
PROTEAN ENERGY LTD

ACN 119 267 391

NOTICE OF ANNUAL GENERAL MEETING

TIME: 11:00am (WST)

DATE: 15 December 2020

PLACE: Blackwall Legal
Level 26, 140 St Georges Tce
Perth WA 6000

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

Should you wish to discuss the matters in this Notice of Meeting please do not hesitate to contact the Company Secretary on (+61 8) 6558 0886

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IMPORTANT INFORMATION

TIME AND PLACE OF MEETING

Notice is given that the Annual General Meeting of the Shareholders to which this Notice of Meeting relates will be held at 11:00am (WST) on 15 December 2020 at:

Blackwall Legal
Level 26, 140 St Georges Tce
Perth WA 6000

YOUR VOTE IS IMPORTANT

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

VOTING ELIGIBILITY

The Directors have determined pursuant to Regulation 7.11.37 of the *Corporations Regulations 2001* (Cth) that the persons eligible to vote at the Annual General Meeting are those who are registered Shareholders at 4:00pm (WST) on 13 December 2020.

VOTING IN PERSON

To vote in person, attend the Annual General Meeting at the time, date and place set out above.

VOTING BY PROXY

To vote by proxy, please complete and sign the enclosed Proxy Form and return by the time and in accordance with the instructions set out on the Proxy Form.

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

- each member has a right to appoint a proxy;
 - the proxy need not be a member of the Company; and
 - a member who is entitled to cast 2 or more votes may appoint 2 proxies and may specify the proportion or number of votes each proxy is appointed to exercise. If the member appoints 2 proxies and the appointment does not specify the proportion or number of the member's votes, then in accordance with section 249X(3) of the Corporations Act, each proxy may exercise one-half of the votes.
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Shareholders and their proxies should be aware that changes to the Corporations Act made in 2011 mean that:

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

Further details on these changes is set out below.

Proxy vote if appointment specifies way to vote

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

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

Transfer of non-chair proxy to chair in certain circumstances

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

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

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

Voting Prohibition

In accordance with section 250BD of the Corporations Act, a person appointed as a proxy must not vote on the basis of that appointment on Resolution 1 if the person is either:

- a member of the Key Management Personnel of the Company; or
 - a Closely Related Party of such a member, and
- the appointment does not specify the way the proxy is to vote on Resolution 1.

However, the prohibition does not apply if the proxy is the Chair and the appointment expressly authorises the Chair to exercise the proxy even if Resolution 1 is connected directly or indirectly with remuneration of a member of the Key Management Personnel of the Company.

BUSINESS OF THE MEETING

AGENDA

ORDINARY BUSINESS

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.

1. RESOLUTION 1 – ADOPTION OF REMUNERATION REPORT

To consider and, if thought fit, to pass, with or without amendment, the following resolution as a **non-binding 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 Prohibition Statement: A vote on this Resolution must not be cast (in any capacity) by or on behalf of any 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:

- (c) the voter is appointed as a proxy by writing that specifies the way the proxy is to vote on this Resolution; or
- (d) 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.

2. RESOLUTION 2 – RE-ELECTION OF DIRECTOR – MR BEVAN TARRATT

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

“That, for the purpose of clause 13.2 of the Constitution and for all other purposes, Mr Bevan Tarratt, a Director, retires by rotation, and being eligible, is re-elected as a Director.”

3. RESOLUTION 3 – RE-ELECTION OF DIRECTOR – MR GIUSEPPE GRAZIANO

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

“That, Mr Graziano, having been appointed by the Directors on 14 October 2020 until this Annual General Meeting, retires in accordance with clause 13.4 of the Constitution and having offered himself for re-election and being eligible, is hereby re-elected as a Director.”

4. RESOLUTION 4 – RE-ELECTION OF DIRECTOR – MR TIMOTHY SLATE

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

“That, Mr Slate, having been appointed by the Directors on 14 October 2020 until this Annual General Meeting, retires in accordance with clause 13.4 of the Constitution and having offered himself for re-election and being eligible, is hereby re-elected as a Director.”

5. RESOLUTION 5 – APPROVAL OF SHARE PLACEMENT TO SOPHISTICATED INVESTORS

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

“That, for the purposes of ASX Listing Rule 7.1 and for all other purposes, approval is given for the Company to issue 24,166,667 Shares on the terms and conditions set out in the Explanatory Statement.”

Voting Exclusion Statement: The Company will disregard any votes cast in favour of this Resolution by or on behalf of any person who is expected to participate in, or who will obtain a material benefit as a result of the issue of, the proposed issue (except a benefit solely by reason of being a holder of ordinary securities in the Company), or any associates of that person or 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 directions given to the proxy or attorney to vote on the Resolution in that way; or
- (b) the Chair 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 communication 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.

6. RESOLUTION 6 – APPROVAL OF LEAD MANAGER AND UNDERWRITER OPTIONS

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

“That, for the purposes of ASX Listing Rule 7.1 and for all other purposes, approval is given for the Company to issue 40,000,000 Options on the terms and conditions set out in the Explanatory Statement.”

Voting Exclusion Statement: The Company will disregard any votes cast in favour of this Resolution by or on behalf of CPS Capital (or their nominees or custodians) and any other person who is expected to participate in, or who will obtain a material benefit as a result of the issue of, the proposed issue (except a benefit solely by reason of being a holder of ordinary securities in the Company), or any associates of that person or 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 directions given to the proxy or attorney to vote on the Resolution in that way; or
- (b) the Chair 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:
 - (iii) the beneficiary provides written communication 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
 - (iv) the holder votes on the Resolution in accordance with directions given by the beneficiary to the holder to vote in that way.

7. RESOLUTION 7 –APPROVAL OF 10% PLACEMENT CAPACITY– SHARES

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, 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.”

8. RESOLUTION 8 – RATIFICATION OF SHARE PLACEMENT TO SOPHISTICATED INVESTORS

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

“That, for the purposes of ASX Listing Rule 7.4 and for all other purposes, Shareholders ratify the issue of 40,000,000 Shares on the terms and conditions set out in the Explanatory Statement.”

Voting Exclusion: The Company will disregard any votes cast in favour of the Resolution by or on behalf of a person who participated in the issue or is a counterparty to the agreement being approved (namely the sophisticated investors who participated) or an associate of that person. However, this does not apply to a vote cast in favour of the Resolution by:

- (a) a person as a proxy or attorney for a person who is entitled to vote on the Resolution, in accordance with the directions given to the proxy or attorney to vote on the Resolution in that way; or
- (b) the Chair 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.

9. RESOLUTION 9 –RATIFICATION OF PRIOR ISSUE – KOREAN DIRECTOR SHARES

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

“That, pursuant to and in accordance with Listing Rule 7.4 and for all other purposes, Shareholders ratify the issue of 6,532,067 Shares to Dr Jaeho Hong, on the terms and conditions in the Explanatory Memorandum.”

