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**CELSIUS RESOURCES LIMITED****ACN 009 162 949****NOTICE OF GENERAL MEETING**

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Notice is given that the Meeting will be held at:

**TIME:** 3:00 PM (AWST)

**DATE:** Thursday, 26 May 2022

**PLACE:** Level 2, 22 Mount Street, Perth WA 6000

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

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

***The Directors have determined pursuant to Regulation 7.11.37 of the Corporations Regulations 2001 (Cth) that the persons eligible to vote at the Meeting are those who are registered Shareholders at 5:00pm on 24 May 2022.***

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## BUSINESS OF THE MEETING

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### AGENDA

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#### 1. RESOLUTION 1 – RATIFICATION OF PRIOR ISSUE OF PLACEMENT SHARES

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

*“That, for the purposes of Listing Rule 7.4 and for all other purposes, Shareholders ratify the issue of 62,089,879 Placement Shares on the terms and conditions set out in the Explanatory Statement.”*

A voting exclusion statement applies to this Resolution. Please see below.

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#### 2. RESOLUTION 2 – RATIFICATION OF PRIOR ISSUE OF PLACEMENT SHARES

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

*“That, for the purposes of Listing Rule 7.4 and for all other purposes, Shareholders ratify the issue of 105,397,808 Placement Shares on the terms and conditions set out in the Explanatory Statement.”*

A voting exclusion statement applies to this Resolution. Please see below.

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#### 3. RESOLUTION 3 – RATIFICATION OF PRIOR ISSUE OF PLACEMENT 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 Listing Rule 7.4 and for all other purposes, Shareholders ratify the issue of 83,743,842 Placement Options on the terms and conditions set out in the Explanatory Statement.”*

A voting exclusion statement applies to this Resolution. Please see below.

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#### 4. RESOLUTION 4 – APPROVAL OF LEAD MANAGER 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 Listing Rule 7.1 and for all other purposes, approval is given for the Company to issue 66,995,074 Lead Manager Options on the terms and conditions set out in the Explanatory Statement.”*

A voting exclusion statement applies to this Resolution. Please see below.

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#### 5. RESOLUTION 5 – APPROVAL OF DRILLING SERVICES SHARES

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

*“That, for the purposes of Listing Rule 7.1 and for all other purposes, approval is given for the Company to issue 10,417,500 Drilling Services Shares on the terms and conditions set out in the Explanatory Statement.”*

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A voting exclusion statement applies to this Resolution. Please see below.

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**6. RESOLUTION 6 – ISSUE OF OPTIONS TO A RELATED PARTY – MR ROBERT GREGORY**

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

*“That, for the purposes of Listing Rule 10.14 and for all other purposes, approval is given for the Company to issue 15,000,000 Options to Mr Robert Gregory (or his nominee) on the terms and conditions set out in the Explanatory Statement.”*

A voting exclusion statement and voting prohibition statement applies to this Resolution. Please see below.

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**7. RESOLUTION 7 – ISSUE OF PERFORMANCE RIGHTS TO A RELATED PARTY – MR ROBERT GREGORY**

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

*“That, for the purposes of Listing Rule 10.14 and for all other purposes, approval is given for the Company to issue 20,000,000 Performance Rights to Mr Robert Gregory (or his nominee) on the terms and conditions set out in the Explanatory Statement.”*

A voting exclusion statement and voting prohibition statement applies to this Resolution. Please see below.

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**8. RESOLUTION 8 – REPLACEMENT OF COMPANY CONSTITUTION**

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

*“That, for the purposes of section 136 of the Corporations Act and for all other purposes, approval is given for the Company to repeal its existing Constitution and to adopt a new Constitution in its place in the form as signed by the chairman of the Meeting for identification purposes, with effect from the close of the Meeting.”*

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**9. RESOLUTION 9 – CHANGE OF COMPANY NAME**

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

*“That, for the purposes of section 157(1)(a) of the Corporations Act and for all other purposes, approval is given for the name of the Company to be changed to Cuprium 27 Limited.”*

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**Dated: 26 April 2022**

**By order of the Board**

**Melanie Ross**

**Company Secretary**

**Celsius Resources Limited**

## Voting Prohibition Statements

<b>Resolutions 6 and 7 – Issue of Options and Performance Rights to a Related Party</b>	<p>A person appointed as a proxy must not vote, on the basis of that appointment, on this Resolution if:</p> <ul style="list-style-type: none"> <li>(a) the proxy is either: <ul style="list-style-type: none"> <li>(i) a member of the Key Management Personnel; or</li> <li>(ii) a Closely Related Party of such a member; and</li> </ul> </li> <li>(b) the appointment does not specify the way the proxy is to vote on this Resolution.</li> </ul> <p>However, the above prohibition does not apply if:</p> <ul style="list-style-type: none"> <li>(a) the proxy is the Chair; and</li> <li>(b) the appointment expressly authorises the Chair to exercise the proxy even though this Resolution is connected directly or indirectly with remuneration of a member of the Key Management Personnel.</li> </ul>
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## Voting Exclusion Statements

In accordance with Listing Rule 14.11, the Company will disregard any votes cast in favour of the resolution set out below by or on behalf of the following persons:

<b>Resolutions 1, 2 and 3 – Ratification of Prior Issues of Placement Shares and Placement Options</b>	A person who participated in the issue or is a counterparty to the agreement being approved or an associate of that person or those persons.
<b>Resolution 4 – Approval of Lead Manager Options</b>	A person who is expected to participate in, or who will obtain a material benefit as a result of, the proposed issue (except a benefit solely by reason of being a holder of options in the Company) namely EverBlu Capital Pty Ltd or an associate of that person (or those persons).
<b>Resolution 5 – Approval of Drilling Services Shares</b>	A person who is expected to participate in, or who will obtain a material benefit as a result of, the proposed issue (except a benefit solely by reason of being a holder of options in the Company) or an associate of that person (or those persons).
<b>Resolutions 6 and 7 – Issue of Options and Performance Rights to a Related Party</b>	Any person referred to in Listing Rule 10.14.1, 10.14.2 or 10.14.3 who is eligible to participate in the employee incentive scheme in question (including Mr Robert Gregory) or an associate of that person or those persons.

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.

