) The amount sought to be paid as the cash component is subject to further capital raisings being undertaken by the Company.
- (h) The Company considers that there would be no adverse tax consequence arising from the payment of the VF Bonus and that subject to the Company meeting legislative requirements for continuity of ownership and the same business test principles at the time where it generates sufficient assessable income, the whole of the VF Bonus payment should be tax deductible for the Company.
- (i) Mr Fayad is the proposed recipient of the VF Bonus and has a material personal interest in the outcome of the Resolution. Mr Fayad abstains from making a recommendation in respect of Resolution 6. The other Directors (with Mr Jacob Khouri abstaining) unanimously recommend that Shareholders vote in favour of this Resolution on the basis that the proposed total amount is fair and reasonable to the Company having regard to the extensive additional duties that have been undertaken over a significant period of time.

## **6.5 Purpose of approval – Listing Rule 10.11**

Listing Rule 10.11 provides that, unless one of the exceptions in Listing Rule 10.12 applies, a listed company must not issue or agree to issue Equity Securities to:

- (10.11.1) a related party;
- (10.11.2) a person who is, or was at any time in the 6 months before the issue or the agreement, a substantial (30%+) shareholder in the company;
- (10.11.3) a person who is, or was at any time in the 6 months before the issue or the agreement, a substantial (10%+) shareholder in the company and who has nominated a director to the board of the company pursuant to a relevant agreement which gives them a right or expectation to do so;
- (10.11.4) an associate of a person referred to in Listing Rule 10.11.1 to 10.11.3; or
- (10.11.5) A person whose relationship with the company or a person referred to in Listing Rule 10.11.1 to 10.11.4 is such that, in ASX's opinion, the issue or agreement should be approved by its shareholders,

unless it obtains the approval of its shareholders.

Each of the Messrs Khouri and Fayad (and their nominees) is a related party of the Company by virtue of sections 228(2) and 228(4) of the Corporations Act. The proposed issues to Messrs Khouri and Fayad (or their nominees) therefore fall within Listing Rule 10.11.1 (and 10.11.4, if applicable). As the proposed issue of the share component of the Bonuses does not fall within any of the exceptions in Listing Rule 10.12, Shareholder approval is required under Listing Rule 10.11.

As part of Resolutions 5 and 6, the Company is seeking Shareholder approval under Listing Rule 10.11 to allow the issue of Shares to Messrs Khouri and Fayad (or their nominees) in satisfaction of the share component of their Bonuses.

#### **6.6 Resolution 5 – Payment of bonus to Mr Jacob Khouri – Technical information required under Listing Rule 10.13**

Listing Rule 10.13 requires that a notice of meeting pursuant to which shareholders are requested to consider approving an issue of shares pursuant to Listing Rule 10.11 must include certain specified information in relation to the securities to be issued. The information in respect of Resolution 5 is set out below:

- (a) **Names of persons to whom the Company will issue the securities:** Mr Jacob Khouri.
- (b) **Which category in Listing Rules 10.11.1 – 10.11.5 the person falls within:** As a Director, Mr Khouri is a related party of the Company for the purposes of Listing Rule 10.11.1. Any nominee(s) of Mr Khouri will be an associate of a related party for the purposes of Listing Rule 10.11.4.
- (c) **Number and class of securities to be issued:** 21,428,571 fully paid ordinary shares in the Company.
- (d) **Date by which the securities are to be issued:** The relevant Shares are anticipated to be issued on or around 30 November 2020 and in any case, no later than 1 month after the date of the Meeting.
- (e) **Issue price of the securities:** a deemed issue price of A\$0.0035 per Share, with no cash being received by the Company.
- (f) **Terms of the securities:** The Shares to be issued to Mr Khouri (or his nominee) will be fully paid ordinary shares in the Company and will rank equally with the Company's existing shares on issue. The Company will apply for official quotation of those Shares.
- (g) **Purpose of the issue, including the intended use of funds raised:** The relevant Shares will be issued to Mr Khouri in part satisfaction of a bonus of \$150,000 approved by the Board. The bonus is in consideration of the significant additional work of an executive nature which Mr Khouri has done on behalf of the Company over the last 4 years in particular. No funds will be raised.
- (h) **Details of Mr Khouri's current total remuneration package:** \$50,000 per annum (inclusive of superannuation). Over the last three years, Mr Khouri has not been paid a large part of his remuneration and as such, it has been accrued in the financial statements. As at 30 June 2020, the amount owing to Mr Khouri was \$120,854, representing 2.4 years of remuneration. \$96,340.47 of this outstanding amount has agreed to be paid in cash after the EGM on 30 October but only if all Resolutions to be put to Shareholders at the EGM are approved so as to ensure that the Company has sufficient cash resources available to it. The remaining amount due to Mr Khouri of \$24,514.33 has been agreed to be paid in Shares at a deemed issue price of \$0.0035 per Share (subject to Shareholder approval being provided pursuant to Resolution 7).
- (i) The securities are not issued under any agreement.

## **6.7 Resolution 6 – Payment of bonus to Mr Vincent Fayad – Technical information required under Listing Rule 10.13**

Listing Rule 10.13 requires that a notice of meeting pursuant to which shareholders are requested to consider approving an issue of shares pursuant to Listing Rule 10.11 must include certain specified information in relation to the securities to be issued. The information in respect of Resolution 6 is set out below:

- (a) **Names of persons to whom the Company will issue the securities:** Mr Vincent Fayad or his nominee, Kafta Enterprises Pty Ltd.
- (b) **Which category in Listing Rules 10.11.1 – 10.11.5 the person falls within:** As a Director, Mr Fayad is a related party of the Company for the purposes of Listing Rule 10.11.1. Any nominee(s) of Mr Fayad will be an associate of a related party for the purposes of Listing Rule 10.11.4.
- (c) **Number and class of securities to be issued:** 21,428,571 fully paid ordinary shares in the Company.
- (d) **Date by which the securities are to be issued:** The relevant Shares are anticipated to be issued on or around 30 November 2020 and in any case, no later than 1 month after the date of the Meeting.
- (e) **Issue price of the securities:** a deemed issue price of A\$0.0035 per Share, with no cash being received by the Company.
- (f) **Terms of the securities:** The Shares to be issued to Mr Fayad (or his nominee) will be fully paid ordinary shares in the Company and will rank equally with the Company's existing shares on issue. The Company will apply for official quotation of those Shares.
- (g) **Purpose of the issue, including the intended use of funds raised:** The relevant Shares will be issued to Mr Fayad in part satisfaction of a bonus of \$150,000 approved by the Board. The bonus is in consideration of the significant additional executive work Mr Fayad has done on behalf of the Company over the years. No funds will be raised.
- (h) **Details of Mr Fayad's current total remuneration package:** \$90,000 per annum plus GST. It is noted that over the last three years, the Company has had little to no cash and as a result, Mr Fayad fees have been accrued but not paid. As at 30 June 2020, the amount owing to Mr Fayad was \$192,759, which represents 2.11 years of remuneration. \$153,659.53 of this outstanding amount has agreed to be paid in cash after the EGM on 30 October but only if all Resolutions to be put to Shareholders at the EGM are approved so as to ensure that the Company has sufficient cash resources available to it. The remaining amount due to Mr Fayad of \$39,099.47 which he has agreed to take in Shares at a deemed issue price of \$0.0035 per Share (subject to Shareholder approval being provided pursuant to Resolution 8).
- (i) The securities are not issued under any agreement.