Voting Exclusion: The Company will disregard any votes cast in favour of this Resolution by or on behalf of Dr Jaeho Hong who participated in the issue the subject of this Resolution or any person who is an associate of those persons. However, the Company need not disregard a vote if it is cast by:

- (a) a person as a proxy or attorney for a person who is entitled to vote on the Resolution, in accordance with the directions given to the proxy or attorney to vote on the Resolution in that way; or

- (b) the Chair 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
 - (i) the holder votes on the Resolution in accordance with directions given by the beneficiary to the holder to vote in that way.

10. RESOLUTION 10 – REPLACEMENT CONSTITUTION

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

“That, for the purposes of section 136(2) of the Corporations Act and for all other purposes, approval is given for the Company to repeal its existing Constitution and adopt a new constitution in its place in the form as signed by the Chairman of the Meeting for identification purposes.”

DATED: 11 NOVEMBER 2020

BY ORDER OF THE BOARD

**MR MATTHEW FOY
COMPANY SECRETARY**

EXPLANATORY STATEMENT

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 which are the subject of the business of the Meeting.

1. FINANCIAL STATEMENTS AND REPORTS

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

The Company will not provide a hard copy of the Company's annual financial report to Shareholders unless specifically requested to do so. The Company's annual financial report is available on its website at <http://www.proteanenergy.com/investorcentre> or by contacting the Company on (08) 6558 0886.

2. RESOLUTION 1 – ADOPTION OF REMUNERATION REPORT

2.1 General

The Corporations Act requires that at a listed company's annual general meeting, a 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 company or the directors of 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 ended 30 June 2020.

The Chair of the meeting will allow a reasonable opportunity for Shareholders to ask questions about or make comments on the Remuneration Report at the Meeting.

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 (other than the managing director) who were in office at the date of approval of the applicable directors' report (**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 votes cast are in favour of the Spill Resolution, the company must convene a shareholder 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 most recent financial year) was approved, other than the managing director of the company, will

cease to hold office immediately before the end of the Spill Meeting but may stand for re-election at the Spill Meeting.

Following the Spill Meeting those persons whose election or re-election as directors 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 annual general meeting were less than 25%. Accordingly, the Spill Resolution is not relevant for this Annual General Meeting.

2.4 Chair voting undirected proxies

The Chair intends to exercise all undirected proxies in favour of Resolution 1. If the Chair of the Meeting is appointed as your proxy and you have not specified the way the Chair is to vote on Resolution 1, by signing and returning the Proxy Form, you are considered to have provided the Chair with an express authorisation for the Chair to vote the proxy in accordance with the Chair's intention.

3. RESOLUTION 2 – RE-ELECTION OF DIRECTOR – MR BEVAN TARRATT

Clause 13.2 of the Constitution requires that at the Company's annual general meeting in every year, one-third of the Directors for the time being, or, if their number is not a multiple of 3, then the number nearest one-third (rounded upwards in case of doubt), shall retire from office, provided always that no Director except a Managing Director shall hold office for a period in excess of 3 years, or until the third annual general meeting following his or her appointment, whichever is the longer, without submitting himself for re-election. The Directors to retire at an annual general meeting are those who have been longest in office since their last election, but, as between persons who became Directors on the same day, those to retire shall (unless they otherwise agree among themselves) be determined by drawing lots.

A Director who retires by rotation under clause 13.2 of the Constitution is eligible for re-election.

The Company currently has three (3) Directors and accordingly one (1) must retire.

Mr Bevan Tarratt, the Director longest in office since his last election, retires by rotation and seeks re-election.

The Board (other than Mr Tarratt) unanimously supports the re-election of Mr Tarratt.

4. RESOLUTION 3 – RE-ELECTION OF DIRECTOR – MR GIUSEPPE GRAZIANO

Clause 13.4 of the Constitution requires that a person appointed as a Director during the period shall hold office only until the next general meeting and is then eligible for re-election.

Mr Joseph Graziano is a Chartered Accountant with corporate and company secretarial experience. He has over 28 years' experience providing a wide range of business, financial and strategic advice to small cap unlisted and listed public companies and privately-owned businesses in Western Australia's resource-driven industries. Since 2014 he has been focused on corporate advisory, company secretarial and strategic planning with listed corporations including Mergers & Acquisitions, Capital Raisings, Corporate Governance, ASX compliance and

structuring. He is currently a director of Pathways Corporate Pty Ltd a specialised Corporate Advisory business.

Mr Graziano was appointed Non-Executive Director on 14 October 2020 and seeks re-election.

The Board (other than Mr Graziano) unanimously supports the re-election of Mr Graziano.

5. RESOLUTION 4 – RE-ELECTION OF DIRECTOR – MR TIMOTHY SLATE

Clause 13.4 of the Constitution requires that a person appointed as a Director during the period shall hold office only until the next general meeting and is then eligible for re-election.

Mr Tim Slate has a Bachelor of Commerce from the University of Western Australia, is a Chartered Accountant, an Associate Member of the Governance Institute of Australia and a Graduate of the Australian Institute of Company Directors. Mr. Slate provides accounting and secretarial advice to private and public companies. Mr Slate has over ten years' experience in chartered accounting.

Mr Slate was appointed Non-Executive Director on 14 October 2020 and seeks re-election.

The Board (other than Mr Slate) unanimously supports the re-election of Mr Slate.

6. RESOLUTION 5 – APPROVAL TO ISSUE PLACEMENT SECURITIES

6.1 Placement

On 28 October 2020, the Company announced that it had conducted a placement to various professional and sophisticated investors (**Placement Participants**) of a total of 64,166,667 Shares at an issue price of \$0.006 each to raise \$385,000 (before costs) (**Placement Shares**) (**Placement**).

The Company issued 40,000,000 Placement Shares (the "first tranche") pursuant to the Company's placement capacity under Listing Rule 7.1 without the requirement for Shareholder approval on 4 November 2020. The ratification of these Shares is the subject of Resolution 8.

Resolution 5 is an ordinary resolution which seeks ratification and approval by Shareholders for the issue of the remaining 24,166,667 Placement Shares (the "second tranche") to the Placement Participants. This portion of the Placement will raise a total of \$145,000 (before costs).

The Company engaged the services of CPS Capital Group Pty Ltd ACN 088 055 636 (**CPS**), (AFSL 294848), to manage the Placement. The Company agreed to pay CPS a management fee of \$23,100 (being 6% of the amount raised under the Placement). The Company also agreed to issue CPS, in consideration for services provided as lead manager and underwriter to the Rights Issue, 40,000,000 unquoted Options, subject to shareholder approval at Resolution 6 of this meeting, exercisable at A\$0.01 and expiring three years from the date of their issue at an issue price of \$0.00001.