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## IMPORTANT INFORMATION

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### Voting by proxy

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

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

- each Shareholder has a right to appoint a proxy;
- the proxy need not be a Shareholder of the Company; and
- a Shareholder who is entitled to cast two (2) or more votes may appoint two (2) proxies and may specify the proportion or number of votes each proxy is appointed to exercise. If the member appoints two (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.

Shareholders and their proxies should be aware that:

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

### Voting in person

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In light of the status of the evolving COVID-19 situation and Government restrictions on public gatherings in place at the date of this Notice of Meeting, the Directors have made a decision that Shareholders and their proxies will not be able to physically attend the Meeting in person.

Shareholders and their proxies will, however, be able to watch and attend the Meeting by videoconference. While it will be possible to ask questions during the videoconference, if Shareholders do wish to ask questions of the Company and/or Directors at the Meeting, it would be preferable for them to do so prior to the Meeting by:

- calling the Company Secretary on +61 8 6188 8181; or
- emailing the Company at [info@celsiusresources.com.au](mailto:info@celsiusresources.com.au),

and informing the Company of the question(s) they wish to have answered.

**Accordingly, the Directors strongly encourage all Shareholders to either lodge a directed proxy form prior to the Meeting or attend and vote online at the virtual meeting.**

The company is pleased to provide shareholders with the opportunity to attend and participate in a virtual Meeting through an online meeting platform powered by Automic, where shareholders will be able to watch, listen, and vote online.

#### To access the virtual meeting:

1. Open your internet browser and go to [investor.automic.com.au](http://investor.automic.com.au)
2. Login with your username and password or click "**register**" if you haven't already created an account. **Shareholders are encouraged to create an account prior to the start of the meeting to ensure there is no delay in attending the virtual meeting**
3. After logging in, a banner will display at the bottom of your screen to indicate that the meeting is open for registration, click on "**Register**" when this appears. Alternatively, click on "**Meetings**" on the left hand menu bar to access registration.
4. Click on "**Register**" and follow the steps
5. Click on the URL to join the webcast where you can view and listen to the virtual meeting
6. Once the Chair of the Meeting has declared the poll open for voting click on "**Refresh**" to be taken to the voting screen
7. Select your voting direction and click "**confirm**" to submit your vote. **Note that you cannot amend your vote after it has been submitted**

**Should you wish to discuss the matters in this Notice of Meeting please do not hesitate to contact the Company Secretary on +61 8 6188 8181.**

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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. RESOLUTIONS 1, 2 AND 3 – RATIFICATION OF PRIOR ISSUES OF PLACEMENT SHARES AND PLACEMENT OPTIONS

#### 1.1 General

On 10 March 2022, the Company issued 167,487,687 Shares at an issue price of \$0.0203 per Share to raise \$3,400,000 (**Placement Shares**).

62,089,879 Shares were issued pursuant to the Company's capacity under Listing Rule 7.1 (being, the subject of **Resolution 1**) and 105,397,808 Shares were issued pursuant to the Company's 7.1A mandate which was approved by Shareholders at the annual general meeting held on 18 November 2021 (the subject of **Resolution 2**).

Under the terms of the Placement, the participants also received one free attaching option for each two shares issued (**Placement Options**). Following the issue of a Prospectus, the Company issued 83,743,842 Options on 22 March 2022 with an exercise price of \$0.04 and expiry term of 2 years.

The 83,743,842 Options were issued pursuant to the Company's capacity under Listing Rule 7.1 (the subject of **Resolution 3**).

The Company engaged the services of EverBlu Capital Pty Ltd (ACN 642 215 343) (**EverBlu**) a Corporate Authorised Representative (AFSL 499 601), to manage the issue of the Placement Shares. The Company has paid EverBlu a fee of 6% of the gross proceeds raised in cash, and will issue, subject to shareholder approval, 66,995,074 options with an exercise price of \$0.04 expiring two years from the date of issue (together the **Placement Mandate**).

#### 1.2 Listing Rules 7.1 and 7.1A

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 12 month 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%. The Company obtained approval to increase its limit to 25% at the annual general meeting held on 18 November 2021.

The issue of the Placement Shares and Placement Options does not fit within any of the exceptions set out in Listing Rule 7.2 and, as it has not yet been approved by Shareholders, it uses up part of the 25% limit in Listing Rules 7.1 and 7.1A, reducing the Company's capacity to issue further equity securities without Shareholder approval under Listing Rule 7.1 and 7.1A for the 12-month period following the dates of issue of the Placement Shares and Placement Options.

### **1.3 Listing Rule 7.4**

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 in the future without having to obtain Shareholder approval for such issues. Accordingly, the Company is seeking Shareholder ratification pursuant to Listing Rule 7.4 for the issues of the Placement Shares and Placement Options.

Resolutions 1, 2 and 3 seek Shareholder ratification pursuant to Listing Rule 7.4 for the issues of the Placement Shares and Placement Options.

### **1.4 Technical information required by Listing Rule 14.1A**

If Resolutions 1, 2 and 3 are passed, the Placement Shares and Placement Options will be excluded in calculating the Company's combined 25% limit in Listing Rules 7.1 and 7.1A, increasing the number of equity securities the Company can issue without Shareholder approval over the 12-month period following the dates of issue of the Placement Shares and Placement Options.

If Resolutions 1, 2 and 3 are not passed, the Placement Shares and Placement Options will be included in calculating the Company's combined 25% limit in Listing Rules 7.1 and 7.1A, decreasing the number of equity securities the Company can issue without Shareholder approval over the 12-month period following the dates of issue of the Placement Shares and Placement Options.