## **6.8 Voting exclusion**

A voting exclusion statement for each of Resolutions 5 and 6 is contained in the Notice of Meeting.

## **6.9 Board recommendation**

The Directors, with both Messrs Khouri and Fayad not being present while the matter is considered abstaining from voting, recommend that Shareholders vote in favour of Resolution 5.

The Directors, with both Messrs Fayad and Khouri being present while the matter is considered abstaining from voting, recommend that Shareholders vote in favour of Resolution 6.

The Chair intends to vote undirected proxies in favour of Resolutions 5 and 6.

## **7. RESOLUTIONS 7 and 8 – APPROVAL OF ISSUE OF SHARES IN LIEU OF PAYMENT OF ACCRUED DIRECTORS' FEES**

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### **7.1 Background**

Shareholders are referred to the notice of meeting and explanatory statement dated 21 September 2020 for the Company's general meeting to be held on 30 October 2020. It was noted in that notice of meeting that part of the funds raised from the placement of \$2.75 million announced on 26 August 2020 would be applied to repay accrued and outstanding directors' fees due to Messrs Khouri and Fayad. The outstanding directors' fees due as at 30 June 2020 were \$313,613.80.

It is proposed that, immediately following the approval of the various Resolutions to be put to Shareholders at the EGM on 30 October 2020, that of the outstanding directors' fees, \$96,340.47 will be paid to Mr Khouri and \$153,659.53 will be paid to Mr Fayad, being a total of \$250,000. Given that most of the funds raised from the recent and proposed capital raisings to be approved by Shareholders at the EGM are earmarked for particular purposes, the balance of the funds from those raisings will not be sufficient to pay the remaining directors' fees due to Messrs Khouri and Fayad as at 30 June 2020. In the circumstances, Messrs Khouri and Fayad have both agreed that the balance of the amount due to each of Mr Khouri (\$24,514.33) and Mr Fayad (\$39,099.47) can be satisfied by the issue of in Shares to them.

This means that the following Shares are proposed to be issued to Messrs Khouri and Fayad:

- Mr Khouri - 7,004,095 Shares at a deemed issue price of \$0.0035 per Share (totalling \$24,514.33), but with no cash being received by the Company, to satisfy the balance of accrued director's fees due to Mr Khouri as at 30 June 2020; and
- Mr Fayad - 11,171,276 Shares at a deemed issue price of \$0.0035 per Share (totalling \$39,099.47), but with no cash being received by the Company, to satisfy the balance of accrued director's fees due to Mr Fayad as at 30 June 2020.

Shareholders should note that if resolutions 2 to 5 referred to in the Company's notice for the EGM to be held on 30 October 2020 are not passed by Shareholders then Resolution 7 will be withdrawn, as it may be the case that an issue of Shares to Mr Khouri at the relevant time could lead to a breach by Mr Khouri's associate, Gun Capital Management, of the takeover provisions of the Corporations Act. If Resolution 7 is withdrawn then the accrued director's fees will need to be paid in cash to Mr Khouri.

### **7.2 Purpose of approval – Chapter 2E of the Corporations Act**

For a public company, or an entity that the public company controls, to give a financial benefit to a related party of the public company, the public company or entity must:

- obtain the approval of the public company's members in the manner set out in sections 217 to 227 of the Corporations Act; and
- give the benefit within 15 months following such approval,

unless the giving of the financial benefit falls within an exception set out in sections 210 to 216 of the Corporations Act.

The issue of Shares to Messrs Khouri and Fayad as contemplated by each of Resolutions 7 and 8, constitutes the giving a financial benefit given the deemed issue price of \$0.0035 per Shares is below the current market price of the Company's Shares. As at 30 September 2020 the closing market price of the Company's Shares was \$0.007.

**For Resolution 7**, if it is passed by Shareholders, the Company will issue of 7,004,095 Shares to Mr Khouri or his nominee. Further, if Shareholder approval is given for the purposes of Listing Rule 10.11, approval will not be required under Listing Rule 7.1 and the Shares issued to Mr Khouri will not be counted towards the Company's 15% Placement Capacity. If the Resolution is not passed, the Company will be required to pay the accrued director's fees to Mr Khouri in cash in due course.

**For Resolution 8**, if it is passed by Shareholders, the Company will issue of 11,171,276 Shares to Mr Fayad or his nominee. Further, if Shareholder approval is given for the purposes of Listing Rule 10.11, approval will not be required under Listing Rule 7.1 and the Shares issued to Mr Fayad will not be counted towards the Company's 15% Placement Capacity. If the Resolution is not passed, the Company will be required to pay the accrued director's fees to Mr Fayad in cash in due course.

### **7.3 Resolution 7 – Issue of Shares to Mr Jacob Khouri – Technical information required under Chapter 2E of the Corporations Act**

In accordance with the requirements of Chapter 2E, and in particular with section 219, of the Corporations Act, the following information is provided for the purposes of obtaining Shareholder approval for Resolution 7:

- (a) The related party to whom a financial benefit will be given is Mr Jacob Khouri, who is the Non-Executive Chairman of the Company.
- (b) The nature of the financial benefit proposed to be given is the issue to Mr Khouri 7,004,095 Shares at a deemed issue price of \$0.0035 per Share, with no cash being received by the Company. This is below the current market price of the Company's Shares. As at 30 September 2020 the closing market price of the Company's Shares was \$0.007. However, the price of \$0.0035 per Shares is consistent with the price of Shares which are being issued to others and for which Shareholder approval is being sought at the Company's general meeting to be held on 30 October 2020.
- (c) The value of the financial benefit to be provided to Mr Khouri is \$24,514.33.
- (d) The issue of Shares to Mr Khouri aligns his interest with that of Shareholders.
- (e) The Shares to be issued to Mr Khouri will be fully paid ordinary shares in the Company and will rank equally with the Company's existing shares on issue. The Company will apply for official quotation of those Shares.
- (f) The Company considers that there would be no adverse tax consequence arising from the issue of Shares to Mr Khouri and that subject to the Company meeting legislative requirements for continuity of ownership and the same business test principles at the time where it generates sufficient assessable income, the payment of the directors' fee by the issue of shares should be tax deductible for the Company.
- (g) Mr Khouri is the proposed recipient of the proposed issue of Shares and has a material personal interest in the outcome of the Resolution. Mr Khouri abstains from making a recommendation in respect of Resolution 7. The other Directors (with Mr Vincent Fayad abstaining) unanimously recommend that Shareholders vote in favour of this Resolution on the basis that the issue of Shares to Mr Khouri preserves the cash of the Company and at the same time satisfied a legally binding obligation on the Company.