6.2 Applicable Listing Rules

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

shares it had on issue at the start of that period.

The first tranche of the Placement was made under the Company's 15% placement capacity. The second tranche of the Placement does not fit within any of the above-mentioned exceptions. Therefore, the Company is asking shareholders to approve the second tranche of the Placement under Resolution 5.

If Resolution 5 is not approved, the second tranche of the Placement will not proceed.

6.3 Technical information required by ASX Listing Rule 7.1

Pursuant to ASX Listing Rule 7.3, the following information is provided in relation to Resolution 5:

(a) The names of the persons to whom the securities were issued or the basis on which those persons were determined

The Placement Shares will be issued to professional and sophisticated investors who are clients of CPS. The Placement Participants were identified through a bookbuild process involving CPS seeking expressions of interest to participate in the capital raising from non-related parties of the Company.

(b) The names of relevant persons whom will receive 1% equivalent shares in the company

Mr Jason Peterson (or his nominees), a substantial holder of the entity, will receive 9,415,585 (2.96% of the Company's issued capital) Shares under the second tranche of the Placement.

(c) Number and class of securities to be issued

24,166,667 Placement Shares (being fully-paid ordinary shares) will be issued under the Placement.

(d) Proposed date of the share issue

The Shares will be issued no later than 3 months after the date of the Meeting (or such later date permitted by any ASX waiver or modification of the Listing Rules).

(e) The price at which the securities were issued

The Placement Shares will be issued for \$0.006 per share.

(f) The purpose of the issue, including the intended use of the funds raised

The use of fund for funds raised under the Placement and the Entitlement Offer is set out below:

Use of Funds	Amount (\$)
Funds raised under the Placement and the Entitlement Offer (assuming full subscription)	1,995,861
Items of Expenditure	Amount (\$)
Exploration expenditure on the Gwesan Project - Phase 1	50,000
Exploration expenditure on the Gwesan Project - Phase 2	72,000

Exploration expenditure on the Gwesan Project - Phase 3	70,000
Exploration expenditure on the Gwesan Project - Phase 4	118,000
Exploration expenditure on the Gwesan Project - Phase 5	200,000
Exploration expenditure on the Gwesan Project - Phase 6	285,000
Exploration expenditure on the Gwesan Project - Phase 7	580,000
Ongoing maintenance and assessment of Daejon Project, subject to the pending extension of term application	25,000
Identifying and evaluating any new opportunities that may complement the Company's existing projects	150,000
Expenses of the Offer	30,000
Working capital	415,861
Total	1,995,861

Phase	
1	A site visit, review of project history and existing reports, review of geology and mineralisation, and preparation of exploration plan.
2	A geological survey to gain a field-based understanding of project's geology and mineralisation. The geological field reconnaissance will focus on locating structural trends of mineralisation and identifying soil sampling targets.
3	Subject to results of Phase 1 and 2, soil Sampling program of approximately 500 soil samples will be taken to develop exploration prospects. POW expects to commence permitting applications to enable Phase 3 in January 2021.
4	Subject to results of Phase 3, a trenching program of approximately 500m. POW expects to commence permitting applications to enable Phase 4 at the conclusion of Phase 3.
5	Subject to results of Phase 4, an Auger drilling program consisting of approximately 2000 Auger samples. POW expects to commence permitting applications to enable Phase 5 at the conclusion of Phase 4.
6	An Aeromagnetic survey will be conducted to assess mineralisation potential of project area and to identify any structural trends. The survey lines will comprise approximately 1000 line-km with 20m line-spacing to cover the project area. POW expects to commence permitting applications to enable Phase 6 at the conclusion of Phase 5.
7	Subject to results of Phase 5, a Drill program, drilled to a depth of 100m for a total of 1500m, targeted toward the best potential of subsurface based on Phases 1-6. POW expects to commence permitting applications to enable Phase 7 at the conclusion of Phase 6.

(g) If the securities were or will be issued under an agreement, a summary of any other material terms of that agreement

The Placement shares are not being issued under an agreement.

6.4 Board recommendation

The Board unanimously recommends Shareholders vote in favour of Resolution 5.

7. RESOLUTION 6 - APPROVAL TO ISSUE LEAD MANAGER AND UNDERWRITER OPTIONS

7.1 General

As set out in more detail in Section 6.1 above, on 28 October 2020, the Company announced that it had conducted a placement to various professional and sophisticated investors (**Placement Participants**) of a total of 64,166,667 Shares at an issue price of \$0.006 each to raise \$385,000 (before costs) (**Placement Shares**) (**Placement**).

The Company engaged the services of CPS Capital Group Pty Ltd ACN 088 055 636 (**CPS**), (AFSL 294848), to manage the Placement. The Company agreed to pay CPS a management fee of \$23,100 (plus GST) (being 6% of the amount raised under the Placement).

CPS has also been appointed as Underwriter to the Entitlement Offer and will receive an Underwriting fee of \$96,652 (plus GST) (being 6% for underwriting the Entitlement Offer).

The Company is now seeking approval to also issue CPS, in consideration for services provided as lead manager and underwriter to the Entitlement Offer, 40,000,000 unquoted Options (**Lead Manager and Underwriter Options**), exercisable at A\$0.01 and expiring three years from the date of their issue for an issue price of \$0.00001.

The Company will raise \$400 from the issue of the Lead Manager and Underwriter Options and if all of the Lead Manager and Underwriter Options are exercised, the Company will receive \$400,000 (before costs), being 40,000,000 multiplied by \$0.01. If all of the Lead Manager and Underwriter Options are exercised CPS will also receive a corporate fee of \$24,000 (plus GST) (being 6% for any funds raised by the Company in the event all the Lead Manager and Underwriter Options are exercised).

Subject to a number of exceptions, ASX 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 proposed issue of the Lead Manager and Underwriter Options falls within exception 17 of Listing Rule 7.2, which requires the Company to seek shareholder approval under Listing Rule 7.1 prior to the issue of the Lead Manager and Underwriter Options. Accordingly, the Company agreeing to issue the Lead Manager and Underwriter Options did not take up any of the Company's placement capacity.

The effect of Resolution 6 will be to allow the Company to issue the Lead Manager and Underwriter Options during the period of 3 months after the Meeting (or a longer period, if allowed by ASX), without using the Company's 15% annual placement capacity.

7.2 Technical information required for Resolution 6

7.2.1 Technical information required by Listing Rule 14.1A

If Resolution 6 is passed, the Company will be able to proceed with the issue of the Lead Manager and Underwriter Options. In addition, the issue of the Lead Manager and Underwriter Options will be excluded from the calculation of the

number of equity securities that the Company can issue without Shareholder approval under Listing Rule 7.1.