### **1.5 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 Resolutions 1, 2 and 3:

- (a) the Placement Shares and Placement Options were issued to professional and sophisticated investors who are clients of EverBlu. The recipients were identified through a bookbuild process, which involved EverBlu seeking expressions of interest to participate in the capital raising from non-related parties of the Company;
- (b) in accordance with paragraph 7.4 of ASX Guidance Note 21, the Company confirms that none of the recipients were:
  - (i) related parties of the Company, members of the Company's Key Management Personnel, substantial holders of the Company, advisers of the Company or an associate of any of these parties; and
  - (ii) issued more than 1% of the issued capital of the Company;
- (c) 167,487,687 Placement Shares were issued on the following basis:
  - (i) 62,089,879 Shares issued pursuant to Listing Rule 7.1 (ratification of which is sought under Resolution 1); and

- (ii) 105,397,808 Shares issued pursuant to Listing Rule 7.1A (ratification of which is sought under Resolution 2);
- (d) the Placement 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 Shares were issued on 10 March 2022;
- (f) the issue price was \$0.0203 per Placement Shares under both the issue of Shares pursuant to Listing Rule 7.1 and Listing Rule 7.1A. The Company has not and will not receive any other consideration for the issue of the Placement Shares;
- (g) the 83,743,842 Placement Options were issued pursuant to Listing Rule 7.1 (ratification of which is sought under Resolution 3);
- (h) the Placement Options terms and conditions are set out in Schedule 1;
- (i) the Placement Options were issued on 22 March 2022;
- (j) the issue price of the Placement Options was nil;
- (k) the purpose of the issue of the Placement Shares and Placement Options was to raise \$3,400,000, which will be applied towards completion of the current MCB maiden drill program, completion of the new metallurgical test program for the Opuwo Cobalt project, de-risking the Sagay Project and general working capital of the Company; and
- (l) the Placement Shares and Placement Options were not issued under an agreement.

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## **2. RESOLUTION 4 – APPROVAL OF LEAD MANAGER OPTIONS**

### **2.1 General**

As set out in Section 1.1 above, the Company has entered into an agreement to issue 66,995,074 Lead Manager Options with an exercise price of \$0.04 and a term of two (2) years from the date of approval of this Resolution 4, in part consideration for capital raising services provided by EverBlu Capital Pty Ltd (**EverBlu**) under the Placement Mandate.

### **2.2 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 12 month period.

The proposed issue of the Lead Manager Options does not fall within any of the exceptions set out in Listing Rule 7.2 and, at the time of the issue of the Placement Shares and Placement Options, exceeds the 15% limit in Listing Rule 7.1. It therefore requires the approval of Shareholders under Listing Rule 7.1.

### **2.3 Technical information required by Listing Rule 14.1A**

If Resolution 4 is passed, the Company will be able to proceed with the issue of the Lead Manager Options. In addition, the issue of the Lead Manager 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 4 is not passed, the Company will need to pay EverBlu such other compensation of comparable value to the Lead Manager Options as may be agreed between the parties each acting reasonably.

Resolution 4 seeks Shareholder approval for the purposes of Listing Rule 7.1 for the issue of the Lead Manager Options.

## **2.4 Technical information required by Listing Rule 7.1**

Pursuant to and in accordance with Listing Rule 7.3, the following information is provided in relation to Resolution 4:

- (a) the Lead Manager Options will be issued to EverBlu (or its associates);
- (b) in accordance with paragraph 7.2 of ASX Guidance Note 21, the Company confirms that none of the recipients will be:
  - (i) related parties of the Company, members of the Company's Key Management Personnel, substantial holders of the Company, advisers of the Company or an associate of any of these parties; and
  - (ii) issued more than 1% of the issued capital of the Company;
- (c) the maximum number of Lead Manager Options is 66,995,074. The terms and conditions of the Lead Manager Options are set out in Schedule 1.
- (d) the Lead Manager 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 Listing Rules) and it is intended that issue of the Lead Manager Options will occur on the same date;
- (e) the Lead Manager Options will be issued at a nil issue price, as part of the consideration for the capital raising services provided by EverBlu in connection with the Placement Mandate;
- (f) the purpose of the issue of the Lead Manager Options is to satisfy the Company's obligations under the Placement Mandate;
- (g) the Lead Manager Options are being issued to EverBlu under the Placement Mandate. A summary of the material terms of the Placement Mandate is set out in Section 1.1; and
- (h) the Lead Manager Options are not being issued under, or to fund, a reverse takeover.

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## **3. RESOLUTION 5 – APPROVAL OF DRILLING SERVICES SHARES**

### **3.1 General**

On 7 February 2022 the Company announced that its Namibian subsidiary, Opuwo Cobalt Mining Pty Ltd, had entered into an agreement with Stewardship Drilling Pty Ltd (**Stewardship Drilling**) to drill eight diamond core drill holes.

Under the terms of the "Proposal for Drilling Services" contract, Stewardship Drilling are to be paid by a combination of cash and new shares comprising:

- (a) Cash payment of 1,060,692 Namibian Dollars (converting to A\$106,069.25 at an agreed exchange rate of 10:1); and
- (b) An issue of fully paid ordinary shares in Celsius Resources Limited up to a maximum number of 10,417,500 shares being the balance of the value of the contract of A\$312,525 (the **Drilling Services Shares**).

### **3.2 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 12 month period.

The issue of the Drilling Services Shares does not fit within any of the exceptions set out in Listing Rule 7.2 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 Drilling Services Shares.

The Company wishes to retain as much flexibility as possible to issue additional equity securities in the future without having to obtain Shareholder approval for such issues.

Accordingly, the Company is seeking Shareholder approval pursuant to Listing Rule 7.1 to issue Drilling Services Shares.

### **3.3 Technical information required by Listing Rule 14.1A**

If Resolution 5 is passed, the Company will be able to proceed with the issue of the Drilling Services Shares. In addition, the issue of the Drilling Services Shares 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 5 is not passed, the Company will need to pay a cash amount of A\$312,525 to Stewardship Drilling Pty Ltd.

Resolution 5 seeks Shareholder approval for the purposes of Listing Rule 7.1 for the issue of the Drilling Services Shares.

### **3.4 Technical information required by Listing Rule 7.1**

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

- (a) the Drilling Services Shares will be issued to Stewardship Drilling Pty Ltd (or its associates);
- (b) in accordance with paragraph 7.2 of ASX Guidance Note 21, the Company confirms that none of the recipients will be:
  - (i) related parties of the Company, members of the Company's Key Management Personnel, substantial holders of the Company,

advisers of the Company or an associate of any of these parties;  
and

- (ii) issued more than 1% of the issued capital of the Company;
- (c) the Drilling Services Shares will be fully paid ordinary shares;
- (d) the maximum number of shares to be issued is 10,417,500;
- (e) the Drilling Services Shares 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 Listing Rules) and it is intended that issue of the Drilling Services Shares will occur on the same date;
- (f) the Drilling Services Shares will be issued in accordance with the drilling contract;
- (g) the purpose of the issue of the Drilling Services Shares Lead Manager Options is to satisfy the Company's obligations under the drilling contract. The material terms of the contract are set out in Section 3.1; and
- (h) the Drilling Services Shares are not being issued under, or to fund, a reverse takeover.

