



**ACN 108 456 444**

## **IMPORTANT INFORMATION IN REGARD TO SHAREHOLDER MEETING VOTING**

Notice is hereby given that the Annual General Meeting of Shareholders of New World Resources Limited (**Company**) will be held at Level 2, 1 Walker Avenue, West Perth, WA 6005 on Monday, 30 November 2020 at 10.00am (WST) (**Meeting**).

Based on the information available at the date of the Notice of Meeting, the Board considers that it will be in a position to hold a physical meeting with appropriate measures in place to comply with Federal and State COVID-19 restrictions regarding gatherings. However, the Company strongly encourages Shareholders to submit completed Proxy Forms prior to the Meeting in accordance with the instructions set out in the Proxy Form and the Notice.

In accordance with subsection 5(f) of the Corporations (Coronavirus Economic Response) Determination (No. 3) 2020, the Company will not be despatching physical copies of the Notice of Meeting. Instead, Shareholders can access a copy of the Notice of Meeting at the following link:

<https://newworldres.com/wp-content/uploads/NoticeOfAnnualGeneralMeeting30Nov20.pdf>

### **How Shareholders Can Participate**

1. Shareholders are urged to appoint the Chair as their proxy. Shareholders can complete the Proxy Form to provide specific instructions on how a Shareholder's vote is to be cast on each item of business and the Chair must follow the Shareholder's instructions. Lodgement instructions (which include the ability to lodge proxies electronically) are set out in the Proxy Form attached to the Notice. If a person other than the Chair is appointed as proxy, the proxy will revert to the Chair in the absence of the appointed proxy holder's attendance at the Meeting. Your proxy voting instructions must be received by 10.00am (WST) on Saturday, 28 November 2020.
2. Shareholders may submit questions in advance of the Meeting by email to the Company Secretary at [icunningham@newworldres.com](mailto:icunningham@newworldres.com). Responses will be provided at the Meeting in respect of all valid questions received prior to 5.00pm (WST) on Friday, 27 November 2020. Shareholders who physically attend the Meeting, will also have the opportunity to submit questions during the Meeting.

Shareholders should contact the Company Secretary on +61 8 9226 1356 or by email at [icunningham@newworldres.com](mailto:icunningham@newworldres.com) if they have any queries in relation to the Meeting.

If the above arrangements with respect to the Meeting change, Shareholders will be updated via the ASX Market Announcements Platform and on the Company's website at [www.newworldres.com](http://www.newworldres.com).



**ACN 108 456 444**

## **NOTICE OF ANNUAL GENERAL MEETING AND EXPLANATORY STATEMENT**

**TIME:** 10.00am (WST)

**DATE:** 30 November 2020

**PLACE:** Stantons International (Boardroom)  
Level 2, 1 Walker Avenue  
West Perth, Western Australia 6005

This Notice of Annual General Meeting and Explanatory Statement should be read in its entirety. If Shareholders are in doubt as to how they should vote, they should seek advice from their accountant, solicitor or other professional adviser without delay.

If Shareholders are in doubt as to how they should vote, they should seek advice from their accountant, solicitor or other professional adviser without delay.

Should you wish to discuss the matters in this Notice of Annual General Meeting please do not hesitate to contact the Company Secretary on +61 8 9226 1356

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## IMPORTANT INFORMATION

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### **Time and place of Meeting**

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The Annual General Meeting of the Shareholders to which this Notice of Meeting relates will be held at 10.00am (WST) on Monday, 30 November 2020 at:

Stantons International (Boardroom)  
Level 2, 1 Walker Avenue  
West Perth, WA 6005

### **Your vote is important**

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

### **Voting eligibility**

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The Company may specify a time, not more than 48 hours before the Meeting, at which a "snap-shot" of Shareholders will be taken for the purposes of determining Shareholder entitlements to vote at the Meeting.

The Company's Directors have determined that all Shares of the Company that are on issue at 4.00pm (WST) on Saturday, 28 November 2020 shall, for the purposes of determining voting entitlements at the Meeting, be taken to be held by the persons registered as holding the Shares at that time.

### **Voting in person**

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To vote in person, attend the Meeting at the time, date and place set out above. However, the Company strongly encourages all Shareholders to participate in the Meeting by reading the Notice carefully and voting by proxy in accordance with instructions below.

### **Voting by proxy**

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Shareholders are strongly urged to appoint the Chair as their proxy. Shareholders can complete the Proxy Form to provide specific instructions on how a Shareholder's vote is to be cast on each item of business, and the Chair must follow Shareholder's instructions. Lodgement instructions (which include the ability to lodge proxies online) are set out in the Proxy Form attached to this Notice of Meeting. If a person other than the Chair is appointed as proxy, the proxy will revert to the Chair in the absence of the appointed proxy holder's attendance at the Meeting. **Proxy Forms must be received prior to 10.00am (WST) on Saturday, 28 November 2020.**

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## **BUSINESS OF THE MEETING**

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The business to be considered at the Meeting is set out below.

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### **1. FINANCIAL STATEMENTS AND REPORTS**

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 and the Auditor's report.

**Note: there is no requirement for Shareholders to approve these reports.**

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

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

*"That, for the purpose 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 Exclusion:** 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 a person described above and either:

- (a) the voter is appointed as a proxy by writing that specifies the way the proxy is to vote on this Resolution, and the vote is not cast on behalf of a person who is otherwise excluded from voting on this Resolution as described above; 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.

If you are a member of the Key Management Personnel or a closely related party of such person (or are acting on behalf of any such person) and purport to cast a vote (other than as a proxy as permitted in the manner set out above), that vote will be disregarded by the Company (as indicated above) and you may be liable for an offence for breach of voting restrictions that apply to you under the Corporations Act.

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### **3. RESOLUTION 2 – RE-ELECTION OF DIRECTOR – RICHARD HILL**

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

*"That, in accordance with Listing Rule 14.4 and for the purposes of clause 12.3 of the Constitution and for all other purposes, Richard Hill, a Director, retires, and being eligible, offers himself for re-election, is re-elected as a Director of the Company."*

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### **4. RESOLUTION 3 – RATIFICATION OF PRIOR ISSUE OF PLACEMENT SHARES UNDER LISTING RULE 7.1**

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

*"That, for the purpose of Listing Rule 7.4 and for all other purposes, Shareholders approve and ratify the prior issue by the Company of 31,053,602 Shares pursuant to a placement, 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 participated in the issue and any Associate 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 the Resolution, in accordance with the directions given to the proxy or attorney to vote on the Resolution in that way; or
- (b) the Chair acting as proxy or attorney for a person who is entitled to vote on the Resolution, in accordance with a direction given to the Chair to vote on the Resolution as the Chair decides; or
- (c) a holder acting solely in a nominee, trustee, custodial or other fiduciary capacity on behalf of a beneficiary provided the following conditions are met:
  - (i) the beneficiary provides written confirmation to the holder that the beneficiary is not excluded from voting, and is not an Associate of a person excluded from voting, on the Resolution; and
  - (ii) the holder votes on the Resolution in accordance with directions given by the beneficiary to the holder to vote in that way.

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**5. RESOLUTION 4 – RATIFICATION OF PRIOR ISSUE OF PLACEMENT SHARES UNDER LISTING RULE 7.1A**

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

*"That, for the purpose of Listing Rule 7.4 and for all other purposes, Shareholders approve and ratify the prior issue by the Company of 98,576,028 Shares pursuant to a placement, 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 participated in the issue and any Associate 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 the Resolution, in accordance with the directions given to the proxy or attorney to vote on the Resolution in that way; or
- (b) the Chair acting as proxy or attorney for a person who is entitled to vote on the Resolution, in accordance with a direction given to the Chair to vote on the Resolution as the Chair decides; or
- (c) a holder acting solely in a nominee, trustee, custodial or other fiduciary capacity on behalf of a beneficiary provided the following conditions are met:
  - (i) the beneficiary provides written confirmation to the holder that the beneficiary is not excluded from voting, and is not an Associate of a person excluded from voting, on the Resolution; and
  - (ii) the holder votes on the Resolution in accordance with directions given by the beneficiary to the holder to vote in that way.

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**6. RESOLUTION 5 – APPROVAL OF 10% PLACEMENT CAPACITY**

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

*"That, for the purpose 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."*

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**7. RESOLUTION 6 - ADOPTION OF LONG-TERM INCENTIVE PLAN**

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

*"That, for the purpose of Listing Rule 7.2 Exception 13(b), section 200B and 200E of the Corporations Act and for all other purposes, approval is given for the Company to adopt the employee incentive scheme known as the "Long-Term Incentive Plan", a summary of which is set out in the Explanatory Statement accompanying this Notice of General Meeting."*

**Voting exclusion:** The Company will disregard any votes cast in favour of Resolution 6 by or on behalf of a person who is eligible to participate in the Long-Term Incentive Plan, or an Associate of those persons. However, the Company need not disregard a vote if:

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

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**8. RESOLUTION 7 – ISSUE OF PERFORMANCE RIGHTS TO MICHAEL HAYNES**

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

*"That, for the purpose of Listing Rule 10.14, 10.19, sections 195(4), 208, 200B and 200E of the Corporations Act and for all other purposes, Shareholders approve the issue of up to 13,500,000 Performance Rights under the Long-Term Incentive Plan to Michael Haynes or his nominee, on the terms and conditions set out in the Explanatory Statement."*

**Voting Exclusion:** a voting exclusion statement for this Resolution is provided after Resolution 9.

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**9. RESOLUTION 8 – ISSUE OF PERFORMANCE RIGHTS TO RICHARD HILL**

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

*"That subject to the passing of Resolution 2, for the purpose of Listing Rule 10.14, 10.19 sections 195(4), 208, 200B and 200E of the Corporations Act and for all other purposes, Shareholders approve the issue of up to 3,000,000 Performance Rights under the Long-Term Incentive Plan to Richard Hill or his nominee, on the terms and conditions set out in the Explanatory Statement."*

**Voting Exclusion:** a voting exclusion statement for this Resolution is provided after Resolution 9.

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**10. RESOLUTION 9 – ISSUE OF PERFORMANCE RIGHTS TO ANTHONY POLGLASE**

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

*"That, for the purpose of Listing Rule 10.14, 10.19 sections 195(4), 208, 200B and 200E of the Corporations Act and for all other purposes, Shareholders approve the issue of up to 2,000,000 Performance Rights under the Long-Term Incentive Plan to Anthony Polglase or his nominee, on the terms and conditions set out in the Explanatory Statement."*

**Voting Exclusion for Resolution 7 to 9 - Listing Rules:** The Company will disregard any votes cast in favour of this Resolution by or on behalf of a person referred to in Listing Rule 10.14.1, 10.14.2 or 10.14.3 who is eligible to participate in the Long-Term Incentive Plan in respect of which the approval is sought, and any Associate of those persons, or an officer of the Company or any of its child entities who is entitled to participate in a termination benefit (**Excluded Persons**). However, the Company need not disregard a vote if:

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

The Excluded Persons for Resolutions 7 to 9 under the ASX voting exclusions are set out in the table below.