### **7.4 Resolution 8 – Issue of Shares to Mr Vincent Fayad – Technical information required under Chapter 2E of the Corporations Act**

In accordance with the requirements of Chapter 2E, and in particular with section 219, of the Corporations Act, the following information is provided for the purposes of obtaining Shareholder approval for Resolution 8:

- (a) The related party to whom a financial benefit will be given is Mr Vincent Fayad (or his nominee, Kafta Enterprises Pty Ltd), who is an Executive Director and the Company Secretary.
- (b) The nature of the financial benefit proposed to be given is the issue to Mr Fayad 11,171,276 Shares at a deemed issue price of \$0.0035 per Share, with no cash being received by the Company. This is below the current market price of the Company's Shares. As at 30 September 2020 the closing market price of the Company's Shares was \$0.007. However, the price of \$0.0035 per Shares is consistent with the price of Shares which are being issued to others and for which Shareholder approval is being sought at the Company's general meeting to be held on 30 October 2020.
- (c) The value of the financial benefit to be provided to Mr Fayad is \$39,099.47.
- (d) The issue of Shares to Mr Fayad aligns his interest with that of Shareholders.
- (e) The Shares to be issued to Mr Fayad (or his nominee) will be fully paid ordinary shares in the Company and will rank equally with the Company's existing shares on issue. The Company will apply for official quotation of those Shares.
- (f) The Company considers that there would be no adverse tax consequence arising from the issue of Shares to Mr Fayad and that subject to the Company meeting legislative requirements for continuity of ownership and the same business test principles at the time where it generates sufficient assessable income, the payment of the directors' fee by the issue of shares should be tax deductible for the Company.
- (g) Mr Fayad is the proposed recipient of the proposed issue of Shares and has a material personal interest in the outcome of the Resolution. Mr Fayad abstains from making a recommendation in respect of Resolution 8. The other Directors (with Mr Jacob Khouri abstaining) unanimously recommend that Shareholders vote in favour of this Resolution on the basis that the issue of Shares to Mr Fayad preserves the cash of the Company and at the same time satisfied a legally binding obligation on the Company.

## **7.5 Purpose of approval – Listing Rule 10.11**

Listing Rule 10.11 provides that, unless one of the exceptions in Listing Rule 10.12 applies, a listed company must not issue or agree to issue Equity Securities to:

- (10.11.1) a related party;
- (10.11.2) a person who is, or was at any time in the 6 months before the issue or the agreement, a substantial (30%+) shareholder in the company;
- (10.11.3) a person who is, or was at any time in the 6 months before the issue or the agreement, a substantial (10%+) shareholder in the company and who has nominated a director to the board of the company pursuant to a relevant agreement which gives them a right or expectation to do so;
- (10.11.4) an associate of a person referred to in Listing Rule 10.11.1 to 10.11.3; or
- (10.11.5) A person whose relationship with the company or a person referred to in Listing Rule 10.11.1 to 10.11.4 is such that, in ASX's opinion, the issue or agreement should be approved by its shareholders,

unless it obtains the approval of its shareholders.

Each of the Messrs Khouri and Fayad (and their nominees) is a related party of the Company by virtue of sections 228(2) and 228(4) of the Corporations Act. The proposed issues to Messrs Khouri and Fayad (or their nominees) therefore fall within Listing Rule 10.11.1 (and



10.11.4, if applicable). As the proposed issue of the share does not fall within any of the exceptions in Listing Rule 10.12, Shareholder approval is required under Listing Rule 10.11.

As part of Resolutions 7 and 8, the Company is seeking Shareholder approval under Listing Rule 10.11 to allow the issue of Shares to Messrs Khouri and Fayad (or their nominees) in satisfaction of their accrued directors' fees.

#### **7.6 Resolution 7 – Issue of Shares to Mr Jacob Khouri – Technical information required under Listing Rule 10.13**

Listing Rule 10.13 requires that a notice of meeting pursuant to which shareholders are requested to consider approving an issue of shares pursuant to Listing Rule 10.11 must include certain specified information in relation to the securities to be issued. The information in respect of Resolution 7 is set out below:

- (a) **Names of persons to whom the Company will issue the securities:** Mr Jacob Khouri.
- (b) **Which category in Listing Rules 10.11.1 – 10.11.5 the person falls within:** As a Director, Mr Khouri is a related party of the Company for the purposes of Listing Rule 10.11.1.
- (c) **Number and class of securities to be issued:** 7,004,095 fully paid ordinary shares in the Company.
- (d) **Date by which the securities are to be issued:** The relevant Shares are anticipated to be issued on or around 30 November 2020 and in any case, no later than 1 month after the date of the Meeting.
- (e) **Issue price of the securities:** a deemed issue price of A\$0.0035 per Share, with no cash being received by the Company.
- (f) **Terms of the securities:** The Shares to be issued to Mr Khouri will be fully paid ordinary shares in the Company and will rank equally with the Company's existing shares on issue. The Company will apply for official quotation of those Shares.
- (g) **Purpose of the issue, including the intended use of funds raised:** The relevant Shares will be issued to Mr Khouri in satisfaction of the outstanding director's fees due to him as at 30 June 2020. No funds will be raised from this issue of shares.
- (h) **Details of Mr Khouri's current total remuneration package:** \$50,000 per annum (including superannuation). Over the last three years, Mr Khouri has not been paid a large part of his remuneration and as such, it has been accrued in the financial statements. As at 30 June 2020, the amount owing to Mr Khouri was \$120,854, representing 2.4 years of remuneration. It is proposed that \$96,340.47 of this outstanding amount will be paid to Mr Khouri immediately following the EGM on 30 October 2020, assuming Shareholders approve all Resolutions put to them at that EGM, leaving a balance due to Mr Khouri of \$24,514.33 which he has agreed to take in Shares at a deemed issue price of \$0.0035 per Share.
- (i) The securities are not issued under any agreement.