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#### **4. RESOLUTIONS 6 AND 7 – ISSUE OF OPTIONS AND PERFORMANCE RIGHTS TO A RELATED PARTY – MR ROBERT GREGORY**

##### **4.1 General**

Mr Robert Gregory was appointed by the Company as Managing Director on 24 December 2021, and has executed a services agreement with the Company (**Employment Agreement**).

Under the terms of the Employment Agreement the Company has agreed, subject to obtaining Shareholder approval, to issue 15,000,000 Options and 20,000,000 Performance Rights (**Performance Rights**) to Mr Gregory (or his nominee) under the Company's existing securities incentive scheme, and otherwise on the terms and conditions set out below.

The Employment Agreement is summarised in Schedule 2.

Resolutions 6 and 7 seek Shareholder approval for the issue of Options and Performance Rights to Mr Robert Gregory (or his nominee).

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

Chapter 2E of the Corporations Act requires that for a public company, or an entity that the public company controls, to give a financial benefit to a related party of the public company, the public company or entity must:

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

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

The issue of Options and Performance Rights to Mr Gregory (or his nominee) constitutes giving a financial benefit and Mr Gregory is a related party of the Company by virtue of being a Director.

The Directors (other than Mr Gregory who has a material personal interest in the Resolution) consider that Shareholder approval pursuant to Chapter 2E of the Corporations Act is not required in respect of the grant of Options and Performance Rights because the agreement to issue the Options and Performance Rights, reached as part of the remuneration package for Mr Gregory, is considered reasonable remuneration in the circumstances and was negotiated on an arm's length basis.

#### **4.3 Listing Rule 10.14**

Listing Rule 10.14 provides that an entity must not permit any of the following persons to acquire equity securities under an employee incentive scheme without the approval of the holders of its ordinary securities:

- 10.14.1 a director of the entity;
- 10.14.2 an associate of a director of the entity; or
- 10.14.3 a person whose relationship with the entity or a person referred to in Listing Rules 10.14.1 to 10.14.2 is such that, in ASX's opinion, the acquisition should be approved by security holders.

The issue of Options and Performance Rights to Mr Gregory falls within Listing Rule 10.14.1 and therefore requires the approval of Shareholders under Listing Rule 10.14.

Resolutions 6 and 7 seek the required Shareholder approval for the issue of the Options and Performance Rights under and for the purposes of Listing Rule 10.14.

#### **4.4 Technical information required by Listing Rule 14.1A**

If Resolutions 6 and 7 seek are passed, the Company will be able to proceed with the issue of the Options and Performance Rights to Mr Gregory under the Company's existing securities incentive scheme, within one month after the date of the Meeting (or such later date as permitted by any ASX waiver or modification of the Listing Rules).

As approval pursuant to Listing Rule 7.1 is not required for the issue of the Options and Performance Rights (because approval is being obtained under Listing Rule 10.11), the issue of the Options and Performance Rights will not use up any of the Company's 15% annual placement capacity.

If Resolutions 6 and 7 seek are not passed, the Company will not be able to proceed with the issue of the Options and Performance Rights, and consideration will need to be given as to remuneration by other means.

#### **4.5 Technical Information required by Listing Rule 10.15**

Pursuant to and in accordance with Listing Rule 10.15, the following information is provided in relation to Resolutions 6 and 7:

- (a) the Options and Performance Rights will be issued to Mr Gregory (or his nominee), who falls within the category set out in Listing Rule 10.14.1 as

Robert Gregory is a related party of the Company by virtue of being a Director;

- (b) the maximum number of Options to be issued is 15,000,000;
- (c) the maximum number of Performance Rights to be issued is 20,000,000;
- (d) the current total remuneration package for Mr Gregory is \$330,000, comprising of salary of \$300,000, a superannuation payment of \$30,000. If the Options and Performance Rights are issued, the total remuneration package of Mr Gregory will increase by \$297,211 to \$627,211,, being the value of the Options and Performance Rights (based on the Black Scholes methodology);
- (e) the terms and conditions of the Options and Performance Rights, together with the relevant vesting milestones are set out in Schedules 4 and 5 respectively;;
- (f) Options and Performance Rights have not previously been issued to Mr Gregory under the Company's incentive securities plan;
- (g) the Options and Performance Rights will be unquoted. The Company has chosen to grant these incentives to Mr Gregory for the following reasons:
  - (i) the Options and Performance Rights are unlisted, therefore the grant of the Options and Performance Rights has no immediate dilutionary impact on Shareholders;
  - (ii) the issue of Options and Performance Rights to Mr Gregory will align the interests of Mr Gregory with those of Shareholders;
  - (iii) the issue of Options and Performance Rights is a reasonable and appropriate method to provide cost effective remuneration as the non-cash form of this benefit will allow the Company to spend a greater proportion of its cash reserves on its operations than it would if alternative cash forms of remuneration were given to Mr Gregory;
  - (iv) the deferred tax benefits are available to Mr Gregory via the issue of Performance Rights rather than an issue of Shares; and
  - (v) it is not considered that there are any significant opportunity costs to the Company or benefits foregone by the Company in granting the Options and Performance Rights on the terms proposed;
- (h) the Company values the Options at \$231,750 (being \$0.025 per Option) based on the trinomial valuation methodology. The value anticipated to be expensed to 31 December 2022 is \$231,264, which is after the probabilities of the likelihood of vesting have been taken into consideration. The assumptions used for this valuation are as follows:

	Vesting 1 June 2022	Vesting 1 January 2023
<b>Valuation date:</b>	25 March 2022	25 March 2022
<b>Market price of shares:</b>	\$0.028	\$0.028
<b>Exercise price:</b>	\$0.025	\$0.025
<b>Interest rate:</b>	2.17%	2.17%
<b>Volatility:</b>	100%	100%
<b>Early exercise factor:</b>	2.5x	2.5x
<b>Expiry date:</b>	4 May 2025	4 May 2025
<b>Number of options</b>	7,500,000	7,500,000
<b>Indicative value:</b>	0.0149	0.016