Resolution	Excluded Persons
Resolution 7	Mr Michael Haynes or his Associates and any person referred to in Listing Rule 10.14, 10.14.2 or 10.14.3 who is eligible to participate in the employee incentive scheme
Resolution 8	Mr Richard Hill or his Associates and any person referred to in Listing Rule 10.14, 10.14.2 or 10.14.3 who is eligible to participate in the employee incentive scheme
Resolution 9	Mr Anthony Polglase or his Associates and any person referred to in Listing Rule 10.14, 10.14.2 or 10.14.3 who is eligible to participate in the employee incentive scheme

**Corporations Act:** For the purposes of the Corporations Act, a vote on Resolutions 7 to 9 must not be cast by or on behalf of those persons set out in the table below:

Resolution	Excluded Persons
Resolution 7	Mr Michael Haynes or his Associates.
Resolution 8	Mr Richard Hill or his Associates.
Resolution 9	Mr Anthony Polglase or his Associates.

However, this does not prevent the casting of a vote on Resolutions 7 to 9 if it is cast by a person as a proxy in writing that specifies how the proxy is to vote on the proposed resolution and it is not cast on behalf of a person referred to in sub-paragraphs (a) or (b) directly above. Where the Chair is the related party the subject of the Resolution or is an associate of the related party, the Chair cannot cast undirected proxies in respect of the Resolution.

A vote must not be cast on Resolutions 7 to 9 by a member of the Key Management Personnel, or a closely related party of a Key Management Personnel, acting as proxy if their appointment does not

specify the way the proxy is to vote on this Resolution. However, the Company will not disregard any proxy votes cast on that Resolution by a Key Management Personnel if the Key Management Personnel is the chairman of the Meeting acting as proxy and their appointment expressly authorised the proxy even though the Resolution is connected with the remuneration of the Key Management Personnel for the Company.

Dated: **22 October 2020**

**By order of the Board**

A handwritten signature in black ink, appearing to read 'I. A. C.', written in a cursive style.

**IAN CUNNINGHAM  
COMPANY SECRETARY**

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## 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 pass the Resolutions.

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### 1. FINANCIAL STATEMENTS AND REPORTS

In accordance the Constitution and pursuant to the Corporations Act the annual financial report, directors' report and the auditor's report (**Annual Financial Statements**) are be received and considered at the Annual General Meeting. The Annual Financial Statements for the period ended 30 June 2020 are included in the Company's annual financial report, together with the declaration of the Directors, the Directors' report, the Remuneration Report and the Auditor's report, a copy of which can be accessed on-line at [www.newworldres.com](http://www.newworldres.com). A hard copy of the Company's annual financial report will be made available on request.

There is no requirement for Shareholders to approve these reports and no vote will be taken on the Annual Financial Statements. However, Shareholders attending the Annual General Meeting will be given a reasonable opportunity to ask questions about, or make comments on, the Annual Financial Statements and the management of the Company.

The Company's auditor, Stantons International Audit and Consulting Pty Ltd, will be present at the Annual General Meeting and Shareholders will have the opportunity ask the auditor questions in relation to the conduct of the audit, the auditor's report, the Company's accounting policies, and the independence of the auditor.

In addition to taking questions at the Meeting, written questions to the Chair about the management of the Company, or to the Company's auditor about:

- (a) the preparation and content of the auditor's report;
- (b) the conduct of the audit;
- (c) accounting policies adopted by the Company in relation to the preparation of the Annual Financial Statements; and
- (d) the independence of the auditor in relation to the conduct of the audit,

may be submitted no later than 23 November 2020 to the Company Secretary at [icunningham@newworldres.com](mailto:icunningham@newworldres.com).

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

#### 2.1 General

The Corporations Act, at section 250R(2), requires that at a listed company's annual general meeting, a non-binding resolution that the remuneration report be adopted must be put to the shareholders. However, such a resolution is advisory only and does not bind the directors or the company.

The Remuneration Report sets out the Company's remuneration arrangements for the Directors and senior management of the Company. The Remuneration Report is part of the Directors' report contained in the annual financial report of the Company for the financial year ending 30 June 2020. The annual financial report will be made available on the Company's website at [www.newworldres.com](http://www.newworldres.com).

By way of summary, the Remuneration Report:

- (a) explains the Company's remuneration policy and the process for determining the remuneration of its Directors and executive officers; and
- (b) sets out the remuneration details for each Director and executive officer named in the Remuneration Report for the financial year ended 30 June 2020.

The Chair of the Annual General Meeting will allow a reasonable opportunity for Shareholders as a whole to ask about, or make comments on, the Remuneration Report.

## 2.2 Voting consequences

Under changes to the Corporations Act which came into effect on 1 July 2011, a company is required to put to its shareholders a resolution proposing the calling of another meeting of shareholders to consider the appointment of 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 vote. If required, the Spill Resolution must be put to 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 the general meeting (**Spill Meeting**) within 90 days of the second annual general meeting.

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 previous 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 of the company is approved will be the directors of the company.

## 2.3 Previous voting results

At the Company's previous annual general meeting the votes cast against the remuneration report considered at that meeting were less than 25%. Accordingly, the Spill Resolution is not relevant for this Meeting.

## 2.4 Proxy voting restrictions

Shareholders appointing a proxy for this Resolution should note the following:

Proxy	Directions given	No directions given
Key Management Personnel <sup>1</sup>	Vote as directed	Unable to vote <sup>3</sup>
Chair <sup>2</sup>	Vote as directed	Able to vote at discretion of Proxy <sup>4</sup>
Other	Vote as directed	Able to vote at discretion of Proxy

Notes:

1. Refers to Key Management Personnel (other than the Chair) whose remuneration details are included in the Remuneration Report, or a Closely Related Party of such a member.
2. Refers to the Chair (where he/she is also a member of the Key Management Personnel whose remuneration details are included in the Remuneration Report), or a Closely Related Party of such a member).
3. Undirected proxies granted to these persons will not be voted and will not be counted in calculating the required majority if a poll is called on this Resolution.
4. The Proxy Form notes it is the Chair's intention to vote all undirected proxies in favour of all Resolutions.

## 2.5 Board Recommendation

The Board unanimously recommends that Shareholders vote in favour of Resolution 1.

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## 3. RESOLUTION 2 – RE-ELECTION OF DIRECTOR – RICHARD HILL

### 3.1 Legal requirements

ASX Listing Rule 14.4 and clause 12.3(b) of the Constitution requires that there be an election of Directors at each annual general meeting of the Company. It states that if no person or Director is standing for election or re-election in accordance with the specific provisions of that clause, then the Director who has been a Director the longest without re-election must retire and stand for re-election. In accordance with clause 12.3(c) of the Constitution, the Managing Director is exempt from retirement and re-election.

There are no Directors that have held office (without re-election) past the third AGM following their appointment or for more than 3 years. Accordingly, Mr Hill having been re-elected on 30 November 2018, will retire in accordance with clause 12.3 of the Constitution and ASX Listing Rule 14.4 and being eligible, seeks re-election in accordance with clause 12.3 of the Constitution.

### 3.2 Director information

Mr Hill is a geologist and solicitor with over 25 years' experience in the resources industry. He has performed roles as commercial manager and geologist for several mid cap Australian mining

companies and as founding director for a series of successful ASX-listed companies. Mr Hill has practical geological experience as a mine based and exploration geologist in a range of commodities.

Mr Hill is also currently a Non-Executive Director of Sky Metals Limited and Accelerate Resources Limited

### 3.3 Board recommendation

The Board (other than Richard Hill) recommends Shareholders vote in favour of Resolution 2.

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## 4. RESOLUTIONS 3 AND 4 - PLACEMENT

On 12 August 2020, the Company completed a placement of 129,629,630 Shares at an issue price of \$0.027 per Share (**Placement Shares**) raising \$3.5 million (**Placement**).

The Placement Shares were issued on the following basis:

- (a) 31,053,602 Shares issued pursuant to Listing Rule 7.1 (**Placement 7.1 Shares**); and
- (b) 98,576,028 Shares issued pursuant to Listing Rule 7.1A (**Placement 7.1A Shares**).

Resolution 3 seeks Shareholder ratification pursuant to Listing Rule 7.4 for the issue of the Placement 7.1 Shares.

Resolution 4 seeks Shareholder ratification pursuant to Listing Rule 7.4 for the issue of the Placement 7.1A Shares.