If Resolution 6 is not passed, the Company will not be able to proceed with the issue of the Lead Manager and Underwriter Options and the Company may be required to renegotiate their issue with CPS, or may be required to pay a cash sum in lieu of the issue of the Lead Manager and Underwriter Options to CPS.

Resolution 6 seeks Shareholder approval for the purposes of Listing Rule 7.1 for the issue of the Lead Manager and Underwriter Options.

7.2.2 Technical information required by Listing Rule 7.3

Pursuant to and in accordance with ASX Listing Rule 7.3, the following information is provided in relation to Resolution 6:

- (a) The Lead Manager and Underwriter Options will be issued to CPS (or their nominees).
- (b) the maximum number of Lead Manager and Underwriter Options to be issued is 40,000,000;
- (c) the Lead Manager and Underwriter Options will be issued no later than 3 months after the date of the Meeting (or such later date to the extent permitted by any ASX waiver or modification of the ASX Listing Rules) and it is intended that issue of the Lead Manager and Underwriter Options will occur on the same date;
- (d) the issue price of the Lead Manager and Underwriter Options will be \$0.0001;
- (e) the Lead Manager and Underwriter Options will be issued to CPS (or their nominees) who is not a related party of the Company;
- (f) the Lead Manager and Underwriter Options will be issued on the terms and conditions set out in Schedule 1;
- (g) the Lead Manager and Underwriter Options are being issued under an agreement;

Key Terms of the Agreement

CPS was appointed as lead manager to the Placement with a lead management fee of 6% (plus GST) payable.

CPS has also been appointed as Underwriter to the Entitlement Offer will receive an Underwriting fee of 6% (plus GST) for underwriting the Entitlement Offer.

Additionally, subject to shareholder approval, in consideration for services provided as lead manager and underwriter to the Rights Issue, CPS will receive 40,000,000 unquoted options exercisable at \$0.01 on or before the date that is three years from the date of issue at an issue price of \$0.00001.

CPS has also been appointed as the Company's Corporate advisor and will receive a corporate advisory fee of \$6,000 (plus GST) per month for 12 months.

Additionally, CPS will also receive a corporate fee of 6% (plus GST) for any funds raised by the Company in the event the Lead Manager and Underwriter Options are exercised.

- (h) the Lead Manager and Underwriter Options are not being issued under, or to fund, a reverse takeover; and
- (i) \$400 will be raised from the issue of the Lead Manager and Underwriter Options however, if all of the Lead Manager and Underwriter Options are exercised, the Company will receive \$400,000 (before costs), being 40,000,000 multiplied by \$0.01.

7.3 Board recommendation

The Board unanimously recommends that Shareholders vote in favour of Resolution 6.

8. RESOLUTION 7 - APPROVAL OF 10% PLACEMENT CAPACITY- SHARES

8.1 General

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.

Listing Rule 7.1A provides that an Eligible Entity may seek shareholder approval by way of a special resolution passes at its annual general meeting to increase this 15% limit by an extra 10% to 25% (**10% Placement Capacity**).

An 'eligible entity' means an entity that is not included in the S&P/ASX300 Index and which has a market capitalisation of \$300 million or less. The Company is an eligible entity for these purposes as its market capitalisation as at 28 September 2020 was approximately \$3.2 million.

Resolution 7 seeks shareholder approval by way of special resolution for the Company to have the additional 10% capacity provided for in Listing Rule 7.1A to issue equity securities without shareholder approval.

If Shareholders approve Resolution 7, 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 Listing Rule 7.1A.2 (as set out below).

The effect of passing Resolution 7 will be to allow the Company to issue Equity Securities up to a combined limit of 25% pursuant to Listing Rules 7.1 and 7.1A without any further shareholder approval. If Resolution 5 is passed the Company will be permitted to issue Equity Securities up to 10% of the Company's fully paid ordinary securities on issue under the 10% Placement Capacity during the period up to a maximum of 12 months after the Meeting, without subsequent Shareholder approval and without using the Company's 15% annual placement capacity granted under Listing Rule 7.1.

Resolution 7 is a special resolution. Accordingly, at least 75% of votes cast by Shareholders entitled to vote on the Resolution must be in favour of Resolution 7 for it to be passed.

If Resolution 7 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.

8.2 ASX Listing Rule Requirements

Listing Rule 7.3A.1: A statement of the period for which the approval will be valid.

Equity securities under the Additional Placement Capacity may be issued until the earlier of:

- the date that is 12 months after the date of the Annual General Meeting at which the approval is obtained; or
- the time and date of the entity's next annual general meeting; or
- the time and date of the approval by ordinary shareholders of a significant change to the Company's activities under ASX Listing Rule 11.1.2 or 11.2.

Listing Rule 7.3A.2: A statement of the minimum price at which the equity securities may be issued under rule 7.1A.2.

Pursuant to ASX Listing Rule 7.1A.3 the issue price for each security issued under the Additional Placement Capacity will not be less than 75% of the volume weighted average price for securities in that class over the 15 trading days on which trades in that class were recorded immediately before:

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

Equity securities that may be issued under listing rule 7.1A will only be in an existing quoted class of securities.

Listing Rule 7.3A.3: A statement of the purposes for which the funds raised by an issue of equity securities under rule 7.1A.2 may be used.

The Company may only issue equity securities under the Additional Placement Capacity for cash consideration to raise funds for the development of the Company's existing assets, the acquisition of new assets or investments (including assets associated with such acquisition), to repay debt or to fund working capital.

The Company will comply with the disclosure obligations under Listing Rules 7.1A.4 and 3.10.5A upon issue of any equity securities under the Additional Placement Capacity.

Listing Rule 7.3A.4: A statement of the risk of economic and voting dilution to existing ordinary security holders that may result from an issue of equity securities under rule 7.1A.2 including the risk that:

- the market price for equity securities in that class may be significantly lower on the issue date than on the date of the approval under rule 7.1A; and
- the equity securities may be issued at a price that is at a discount to the market price for those equity securities on the issue date.

The issue of equity securities under the Additional Placement Capacity may result in voting dilution of existing ordinary shareholders (as shown in the table below). There is also the risk that:

- the market price for equity securities in that class may be significantly lower on the issue date than on the date of the Annual General Meeting; and
- the equity securities may be issued at a price that is at a discount to the market price for those equity securities on the issue date.

Table 1 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 ordinary securities quoted on ASX for variable "A" calculated in accordance with the formula in Listing Rule 7.1A.2 as at the date of this Notice.