- (i) the Options will be issued to Mr Gregory (or his nominee) no later than 2 years after the date of the Meeting (or such later date as permitted by any ASX waiver or modification of the Listing Rules) and it is anticipated the Performance Rights will be issued on one date;
- (j) the issue price of the Options will be nil, as such no funds will be raised from the issue of the Options, other than when converted into fully paid ordinary shares;
- (k) the Company values the Performance Rights at \$331,403 (being \$0.028 per Performance Right) based on the Hoadleys Hybrid ESO5 methodology, unless otherwise stated. The value anticipated to be expensed to 31 December 2022 is \$65,947 which is after the probabilities of the likelihood of vesting have been taken into consideration. The assumptions used for this valuation are as follows:

	(1) Hoadleys Hybrid ESO5 pricing model	(2) Valued at the current market price of shares
<b>Valuation date:</b>	25 March 2022	25 March 2022
<b>Market price of shares:</b>	\$0.028	\$0.028
<b>Exercise price:</b>	Nil	Nil
<b>Interest rate:</b>	1.45%	Nil
<b>Volatility:</b>	100%	Nil
<b>Early exercise factor</b>	2.5x	Nil
<b>Expiry date:</b>	1 January 2023	1 January 2025
<b>Number of performance rights:</b>	10,000,000	10,000,000
<b>Indicative value:</b>	0.0051	0.028

**Tranche 1:** Which will vest, when the Company's share price, as quoted on the ASX, achieves a 20 –day consecutive VWAP of \$0.11 per share, within 12 months from the commencement date.

**Tranche 2:** Will vest after the Company announces the completion of a Definitive Feasibility Study, as defined under the JORC Code, at its MCB Copper/Gold Project, supporting a decision to mine by the Company, within 3 years from the Commencement Date.

- (l) the Performance Rights will be issued to Mr Gregory (or his nominee) no later than 2 years after the date of the Meeting (or such later date as permitted by any ASX waiver or modification of the Listing Rules) and it is anticipated the Performance Rights will be issued on one date;
- (m) the issue price of the Performance Rights will be nil, as such no funds will be raised from the issue of the Performance Rights;
- (n) a summary of the material terms and conditions of the Company's incentive securities scheme is set out in Schedule 3;
- (o) no loan is being made to Mr Gregory in connection with the acquisition of the Options and Performance Rights;
- (p) details of any Options and Performance Rights issued under the Company's incentive securities scheme will be published in the annual report of the Company 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; and
- (q) any additional persons covered by Listing Rule 10.14 who become entitled to participate in an issue of Performance Rights under the Company's incentive securities scheme after Resolution 6 is approved and who were not named in this Notice will not participate until approval is obtained under Listing Rule 10.14.

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## 5. RESOLUTION 8 – REPLACEMENT OF COMPANY CONSTITUTION

### 5.1 General

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

Shareholder approval is sought by the Company to repeal its existing Constitution and adopt a new constitution (**Proposed Constitution**) which is of the type required for a listed public company limited by shares updated to ensure it reflects the current provisions of the Corporations Act and Listing Rules.

This will incorporate amendments to the Corporations Act and Listing Rules since the current Constitution was adopted in November 2019. 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.

The Proposed Constitution is broadly consistent with the provisions of the existing Constitution, with many of the proposed changes being administrative or minor in nature. The Directors believe these amendments are not material nor will they have any significant impact on Shareholders. It is not practicable to list all of the changes to the Constitution in detail in this Explanatory Statement, however, a summary of the proposed material changes is set out below.

A copy of the Proposed Constitution is available for review by Shareholders at the Company's website [www.celsiusresources.com.au](http://www.celsiusresources.com.au) and at the office of the

Company. A copy of the Proposed Constitution can also be sent to Shareholders upon request to the Company Secretary.

Shareholders are invited to contact the Company if they have any queries or concerns.

If the special resolution seeking this approval is passed, then the Amended Constitution will be effective immediately following this General Meeting.

## **5.2 Summary of material Proposed Changes**

The Directors consider that the amendments will not have any significant impact on Shareholders. A summary of the key amendments is set out below:

### **Minimum Shareholding (clause 3)**

Clause 3 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 3 of the Proposed Constitution continues to outline in detail the process that the Company must follow for dealing with unmarketable parcels.

### **Virtual Meetings (new clause 14)**

Clause 14 of the Constitution outlines how the Company can use technology at meetings.

The Proposed Constitution is in line with the permanent changes to the Corporations Act which will take effect on 1 April 2022 allowing the use of technology at meetings and the distribution of meeting-related documents electronically (whether by a physical or electronic link or the entire document).

While hybrid and virtual meetings can be held, wholly virtual meetings will only be allowed if expressly permitted under the Company's Constitution. Whichever format is used, members as a whole must be given a reasonable opportunity to participate, and any technology used must allow members to exercise, orally and in writing, any rights those members have to ask questions and make comments.

### **Financial Assistance to Purchase Shares (new clause 10.4)**

Part 2J.3 of the Corporations Act provides that a company may financially assist a person to acquire shares (or units of shares) in the company only if the giving of assistance does not materially prejudice the interests of the company or its shareholders or impact the company's ability to pay its creditors. A company may also provide financial assistance to purchase shares in the company if the assistance is approved by shareholders or the assistance is exempted on the basis that the financial assistance is based on the ordinary course of commercial dealing (consistent with section 260C of the Corporations Act).

### 5.3 Board recommendation

The Board recommends that Shareholders vote in favour of Resolution 8.

(a) The Chair intends to vote all available proxies in favour of Resolution 8.

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## 6. RESOLUTION 9 – CHANGE OF COMPANY NAME

Section 157(1)(a) of the Corporations Act provides that a company may change its name if the company passes a special resolution adopting a new name.

Resolution 9 seeks the approval of Shareholders for the Company to change its name to “Cuprium 27 Limited”.

The Board proposes this change of name on the basis that it believes the proposed name more accurately reflects the future operations of the Company.

The proposed name has been reserved by the Company with ASIC and if Resolution 9 is passed, the Company will lodge a copy of the special resolution with ASIC following the Meeting in order to effect the change.

**If Resolution 9 is passed the change of name will take effect when ASIC alters the details of the Company’s registration.**

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## GLOSSARY

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**\$** means Australian dollars.