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## 5. RESOLUTION 3 – RATIFICATION OF PRIOR SHARE ISSUE UNDER LISTING RULE 7.1

### 5.1 Background

As stated in section 4 of the Explanatory Statement, the purpose of Resolution 3 is for Shareholders to ratify the issue of the Placement 7.1 Shares which was undertaken by way of a placement without Shareholder approval, as announced to the ASX on 12 August 2020.

### 5.2 Regulatory requirements

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

The issue of the Placement 7.1 Shares does not fit within any of these exceptions and, as it has not yet been approved by Shareholders, it effectively uses up part of the 15% limit in Listing Rule 7.1, reducing the Company's capacity to issue further equity securities without shareholder approval under Listing Rule 7.1 for the 12 month period following the date of issue of the Placement 7.1 Shares.

Listing Rule 7.4 sets out an exception to Listing Rule 7.1. It provides that where a company in general meeting ratifies the previous issue of securities made without shareholder approval under Listing Rule 7.1 (and provided that the previous issue did not breach Listing Rule 7.1) those securities will be deemed to have been made with shareholder approval for the purpose of Listing Rule 7.1 and so it does not reduce the Company's capacity to issue further equity securities without shareholder approval under that rule.

The Company wishes to retain as much flexibility as possible to issue additional equity securities into the future without having to obtain shareholder approval for such issues under Listing Rule 7.1.

If Resolution 3 is passed, the issue of the Placement 7.1 Shares will be excluded in calculating the Company's 15% limit in Listing Rule 7.1, effectively increasing the number of equity securities the Company can issue without shareholder approval over the 12 month period following the date of issue of the Placement 7.1 Shares.

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

### **Technical information required by Listing Rule 7.5**

Pursuant to and in accordance with Listing Rule 7.5, the following information is provided in relation to Resolution 3:

- (a) 31,053,602 Shares were issued pursuant to Listing Rule 7.1;
- (b) the Placement 7.1 Shares were issued on 12 August 2020;
- (c) the Placement 7.1 Shares were issued at \$0.027 per Placement Share;
- (d) the Placement 7.1 Shares issued were all fully paid ordinary shares in the capital of the Company issued on the same terms and conditions as the Company's existing Shares;
- (e) the Placement 7.1 Shares were issued to sophisticated, professional or other exempt investors. The recipients comprised existing shareholders and other placees who were identified through a bookbuild process undertaken by the lead manager to the issue. None of placees were related parties of the Company;
- (f) the proceeds from the issue of the Placement Shares will be used to fund the Company's ongoing exploration program at its Antler Copper Project in Arizona, USA (Antler Project);
- (g) the Placement 7.1 Shares were not issued pursuant to any agreement; and
- (h) a Voting Exclusion Statement has been provided for Resolution 3 in the Business of the Meeting Section of this Notice of Meeting.

### **5.3 Board Recommendation**

The Board believes that the ratification of the above issues of securities is beneficial for the Company as it allows the Company to retain the flexibility to issue further securities representing up to 15% of the Company's share capital under Listing Rule 7.1 without the requirement to obtain prior Shareholder approval. Accordingly, the Board recommends Shareholders vote in favour of Resolution 3.

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## **6. RESOLUTION 4 – RATIFICATION OF PRIOR SHARE ISSUE UNDER LISTING RULE 7.1A**

### **6.1 Background**

As stated in section 4 of the Explanatory Statement, the purpose of Resolution 4 is for Shareholders to ratify the issue of the Placement 7.1A Shares which was undertaken by way of a placement without Shareholder approval, as announced to the ASX on 12 August 2020.

### **6.2 Regulatory requirements**

On 29 November 2019, the Company held its annual general meeting where shareholder approval was sought and obtained to, among other things, approve an additional 10% placement capacity pursuant to Listing Rule 7.1A.

The Company issued the Placement 7.1A Shares without prior Shareholder approval pursuant to its additional 10% placement capacity under Listing Rule 7.1A.

Listing Rule 7.1A provides, subject to a number of exemptions, that in addition to issues permitted without prior shareholder approval under Listing Rule 7.1, an entity that is eligible and obtains shareholder approval under Listing Rule 7.1A may issue or agree to issue, during the period the approval is valid, a number of equity securities which represents 10% of the number of fully paid ordinary securities on issue at the commencement of that 12 month period as adjusted in accordance with the formula in Listing Rule 7.1.

The issue of the Placement 7.1A Shares does not fit within any of these exceptions and, as it has not yet been approved by Shareholders, it effectively uses up part of the 10% limit in Listing Rule 7.1A, reducing the Company's capacity to issue further equity securities without shareholder approval under Listing Rule 7.1A for the 12 month period following the date of issue of the Placement 7.1A Shares.

Listing Rule 7.4 sets out an exception to Listing Rule 7.1A. It provides that where a company in general meeting ratifies the previous issue of securities made pursuant to Listing Rule 7.1A those securities will from that date be included in variable "A" in the formula in Listing Rules 7.1 and 7.1A.2 for the purpose of calculating the annual placement capacity of the Company under both Listing Rules 7.1 and 7.1A, and so it does not reduce the Company's capacity to issue further equity securities without Shareholder approval under that rule.

The Company wishes to retain as much flexibility as possible to issue additional equity securities into the future without having to obtain shareholder approval for such issues under Listing Rule 7.1A.

If Resolution 4 is passed, the issue of the Placement 7.1A Shares will be excluded in calculating the Company's 10% limit in Listing Rule 7.1A, effectively increasing the number of equity securities it can issue without shareholder approval over the 12 months period following the date of issue of the Placement 7.1A Shares.

If Resolution 4 is not passed, the issue of the Placement 7.1A Shares will be included in calculating the Company's 10% limit in Listing Rule 7.1A, effectively decreasing the number of equity securities it can issue without shareholder approval over the 12 month period following the date of issue of the Placement 7.1A Shares.

#### **Technical information required by Listing Rule 7.5**

Pursuant to and in accordance with Listing Rule 7.5, the following information is provided in relation to Resolution 4:

- (a) 98,576,028 Shares were issued pursuant to Listing Rule 7.1A;
- (b) the Placement 7.1A Shares were issued on 12 August 2020;
- (c) the Placement 7.1A Shares were issued at \$0.027 per Placement Share;
- (d) the Placement 7.1A Shares issued were all fully paid ordinary shares in the capital of the Company issued on the same terms and conditions as the Company's existing Shares;
- (e) the Placement 7.1 Shares were issued to sophisticated, professional or other exempt investors. The recipients comprised existing shareholders and other placees who were identified through a bookbuild process undertaken by the lead manager to the issue. None of placees were related parties of the Company;
- (f) the proceeds from the issue of the Placement Shares will be used to fund the Company's ongoing exploration program at the Antler Project;
- (g) the Placement 7.1A Shares were not issued pursuant to any agreement; and
- (h) a Voting Exclusion Statement has been provided for Resolution 4 in the Business of the Meeting Section of this Notice of Meeting.

### **6.3 Board Recommendation**

The Board believes that the ratification of the above issue of securities is beneficial for the Company as it allows the Company to retain the flexibility to issue further securities representing up to 10% annual placement capacity under Listing Rule 7.1A without the requirement to obtain prior Shareholder approval. Accordingly, the Board recommends Shareholders vote in favour of Resolution 4.

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## **7. RESOLUTION 5 – APPROVAL OF 10% PLACEMENT CAPACITY**

### **7.1 General**

ASX Listing Rule 7.1A provides that an Eligible Entity may seek Shareholder approval at its annual general meeting to allow it to issue Equity Securities up to 10% of its issued capital (**10% Placement Capacity**). The 10% Placement Capacity is in addition to the Company's 15% annual placement capacity granted under Listing Rule 7.1.

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

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

An 'eligible entity' means an entity which is not included in the S&P/ASX 300 Index and which has a market capitalisation of \$300 million or less (**Eligible Entity**). The Company is an Eligible Entity as it is not included in the S&P/ASX 300 Index and has a market capitalisation of approximately \$49.6 million based on the closing Share price on 21 October 2020.

If Shareholders approve Resolution 5, the number of Equity Securities the Eligible Entity may issue under the 10% Placement Capacity will be determined in accordance with the formula prescribed in ASX Listing Rule 7.1A.2 (as set out in Section 7.2). The Company will be able to issue equity securities up to the combined 25% limit in Listing Rules 7.1 and 7.1A without any further shareholder approval.

If Resolution 5 is not passed, the Company will not be able to access the additional 10% capacity to issue equity securities to issue equity securities without shareholder approval provided for in Listing Rule 7.1A and will remain subject to the 15% limit on issuing equity securities without shareholder approval set out in Listing Rule 7.1.

Resolution 5 is a special resolution. Accordingly, at least 75% of votes cast by Shareholders present and eligible to vote at the Meeting must be in favour of Resolution 5 for it to be passed.

## 7.2 ASX Listing Rule 7.1A

ASX Listing Rule 7.1A came into effect on 1 August 2012 and enables an Eligible Entity to seek shareholder approval at its annual general meeting to issue Equity Securities in addition to those under the Eligible Entity's 15% annual placement capacity.

Any Equity Securities issued must be in the same class as an existing class of quoted Equity Securities. The Company currently has one class of Equity Securities on issue, being the Shares (ASX Code: NWC).

The exact number of Equity Securities that the Company may issue under an approval under Listing Rule 7.1A will be calculated according to the following formula:

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

Where:

- A** is the number of Shares on issue 12 months before the date of issue or agreement:
- plus the number of Shares issued in the previous 12 months under an exception in ASX Listing Rule 7.2 other than exception 9, 16 or 17;
  - plus the number of Shares issued in the 12 months on the conversion of convertible securities within Listing Rule 7.2 exception 9 where:
    - (A) the convertible securities were issue or agreed to be issued before the 12 month period; or
    - (B) the agreement to issue was approved, or taken to have been approved under Listing Rule 7.1 or 7.4;
  - plus the number or Shares issued in the relevant period under an agreement to issue securities within Listing Rule 7.2 exception 16 where:
    - (A) the agreement was entered into before the 12 month period; or
    - (B) the agreement to issue was approved, or taken to have been approved under Listing Rule 7.1 or 7.4;
  - plus the number of partly paid shares that became fully paid in the previous 12 months;
  - plus the number of Shares issued in the previous 12 months with approval of holders of Shares under Listing Rules 7.1 and 7.4;
  - less the number of Shares cancelled in the previous 12 months.