#### **7.7 Resolution 8 – Issue of Shares to Mr Vincent Fayad – Technical information required under Listing Rule 10.13**

Listing Rule 10.13 requires that a notice of meeting pursuant to which shareholders are requested to consider approving an issue of shares pursuant to Listing Rule 10.11 must include certain specified information in relation to the securities to be issued. The information in respect of Resolution 8 is set out below:

- (a) **Names of persons to whom the Company will issue the securities:** Mr Vincent Fayad or his nominee, Kafta Enterprises Pty Ltd.
- (b) **Which category in Listing Rules 10.11.1 – 10.11.5 the person falls within:** As a Director, Mr Fayad is a related party of the Company for the purposes of Listing Rule 10.11.1. Any nominee(s) of Mr Fayad will be an associate of a related party for the purposes of Listing Rule 10.11.4.
- (c) **Number and class of securities to be issued:** 11,171,276 fully paid ordinary shares in the Company.
- (d) **Date by which the securities are to be issued:** The relevant Shares are anticipated to be issued on or around 30 November 2020 and in any case, no later than 1 month after the date of the Meeting.
- (e) **Issue price of the securities:** a deemed issue price of A\$0.0035 per Share, with no cash being received by the Company.
- (f) **Terms of the securities:** The Shares to be issued to Mr Fayad (or his nominee) will be fully paid ordinary shares in the Company and will rank equally with the Company's existing shares on issue. The Company will apply for official quotation of those Shares.
- (g) **Purpose of the issue, including the intended use of funds raised:** The relevant Shares will be issued to Mr Fayad (or his nominee) in satisfaction of the outstanding director's fees due to him as at 30 June 2020. No funds will be raised from this issue of shares.
- (h) **Details of Mr Fayad's current total remuneration package:** \$90,000 per annum plus GST. It is noted that over the last three years, the Company has had little to no cash and as a result, Mr Fayad's fees have been accrued but not paid. As at 30 June 2020, the amount owing to Mr Fayad was \$192,759, which represents 2.11 years of remuneration. It is proposed that \$153,659.53 of this outstanding amount will be paid to Mr Fayad immediately following the EGM on 30 October 2020, assuming Shareholders approve all Resolutions put to them at the EGM, leaving a balance due to Mr Fayad of \$39,099.47 which he has agreed to take in Shares at a deemed issue price of \$0.0035 per Share.
- (i) The securities are not issued under any agreement.

## 7.8 Voting exclusion

A voting exclusion statement for each of Resolutions 7 and 8 is contained in the Notice of Meeting.

## 7.9 Board recommendation

The Directors, with both Messrs Khouri and Fayad not being present while the matter is considered abstaining from voting, recommend that Shareholders vote in favour of Resolution 7.

The Directors, with both Messrs Fayad and Khouri not being present while the matter is considered abstaining from voting, recommend that Shareholders vote in favour of Resolution 8.

The Chair intends to vote undirected proxies in favour of Resolutions 7 and 8.

## **8. RESOLUTION 9 – FURTHER APPROVAL TO THE ISSUE OF SHARES IN LIEU OF PAYMENT OF ACCRUED INTEREST ON THE GCM LOAN AND ADVISORY FEES TO MINING INVESTMENTS LIMITED**

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### **8.1 Background**

Shareholders are referred to the notice of meeting and explanatory statement dated 21 September 2020 for the Company's general meeting to be held on 30 October 2020. Resolution 5 for consideration by Shareholders at that meeting was the issue of a maximum of 180,220,571 Shares at a deemed issue price of \$0.0035 per Share in full satisfaction of the outstanding balance of the Company's loan from Gun Capital Management (**GCM Loan**) (being \$630,772 as at 16 September 2020). It was noted in that notice of meeting that the amount outstanding did not include approximately \$18,000 of accrued interest, which was to be paid in cash.

During the process of finalising the 2020 Annual Report, the Company has become aware that the full amount owing on the GCM Loan was miscalculated. The loan balance as at 30 June 2020 did not include accrued interest to that date of \$55,393. So, in addition to the interest (\$18,000) from 15 September 2020 (when the GCM Loan was reduced to a balance of \$630,772) to the expected repayment date of 30 October 2020, additional interest of \$55,393 is payable to Gun Capital Management.

In addition to the above, as disclosed in note 24 of the 2020 Annual Report, Mining Investment receives fees for advisory services of \$3,000 per month which, as at 30 June 2020, has accrued to \$27,000.

In order to extinguish these Company liabilities and preserve the Company's cash, Gun Capital Management/Mining Investments Limited and the Company have agreed that these outstanding amounts can be satisfied by the issue of Shares. Thus it is proposed to issue to Gun Capital Management 28,683,724 Shares at a deemed issue price of \$0.0035 per Share in full satisfaction of the following:

- \$73,393, being accrued interest to the expected repayment of the outstanding GCM Loan on 30 October 2020, by the issue of 20,969,428 Shares at a deemed issue price of \$0.0035 per Share, with no cash being received by the Company; and
- \$27,000, being the accrued and outstanding monthly management fee as at 30 June 2020, by the issue of 7,714,286 Shares at a deemed issue price of \$0.0035 per Share, with no cash being received by the Company.

It is noted that Mining Investments Limited has agreed to assign its right to the 7,714,286 Shares to Gun Capital Management and/or its nominee.

These amounts, if known at the time, should have been included as part of resolution 5 for approval by Shareholders at the Company's general meeting to be held on 30 October 2020.

As noted in the explanatory statement to the notice of meeting issued on 21 September 2020, the outstanding balance (which includes all accrued interest and management fees) of the GCM Loan, in effect, is required to be repaid on the date of completion of any issue of shares by the Company to Gun Capital Management in lieu of cash repayment of the GCM Loan. This issue of shares is to occur on 30 October 2020. Thus the Shares to be issued under Resolution 9 to clear the balance of the GCM Loan (accrued interest and accrued management fee) are to be issued at the same price as the Shares to be issued to clear the principal of the GCM Loan, being a deemed issue price of \$0.0035 per Share.

Shareholders should note that if resolutions 2 to 5 referred to in the Company's notice for the general meeting to be held on 30 October 2020 are not passed by Shareholders then Resolution 9 will be withdrawn, as it may be the case that an issue of Shares to Gun Capital Management at the relevant time could lead to a breach by it of the takeover provisions of the Corporations Act.

If Resolution 9 is withdrawn then the outstanding accrued interest and accrued management fees will be required to be paid the Gun Capital Management in cash in accordance with the terms of the GCM Loan. Even if Resolution 9 is passed, Mining Investments Limited will still be entitled to its monthly management fee from 1 July 2020 until termination of its consulting agreement with the Company.

## **8.2 Purpose of approval – Listing Rule 10.11**

Listing Rule 10.11 provides that, unless one of the exceptions in Listing Rule 10.12 applies, a listed company must not issue or agree to issue Equity Securities to:

- (10.11.1) a related party;
- (10.11.2) a person who is, or was at any time in the 6 months before the issue or the agreement, a substantial (30%+) shareholder in the company;
- (10.11.3) a person who is, or was at any time in the 6 months before the issue or the agreement, a substantial (10%+) shareholder in the company and who has nominated a director to the board of the company pursuant to a relevant agreement which gives them a right or expectation to do so;
- (10.11.4) an associate of a person referred to in Listing Rule 10.11.1 to 10.11.3; or
- (10.11.5) A person whose relationship with the company or a person referred to in Listing Rule 10.11.1 to 10.11.4 is such that, in ASX's opinion, the issue or agreement should be approved by its shareholders,

unless it obtains the approval of its shareholders.

Gun Capital Management is an associate of Mr Jacob Khouri, the Non-Executive Chairman of the Company. The proposed issues to Gun Capital Management therefore fall within Listing Rule 10.11.4. As the proposed issue to Gun Capital Management does not fall within any of the exceptions in Listing Rule 10.12, Shareholder approval is required under Listing Rule 10.11.