The table also shows:

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

Number of Shares on Issue	Issue Price (per Share)	Dilution		
		\$0.0050 50% decrease in Issue Price	\$0.010 Current Issue Price	\$0.0150 50% increase in Issue Price
357,969,312 (Current)	10% voting dilution	35,796,931 Shares	35,796,931 Shares	35,796,931 Shares
	Funds raised	\$178,985	\$357,969	\$536,954
536,953,968 (50% increase)	10% voting dilution	53,695,396 Shares	53,695,396 Shares	53,695,396 Shares
	Funds raised	\$268,477	\$536,954	\$805,431
715,938,624 (100% increase)	10% voting dilution	71,593,862 Shares	71,593,862 Shares	71,593,862 Shares
	Funds raised	\$357,969	\$715,939	\$1,073,908

The above table is based on the following assumptions:

- The number of shares on issue (Variable "A") is calculated as 347,969,312, being all the fully paid ordinary shares on issue as at the date of this Notice.
- The Company issues the maximum number of equity securities available under the Additional Placement Capacity.
- The 10% voting dilution reflects the aggregate percentage dilution against the issued share capital at the time of issue.

- The table shows only the issue of equity securities under the Additional Placement Capacity and not under Listing Rule 7.1.
- The issue of equity securities under the Additional Placement Capacity includes only Shares.
- The issue price of \$0.01 was the closing price of shares on ASX on 28 October 2020.

Listing Rule 7.3A.5: Details of the eligible entity's allocation policy for issues under rule 7.1A.2.

The Company's allocation policy for issues under the Additional Placement Capacity is dependent on prevailing market conditions at the time of any proposed issue. The identity of the allottees of the equity securities will be determined on a case-by-case basis having regard to the factors including but not limited to the following:

- the purpose of the issue;
- the methods of raising funds that are available to the Company, including rights issues or other issues in which existing shareholders may participate;
- the effect of the issue of the equity securities on the control of the Company;
- the financial situation and solvency of the Company;
- prevailing market conditions; and
- advice from the Company's advisors.

As the Company has no current plans to undertake a new capital raising using its additional 10% placement capacity, the allottees under the Additional Placement Capacity have not yet been determined but if such an exercise was undertaken, allottees may include existing substantial shareholders and/or new shareholders who are not related parties or associates of a related party of the Company.

Listing Rule 7.3A.6: If the eligible entity has issued or agreed to issue any equity securities under rule 7.1A.2 in the 12 months preceding the date of the meeting details of such issues.

The Company previously sought and obtained shareholder approval under Listing Rule 7.1A at the immediately prior Annual General Meeting held 24 October 2019.

In accordance with Listing Rule 7.3A.6, in the 12 months preceding the date of this meeting, the Company issued NIL ordinary shares pursuant to ASX Listing Rule 7.1A.2 representing 0% of the total number of equity securities on issue from the commencement of the last approval of Listing Rule 7.1A.

Listing Rule 7.3A.7: If at the time of dispatching the notice the entity is proposing to make an issue of equity securities under rule 7.1A.2, a voting exclusion statement.

A voting exclusion statement has not been included in this Notice because as at the date of this Notice the Company has not approached any particular investor to participate in an issue of equity securities under the Additional Placement Capacity. No existing Shareholders' votes will therefore be excluded under the

voting exclusion in the Notice. When the Company issues equity securities pursuant to the Additional Placement Capacity, it will give to ASX:

- a list of the allottees of the equity securities and the number of equity securities allotted to each (not for release to the market), in accordance with Listing Rule 7.1A.4; and
- the information required by Listing Rule 3.10.5A for release to the market.

8.3 Voting Exclusion

A voting exclusion statement is included in this Notice. As at the date of this Notice, the Company has not invited any existing Shareholder to participate in an issue of Equity Securities under ASX Listing Rule 7.1A. Therefore, no existing Shareholders will be excluded from voting on Resolution 5.

9. RESOLUTION 8 – RATIFICATION OF SHARE PLACEMENT TO SOPHISTICATED INVESTORS

9.1 Placement

As discussed in section 6.1 above, the Company announced the Placement on 28 October 2020.

On 4 November 2020, the Company completed the issue of 40,000,000 Shares to Placement Participants.

This portion of the Placement raised a total of \$240,000 (before costs) and was completed in accordance with the Company's 15% capacity under Listing Rule 7.1.

Resolution 8 is an ordinary resolution which seeks ratification and approval by Shareholders for the prior issue of 40,000,000 Placement Shares that were issued to Placement Participants pursuant to the Company's placement capacity under Listing Rule 7.1.

9.2 Applicable Listing Rules

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 shares it had on issue at the start of that period.

The Placement did not fit within any of the above-mentioned exceptions and, as it has not yet been approved by the Company's 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 issue date.

Listing Rule 7.4 allows the shareholders of a listed company to approve an issue of Equity Securities after it has been made or agreed to be made. If they do, the issue is taken to have been approved under Listing Rule 7.1 and so 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.

To this end, Resolution 8 seeks shareholder approval to the Placement under and

for the purposes of Listing Rule 7.4.

If Resolution 8 is passed, the Placement will be excluded in calculating the Company's 15% limit in Listing Rule 7.1, effectively increasing the number of Equity Securities it can issue without shareholder approval over the 12-month period following the issue date.

If Resolution 8 is not passed, the Placement 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 issue date.

9.3 Technical information required by ASX Listing Rule 7.5

Pursuant to ASX Listing Rule 7.5, the following information is provided in relation to Resolution 8:

(a) The names of the persons to whom the securities were issued or the basis on which those persons were determined

The Placement Shares were issued to professional and sophisticated investors who are clients of CPS. The Placement Participants were identified through a bookbuild process involving CPS seeking expressions of interest to participate in the capital raising from non-related parties of the Company. None of the Placement Participants are Related Parties of the Company. Mr Jason Peterson (or his nominees), a related party of the CPS, will receive 29,000,000 Placement Shares under the Placement.

(b) The names of relevant persons who received 1% equivalent shares in the company

Mr Jason Peterson (or his nominees), a substantial holder of the entity, will receive 15,584,415 (4.90% of the Company's issued capital) Shares under the first tranche of the Placement.

(c) Number and class of securities issued

40,000,000 Placement Shares (being fully-paid ordinary shares) were issued under the Placement.

(d) The date or dates on which the securities were issued

The Placement Shares were issued on 4 November 2020.

(e) The price at which the securities were issued

The Placement Shares were issued for \$0.006 per share.