Note that A does not include an issue of Shares under the entity's 15% placement capacity without shareholder approval.

- D** is 10%.

- E** is the number of Equity Securities issued or agreed to be issued under ASX Listing 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 holders of Ordinary Securities under ASX Listing Rule 7.1 or 7.4.

### **7.3 Technical information required by ASX Listing Rule 7.1A**

Pursuant to and in accordance with ASX Listing Rule 7.3A, the information below is provided in relation to this Resolution 5:

**(a) Date of Issue**

The Equity Securities may be issued under the 10% Placement 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; and
- (iii) the 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),

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

The Company will only issue Equity Securities under the 10% Placement Facility during the 10% Placement Period and that the approval will cease to be valid in the event that holders of the eligible entity's ordinary securities approve a transaction under ASX Listing Rules 11.1.2 or 11.2.

**(b) Minimum Price**

The minimum price at which the Equity Securities may be issued is 75% of the volume weighted average price of Equity Securities in that class, calculated over the 15 ASX trading days on which trades in that class were recorded immediately before:

- (i) the date on which the price at which the Equity Securities are to be issued is agreed by the Company and the recipient of the Equity Securities; or
- (ii) if the Equity Securities are not issued within 10 ASX trading days of the date in Section 7.3(b)(i), the date on which the Equity Securities are issued.

**(c) Purpose of Issue under 10% Placement Capacity**

The Company will only issue Equity Securities under the 10% Placement Capacity for cash consideration for the following purposes:

- (i) exploration and development activities at its Antler Project, Tererro Project and/or Colson Project, all of which are located in the USA;
- (ii) general working capital; and
- (iii) the acquisition of new resource assets and investments.

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

**(d) Risk of voting dilution**

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

If Resolution 5 is approved by Shareholders and the Company issues the maximum number of Equity Securities available under the 10% Placement 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 as at the date of this Notice.

The table also shows the voting dilution impact where the number of Shares on issue (Variable A in the formula) changes and the economic dilution where there are changes in the issue price of Shares issued under the 10% Placement Capacity.

Number of Shares on Issue (Variable 'A' in ASX Listing Rule 7.1A2)	Dilution			
	Issue Price (per Share)	\$0.022 50% decrease in Issue Price	\$0.043 Issue Price	\$0.065 50% increase in Issue Price
1,126,316,669 (Current Variable A)	Shares issued - 10% voting dilution	112,631,667 Shares	112,631,667 Shares	112,631,667 Shares
	Funds raised	\$2,477,897	\$4,955,793	\$7,433,690
1,689,475,004 (50% increase in Variable A)	Shares issued - 10% voting dilution	168,947,500 Shares	168,947,500 Shares	168,947,500 Shares
	Funds raised	\$3,716,845	\$7,433,690	\$11,150,353
2,252,633,338 (100% increase in Variable A)	Shares issued - 10% voting dilution	225,263,334 Shares	225,263,334 Shares	225,263,334 Shares
	Funds raised	\$4,955,793	\$9,911,587	\$14,867,380

\*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.

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

- (i) There are currently 1,126,316,669 Shares on issue as at the date of this Notice of Meeting.
- (ii) The issue price of \$0.044 per Share set out above is the closing price of the Shares on the ASX on 21 October 2020.
- (iii) The Company issues the maximum possible number of Equity Securities under the 10% Placement Capacity.
- (iv) No Options are exercised into Shares before the date of issue of the Equity Securities.
- (v) The Company has not issued any Equity Securities in the 12 months prior to the date of issue that were not issued under an exception in ASX Listing Rule 7.2 or with approval under ASX Listing Rule 7.1.
- (vi) The issue of Equity Securities under the 10% Placement Capacity consists only of Shares.
- (vii) This table does not set out any dilution pursuant to approvals under ASX Listing Rule 7.1.
- (viii) The 10% voting dilution reflects the aggregate percentage dilution against the issued share capital at the time of issue. This is why the voting dilution is shown in each example as 10%.
- (ix) The table does not show an example of dilution that may be caused to a particular Shareholder by reason of placements under the 10% Placement Capacity, based on that Shareholder's holding at the date of the Meeting. 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.

(e) **Allocation under the 10% Placement Capacity**

The recipients of the Equity Securities to be issued under the 10% Placement 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 10% Placement Capacity, on a case-by-case basis having regard to the factors including but not limited to the following:

- (i) the purpose of the issue;
- (ii) alternative methods for raising funds available to the Company at that time, including, but not limited to, a rights issue, a placement and a pro rata offer, a placement and an offer under securities purchase plan or other issues in which existing security holders can 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 Shareholder approval under ASX Listing Rule 7.1A at its last annual general meeting held on 29 November 2019.

The Company has issued a total of 185,788,420 Equity Securities during the 12 months preceding the date of this Meeting under ASX Listing Rule 7.1A.2, representing approximately 19.6% of the total diluted number of Equity Securities on issue in the Company as at the date of the last annual general meeting.

Information relating to issues of Equity Securities under ASX Listing Rule 7.1A.2 by the Company in the 12 months prior to the date of this Meeting is set out in Schedule 1.

(g) **Compliance with ASX Listing Rules 7.1A.4 and 3.10.3**

When the Company issues Equity Securities pursuant to the 10% Placement Capacity, it will give to ASX:

- (i) a list 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; and;
- (ii) the information required by Listing Rule 3.10.3 for release to the market.

**7.4 Voting Exclusion**

A voting exclusion statement is not included in this Notice. At the date of the Notice of Annual General Meeting, the Company has not approached any particular existing security holder or an identifiable class of existing security holders to participate in the issue of the Equity Securities. Accordingly, the proposed persons to whom any Equity Securities may be issued to under the 10% Placement Facility are not as yet known or identified.

No existing Shareholders' votes will therefore be excluded from voting on Resolution 5.

**7.5 Board Recommendation**

The Board believes that the 10% Placement Facility is beneficial for the Company as it will give the Company the flexibility to issue further securities representing up to 10% of the Company's share capital during the next 12 months. Accordingly, the Board unanimously recommend that Shareholders approve Resolution 3.

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## 8. RESOLUTION 6 - ADOPTION OF LONG-TERM INCENTIVE PLAN

### 8.1 Background

Resolution 6 seeks Shareholder approval for the adoption of an employee incentive scheme titled the "Long-Term Incentive Plan" (**Plan**) in accordance with Listing Rule 7.2 Exception 13(b) and to enable Performance Rights or Options and, upon exercise or conversion of those Performance Rights and Options, Shares to be issued under the Plan to eligible employees (including Directors) and other persons that the Board determines to be eligible.

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

Listing Rule 7.2, Exception 13(b) sets out an exception to Listing Rule 7.1, which provides that issues under an employee incentive scheme are exempt for a period of 3 years from the date on which shareholders approve the issue of Equity Securities under the scheme as an exception to Listing Rule 7.1.

If Resolution 6 is passed, the Company will be able to issue Equity Securities under the Plan to eligible participants over a period of 3 years without impacting on the Company's ability to issue up to 15% of its total ordinary securities without Shareholder approval in any 12 month period (known as the Company's "placement capacity").

If Resolution 6 is not passed, the Company will still be able to issue Equity Securities to employees who are not directors (or otherwise covered by Listing Rule 10.14) but those issues will count towards the Company's 15% placement capacity.

Any future issue of Equity Securities under the Plan to a related party or person whose relationship with the Company or the related party is, in ASX's opinion, such that approval should be obtained will require additional Shareholder approval under Listing Rule 10.14 at the relevant time. Such approval is being sought under Resolutions 7 to 9.

### 8.2 Regulatory Requirements – Listing Rules

Pursuant to and in accordance with Listing Rule 7.2 Exception 13(b), the following information is provided:

- (a) the material terms of the Plan are summarised in Schedule 4;
- (b) this is the first approval under Listing Rule 7.2 Exception 13(b) with respect to the Plan (noting that Shareholder approval of the Plan was received under the precursor Listing Rule 7.2 Exception 9) and the following Equity Securities have previously been issued under the Plan:
  - (i) 15,000,000 Options exercisable at \$0.04 each were issued in 2019 to Michael Haynes under the current Plan for nil consideration;
  - (ii) 6,000,000 Options exercisable at \$0.04 each were issued in 2019 to Richard Hill under the current Plan for nil consideration;
  - (iii) 6,000,000 Options exercisable at \$0.04 each were issued in 2019 to Anthony Polglase under the current Plan for nil consideration; and
  - (iv) 17,500,000 Options exercisable at \$0.04 each were issued in 2019 to other employees and consultants under the current Plan for nil consideration.
- (c) the maximum number of Equity Securities proposed to be issued under the Plan with the three-year period following Shareholder approval is 60,000,000 Equity Securities. The maximum is not intended to be a prediction of the actual number of Equity Securities to be issued under the Plan, but simply a ceiling for the purposes of Listing Rule 7.2 Exception 13(b). Once that number is reached, any additional issues of Equity Securities under the Plan would not have the benefit of Listing Rule Exception 13(b) without additional Shareholder approval; and

- (d) a voting exclusion statement for Resolution 6 is included in the Notice of Annual General Meeting preceding this Explanatory Statement.

### **8.3 Regulatory Requirements – Corporations Act**

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

Under Section 200B of the Corporations Act, a company may only give a person a benefit in connection with them ceasing to hold a managerial or executive office if the benefit is approved by shareholders or an exemption applies.