Resolution 9 is seeking Shareholder approval under Listing Rule 10.11 to allow the issue of 28,683,735 Shares to Gun Capital Management.

Further, if Shareholder approval is given for the purposes of Listing Rule 10.11, approval will not be required under Listing Rule 7.1 and the Shares issued to Gun Capital Management will not be counted towards the Company's 15% Placement Capacity.

If Resolution 9 is not passed by Shareholders, the Company will not be able to issue any Shares to Gun Capital Management:

- pursuant to paragraph (b) of the definition of "Repayment Date", the Company will be required to repay the outstanding accrued interest and outstanding accrued monthly management fee by cash payments to Gun Capital Management in accordance with the terms of the GCM Loan; and
- the fees payable to Mining Investments Limited would become due any payable in cash.

## **8.3 Technical information required under Listing Rule 10.13**

Listing Rule 10.13 requires that a notice of meeting pursuant to which shareholders are requested to consider approving an issue of shares pursuant to Listing Rule 10.11 must include certain specified information in relation to the securities to be issued. The information in respect of Resolution 9 is set out below:

- (a) **Names of persons to whom the Company will issue the securities:** Gun Capital Management.
- (b) **Which category in Listing Rules 10.11.1 – 10.11.5 the person falls within:** Gun Capital Management is an associate of Mr Jacob Khouri who, being a Director of the Company, is a related party of the Company under section 228 of the Corporations Act. Gun Capital Management therefore falls within the category of persons listed in Listing Rule 10.11.4.
- (c) **Number and class of securities to be issued:** 28,683,735 Shares.
- (d) **Date by which the securities are to be issued:** the relevant Shares will be issued immediately after the Meeting but in any event no later than 1 month after the date of the Meeting.
- (e) **Issue price of the securities:** a deemed issue price of A\$0.0035 per Share, with no cash being received by the Company.
- (f) **Terms of the securities:** The Shares to be issued to Gun Capital Management will be fully paid ordinary shares in the Company and will rank equally with the Company's existing shares on issue. The Company will apply for official quotation of those Shares.
- (g) **Purpose of the issue, including the intended use of funds raised:** The relevant Shares will be issued to Gun Capital Management to satisfy the outstanding accrued interest and outstanding accrued monthly management fee payable by the Company to Gun Capital Management.
- (h) **Summary of any other material terms of the agreement:** The securities are not issued under any agreement.

The terms of the GCM Loan are summarised below:

- (i) The GCM Loan is unsecured.
  - (ii) Advances under the GCM Loan can only be used to assist with meeting its commitments and obligations in relation to its exploration activities and general working capital requirements of the Company.
  - (iii) An interest rate of 15% per annum (default rate: 20%) applies to the total amount of the GCM Loan. Interest is capitalised at the end of each quarter. A monthly management fee of \$3,000 is payable by the Company to Gun Capital Management during the term of the GCM Loan.
  - (iv) The GCM Loan must be repaid in full on the Repayment Date which for current purposes is when, subject to shareholder, the Company is in a position to issue Shares to Gun Capital Management to repay the GCM Loan.
  - (v) There are no financial covenants under the GCM Loan.
- (i) **The terms under the services agreement with Mining Investments Limited are as follows:**

*Basis of fees*

The fees relates to the provision of services undertaken by Mr Elias Khouri.

The services relate to the following:

- (i) strategic consulting advice, including company direction;
- (ii) providing funding options to the Company;
- (iii) assistance with corporate matters, including takeovers, reconstructions and/or any other corporate action;
- (iv) advice as required by the Board on general matters; and
- (v) attendance of board meetings where required.

#### *Terms of the fees*

The terms of the fees are as follows:

- (i) The fees under the agreement are not secured.
- (ii) The service fee is payable on a monthly basis.
- (iii) The terms of payment are seven days after month end.
- (iv) The monthly fee is \$3,000.

### **8.4 Voting Exclusion**

A voting exclusion statement for this Resolution 9 is contained in the Notice of Meeting.

### **8.5 Board recommendation**

The Directors, with Mr Khouri not being present while the matter is considered abstaining from voting, recommend that Shareholders vote in favour of Resolution 9.

The Chair intends to vote undirected proxies in favour of Resolution 9.

## **9. RESOLUTION 10 – APPROVAL OF ADDITIONAL PLACEMENT CAPACITY UNDER LISTING RULE 7.1A**

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### **9.1 General**

Listing Rule 7.1 permits entities to issue up to 15% of its issued capital without shareholder approval in a 12 month period, subject to a number of exceptions.

Listing Rule 7.1A permits eligible entities, which have obtained shareholder approval by special resolution, to issue Equity Securities up to an additional 10% of its issued capital over a 12 month period after the annual general meeting (**Additional 10% Capacity**).

The Company seeks Shareholder approval under Resolution 10 to be able to issue Equity Securities under the Additional 10% Capacity. The exact number of Equity Securities to be issued is not fixed and will be determined in accordance the formula prescribed in Listing Rule 7.1A.2 (set out below).

## 9.2 Requirements of Listing Rule 7.1A

### (a) *Eligible Entities*

An eligible entity for the purposes of Listing Rule 7.1A is an entity that, as at the date of the relevant special resolution under which approval for the Additional 10% Capacity is sought, is not included in the S&P/ASX 300 Index and has a market capitalisation of \$300 million or less. The Company is an eligible entity.

### (b) *Shareholder approval*

Shareholders must approve the Additional 10% Capacity by special resolution at the Annual General Meeting. A resolution under Listing Rule 7.1A cannot be put at any other shareholder meeting.

### (c) *Equity Securities*

Equity Securities issued under the Additional 10% Capacity must be in the same class as an existing class of Equity Securities of the Company that are quoted on ASX.

As at the date of this Notice, the Company has one class of Equity Securities quoted on ASX, being fully paid ordinary Shares (ASX:ARO).