(f) The purpose of the issue, including the intended use of the funds raised

The use of fund for funds raised under the Placement and the Entitlement Offer is set out below:

Use of Funds	Amount (\$)
Funds raised under the Placement and the Entitlement Offer (assuming full subscription)	1,995,861

Items of Expenditure	Amount (\$)
Exploration expenditure on the Gwesan Project - Phase 1	50,000
Exploration expenditure on the Gwesan Project - Phase 2	72,000
Exploration expenditure on the Gwesan Project - Phase 3	70,000
Exploration expenditure on the Gwesan Project - Phase 4	118,000
Exploration expenditure on the Gwesan Project - Phase 5	200,000
Exploration expenditure on the Gwesan Project - Phase 6	285,000
Exploration expenditure on the Gwesan Project - Phase 7	580,000
Ongoing maintenance and assessment of Daejon Project, subject to the pending extension of term application	25,000
Identifying and evaluating any new opportunities that may complement the Company's existing projects	150,000
Expenses of the Offer	30,000
Working capital	415,861
Total	1,995,861

Phase	
1	A site visit, review of project history and existing reports, review of geology and mineralisation, and preparation of exploration plan.
2	A geological survey to gain a field-based understanding of project's geology and mineralisation. The geological field reconnaissance will focus on locating structural trends of mineralisation and identifying soil sampling targets.
3	Subject to results of Phase 1 and 2, soil Sampling program of approximately 500 soil samples will be taken to develop exploration prospects. POW expects to commence permitting applications to enable Phase 3 in January 2021.
4	Subject to results of Phase 3, a trenching program of approximately 500m. POW expects to commence permitting applications to enable Phase 4 at the conclusion of Phase 3.
5	Subject to results of Phase 4, an Auger drilling program consisting of approximately 2000 Auger samples. POW expects to commence permitting applications to enable Phase 5 at the conclusion of Phase 4.
6	An Aeromagnetic survey will be conducted to assess mineralisation potential of project area and to identify any structural trends. The survey lines will comprise approximately 1000 line-km with 20m line-spacing to cover the project area. POW expects to commence permitting applications to enable Phase 6 at the conclusion of Phase 5.
7	Subject to results of Phase 5, a Drill program, drilled to a depth of 100m for a total of 1500m, targeted toward the best potential of subsurface based on Phases 1-6. POW expects to commence permitting applications to enable Phase 7 at the conclusion of Phase 6.

(g) If the securities were or will be issued under an agreement, a summary of any other material terms of that agreement

The Placement shares were not issued under an agreement.

9.4 Board recommendation

The Board unanimously recommends Shareholders vote in favour of Resolution 8 as it allows the Company to retain the flexibility to issue further securities

representing up to 15% of the Company's share capital during the next 12 months without the requirement to obtain prior Shareholder approval.

10. RESOLUTION 9 – RATIFICATION OF PRIOR ISSUE –SHARES

10.1 General

On 13 August 2020, the Company advised it had issued 6,532,067 Shares in lieu of accrued fees to its in-country Korean manager Dr Jaeho Hong between December 2019 and May 2020 (**Korean Director Shares**). The Company issued the Adviser Shares pursuant to the Company's 15% placement capacity under ASX Listing Rule 7.1.

Resolution 9 seeks Shareholder ratification pursuant to ASX Listing Rule 7.4 for the issue of 6,532,067 Korean Director Shares.

ASX 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.

ASX Listing Rule 7.4 sets out an exception to ASX Listing Rule 7.1. It provides that where a company in general meeting ratifies the previous issue of securities made pursuant to ASX Listing Rule 7.1 (and provided that the previous issue did not breach ASX Listing Rule 7.1) those securities will be deemed to have been made with shareholder approval for the purpose of ASX Listing Rule 7.1.

By ratifying this issue, the Company will retain the flexibility to issue equity securities in the future up to the 15% annual placement capacity set out in ASX Listing Rule 7.1 without the requirement to obtain prior Shareholder approval.

If Resolution 9 is not passed, the Korean Director Shares will be included in 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 such Shares.

Resolution 9 is an ordinary resolution

10.2 Technical information required by ASX Listing Rule 7.4

Pursuant to and in accordance with ASX Listing Rule 7.5, the following information is provided in relation to Resolution 9:

- (a) The Company issued a total of 6,532,067 Korean Director Shares on 13 August 2020.
- (b) The Korean Director Shares are fully paid ordinary shares in the capital of the Company and rank pari passu with the Company's existing Shares.
- (c) The Korean Director Shares were issued to Dr Jaeho Hong who is an unrelated party to the Company for the purposes of Listing Rule 10.11.1, is not a member of the Company's key management personnel, or a substantial shareholder of the Company or an associate of either of those categories of persons.
- (d) No funds were raised from the issue of the Korean Director Shares which were not issued pursuant to an agreement as they were issued in lieu of fees for services accrued between December 2019 and May 2020 at a deemed issue price of \$0.006 per share.

The Chairman of the Meeting intends to vote undirected proxies in favour of Resolution 9.

The Directors recommend Shareholders vote in favour of Resolution 9.

11. RESOLUTION 10 – REPLACEMENT CONSTITUTION

11.1 General

A company may modify or repeal its constitution or a provision of its constitution by a special resolution of the Shareholders.

Resolution 10 seeks repeal the Company's existing Constitution and adopt a new constitution (**Proposed Constitution**) which is of the type required for a listed public company limited by shares. The Proposed Constitution is to ensure the Company's constitution reflects the current provisions of the Corporations Act and ASX Listing Rules. Resolution 10 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 10 for it to be passed.

The Proposed Constitution will incorporate amendments to the Corporations Act and ASX Listing Rules since the current Constitution was adopted in 2014.

In addition, ASX has introduced a number of rule changes to make aspects of the listing process and ongoing compliance with the listing rules more efficient for issuers and for ASX.

ASX has introduced a two-tier escrow regime where ASX can (and will) require certain more significant holders of restricted securities and their controllers to execute a formal escrow agreement in the form of Appendix 9A, as is currently the case. However, for less significant holdings, ASX will instead permit entities to rely on a provision in their constitution imposing appropriate escrow restrictions on the holder of restricted securities and to simply give a notice to the holder of restricted securities in the form of a new Appendix 9C advising them of those restrictions.

The new listing rules came into effect on 1 December 2019. A company now cannot issue restricted securities unless the constitution is amended to include the wording below. Given the Company is already admitted to the official list of ASX, the circumstances in which the Company may issue restricted securities is limited, and would most likely relate to transactions requiring approval under ASX Listing Rule 10.1 or if the Company was required to re-comply with Chapters 1 and 2 of the ASX Listing Rules because of the application of ASX Listing Rule 11.1.3 (i.e. a significant change to the Company's nature or scale of activities).

The Directors believe that it is preferable in the circumstances to replace the existing Constitution with the Proposed Constitution rather than to amend a multitude of specific provisions of the existing Constitution. The Proposed Constitution is broadly consistent with the provisions of the existing Constitution. Many of the proposed changes are administrative or minor in nature.

The Directors believe these amendments are neither material nor will they have any significant impact on Shareholders. It is not practicable to list all the changes to the Constitution in detail in this Explanatory Memorandum, however, a summary of the proposed material changes is set out below in section 9.2.

A copy of the Proposed Constitution is available for review by Shareholders at the Company's website at the registered office of the Company. A copy of the

Proposed Constitution can also be sent to Shareholders upon request to the Company Secretary at +61 8 6558 0886. Shareholders are invited to contact the Company if they have any queries or concerns.