The term “benefit” has a wide meaning and may include benefits resulting from the Board exercising certain discretions under the rules of the Plan.

If Shareholder approval is given under this Resolution the Company will still be required to comply with Listing Rules 10.18 and 10.19, which place restrictions on the circumstances in which termination benefits can be paid and a cap on the value of termination benefits that can be paid to officers of the Company.

#### Details of Termination Benefit

The Board possesses the discretion to determine, where a participant ceases employment before the vesting or exercise of their Awards, that some or all of the Securities do not lapse.

The exercise of this discretion may constitute a “benefit” for the purposes of section 200B of the Corporations Act.

In addition, a participant may become entitled to accelerated vesting or automatic vesting of Awards if there is a change of control of the Company. This accelerated or automatic vesting of Awards may constitute a “benefit” for the purposes of section 200B of the Corporations Act.

The Company is therefore seeking Shareholder approval for the exercise of the Board's discretions and for the provision of such accelerated or automatic vesting rights in respect of any current or future participant in the Plan who holds:

- (a) a managerial or executive office in the Company (or any of its related body corporate) at the time of their leaving or at any time in the three years prior to their leaving; and
- (b) Awards under the Plan at the time of their leaving.

The Board's current intention is to only exercise the above discretion where the participant leaves employment without fault on their part.

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

#### Value of the Termination Benefits

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

The following additional factors may also affect the benefit's value:

- (a) the participant's length of service and the portion of vesting periods at the time they cease employment;
- (b) the status of the performance conditions attaching to the Awards at the time the participant's employment ceases; and
- (c) the number of unvested Awards that the participant holds at the time they cease employment or at the time the change of control occurs (as applicable).

### **8.4 Board Recommendation**

Each of the Directors have an interest in the outcome of Resolution 6 and accordingly do not make a voting recommendation to Shareholders.

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## 9. RESOLUTIONS 7 TO 9 – ISSUE OF DIRECTOR PERFORMANCE RIGHTS

### 9.1 Background

Shareholders are being asked to approve Resolutions 7 to 9 to allow performance rights that may vest under the Plan to be issued to the Directors (**Performance Rights**), as set out below. Resolution 8 is conditional on the passing of Resolution 2, so that Resolution 8 will not have any effect unless Resolution 2 is passed.

The Board considers that the Directors are important to the operation of the Company's ongoing business. The Board also considers that its current strategy in relation to the Antler Project offers a significant value creation opportunity for its shareholders, whilst also requiring Directors and management to manage the challenges that come with the development of the project. The terms of the Performance Rights are designed to align the interests of the Directors and shareholders in terms of seeking to reward the recipients for achievements that may create significant Shareholder value. The Board has therefore determined that the proposed grant of Performance Rights under the Plan is an appropriate form of long-term incentive for the Company's Key Management Personnel and Non-Executive Directors.

Accordingly, the Company is proposing, subject to obtaining Shareholder approval, to issue the following Performance Rights to the Director(s) under the Plan:

Resolution	Director	Number of Performance Rights
Resolution 7	Michael Haynes	13,500,000
Resolution 8	Richard Hill	3,000,000
Resolution 9	Anthony Polglase	2,000,000

The key terms and conditions of the Director Performance Rights are summarised in Schedule 2.

### 9.2 Regulatory Requirements

Resolutions 7 to 9 seek Shareholder approval in order to comply with the requirements of Listing Rule 10.14 and sections 195(4), 208, 200B and 200E of the Corporations Act.

### 9.3 Listing Rules

As noted in section 9.1, the Company is proposing to issue securities to Directors under the Plan (**Issues**).

Listing Rule 10.14 provides that a company must not issue, under an employee incentive scheme, Equity Securities to:

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

unless the issue has been approved by holders of ordinary securities.

The Issues fall within Listing Rule 10.14.1 above and therefore requires the approval of Shareholders under Listing Rule 10.14.

Resolutions 7 to 9 seek the required Shareholder approval to the Issues under and for the purposes of Listing Rule 10.14.

If approval is given by Shareholders under Listing Rule 10.14, the Company will be able to proceed with the Issues.

If approval is not given by Shareholders under Listing Rule 10.14, the Issues will not be able to proceed. Accordingly, under Resolutions 7 to 9, the Company seeks approval from Shareholders for the issue of Performance Rights to the Directors, who by virtue of their position as Directors of the Company are related parties of the Company.

### **Listing Rule 10.15**

In compliance with the information requirements of Listing Rule 10.15, Shareholders are advised of the following information:

(a) **Nature of relationship between person to receive securities and the Company**

The Performance Rights are proposed to be issued to Michael Haynes, Richard Hill (subject to the passing of Resolution 2) and Anthony Polglase; all of whom are Directors of the Company and are, as such, related parties of the Company in accordance with Listing Rule 10.14.1.

(b) **Maximum number of securities that may be acquired pursuant to Resolution**

The maximum number of Performance Rights to be issued to each Director is outlined in section 9.1 above.

(c) **Issue price**

The Performance Rights will be issued for nil consideration and accordingly no funds will be raised.

(d) **Previous issues under the Plan**

Details on persons covered by Listing Rule 10.14 who have received securities under the Plan since the date of last approval on 29 November 2019 are as follow:

Recipient	Number of Options*	Acquisition Price per Option
Michael Haynes	15,000,000	Nil
Richard Hill	6,000,000	Nil
Anthony Polglase	6,000,000	Nil

\*Exercisable at \$0.04 each on or before 28 November 2022

(e) **Director's current total remuneration package**

Details of the remuneration of each Director (who was a Director during that period), including their related entities, for the year ended 30 June 2020, is set out below.

Name	Salary & fees	Share Options	Total Remuneration
Michael Haynes	\$268,333	\$94,282	\$362,615
Richard Hill	\$60,000	\$37,713	\$97,713
Anthony Polglase	\$28,333	\$37,713	\$66,046

1. Mr. Haynes receives fixed remuneration of \$225,000 per annum in the form of consulting fees. The additional fees received in the year ended 30 June 2020 is attributable to accrued fees from the prior financial year. Hence Mr Haynes fixed remuneration for the year ending 30 June 2021 is currently set at \$225,000.
2. Mr. Hill receives fixed remuneration of \$60,000 per annum in the form of Director's fees. Mr Hill is also eligible to receive consulting fees of \$1,250 per day, based on a minimum of 8 hours service, for any additional technical consultancy work that he provides.
3. Mr. Anthony Polglase was appointed on 17 October 2019 and receives fixed remuneration of \$40,000 per annum in the form of Director's fees. Mr Polglase is also eligible to receive consulting fees of \$1,500 per day, based on a minimum of 8 hours service, for any additional technical consultancy work that he provides.
4. Value of options granted in November 2019 was determined using the Black & Scholes Option Pricing Model.

(f) **Material terms of the Performance Rights**

A summary of the material terms of the Performance Rights is provided for in Schedule 2 to this Notice.

(g) **Summary of material terms of the Plan**

A summary of the material terms of the Plan is provided for in Schedule 4 to this Notice.

(h) **Eligible participants under the Plan**

Under the Plan, Performance Rights may be issued to the Directors, being Michael Haynes, Richard Hill and Anthony Polglase (and/or their respective nominees). These recipients are the only people referred to in Listing Rule 10.14 currently eligible to participate in the Plan. Any additional persons covered by Listing Rule 10.14 who become entitled to participate in the Plan after these Resolutions are approved and who are not named in Notice of General Meeting will not participate until approval is obtained under Listing Rule 10.14.

(i) **Issue date**

The latest date that the Company will issue Performance Rights under Resolutions 7 to 9 will be no later than 3 years after the date of the Meeting.

(j) **Loan**

No loans have or will be made by the Company in connection with the proposed issue of Performance Rights.

(k) **Voting exclusion statement**

A voting exclusion statement for each of Resolutions 7 to 9 is included in the Notice of Meeting preceding this Explanatory Statement.

Details of any securities issued under the scheme will be published in the annual report of the entity relating to the period in which they were issued, along with a statement that approval for the issue was obtained under Listing Rule 10.14.

Any additional persons covered by Listing Rule 10.14 who became entitled to participate in an issue of securities under the scheme after the resolution is approved and who were not named in the notice of meeting will not participate until approval is obtained under that rule.

**9.4 Section 208 Corporations Act**

Chapter 2E of the Corporations Act regulates the provision of "financial benefits" to "related parties" by a public company. Chapter 2E prohibits a public company from giving a financial benefit to a related party of the public company unless either:

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

A "related party" is widely defined under the Corporations Act, and includes the directors of the company. As such, the Directors of the Company are related parties of the Company for the purposes of Section 208 of the Corporations Act.

A "financial benefit" is construed widely and in determining whether a financial benefit is being given, Section 229 of the Corporations Act requires that any consideration that is given is disregarded, even if the consideration is adequate. It is necessary to look at the economic and commercial substance and the effect of the transaction in determining the financial benefit. Section 229 of the Corporations Act includes as an example of a financial benefit, the issuing of securities or the granting of an option to a related party.

In compliance with the information requirements of Section 219 of the Corporations Act, Shareholders are advised of the information below. Neither the Directors nor the Company are

aware of any other information that would be reasonably required by Shareholders to make a decision in relation to the financial benefits contemplated by Resolutions 7 to 9.

**(a) Identity of the related parties to whom Resolutions 7 to 9 permits financial benefits to be given.**

The Performance Rights are proposed to be issued to each of the Directors, each of whom are a related party of the Company.

**(b) Nature of the financial benefit**

Resolutions 7 to 9 seek approval from Shareholders to allow the Company to issue an aggregate of 18,500,000 Performance Rights to the Directors for nil consideration.

Schedule 2 of this Notice of Meeting sets out the key terms and conditions of the Performance Rights including, the vesting conditions and expiry date of the Performance Rights.