### (d) *Formula for calculating number of Equity Securities that may be issued under the Additional 10% Capacity*

If Resolution 10 is passed, the Company may issue or agree to issue, during the 12 month period after this Meeting, the number of Equity Securities calculated in accordance with the following formula:

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

Where:

A	<p>The number of fully paid ordinary securities on issue 12 months before the date of issue or date of agreement to issue:</p> <ul style="list-style-type: none"> <li>• plus the number of fully paid ordinary securities issued in the 12 months under an exception in Listing Rule 7.2 (other than exception 9, 16 or 17);</li> <li>• plus the number of fully paid ordinary securities issued in the 12 months on the conversion of convertible securities within Listing Rule 7.2 exception 9 where: <ul style="list-style-type: none"> <li>○ the convertible securities were issued or agreed to be issued before the date of issue or date of agreement to issue; or</li> <li>○ the issue of, or agreement to issue, the convertible securities was approved or taken to be approved under Listing Rule 7.1 or 7.4;</li> </ul> </li> <li>• plus the number of fully paid ordinary securities issued in the 12 months under an agreement to issue securities within Listing Rule 7.2 exception 16 where:</li> </ul>
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	<ul style="list-style-type: none"> <li>○ the agreement was entered into before the date of issue or date of agreement to issue; or</li> <li>○ the agreement or issue was approved or taken to be approved under Listing Rule 7.1 or 7.4;</li> <li>• plus the number of fully paid ordinary securities issued in the 12 months with the approval of shareholders under Listing Rules 7.1 or 7.4;</li> <li>• plus the number of partly paid ordinary securities that became fully paid in the 12 months;</li> <li>• less the number of fully paid ordinary securities cancelled in the 12 months.</li> </ul>
D	10%
E	The number of Equity Securities issued or agreed to be issued under Rule 7.1A.2 in the 12 months before the date of issue or agreement to issue that are not issued with the approval of Shareholders under Listing Rules 7.1 or 7.4.

**(e) Interaction between Listing Rules 7.1 and 7.1A**

The Additional 10% Capacity under Listing Rule 7.1A is in addition to the Company's 15% Placement Capacity under Listing Rule 7.1.

The Company has issued a notice of general meeting dated 21 September 2020 (**EGM**), seeking for approval of a number of issue of Equity Securities being issued. The meeting date of the EGM is 30 October 2020.

If:

- Resolution 10 is passed; and
- the Resolutions outlined in EGM are also passed,

the Company will be permitted to issue (as at the date of this Notice) up to:

- 319,815,833 Equity Securities under Listing Rule 7.1; and
- 213,210,555 Equity Securities under Listing Rule 7.1A.

without obtaining further Shareholder approval.

If:

- Resolution 10 is passed; and
- the Resolutions outlined in EGM are not passed,

the Company will be permitted to issue (as at the date of this Notice) up to:

- 219,436,787 Equity Securities under Listing Rule 7.1; and
- 146,291,191 Equity Securities under Listing Rule 7.1A,

without obtaining further Shareholder approval.



If Resolution 10 is not passed, the Company would not have the ability to issue Shares under the Additional 10% Capacity, unless and until further Shareholder approval is obtained in accordance with Listing Rule 7.1A.

The actual number of Equity Securities that the Company will be permitted to issue under Listing Rule 7.1A will be calculated at the date of issue or agreement to issue the Equity Securities in accordance with the formula prescribed in Listing Rule 7.1A.2 (as set out above).

The effect of Resolution 10 will be to allow the Company to issue securities under Listing Rule 7.1A in addition to the Company's 15% Placement Capacity under Listing Rule 7.1.

### **9.3 Information for Shareholders as required by Listing Rule 7.3A**

#### **(a) *Period for which the approval will be valid***

The Equity Securities may be issued under the Additional 10% Capacity commencing on the date of the Meeting and expiring on the first to occur of the following:

- (i) 12 months after the date of this Meeting;
- (ii) the time and date of the Company's next annual general meeting, which is likely to be the first quarter of the 2021 calendar year; and
- (iii) the time and date of approval by Shareholders of any transaction under ASX Listing Rules 11.1.2 (a significant change to the nature or scale of the Company's activities) or 11.2 (disposal of the Company's main undertaking) (after which date, an approval under Listing Rule 7.1A ceases to be valid),

**(Additional 10% Capacity Period).**

#### **(b) *Minimum price***

The issue price of the new Equity Securities will be a cash consideration that is no lower than 75% of the volume weighted average price (VWAP) for securities in the relevant quoted class calculated over the 15 trading days on which trades in that class were recorded immediately before:

- (i) the date on which the price of the Equity Securities are to be issued is agreed; or
- (ii) if the Equity Securities are not issued within 10 trading days of the date above, the date on which the Equity Securities are issued.

#### **(c) *Purpose of Issue under Additional 10% Capacity***

The Company intends to use the funds raised by an issue of Equity Securities under the Additional 10% Capacity for the acquisition of new assets and investments (including expenses associated with such an acquisition), continued exploration expenditure on the Company's current assets, the review of technologies for the processing of the Company's mineral sands projects and general working capital.

The total amount raised by the issue of Equity Securities under the 10% Placement Capacity will depend on the issue price of Shares at the time of issue of the relevant Equity Securities.

As at the date of this Notice, the Company has not formed an intention to offer any Equity Securities under the 10% Placement Capacity to any particular person or at any particular time, assuming that Resolution 10 is passed.

The specific purposes for which any particular issue is made under the Additional Placement Capacity will be disclosed by way of an ASX announcement at the time of the issue.

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

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

Any issue of Equity Securities under the Additional 10% Capacity will dilute the interests of Shareholders who do not receive any Shares under the issue.

If Resolution 10 is approved by Shareholders and the Company issues the maximum number of Equity Securities available under the Additional 10% Capacity, the economic and voting dilution of existing Shares would be as shown in the table below.

The table below shows the dilution of existing Shareholders calculated in accordance with the formula outlined in ASX Listing Rule 7.1A(2), on the basis of the current market price of Shares and the current number of Equity Securities on issue, determined as at the last day immediately prior to the date of this Notice on which Shares were traded on ASX (being 30 September 2020).

The table also shows:

- (i) two examples where variable 'A' has increased by 50% and 100%. Variable 'A' is based on the number of ordinary securities the Company has on issue. The number of ordinary securities on issue may increase as a result of issues of ordinary securities that do not require Shareholder approval (for example, a pro rata entitlements issue or scrip issued under a takeover offer) or specific placements under Listing Rule 7.1 that are approved at this Meeting or a future Shareholders' meeting; and
- (ii) two examples of where the issue price of ordinary securities has decreased by 50% and increased by 100% as against the current market price.

Issued Capital (Variable 'A' in ASX Listing Rule 7.1A.2)		Issue Price (per Share)			Dilutionary effect
		\$0.0035 50% decrease in Issue Price	\$0.007 Current Issue Price	\$0.014 100% increase in Issue Price	
1,462,911,912 (Current Issued Capital)	Shares issued	146,291,191 Shares	146,291,191 Shares	146,291,191 Shares	10%
	Funds raised	\$512,019	\$1,024,038	\$2,048,077	
731,455,956 (50% decrease in Issued Capital)	Shares issued	73,145,596 Shares	73,145,596 Shares	73,145,596 Shares	10%
	Funds raised	\$256,010	\$512,019	\$1,024,038	
2,925,823,824 (100% increase in Issued Capital)	Shares issued	292,582,382 Shares	292,582,382 Shares	292,582,382 Shares	10%
	Funds raised	\$1,024,038	\$2,048,077	\$4,096,153	

*\*The number of Shares on issue (Variable A in the formula) could increase as a result of the issue of Shares that do not require Shareholder approval (such as under a pro-rata rights issue or scrip issued under a takeover offer) or that are issued with Shareholder approval under Listing Rule 7.1 or 7.4.*