11.2 Summary of Material Proposed Changes

Dividends (clause 22)

Section 254T of the Corporations Act was amended effective 28 June 2010.

There is now a three-tiered test that a company will need to satisfy before paying a dividend replacing the previous test that dividends may only be paid out of profits.

The amended requirements provide that a company must not pay a dividend unless:

- (i) the company's assets exceed its liabilities immediately before the dividend is declared and the excess is sufficient for the payment of the dividend;
- (ii) the payment of the dividend is fair and reasonable to the company's shareholders as a whole; and
- (iii) the payment of the dividend does not materially prejudice the company's ability to pay its creditors.

The existing Constitution reflects the former profits test and restricts the dividends to be paid only out of the profits of the Company. The Proposed Constitution is updated to reflect the new requirements of the Corporations Act. The Directors consider it appropriate to update the Constitution for this amendment to allow more flexibility in the payment of dividends in the future should the Company be in a position to pay dividends.

Partial (proportional) takeover provisions (new clause 9)

A proportional takeover bid is a takeover bid where the offer made to each shareholder is only for a proportion of that shareholder's shares.

Pursuant to section 648G of the Corporations Act, the Company has included in the Proposed Constitution a provision whereby a proportional takeover bid for Shares may only proceed after the bid has been approved by a meeting of Shareholders held in accordance with the terms set out in the Corporations Act.

This clause of the Proposed Constitution will cease to have effect on the third anniversary of the date of the adoption or last renewal of the clause.

Information required by section 648G of the Corporations Act

Effect of proposed proportional takeover provisions

Where offers have been made under a proportional off-market bid in respect of a class of securities in a company, the registration of a transfer giving effect to a contract resulting from the acceptance of an offer made under such a proportional off-market bid is prohibited unless and until a resolution to approve the proportional off-market bid is passed.

Reasons for proportional takeover provisions

A proportional takeover bid may result in control of the Company changing without Shareholders having the opportunity to dispose of all their Shares. By making a partial bid, a bidder can obtain practical control of the Company by

acquiring less than a majority interest. Shareholders are exposed to the risk of being left as a minority in the Company and the risk of the bidder being able to acquire control of the Company without payment of an adequate control premium. These amended provisions allow Shareholders to decide whether a proportional takeover bid is acceptable in principle, and assist in ensuring that any partial bid is appropriately priced.

Knowledge of any acquisition proposals

As at the date of this Notice of Meeting, no Director is aware of any proposal by any person to acquire, or to increase the extent of, a substantial interest in the Company.

Potential advantages and disadvantages of proportional takeover provisions

The Directors consider that the proportional takeover provisions have no potential advantages or disadvantages for them and that they remain free to make a recommendation on whether an offer under a proportional takeover bid should be accepted.

The potential advantages of the proportional takeover provisions for Shareholders include:

- (i) the right to decide by majority vote whether an offer under a proportional takeover bid should proceed;
- (ii) assisting in preventing Shareholders from being locked in as a minority;
- (iii) increasing the bargaining power of Shareholders which may assist in ensuring that any proportional takeover bid is adequately priced; and
- (iv) each individual Shareholder may better assess the likely outcome of the proportional takeover bid by knowing the view of the majority of Shareholders which may assist in deciding whether to accept or reject an offer under the takeover bid.

The potential disadvantages of the proportional takeover provisions for Shareholders include:

- (i) proportional takeover bids may be discouraged;
- (ii) lost opportunity to sell a portion of their Shares at a premium; and
- (iii) the likelihood of a proportional takeover bid succeeding may be reduced.

Unmarketable Parcels (new clause 25)

Clause 25 of the Constitution outlines how the Company can manage shareholdings which represent an "unmarketable parcel" of shares, being a shareholding that is less than \$500 based on the closing price of the Company's Shares on ASX as at the relevant time.

The Proposed Constitution is in line with the requirements for dealing with "unmarketable parcels" outlined in the Corporations Act such that where the Company elects to undertake a sale of unmarketable parcels, the Company is only required to give one notice to holders of an unmarketable parcel to elect to retain their shareholding before the unmarketable parcel can be dealt with by the Company, saving time and administrative costs incurred by otherwise having to send out additional notices.

Clause 25 of the Proposed Constitution continues to outline in detail the process that the Company must follow for dealing with unmarketable parcels.

Fee for registration of off market transfers (clause 8.4(c))

In 2011, ASX amended ASX Listing Rule 8.14 with the effect that the Company may now charge a "reasonable fee" for registering paper-based transfers, sometimes referred to as "off-market transfers".

Clause 7.4 of the Proposed Constitution enables the Company to charge a reasonable fee when it is required to register off-market transfers from Shareholders. The fee is intended to represent the cost incurred by the Company in upgrading its fraud detection practices specific to off-market transfers.

Before charging any fee, the Company is required to notify ASX of the fee to be charged and provide sufficient information to enable ASX to assess the reasonableness of the proposed amount.

Restricted Securities (clause 24.3)

The Company shall comply in all respects with the requirements of the Listing Rules with respect to Restricted Securities. Without limiting the generality of the above:

- a. a holder of Restricted Securities must not dispose of, or agree or offer to dispose of, the securities during the escrow period applicable to those securities except as permitted by the Listing Rules or ASX;
- b. if the Restricted Securities are in the same class as quoted securities, the holder will be taken to have agreed in writing that the Restricted Securities are to be kept on the Company's issuer sponsored subregister and are to have a holding lock applied for the duration of the escrow period applicable to those securities.
- c. the Company will refuse to acknowledge any disposal (including, without limitation, to registering any transfer), assignment or transfer of Restricted Securities during the escrow period applicable to those securities except as permitted by the Listing Rules or the ASX;
- d. a holder of Restricted Securities will not be entitled to participate in any return of capital on those securities during the escrow period applicable to those securities except as permitted by the Listing Rules or ASX; and
- e. if a holder of Restricted Securities breaches a restriction deed or a provision of this Constitution restricting a disposal of those securities, the holder will not be entitled to any dividend or distribution, or to exercise any voting rights, in respect of those securities for so long as the breach continues.

11.3 Recommendation of the Board

The Directors do not believe the potential disadvantages outweigh the potential advantages of adopting the proportional takeover provisions and as a result consider that the proportional takeover provision in the Proposed Constitution is in the interest of Shareholders and unanimously recommend that Shareholders vote in favour of Resolution 10.

12. ENQUIRIES

Shareholders are required to contact the Joint Company Secretary, Mr Tim Slate on (+61 8) 6558 0886 if they have any queries in respect of the matters set out in these documents.

GLOSSARY

\$ means Australian dollars.

10% Placement Capacity has the meaning given to that term in section 8.1 of the Explanatory Statement.