The Shares to be issued upon exercise of the Performance Rights will be fully paid ordinary shares in the capital of the Company on the same terms and conditions as the Company's existing Shares and will rank equally in all respects with the Company's existing Shares. The Company will apply for official quotation of the Shares on ASX.

The Directors consider that the issue of Performance Rights to its personnel are a cost effective and efficient means for the Company to provide incentive to its personnel as opposed to alternative forms of incentives such as cash bonuses or increased remuneration. The Company considers that, to enable the Company to secure and retain employees and directors who can assist the Company in achieving its objectives, it is necessary to provide competitive and appropriate remuneration and incentives to such personnel. The issue of the Performance Rights is designed to achieve this objective, by encouraging continued improvement in performance over time and by encouraging personnel to acquire and retain significant Shareholdings in the Company.

The Board engaged the services of an independent remuneration consultant to provide advice in relation to the appropriate number of Performance Rights to be granted to Directors. The advice was provided to the Board as input into decision making only. The Board considered the advice, along with other factors, in determining the number and terms of the Performance Rights proposed in Resolutions 7 to 9 to be appropriate.

**(c) Valuation of financial benefit**

The Company is proposing to issue a total of 18,500,000 Performance Rights under Resolutions 7 to 9. The indicative fair value of the Performance Rights as at the date of grant is \$758,500 (based on \$0.041 per Performance Right).

The Company has engaged Independent Valuation specialist, Stantons International Securities Pty Ltd, to calculate the fair values. Full details in respect of this valuation, including the valuation methodology is set out in Schedule 3.

**(d) Dilution**

If the Performance Rights vest and are exercised, the effect will be to dilute the holdings of Shares of other Shareholders. The issue of the Performance Rights will in aggregate be equal to approximately 2.4% of the Company's diluted share capital assuming implementation of all the Resolutions and exercise of all the Performance Rights granted pursuant to the Resolutions (based on the number of Shares on issue as at the date of this Notice of Annual General Meeting), resulting in a total of 1,144,816,669 Shares on issue.

**(e) Interests of the Directors in the Company**

The direct and indirect interests of the Directors in securities of the Company as at the date of this Notice of Annual General Meeting are:

Name	Shares	Options*
Michael Haynes	37,667,305 Shares	15,000,000
Richard Hill	25,925,682 Shares	6,000,000
Anthony Polglase	1,700,000	6,000,000

\*Each exercisable at \$0.04 on or before 28 November 2022

(f) **Remuneration of Directors**

Details of the remuneration of each Director (who was a Director during that period), including their related entities, for the year ended 30 June 2020, is set out below.

Name	Salary & fees	Share Options	Total Remuneration
Michael Haynes	\$268,333	\$94,282	\$362,615
Richard Hill	\$60,000	\$37,713	\$97,713
Anthony Polglase	\$28,333	\$37,713	\$66,046

1. Mr. Haynes receives fixed remuneration of \$225,000 per annum in the form of consulting fees. The additional fees received in the year ended 30 June 2020 is attributable to accrued fees from the prior financial year. Hence Mr Haynes fixed remuneration for the year ending 30 June 2021 is currently set at \$225,000.
2. Mr. Hill receives fixed remuneration of \$60,000 per annum in the form of Director's fees. Mr Hill is also eligible to receive consulting fees of \$1,250 per day, based on a minimum of 8 hours service, for any additional technical consultancy work that he provides.
3. Mr. Anthony Polglase was appointed on 17 October 2019 and receives fixed remuneration of \$40,000 per annum in the form of Director's fees. Mr Polglase is also eligible to receive consulting fees of \$1,500 per day, based on a minimum of 8 hours service, for any additional technical consultancy work that he provides.
4. Value of options granted in November 2019 was determined using the Black & Scholes Option Pricing Model.

(g) **Trading history**

The highest and lowest closing market sale prices of the Shares on ASX during the 12 months prior to the date of this Notice were:

Highest: \$0.048 per Share on 8 September 2020

Lowest: \$0.005 per Share on 1-3 April 2020 and 6 April 2020

The latest available closing market sale price of the Shares on ASX prior to the date of this Notice was \$0.044 per Share on 21 October 2020.

(h) **Taxation consequences**

There are no taxation consequences for the Company arising from the issue of the Performance Rights (including fringe benefits tax).

**9.5 Sections 200B and 200E Corporations Act**

The Corporations Act restricts the benefits that can be given to persons who hold a "managerial or executive office" (as defined in the Corporations Act) on leaving their employment with the Company or any of its related bodies corporate.

Under Sections 200B and 200E of the Corporations Act, a company may only give a person a benefit in connection with them ceasing to hold a managerial or executive office if the benefit is approved by shareholders or an exemption applies.

Amendments to the Corporations Act in 2009 significantly expanded the scope of these provisions and lowered the threshold for termination benefits that do not require shareholder approval. The term "benefit" has a wide meaning and may include benefits resulting from the Board exercising

certain discretions under the rules of the Plan, including the discretion to determine the accelerated vesting or automatic vesting of Performance Rights in certain circumstances.

Under the terms of the Performance Rights, a participant is entitled to accelerated vesting or automatic vesting of Performance Rights if there is a change of control of the Company or upon cessation of employment, provided the recipient is a Good Leaver. In addition, under the Performance Rights to be issued to Mr Haynes under Resolution 7, the Board in its sole and absolute discretion may determine how many of those Performance Rights should automatically vest, based on its assessment of performance up until the date of cessation and subject to Michael Haynes satisfying the definition of a Good Leaver. Accordingly, Shareholder approval is sought for the Directors to be given any such benefit in connection with his retirement from office or employment with the Company if that occurs within 3 years of the date of this Meeting.

If Shareholder approval is given under Resolutions 7 to 9, the Company will still be required to comply with Listing Rules 10.18 and 10.19, which place restrictions on the circumstances in which termination benefits can be paid and a cap on the value of termination benefits that can be paid to officers of the Company.

The value of the benefit will depend on the number of Performance Rights that may vest pursuant to the Plan and the market value of the Shares at the time the accelerated vesting or automatic vesting event occurs.

#### **9.6 Section 195(4) Corporations Act**

Each of the Directors has a material personal interest in the outcome of Resolutions 7 to 9 (as applicable to each Director) in this Notice of Meeting by virtue of the fact that Resolutions 7 to 9 are concerned with the issue of Performance Rights.

Section 195 of the Corporations Act essentially provides that a director of a public company may not vote or be present during meetings of directors when matters in which that director holds a material personal interest are being considered.

In the absence of Shareholder approval under section 195(4) of the Corporations Act, the Directors may not be able to form a quorum at Board meetings necessary to carry out the terms of these Resolutions.

The Directors have accordingly exercised their right under section 195(4) of the Corporations Act to put the issue to Shareholders to determine.

#### **9.7 Listing Rule 10.19**

Listing Rule 10.19 provides that without the approval of shareholders, an entity must ensure that no officer of the entity or any of its child entities will be, or may be, entitled to termination benefits if the value of those benefits and the termination benefits that may become payable to all officers together exceed 5% of the equity interests of the entity as set out in the latest accounts given to ASX under the Listing Rules.

The Company is also seeking Shareholder approval for the purposes of Listing Rule 10.19. As noted in section 9.5 of this Notice, it is the Board's intention to exercise its discretion so that the Performance Rights to be issued to Messrs Michael Haynes, Richard Hill and Anthony Polglase (or their nominees) for past performance shall not be forfeited by virtue of their resignation. Even if Shareholder approval is given under Resolutions 7 to 9, the Company will still be required to comply with the requirements of Listing Rule 10.19 in the event of termination of Messrs Michael Haynes, Richard Hill or Anthony Polglase.

The value of the termination benefit payable to Messrs Michael Haynes, Richard Hill and Anthony Polglase (or their nominees) under Resolutions 7 to 9 depends on the factors set out above in section 9.5 of this Notice. It is possible that the provision of the benefit associated with the vesting and exercise of Performance Rights in the future may exceed 5% of the equity interests of the Company at the relevant time, although it is unlikely.

## **9.8 Board Recommendation**

The Directors do not consider that, from an economic and commercial point of view, there are any costs or detriments, including opportunity costs or taxation consequences for the Company or benefits foregone by the Company in granting the Performance Rights to the Directors pursuant to Resolutions 7 to 9.

Mr Haynes declines to make a recommendation to Shareholders in relation to Resolution 7 due to his material personal interest in the outcome of the Resolution on the basis that he is to be issued Performance Rights should Resolution 7 be passed. However, in respect of Resolutions 8 and 9, Mr Haynes recommends that Shareholders vote in favour of those Resolutions on the basis that the grant of the Performance Rights will allow the Company to adequately reward and incentivise the other Directors whilst preserving the Company's cash reserves.

Mr Hill declines to make a recommendation to Shareholders in relation to Resolution 8 due to his material personal interest in the outcome of the Resolution on the basis that he is to be granted Performance Rights should Resolution 8 be passed. However, in respect of Resolutions 7 and 9, Mr Hill recommends that Shareholders vote in favour of those Resolutions on the basis that the grant of the Performance Rights will allow the Company to adequately reward and incentivise the other Directors whilst preserving the Company's cash reserves.

Mr Polglase declines to make a recommendation to Shareholders in relation to Resolution 9 due to his material personal interest in the outcome of the Resolution on the basis that he is to be granted Performance Rights should Resolution 9 be passed. However, in respect of Resolutions 7 and 8, Mr Polglase recommends that Shareholders vote in favour of those Resolutions on the basis that the grant of the Director Performance Rights will allow the Company to adequately reward and incentivise the other Directors whilst preserving the Company's cash reserves.

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## **10. ENQUIRIES**

Shareholders may contact the Company Secretary on (+61) 8 9226 1356 if they have any queries in respect of the matters set out in these documents.