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

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

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

**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 Celsius Resources Limited (ACN 009 162 949).

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

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

**Definitive Feasibility Study** means a feasibility study undertaken to a high degree of accuracy which may be used as a basis for raising finance for the construction of a project.

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

**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.

**JORC Code** means the Australasian Code for Reporting of Exploration Results, Mineral Resource and Ore Reserves.

**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.

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

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

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

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

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

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

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

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## SCHEDULE 1 – TERMS AND CONDITIONS OF THE PLACEMENT OPTIONS AND LEAD MANAGER OPTIONS

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The rights and liabilities of the Placement Options and Lead Manager Options are set out below.

(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 \$0.04 (**Exercise Price**).

(c) **Expiry Date**

Each Option will expire at 5:00 pm (WST) on the date which is two (2) 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 5 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 Section 4.1(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 an Optionholder are to be changed in a manner consistent with the Corporations Act and the ASX Listing Rules at the time of the reconstruction.

(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.

## SCHEDULE 2 – SUMMARY OF EMPLOYMENT AGREEMENT

<b>Title and Role</b>	<p>Managing Director.</p> <p>Responsible for managing the business of the Company and its Related Bodies Corporate including implementing strategic and tactical plans and managing operational functions to achieve the Company's values, goals and outcomes; review and initiate continuous improvement in support and administrative functions; and implement employment policies and development of an effective and valued performance management framework.</p>
<b>Term</b>	<p>This Agreement commences on 1 January 2021 or such other date as mutually agreed between the Employer and the Employee and continues until terminated in accordance with this Agreement.</p>
<b>Remuneration</b>	<p>The Employee's Remuneration is \$300,000 per annum plus superannuation in accordance with the Superannuation Guarantee (Administration) Act 1992 (Cth) as varied from time to time.</p> <p>The Employee's Remuneration will be reviewed annually by the Company in accordance with the policy of the Company for the annual review of salaries.</p>
<b>Short Term Incentives</b>	<p>The Company may at any time during the Term pay to the Employee a performance-based bonus over and above the Remuneration.</p> <p>The Company shall take into consideration the key performance indicators of the Employee and the Company, as the Company may set from time to time, and any other matter that it deems appropriate.</p>
<b>Long Term Incentives</b>	<p>The Company has agreed, subject to obtaining shareholder approval, to issue a total of 15,000,000 Options and 20,000,000 Performance Rights to the Employee (or his nominee) as a long-term performance incentive in connection with this appointment, comprising:</p> <ul style="list-style-type: none"> <li>(a) 15,000,000 Options to the Employee (or his nominee), with an exercise price of \$0.025 expiring three years from date of issue, 50% vesting at six months from Commencement Date and 50% vesting at 12 months from Commencement Date;</li> <li>(b) 20,000,000 Performance Rights to the Employee (or his nominee) as a long-term performance incentive in connection with this appointment, comprising: <ul style="list-style-type: none"> <li>(i) 10,000,000 Performance Rights, which will vest when the Company's share price, as quoted on the ASX, achieves a 20-day consecutive VWAP of \$0.11 per share, within 12 months from the Commencement Date; and</li> <li>(ii) 10,000,000 Performance Rights, which will vest after the Company announces completion of a Definitive Feasibility Study, as defined under the JORC Code, at its MCB Copper/Gold Project, supporting a decision to mine by the Company, within 3 years from the Commencement Date.</li> </ul> </li> </ul> <p>The Performance Rights will otherwise be issued under and governed by the Company's Employee Securities Incentive Plan (see Schedule 3).</p>
<b>Expenses</b>	<p>The Employee will himself pay for any reasonable business-related expenses incurred in the performance of his duties. The Employer will reimburse the Employee for the reasonable business-related expenses subject to the expenses being properly substantiated with receipts in accordance with the any relevant policy and/or practices.</p>
<b>Termination</b>	<p>Either party may terminate the Employment for any reason at any time by giving the other party 3 months' notice in writing.</p>

	<p>Instead of providing the specified notice the Employer may choose to make payment in lieu of notice. If the Employee fails to give the required notice, the Employee forfeits the entitlement to any monies owing to equal to the amount of notice not given.</p>
<p><b>Termination by the Company</b></p>	<p>The Employer may terminate the Employee's employment immediately without notice, counselling, warning or compensation if in the Employer's reasonable opinion:</p> <ul style="list-style-type: none"> <li>(a) the Employee is guilty of serious or wilful misconduct, neglect of duty or other serious breach of the Employee's obligations under this Agreement;</li> <li>(b) the Employee commits fraud or an act of dishonesty, or any other act which may bring the Employer into disrepute;</li> <li>(c) Employee had provided false information at interview on matters that would otherwise lawfully preclude the Employee from being offered the Position; or</li> <li>(d) the Employee is unable to satisfactorily perform the duties of the Position under this Agreement because of alcohol or drug addiction, substance abuse or mental incapacity;</li> </ul> <p>in which case the Employee shall only be entitled to be paid for the time worked up to the time of dismissal and any entitlements accrued to such time.</p>

The Employment Agreement otherwise contains provisions considered standard for an agreement of its nature.

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## **SCHEDULE 3 – TERMS AND CONDITIONS OF THE COMPANY'S EMPLOYEE SECURITIES INCENTIVE PLAN**

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A summary of the terms of the Employee Securities Incentive Plan (**Plan**) is set out below.

(a) **Awards**

Award means an Option, a Performance Right, a Share Award and/or a Loan Funded Share, as the case may be.

(b) **Eligible Participant**

Eligible Participant means

- (i) any Director or a person who is a full-time or part-time employee of the Company or its Related Bodies Corporate who is declared by the Board in its sole and absolute discretion to be eligible to receive grants of Awards under the Plan; or
- (ii) any other person providing services to the Group and who is declared by the Board in its sole and absolute discretion to be eligible to receive grants of Awards under the Plan.

(c) **Administration of the Plan**

The Plan will be administered by the Board in accordance with the Plan rules.

(d) **Purpose**

The purpose of the Plan is to:

- (i) assist in the reward, retention and motivation of Eligible Participants;
- (ii) link the reward of Eligible Participants to Shareholder value creation; and
- (iii) align the interests of Eligible Participants with Shareholders by providing an opportunity to Eligible Participants to earn rewards via an equity interest in the Company based on creating Shareholder value.