**The table above uses the following assumptions:**

1. There are currently 1,462,911,912 Shares on issue as at the date of the Notice.
2. The current issue price set out above is the closing price of the Shares on the ASX on 30th September 2020, being the last day immediately prior to the date of this Notice on which Shares were traded on ASX.
3. The Company issues the maximum possible number of Equity Securities under the Additional 10% Capacity.
4. The Company has not issued any Equity Securities in the 12 months prior to the Meeting that were not issued under an exception in ASX Listing Rule 7.2 or with approval under ASX Listing Rule 7.1.
5. The issue of Equity Securities under the Additional 10% Capacity consists only of Shares. It is assumed that no Options are exercised into Shares before the date of issue of the Equity Securities.
6. This table does not set out any dilution pursuant to approvals under ASX Listing Rule 7.1.
7. The 10% voting dilution reflects the maximum percentage dilution of the relevant interest and voting power of existing Shareholders in the Company, as a result of the issue of Equity Securities under the 10% Placement Capacity, as against the relevant interest and voting power of existing Shareholders immediately before the time of issue. This is why the voting dilution is shown in each example is 10%.
8. The calculations above do not show the dilution that any one particular Shareholder will be subject to. All Shareholders should consider the dilution caused to their own shareholding depending on their specific circumstances.

Shareholders should note that there is a risk that:

- (i) the market price for the Company's Shares may be significantly lower on the issue date than on the date of the Meeting; and
- (ii) the Shares may be issued at a price that is at a discount to the market price for those Shares on the date of issue, but subject to the minimum price requirements set out in paragraph 9.3(b) above.

**(e) *Allocation policy under the Additional 10% Capacity***

The Company's allocation policy for the issue of Equity Securities under the Additional 10% Capacity will be dependent on the prevailing market conditions at the time of the proposed placement(s).

The recipients of the Equity Securities to be issued under the Additional 10% Capacity have not yet been determined. However, the recipients of Equity Securities could consist of current Shareholders or new investors (or both), none of whom will be related parties of the Company.

The Company will determine the recipients at the time of the issue under the Additional 10% Capacity, having regard to the following factors:

- (i) the purpose of the issue;
- (ii) alternative methods for raising funds available to the Company at that time, including, but not limited to, an entitlement issue or other offer where existing Shareholders may participate;
- (iii) the effect of the issue of the Equity Securities on the control of the Company;
- (iv) the circumstances of the Company, including, but not limited to, the financial position and solvency of the Company;
- (v) prevailing market conditions; and
- (vi) advice from corporate, financial and broking advisers (if applicable).

**(f) Previous approval under ASX Listing Rule 7.1A**

The Company previously obtained approval from its Shareholders pursuant to ASX Listing Rule 7.1A at its annual general meeting held on 22 November 2019 (**Previous Approval**).

The Company has not issued any other Equity Securities pursuant to the Previous Approval. The Previous Approval will expire on 22 November 2020 or on the date of this Meeting, whichever first occurs. The approval being sought at the Annual General Meeting is in place of the Previous Approval and is not in addition to the Previous Approval.

**(g) Compliance with ASX Listing Rules 7.1A.4**

When the Company issues Equity Securities pursuant to the Additional 10% Capacity, it must:

- (i) state in its announcement of the proposed issue under Listing Rule 3.10.3 or in its application for quotation of the Equity Securities under Listing Rule 2.8 that the Equity Securities are being issued under Listing Rule 7.1A: and
- (ii) give to ASX immediately after the issue a list of the names of the recipients of the Equity Securities and the number of Equity Securities issued to each (not for release to the market), in accordance with Listing Rule 7.1A.4.

**9.4 Special resolution**

Resolution 10 is a special resolution. Accordingly, at least 75% of votes cast by Shareholders present and eligible to vote at the meeting must vote in favour of Resolution 10 for it to be passed.

**9.5 Voting Exclusion**

A voting exclusion statement is included in this Notice. As at the date of this Notice, the Company has not invited any existing Shareholder to participate in an issue of Equity Securities under ASX Listing Rule 7.1A. Therefore, no existing Shareholders will be excluded from voting on Resolution 10.

**9.6 Board recommendation**

The Board unanimously recommends that Shareholders vote in favour of Resolution 10.

## GLOSSARY

**\$** means Australian dollars.

**15% Placement Capacity** means the Company's capacity to issue Equity Securities of up to 15% of its fully paid ordinary share capital in any 12 month period without the approval of Shareholders pursuant to Listing Rule 7.1.

**2020 Annual Report** means the Company's annual financial report for the year ended 30 June 2020, as lodged with ASX on 28 September 2020.

**Additional 10% Capacity** has the meaning given in section 9.1 of the Explanatory Statement.

**AEDT** means Australian Eastern Daylight Time as observed in Sydney, New South Wales.

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

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

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

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

**Business Day** means Monday to Friday inclusive, except New Year's Day, Good Friday, Easter Monday, Christmas Day, Boxing Day, and any other day that ASX declares is not a business day.

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

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

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

**Company** means Astro Resources NL (ACN 007 090 904).

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

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

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

**EGM** means the general meeting of the Company to be held on 30 October 2020 in accordance with the notice of meeting dated 21 September 2020.

**Eligible Entity** means an entity that, at the date of the relevant special resolution:

- (a) is not included in the S&P/ASX 300 Index; and

- (b) has a maximum market capitalisation (excluding restricted securities and securities quoted on a deferred settlement basis) of \$300,000,000 or less.

**Equity Securities** includes a Share, a right to a Share or Option, an Option, a convertible security and any security that ASX decides to classify as an Equity Security.

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

**GCM Loan** means the loan from Gun Capital Management to the Company more particularly described in section 7.1 of the Explanatory Statement.

**Gun Capital Management** means Gun Capital Management Pty Ltd (ACN 091 221 546).

**Key Management Personnel** has the same meaning as in the accounting standards and broadly includes those persons having authority and responsibility for planning, directing and controlling the activities of the Company, directly or indirectly, including any director (whether executive or otherwise) of the Company.

**Listing Rule** means a listing rule in the ASX Listing Rules.

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

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

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

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

**Remuneration Report** means the remuneration report set out in the Directors' Report section of the Company's 2020 Annual Report.

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

**Share** means a fully paid ordinary share in the capital of the Company, and **Shareholding** has the corresponding meaning.

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

**Variable 'A'** means "A" as set out in the formula in section 9.2(d) of the Explanatory Statement.

## LODGE YOUR VOTE



### ONLINE

[www.linkmarketservices.com.au](http://www.linkmarketservices.com.au)



### BY MAIL

Astro Resources NL  
C/- Link Market Services Limited  
Locked Bag A14  
Sydney South NSW 1235 Australia



### BY FAX

+61 2 9287 0309



### BY HAND

Link Market Services Limited  
1A Homebush Bay Drive, Rhodes NSW 2138



### ALL ENQUIRIES TO

Telephone: +61 1300 554 474

## LODGE A PROXY FORM

This Proxy Form (and any Power of Attorney under which it is signed) must be received at an address given above by **11:00am on Wednesday, 25 November 2020**, being not 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.