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## GLOSSARY

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

**ASIC** means the Australian Securities and Investments Commission.

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

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

**Auditor** means the auditor of the Company.

**Board** means board of Directors.

**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 New World Resources Limited (ACN 108 456 444).

**Constitution** means constitution of the Company.

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

**Director** means director of the Company.

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

**Explanatory Statement** means the explanatory statement that accompanies this Notice of Meeting.

**Key Management Personnel** has the same meaning as in the accounting standards issued by the Australian Accounting Standards Board and means those persons having authority and responsibility for planning, directing and controlling the activities of the Company, or if the Company is part of a consolidated entity, of the consolidated entity, directly or indirectly, including any director (whether executive or otherwise) of the Company, or if the Company is part of a consolidated entity, of an entity within the consolidated group.

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

**Long-Term Incentive Plan** or **Plan** means the Long-Term Incentive Plan adopted by the Directors on 17 October 2019 and approved by shareholders on 28 November 2019.

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

**Performance Rights** means the performance rights proposed to be granted to eligible Directors under the Plan.

**Proxy Form** means the proxy form enclosed with this Notice of Meeting.

**Remuneration Report** means the remuneration report set out in the Director's report section of the Company's annual financial report for the year ended 30 June 2020.

**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.

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

**Variable A** means "A" as set out in the calculation in Section 7.2.

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

**10% Placement Capacity** has the meaning given in Section 7.

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

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**SCHEDULE 1 – ISSUE OF EQUITY SECURITIES SINCE 29 NOVEMBER 2019**

Date of Issue	Number	Class	Recipients	Issue Price (and discount to market price <sup>1</sup> ) if applicable	Form of Consideration
6 May 2020	87,212,392	Shares	Sophisticated, professional or other exempt investors. The recipients comprised existing shareholders and other placees who were identified through a bookbuild process undertaken by the brokers to the placement. None of the placees were related parties of the Company	\$0.011 (21.4% discount)	Cash Amount raised = \$959,336 Amount spent = \$959,336 Use of funds – (i) exploration, development and related activities ( \$0.8m); (ii) issue expenses (\$0.1m) and (iii) general working capital (\$0.06m)
12 Aug 2020	98,576,028	Shares	Sophisticated, professional or other exempt investors. The recipients comprised institutional shareholders and other placees who were identified through a bookbuild process undertaken by the brokers to the placement. None of the placees were related parties of the Company	\$0.027 (20.6% discount)	Cash Amount raised = \$2.66m Amount spent = \$0.36m Use of funds – (i) exploration, development and related activities ( \$0.1m); (ii) issue expenses (\$0.2m) and (iii) general working capital (\$0.06m)  Amount remaining = \$2.3m Proposed use of remaining funds: (i) exploration, development and related activities (\$1.8m); and (ii) general working capital (\$0.5m)

**Notes:**

1. Market Price means the closing price on ASX (excluding special crossings, overnight sales and exchange traded option exercises). For the purposes of this table the discount (if any) is calculated on the Market Price on the date of issue of the relevant Equity Securities and not on the date of announcement of the proposed issue.
2. This is a statement of current intentions as at the date of this Notice. As with any budget, intervening events and new circumstances have the potential to affect the manner in which the funds are ultimately applied. The Board reserves the right to alter the way the funds are applied on this basis.

**SCHEDULE 2 – TERMS AND CONDITIONS OF PERFORMANCE RIGHTS**

The Performance Rights will be issued pursuant to Plan, with the following key terms and conditions:

**1. Entitlement**

Each Performance Right will entitle its holder to subscribe for and be issued, one Share (upon exercise of that Performance Right), subject to satisfaction of the vesting conditions.

**2. Exercise price**

Subject to the terms of the Plan, the amount payable upon exercise of each Performance Right will be nil.

**3. Expiry date**

Each Performance Right expires at 5.00 pm (WST) on the date that is 60 months from the date of grant.

**4. Exercise period**

Subject to satisfaction of the vesting conditions, the Performance Rights are exercisable at any time on or before the Expiry Date.

**5. Vesting conditions**

The Performance Rights are subject to the following vesting conditions:

**Michael Haynes**

<b>Tranche</b>	<b>% of Performance Rights</b>	<b>Vesting Period</b>	<b>Performance Hurdle</b>
<b>1.</b>	25%	3 years	The Company announces on ASX a JORC mineral resource estimate for the Antler Copper Project, of 5 million tonnes or more of mineralisation with a minimum cut-off grade of 1.0% copper equivalent. To be signed off by a competent person other than a director or employee of the Company.
<b>2.</b>	25%	3 years	The Company announces on ASX a JORC mineral resource estimate for the Antler Copper Project, of 10 million tonnes or more of mineralisation with a minimum cut-off grade of 1.0% copper equivalent. To be signed off by a competent person other than a director or employee of the Company.  There shall be pro-rata vesting of the Tranche 2 performance rights if a mineral resource estimate of between 5-10 million tonnes is announced.
<b>3.</b>	25%	3 Years	The Company announces on ASX a positive pre-feasibility study for the Antler Copper Project, following which the Board decides to proceed to undertaking a feasibility study.  If a decision is made to progress from a scoping study to a feasibility study, all the Tranche 3 rights shall vest upon satisfaction of the Tranche 4 vesting conditions.

<b>4.</b>	25%	3 years	<p>The Company announces on ASX a positive definitive feasibility study for the Antler Copper Project.</p> <p>There shall also be automatic vesting of all Tranche 1-3 Performance Rights at the end of year 3, in the event that the performance hurdles for Tranche 4 are achieved.</p>
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Additional Notes:

- (i) Subject to achievement of the applicable performance hurdles, the Performance Rights granted to Michael Haynes will vest at the end of year 3.
- (ii) There will be automatic vesting of all of Michael Haynes' Performance Rights in the event of a change of control (as defined in the Plan).
- (iii) In the event of cessation of the Michael Haynes' consulting services within the 3-year vesting period: -
  - there will be automatic vesting of any Performance Rights for which the applicable performance hurdles have been met, subject to Michael Haynes satisfying the definition of a Good Leaver (as defined in the Plan); and
  - in relation to any Performance Rights for which the applicable performance hurdles have not been met, the Board in its sole and absolute discretion may determine how many of those Performance Rights should automatically vest, based on its assessment of performance up until the date of cessation and subject to Michael Haynes satisfying the definition of a Good Leaver (as defined in the Plan).

**Richard Hill and Anthony Polglase**

Tranche	% of Performance Rights	Vesting Period	Performance Hurdle
<b>1.</b>	33.33%	1 year	Provision of continual services to the Company and remains a director.
<b>2.</b>	33.33%	2 years	Provision of continual services to the Company and remains a director.
<b>3.</b>	33.34%	3 years	Provision of continual services to the Company and remains a director.

Additional Notes: There will be automatic vesting of all of the Performance Rights in the event of a change of control (as defined in the Plan).

**6. Participation in new issues**

There are no participating rights or entitlements inherent in the Performance Rights and participants will not be entitled to participate in new issues of securities offered to Shareholders of the Company during the currency of the Performance Rights.

**7. Transferability**

The Performance Rights are not transferable without Board approval.

**8. Quotation**

Performance rights will not be listed for quotation on the ASX, however, the Company will apply for official quotation of the Shares issued upon the exercise of any vested Performance Rights.

In the event of an inconsistency between the Plan and these terms and conditions, these terms and conditions shall prevail.

### **SCHEDULE 3 – VALUATION OF PERFORMANCE RIGHTS**

The Performance Rights, to be issued pursuant to Resolutions 7, 8 and 9 have been independently valued by Stantons International Securities Pty Ltd.

Using the Black & Scholes option valuation methodology and based on the assumptions set out below, the estimated value of the Performance Rights is as follows:

<b>Assumptions:</b>	
Valuation date	13 October 2020
Market price of Shares at deemed grant date	4.1 cents
Exercise price	Nil
Deemed grant date	13 October 2020
Deemed vesting date	13 October 2023
Deemed expiry date	13 October 2025
Risk free interest rate	0.2904%
Volatility	100%
<b>Indicative fair value per Performance Rights</b>	4.1 cents
<b>Total Indicative Fair Value of Performance Rights</b>	\$758,500
- <i>Michael Haynes</i>	\$553,500
- <i>Richard Hill</i>	\$123,000
- <i>Anthony Polglase</i>	\$82,000

Note: The indicative valuation noted above is not necessarily the market price that the Performance Rights could be traded at and is not automatically the market price for taxation purposes.

## **SCHEDULE 4 – SUMMARY OF TERMS OF LONG-TERM INCENTIVE PLAN**

### **1. Participation**

The Board may from time to time in its sole and absolute discretion determine that a person who is an eligible employee under the Plan (**Eligible Employee**) may participate in the Plan.

### **2. Offers to participate**

Following a determination that an Eligible Employee may participate in the Plan, the Board may at any time and from time to time make an invitation to an Eligible Employee to apply for the grant of Performance Rights or Options (**Awards**) under the rules in respect of the operation of the Plan (**Rules**) to the Eligible Employee (**Offer**).

The terms and conditions of Awards offered or granted under the Rules to each Eligible Employee will be determined by the Board in its sole and absolute discretion and set out in an offer letter delivered to the Eligible Employee (**Offer Letter**). The Offer Letter will include as a minimum:

- (i) the date of the Offer;
- (ii) the name of the Eligible Employee to whom the Offer is made;
- (iii) the number and type of Award which are capable of becoming exercisable if the conditions (if any) are met;
- (iv) the grant date;
- (v) in the case of an Option, the exercise price and the exercise period;
- (vi) the expiry date (if any);
- (vii) any applicable conditions associated with the Award;
- (viii) any disposal or other restrictions attaching to the Award or the fully paid ordinary share ("Share") issued upon exercise of the Award;
- (ix) any rights attaching to the Awards; and
- (x) agreement with the Eligible Employee for the Company to supply details to third parties where required by law.