Adviser Shares has the meaning set out in section 10.1.

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

ASIC means the Australian Securities and Investments Commission.

ASX means ASX Limited.

ASX Listing Rules means the Listing Rules of ASX.

Board means the current board of directors of the Company.

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

Chair means the Chair of the Meeting.

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

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

Company means Protean Energy Ltd (ACN 119 267 391).

Constitution means the Company's constitution.

Corporations Act means the Corporations Act 2001 (Cth).

CPS means CPS Capital Group Pty Ltd (ACN 124 990 405) (AFSL 294848).

Directors means the current directors of the Company.

Directors' Report means the annual directors' report prepared under Chapter 2M of the Corporations Act for the Company and its controlled entities.

Eligible Entity means an entity that, at the date of the relevant general meeting:

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

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

Entitlement Offer means the Entitlement Offer announced to Shareholders on 28 October 2020.

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

Explanatory Statement means the explanatory statement accompanying the Notice.

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

Korean Director Shares have the meaning set out in section 10.1.

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

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

Placement has the same meaning given to that term in section 5.1.

Placement Participants has the same meaning given to that term in section 5.1.

Placement Shares has the same meaning given to that term in section 5.1.

Proxy Form means the proxy form accompanying the Notice.

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

Replacement Constitution has the meaning set out in section 9.1.

Resolutions means the resolutions set out in this 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 holder of a Share.

Variable A means "A" as set out in the calculation in section 8.2 of the Explanatory Statement.

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

SCHEDULE 1 – TERMS AND CONDITIONS OF OPTIONS

(a) **Entitlement**

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

(b) **Exercise Price**

Subject to paragraph (i), the amount payable upon exercise of each Option will be \$0.01 (**Exercise Price**)

(c) **Expiry Date**

Each Option will expire three years from the date of issue (**Expiry Date**). An Option not exercised before the Expiry Date will automatically lapse on the Expiry Date.

(d) **Exercise Period**

The Options are exercisable at any time on or prior to the Expiry Date (**Exercise Period**).

(e) **Notice of Exercise**

The Options may be exercised during the Exercise Period by notice in writing to the Company in the manner specified on the Option certificate (**Notice of Exercise**) and payment of the Exercise Price for each Option being exercised in Australian currency by electronic funds transfer or other means of payment acceptable to the Company.

(f) **Exercise Date**

A Notice of Exercise is only effective on and from the later of the date of receipt of the Notice of Exercise and the date of receipt of the payment of the Exercise Price for each Option being exercised in cleared funds (**Exercise Date**).

(g) **Timing of issue of Shares on exercise**

Within 15 Business Days after the Exercise Date, the Company will:

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

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

the Corporations Act to ensure that an offer for sale of the Shares does not require disclosure to investors.

(h) **Shares issued on exercise**

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

(i) **Reconstruction of capital**

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

(j) **Participation in new issues**

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

(k) **Change in exercise price**

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

(l) **Transferability**

The Options are transferable subject to any restriction or escrow arrangements imposed by ASX or under applicable Australian securities laws.

LODGE YOUR VOTE

 **ONLINE**
www.linkmarketservices.com.au

 **BY MAIL**
Protean Energy Ltd
C/- Link Market Services Limited
Locked Bag A14
Sydney South NSW 1235 Australia

 **BY FAX**
+61 2 9287 0309

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

 **ALL ENQUIRIES TO**
Telephone: +61 1300 554 474

LODGE A PROXY FORM

This Proxy Form (and any Power of Attorney under which it is signed) must be received at an address given above by **11:00am (WST) on Sunday, 13 December 2020**, being not later than 48 hours before the commencement of the Meeting. Any Proxy Form received after that time will not be valid for the scheduled Meeting.

Proxy Forms may be lodged:

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

HOW TO COMPLETE THIS SHAREHOLDER PROXY FORM

YOUR NAME AND ADDRESS

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

APPOINTMENT OF PROXY

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

DEFAULT TO CHAIRMAN OF THE MEETING

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

VOTES ON ITEMS OF BUSINESS – PROXY APPOINTMENT

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

APPOINTMENT OF A SECOND PROXY

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

To appoint a second proxy you must:

- on each of the first Proxy Form and the second Proxy Form state the percentage of your voting rights or number of shares applicable to that form. If the appointments do not specify the percentage or number of votes that each proxy may exercise, each proxy may exercise half your votes. Fractions of votes will be disregarded; and
- return both forms together.

SIGNING INSTRUCTIONS

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

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

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

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

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

CORPORATE REPRESENTATIVES

If a representative of the corporation is to attend the Meeting the appropriate "Certificate of Appointment of Corporate Representative" must be produced prior to admission in accordance with the Notice of Meeting. A form of the certificate may be obtained from the Company's share registry or online at www.linkmarketservices.com.au.

**IF YOU WOULD LIKE TO ATTEND AND VOTE AT THE ANNUAL GENERAL MEETING, PLEASE BRING THIS FORM WITH YOU.
THIS WILL ASSIST IN REGISTERING YOUR ATTENDANCE.**

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



X99999999999

PROXY FORM

I/We being a member(s) of Protean Energy Ltd and entitled to attend and vote hereby appoint:

APPOINT A PROXY

the Chairman of the Meeting (mark box)

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

or failing the person or body corporate named, or if no person or body corporate is named, the Chairman of the Meeting, as my/our proxy to act on my/our behalf (including to vote in accordance with the following directions or, if no directions have been given and to the extent permitted by the law, as the proxy sees fit) at the Annual General Meeting of the Company to be held at **11:00am (WST) on Tuesday, 15 December 2020 at Blackwall Legal, Level 26, 140 St Georges Tce, Perth WA 6000** (the Meeting) and at any postponement or adjournment of the Meeting.

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

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

VOTING DIRECTIONS

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

Resolutions

	For	Against	Abstain*		For	Against	Abstain*
1 Adoption of Remuneration Report	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	9 Ratification of Prior Issue – Korean Director Shares	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
2 Re-election of Director – Mr Bevan Tarratt	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	10 Replacement Constitution	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
3 Re-election of Director – Mr Giuseppe Graziano	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>				
4 Re-election of Director – Mr Timothy Slate	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>				
5 Approval of Share Placement to Sophisticated Investors	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>				
6 Approval of Lead Manager and Underwriter Options	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>				
7 Approval of 10% Placement Capacity – Shares	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>				
8 Ratification of Share Placement to Sophisticated Investors	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>				



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

SIGNATURE OF SHAREHOLDERS – THIS MUST BE COMPLETED

Shareholder 1 (Individual)

Joint Shareholder 2 (Individual)

Joint Shareholder 3 (Individual)

Sole Director and Sole Company Secretary

Director/Company Secretary (Delete one)

Director

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

POW PRX2001D