(e) **Maximum Award Allocation**

Unless prior Shareholder Approval is obtained, the number of Awards which may be granted under the Plan must not at any time exceed in aggregate 10% of the total issued capital of the Company at the date of any proposed new Awards.

(f) **Eligibility, invitation and application**

The Board may from time to time determine that an Eligible Participant may participate in the Plan and make an invitation to that Eligible Participant to apply for any (or any combination) of the different types of Awards on such terms and conditions as the Board decides.

On receipt of an Invitation, an Eligible Participant may apply for the Awards the subject of the invitation by sending a completed application form to the Company. The Board may accept an application from an Eligible Participant in whole or in part.

If an Eligible Participant is permitted in the invitation, the Eligible Participant may, by notice in writing to the Board, nominate a party in whose favour the Eligible Participant wishes to renounce the invitation.

(g) **Terms of Awards**

The terms and conditions of Awards offered or granted under these Rules to each Eligible Participant will be determined by the Board in its sole and absolute discretion.

(h) **Grant of Awards**

The Company will, to the extent that it has accepted a duly completed application, grant the Eligible Participant the relevant number of Awards, subject to the terms and conditions set out in the Invitation, the Plan rules and any ancillary documentation required.

(i) **Terms of Options and Performance Rights**

Each Option and/or Performance Right (**Convertible Security**) represents a right to acquire one or more Shares (for example, under an option or performance right), subject to the terms and conditions of the Plan. Prior to a Convertible Security being exercised a Participant does not have any interest (legal, equitable or otherwise) in any Share the subject of the Convertible Security by virtue of holding the Convertible Security. A Participant may not sell, assign, transfer, grant a security interest over or otherwise deal with a Convertible Security that has been granted to them unless otherwise determined by the Board. A Participant must not enter into any arrangement for the purpose of hedging their economic exposure to a Convertible Security that has been granted to them.

(j) **Vesting of a Convertible Security**

Any vesting conditions applicable to the grant of Convertible Securities will be described in the invitation. If all the vesting conditions are satisfied and/or otherwise waived by the Board, a vesting notice will be sent to the Participant by the Company informing them that the relevant Convertible Securities have vested. Unless and until the vesting notice is issued by the Company, the Convertible Securities will not be considered to have vested. For the avoidance of doubt, if the vesting conditions relevant to a Convertible Security are not satisfied and/or otherwise waived by the Board, that Convertible Security will lapse.

(k) **Exercise of Convertible Securities and cashless exercise**

To exercise a Convertible Security, the Participant must deliver a signed notice of exercise and, subject to a cashless exercise of Options (see below), pay the exercise price (if any) to or as directed by the Company, at any time following vesting of the Convertible Security (if subject to vesting conditions) and prior to the expiry date as set out in the invitation or vesting notice.

The Board may determine in its sole and absolute discretion that a Participant will not be required to provide payment of the exercise price of Options, but that on exercise of the Options the Company will only allot and issue or transfer that number of Plan Shares to the Participant that are equal in value to the difference between the exercise price otherwise payable in relation to the Options and the then Market Value of the Plan Shares as at the time of the exercise (with the number of Plan Shares rounded down).

An invitation may specify that at the time of exercise of the Convertible Securities, the Participant may elect not to be required to provide payment of the exercise price for the number of Convertible Securities specified in a notice of exercise, but that on exercise of those Convertible Securities the Company will transfer or issue to the Participant that number of Shares equal in value to the positive difference between the Market Value of the Shares at the time of exercise and the exercise price that would otherwise be payable to exercise those Convertible Securities.

Market Value means:

- (i) in relation to Options and Performance Rights, a value determined by application of a valuation methodology approved by the Board; and
- (ii) in relation to Share Awards, Loan Funded Shares and Plan Shares, the 'volume weighted average market price' (as that term is defined in the Listing Rules) per Share during the previous five trading days.

A Convertible Security may not be exercised unless and until that Convertible Security has vested in accordance with the Plan rules, or such earlier date as set out in the Plan rules.

Options must be exercised in multiples of 100 unless fewer than 100 Options are held by a Participant or the Board otherwise agrees.

(l) **Delivery of Shares on exercise of Convertible Securities**

As soon as practicable after the valid exercise of a Convertible Security by a Participant, the Company will issue or cause to be transferred to that Participant the number of Shares to which the Participant is entitled under the Plan rules and issue a substitute certificate for any remaining unexercised Convertible Securities held by that Participant.

(m) **Forfeiture of Convertible Securities**

Where a Participant who holds Convertible Securities ceases to be an Eligible Participant or becomes insolvent, all unvested Convertible Securities will automatically be forfeited by the Participant, unless the Board otherwise determines in its discretion to permit some or all of the Convertible Securities to vest.

Where the Board determines that a Participant has acted fraudulently or dishonestly; committed an act which has brought the Company, the Group or any entity within the Group into disrepute, or wilfully breached his or her duties to the Group or where a Participant is convicted of an offence in connection with the affairs of the Group; or has a judgment entered against him or her in any civil proceedings in respect of the contravention by the Participant of his or her duties at law, in equity or under statute, in his or her capacity as an employee, consultant or officer of the Group, the Board may in its discretion deem all unvested Convertible Securities held by that Participant to have been forfeited.

Unless the Board otherwise determines, or as otherwise set out in the Plan rules:

- (i) any Convertible Securities which have not yet vested will be forfeited immediately on the date that the Board determines (acting reasonably and in good faith) that any applicable vesting conditions have not been met or cannot be met by the relevant date; and

- (ii) any Convertible Securities which have not yet vested will be automatically forfeited on the expiry date specified in the invitation or vesting notice.

(n) **Change of control**

If a change of control event occurs in relation to the Company, or the Board determines that such an event is likely to occur, the Board may in its discretion determine the manner in which any or all of the Participant's Convertible Securities will be dealt with, including, without limitation, in a manner that allows the Participant to participate in and/or benefit from any transaction arising from or in connection with the change of control event provided that, in respect of Convertible Securities, the maximum number of Convertible Securities (that have not yet been exercised) that the Board may determine will vest and be exercisable into Shares under this Rule is that number of Convertible Securities that is equal to 10% of the Shares on issue immediately following vesting under this Rule, which as far as practicable will be allocated between holders on a pro-rata basis on the basis of their holdings of Convertible Securities on the date of determination of vesting.