Proxy Forms may be lodged using the reply paid envelope or:



### ONLINE

[www.linkmarketservices.com.au](http://www.linkmarketservices.com.au)

Login to the Link website using the holding details as shown on the Proxy Form. Select 'Voting' and follow the prompts to lodge your vote. To use the online lodgement facility, shareholders will need their "Holder Identifier" - Securityholder Reference Number (SRN) or Holder Identification Number (HIN).



### BY MOBILE DEVICE

Our voting website is designed specifically for voting online. You can now lodge your proxy by scanning the QR code adjacent or enter the voting link [www.linkmarketservices.com.au](http://www.linkmarketservices.com.au) into your mobile device. Log in using the Holder Identifier and postcode for your shareholding.

To scan the code you will need a QR code reader application which can be downloaded for free on your mobile device.

### QR Code



## HOW TO COMPLETE THIS SHAREHOLDER PROXY FORM

### YOUR NAME AND ADDRESS

This is your name and address as it appears on the Company's share register. If this information is incorrect, please make the correction on the form. Shareholders sponsored by a broker should advise their broker of any changes. **Please note: you cannot change ownership of your shares using this form.**

### APPOINTMENT OF PROXY

If you wish to appoint the Chairman of the Meeting as your proxy, mark the box in Step 1. If you wish to appoint someone other than the Chairman of the Meeting as your proxy, please write the name and email address of that individual or body corporate in Step 1. A proxy need not be a shareholder of the Company.

### DEFAULT TO CHAIRMAN OF THE MEETING

Any directed proxies that are not voted on a poll at the Meeting will default to the Chairman of the Meeting, who is required to vote those proxies as directed. Any undirected proxies that default to the Chairman of the Meeting will be voted according to the instructions set out in this Proxy Form, including where the Resolutions are connected directly or indirectly with the remuneration of KMP.

### VOTES ON ITEMS OF BUSINESS – PROXY APPOINTMENT

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

### APPOINTMENT OF A SECOND PROXY

You are entitled to appoint up to two persons as proxies to attend the Meeting and vote on a poll. If you wish to appoint a second proxy, an additional Proxy Form may be obtained by telephoning the Company's share registry or you may copy this form and return them both together.

To appoint a second proxy you must:

- 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. If the appointments do not specify the percentage or number of votes that each proxy may exercise, each proxy may exercise half your votes. Fractions of votes will be disregarded; and
- return both forms together.

### SIGNING INSTRUCTIONS

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

**Individual:** where the holding is in one name, the holder must sign.

**Joint Holding:** where the holding is in more than one name, either shareholder may sign.

**Power of Attorney:** to sign under Power of Attorney, you must lodge the Power of Attorney with the registry. If you have not previously lodged this document for notation, please attach a certified photocopy of the Power of Attorney to this form when you return it.

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

### CORPORATE REPRESENTATIVES

If a representative of the corporation is to attend the Meeting virtually the appropriate "Certificate of Appointment of Corporate Representative" must be received at [vote@linkmarketservices.com.au](mailto:vote@linkmarketservices.com.au) prior to admission in accordance with the Notice of General Meeting. A form of the certificate may be obtained from the Company's share registry or online at [www.linkmarketservices.com.au](http://www.linkmarketservices.com.au).

NAME SURNAME  
ADDRESS LINE 1  
ADDRESS LINE 2  
ADDRESS LINE 3  
ADDRESS LINE 4  
ADDRESS LINE 5  
ADDRESS LINE 6



X99999999999

## PROXY FORM

I/We being a member(s) of Astro Resources NL and entitled to attend and vote hereby appoint:

### APPOINT A PROXY



the Chairman of the Meeting (mark box)

OR if you are **NOT** appointing the Chairman of the Meeting as your proxy, please write the name and email of the person or body corporate you are appointing as your proxy

Name

Email

or failing the person or body corporate named, or if no person or body corporate is named, the Chairman of the Meeting, as my/our proxy to act on my/our behalf (including to vote in accordance with the following directions or, if no directions have been given and to the extent permitted by the law, as the proxy sees fit) at the Annual General Meeting of the Company to be held at **11:00am on Friday, 27 November 2020** (the **Meeting**) and at any postponement or adjournment of the Meeting.

The Meeting will be conducted as a virtual meeting and you can participate by logging in: Online at <https://agmlive.link/AR02020> (refer to details in the Virtual Meeting Online Guide).

**Important for Resolutions 1, 4-8:** If the Chairman of the Meeting is your proxy, either by appointment or by default, and you have not indicated your voting intention below, you expressly authorise the Chairman of the Meeting to exercise the proxy in respect of Resolutions 1, 4-8, even though the Resolutions are connected directly or indirectly with the remuneration of a member of the Company's Key Management Personnel (**KMP**).

**The Chairman of the Meeting intends to vote undirected proxies in favour of each item of business.**

### VOTING DIRECTIONS

Proxies will only be valid and accepted by the Company if they are signed and received no later than 48 hours before the Meeting. Please read the voting instructions overleaf before marking any boxes with an ☒.

#### Resolutions

	For	Against	Abstain*		For	Against	Abstain*
1 ADOPTION OF REMUNERATION REPORT	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	9 FURTHER APPROVAL TO THE ISSUE OF SHARES IN LIEU OF PAYMENT OF ACCRUED INTEREST ON THE GCM LOAN AND ADVISORY FEE TO MINING INVESTMENTS LIMITED	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
2 RE-ELECTION OF DIRECTOR – JACOB KHOURI	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	10 APPROVAL OF ADDITIONAL PLACEMENT CAPACITY UNDER LISTING RULE 7.1A	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
3 ELECTION OF DIRECTOR - GREGORY JONES	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>				
4 INCREASE THE MAXIMUM AGGREGATE AMOUNT OF NON-EXECUTIVE DIRECTORS' FEES	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>				
5 APPROVAL OF PAYMENT OF BONUS TO MR JACOB KHOURI	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>				
6 APPROVAL OF PAYMENT OF BONUS TO MR VINCENT FAYAD	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>				
7 APPROVAL OF ISSUE OF SHARES IN LIEU OF PAYMENT OF ACCRUED DIRECTOR'S FEE TO MR JACOB KHOURI	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>				
8 APPROVAL OF ISSUE OF SHARES IN LIEU OF PAYMENT OF ACCRUED DIRECTOR'S FEE TO MR VINCENT FAYAD	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>				



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

### SIGNATURE OF SHAREHOLDERS – THIS MUST BE COMPLETED

Shareholder 1 (Individual)

Joint Shareholder 2 (Individual)

Joint Shareholder 3 (Individual)

Sole Director and Sole Company Secretary

Director/Company Secretary (Delete one)

Director

This form should be signed by the shareholder. If a joint holding, 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).

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