### **3. Rules of the Plan**

The following is a summary of the key terms of the Plan:

- (i) **Nature of Awards:** Each Option or Performance Right entitles the participant holding the Award to subscribe for, or be transferred, one Share. Any Share acquired pursuant to the exercise of a Performance Right and/or Option will rank equally with all existing Shares from the date of acquisition.
- (ii) **No consideration:** An Eligible Employee will not pay anything for the grant of Awards.
- (iii) **Conditions:** Awards may be subject to exercise conditions, performance hurdles or vesting conditions (**Conditions**). These Conditions must be specified in the Offer Letter to Eligible Employees. In the event that a takeover bid for the Company is declared unconditional, there is a change of control in the Company, or if a merger by way of a scheme of arrangement has been approved by a court, then the Board may determine that:
  - (a) all or a percentage of unvested Options will vest and become exercisable;
  - (b) all or a percentage of Performance Rights will be automatically exercised; and
  - (c) any Shares issued or transferred to a participant under the Plan that have restrictions (on their disposal, the granting of any security interests in or over, or otherwise on dealing with), will be free from any restrictions on disposal.
- (iv) **Vesting of Awards:** Awards will vest if and when any Conditions have been satisfied, waived by the Board, or are deemed to have been satisfied under the Plan rules, and the Company has issued a notice (**Vesting Notification**) to the participant informing them that some or all of their Awards have vested.
- (v) **Exercise of Awards:** The period during which a vested Performance Right and/or Option may be exercised will commence when a Vesting Notification has been issued by the Company and ends on the Expiry Date (as defined below). Vested Awards must be exercised by delivering to the Company a signed notice together all other required documents and in the case of vested

Options, a cheque or cash or such other form of payment determined by the Board for the amount of the Exercise Price (if any).

- (vi) **Cashless exercise:** Participants may, at their election, elect to pay the exercise price for an Option by setting off the exercise price against the number of Shares which they are entitled to receive upon exercise (**Cashless Exercise Facility**). By using the Cashless Exercise Facility, the participant will receive Shares to the value of the surplus after the exercise price has been set off.

If a participant elects to use the Cashless Exercise Facility, the participant will only be issued that number of Shares (rounded down to the nearest whole number) as are equal to the value to the difference between the exercise price otherwise payable for the Options and the then market value of the Shares at the time of exercise (determined as the volume weighted average price of Shares on the ASX over the five trading days prior to providing a notice of exercise).

- (vii) **Lapse:** Unvested Awards will generally lapse on the earlier of:
- (a) the cessation of employment, engagement or office of a relevant person;
  - (b) the day the Board makes a determination that all unvested Awards and vested Options of the relevant person will lapse because, in the opinion of the Board a relevant person has acted fraudulently or dishonestly, or is in material breach of his or her duties or obligations to the Company;
  - (c) if any applicable Conditions are not achieved by the relevant time;
  - (d) if the Board determines that any applicable Conditions have not been met and cannot be met prior to the date that is 5 years from the grant date or any other date determined by the Board and as specified in the Offer (Expiry Date); or
  - (e) the Expiry Date.

Where a relevant person who holds Awards ceases employment with the Company and becomes a "Bad Leaver", unvested Awards will lapse in accordance with paragraph (i) above and vested Options that have not been exercised will lapse on the date of cessation of employment, engagement or office. A Bad Leaver is a person who ceases employment or engagement with the Company in the following circumstances:

- (a) as a result of termination of their employment or engagement due to serious and wilful misconduct, a material breach of their contract of employment, engagement or office, gross negligence or other conduct justifying termination without notice under their contract of employment, engagement or office or at common law;
  - (b) the relevant person ceases their employment, engagement or office for any reason and commences employment, engagement or office, or otherwise acts, in breach of any post-termination restrictions contained in his or her contract of employment, engagement or office; or
  - (c) the relevant person is disqualified from managing corporations for the purposes of Part 2D.6 Corporations Act.
- (viii) **Good Leaver:** If a relevant person, who is classified as a "Good Leaver", ceases employment, engagement or office with the Company, unless the Board determines otherwise, the persons Awards will lapse in accordance with the terms of the Plan and vested Options that have not been exercised will continue in force and remain exercisable, subject to the satisfaction of any exercise conditions, until the Expiry Date. A Good Leaver is a person who is not a Bad Leaver, and includes where the relevant person's employment, engagement or office ceases due to death, permanent incapacity, redundancy, resignation, retirement or any other reason the Board determines in its discretion.
- (ix) **No assignment:** Awards granted under the Plan may not be assigned, transferred, novated, encumbered with a security interest (such as a mortgage, charge, pledge, lien, encumbrance or other third party interest of any nature) over them, or otherwise disposed of by a participant, other than to a nominated party (such as a spouse, child, trustee of a trust or company) in accordance with the Plan, unless:
- (a) the prior consent of the Board is obtained; or
  - (b) such assignment or transfer occurs by force of law upon the death of a participant to the participant's legal personal representative.
- (x) **Issue Limitations:** The Board is not entitled to make an Offer to an Eligible Employee if offers of Awards under the Plan or under similar plans (excluding offers to persons situated at the time of receipt of the offer outside of Australia, that do not require the use of a disclosure document, or

made under a disclosure document) in the previous 3 years would exceed 5% of the issued capital of the Company.

(xi) **Amendment of the Plan:**

The Board may at any time amend the Plan rules without shareholder approval in respect of the following matters:

- (a) amendments of a "housekeeping" nature;
- (b) changing the vesting and exercise provisions of the Plan or any Performance Right and/or Option so that the scheduled expiry date for that Performance Right and/or Option is not extended, including to provide for accelerated vesting and early exercise of any Awards;
- (c) changing the termination provisions of the Plan or any Performance Right and/or Option so that its originally scheduled expiry date is not extended;
- (d) changing the provisions on transferability of Awards for normal estate settlement purposes;
- (e) changing the process by which a Participant who wishes to exercise his or her Performance Right and/or Option can do so, including the required form of payment for the Shares being purchased, the form of exercise notice and the place where such payments and notices must be delivered; and
- (f) adding a conditional exercise feature which would give Participants the ability to conditionally exercise in certain circumstances determined by the Board.

No amendment to the Plan rules may be made if the amendment materially reduces the rights of any participant in respect of the Awards granted to them prior to the date of the Amendment (except in relation to amendments stipulated by the Plan rules).

No amendment to the Plan that requires shareholder approval under any applicable securities laws or requirements shall become effective until such approval is obtained.

The Board may at any time terminate the Plan or suspend the operation of the Plan.

# Proxy Voting Form

If you are attending the meeting in person, please bring this with you for Securityholder registration.

Holder Number:

Your proxy voting instruction must be received by **10.00am (WST) on Saturday, 28 November 2020**, being **not later than 48 hours** before the commencement of the Meeting. Any Proxy Voting instructions received after that time will not be valid for the scheduled Meeting.

## SUBMIT YOUR PROXY

Complete the form overleaf in accordance with the instructions set out below.

### YOUR NAME AND ADDRESS

The name and address shown above is as it appears on the Company's share register. If this information is incorrect, and you have an Issuer Sponsored holding, you can update your address through the investor portal: <https://investor.automic.com.au/#/home> Shareholders sponsored by a broker should advise their broker of any changes.

### STEP 1 – APPOINT A PROXY

If you wish to appoint someone other than the Chair of the Meeting as your proxy, please write the name of that Individual or body corporate. A proxy need not be a Shareholder of the Company. Otherwise if you leave this box blank, the Chair of the Meeting will be appointed as your proxy by default.

### DEFAULT TO THE CHAIR OF THE MEETING

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

### STEP 2 - VOTES ON ITEMS OF BUSINESS

You may direct your proxy how to vote by marking 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 SECOND PROXY

You may appoint up to two proxies. If you appoint two proxies, you should complete two separate Proxy Voting Forms and specify the percentage or number each proxy may exercise. If you do not specify a percentage or number, each proxy may exercise half the votes. You must return both Proxy Voting Forms together. If you require an additional Proxy Voting Form, contact Automic Registry Services.

### SIGNING INSTRUCTIONS

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

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

**Power of attorney:** If you have not already lodged the power of attorney with the registry, please attach a certified photocopy of the power of attorney to this Proxy Voting Form when you return it.

**Companies:** To be signed in accordance with your Constitution. Please sign in the appropriate box which indicates the office held by you.

**Email Address:** Please provide your email address in the space provided.

**By providing your email address, you elect to receive all communications despatched by the Company electronically (where legally permissible) such as a Notice of Meeting, Proxy Voting Form and Annual Report via email.**

### CORPORATE REPRESENTATIVES

If a representative of the corporation is to attend the Meeting the appropriate 'Appointment of Corporate Representative' should be produced prior to admission. A form may be obtained from the Company's share registry online at <https://automic.com.au>.

### Lodging your Proxy Voting Form:

#### Online:

Use your computer or smartphone to appoint a proxy at <https://investor.automic.com.au/#/loginsah> or scan the QR code below using your smartphone

**Login & Click on 'Meetings'. Use the Holder Number as shown at the top of this Proxy Voting Form.**



#### BY MAIL:

Automic  
GPO Box 5193  
Sydney NSW 2001

#### IN PERSON:

Automic  
Level 5, 126 Phillip Street  
Sydney NSW 2000

#### BY EMAIL:

[meetings@automicgroup.com.au](mailto:meetings@automicgroup.com.au)

#### BY FACSIMILE:

+61 2 8583 3040

**All enquiries to Automic:**

**WEBCHAT:** <https://automicgroup.com.au/>

**PHONE:** 1300 288 664 (Within Australia)

+61 2 9698 5414 (Overseas)