(o) **Adjustment of Convertible Securities**

If there is a reorganisation of the issued share capital of the Company (including any subdivision, consolidation, reduction, return or cancellation of such issued capital of the Company), the rights of each Participant holding Convertible Securities will be changed to the extent necessary to comply with the Listing Rules applicable to a reorganisation of capital at the time of the reorganisation.

Unless otherwise determined by the Board, a holder of Convertible Securities does not have the right to participate in a pro rata issue of Shares made by the Company or sell renounceable rights.

(p) **Convertible Securities participation rights**

There are no participation rights or entitlements inherent in the Convertible Securities and holders are not entitled to participate in any new issue of Shares of the Company during the currency of the Convertible Securities without exercising the Convertible Securities.

(q) **Share Awards**

The Board may from time to time make an invitation to an Eligible Participant to acquire Share Awards under the Plan. The Board will determine in its sole and absolute discretion the acquisition price (if any) for each Share Award which may be nil. The Share Awards may be subject to performance hurdles and/or vesting conditions as determined by the Board.

Where Share Awards granted to a Participant are subject to performance hurdles and/or vesting conditions, the Participant's Share Awards will be subject to certain restrictions until the applicable performance hurdles and/or vesting conditions (if any) have been satisfied, waived by the Board or are deemed to have been satisfied under these Rules.

Following the issue of a vesting notification to the Participant, the Share Awards held by the Participant will no longer be subject to any restrictions and may be transferred or sold by the Participant, subject to compliance with applicable laws, the Company's Securities Trading Policy and the terms of the Plan.

(r) **Loan Funded Shares**

The Board may from time to time make an invitation to an Eligible Participant to acquire Loan Funded Shares under the Plan. The Board will determine in its sole and absolute discretion the acquisition price (if any) for each Loan Funded Shares which may be nil. The Loan Funded Shares may be subject to performance hurdles and/or vesting conditions as determined by the Board.

Where Loan Funded Shares granted to a Participant are subject to performance hurdles and/or vesting conditions, the Participant's Loan Funded Shares will be subject to certain restrictions until the applicable performance hurdles and/or vesting conditions (if any) have been satisfied, waived by the Board or are deemed to have been satisfied under these Rules.

Following the issue of a vesting notification to the Participant, the Loan Funded Shares held by the Participant will no longer be subject to any restrictions and may be transferred or sold by the Participant, subject to compliance with applicable laws, the Company's Securities Trading Policy and the terms of the Plan.

When the Company makes an Invitation to an Eligible Participant to acquire Loan Funded Shares, the Company will also offer the Eligible Participant a Loan on terms and conditions to be determined by the Board, for the amount of the acquisition price of the Loan Funded Shares, for the purposes of acquiring all or part of the Loan Funded Shares the subject of the invitation.

The loan amount may accrue interest as determined by the Board.

A Participant may repay all or part of a Loan at any time before the expiration of the Loan term, and at the expiration of the Loan term the Participant must immediately repay all of the Loan.

(s) **Rights Attaching to Share Awards, Loan Funded Shares and Plan Shares**

Any Share Awards, Loan Funded Shares and/or Plan Shares allotted, issued or transferred by the Company to a Participant under the Plan will rank equally with all existing Shares on and from the date of allotment, issue or transfer, including in respect of all rights and bonus issues.

A Participant will have a vested and indefeasible entitlement to any dividends declared and distributed by the Company on any Share Awards, Loan Funded Shares and/or Plan Shares which, at the record date for determining entitlement to those dividends, are standing to the account of the Participant.

The Participant may also participate in any dividend reinvestment plan operated by the Company in respect of Share Awards, Loan Funded Shares (provided the Loan has been fully repaid) and/or Plan Shares held by the Participant.

(t) **Disposal restrictions**

If the invitation provides that any Share Awards, Loan Funded Shares and/or Plan Shares held by any Participants are subject to any restrictions as to the disposal or other dealing by a Participant for a period, the Board may implement any procedure it deems appropriate to ensure the compliance by the Participant with this restriction.

For so long as Share Awards, Loan Funded Shares and/or Plan Shares held by any Participants are subject to any disposal restrictions under the Plan, the Participant will not:

- (i) transfer, encumber or otherwise dispose of, or have a security interest granted over that security; or
- (ii) take any action or permit another person to take any action to remove or circumvent the disposal restrictions without the express written consent of the Company.

(u) **Buy-back**

Subject to applicable law, the Company may at any time buy-back Awards and/or Plan Shares in accordance with the terms of the Plan.

(v) **Compliance with applicable law**

No act will be done or determination made in accordance with the Plan rules where to do so would be a breach of any applicable laws, and where any such act is done or determination made it will be considered void and to the extent possible be unwound and of no effect in respect of Awards and/or Plan Shares.

(w) **Amendment of Plan**

Subject to the following paragraph, the Board may at any time amend any provisions of the Plan rules, including (without limitation) the terms and conditions upon which any Awards that have been granted under the Plan and determine that any amendments to the Plan rules be given retrospective effect, immediate effect or future effect.

No amendment to any provision of the Plan rules may be made if the amendment materially reduces the rights of any Participant as they existed before the date of the amendment, other than an amendment introduced primarily for the purpose of complying with legislation or to correct manifest error or mistake, amongst other things, or is agreed to in writing by all Participants.

(x) **Plan duration**

The Plan continues in operation until the Board decides to end it. The Board may from time to time suspend the operation of the Plan for a fixed period or indefinitely and may end any suspension. If the Plan is terminated or suspended for any reason, that termination or suspension must not prejudice the accrued rights of the Participants.

If a Participant and the Company (acting by the Board) agree in writing that some or all of the Awards granted to that Participant are to be cancelled on a specified date or on the occurrence of a particular event, then those Awards may be cancelled in the manner agreed between the Company and the Participant.

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## **SCHEDULE 4 – TERMS AND CONDITIONS OF DIRECTOR OPTIONS – MR ROBERT GREGORY**

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(a) **Entitlement**

Each Option entitles Mr Robert Gregory to subscribe for one Share upon exercise of the Option.

(a) **Exercise Price**

Subject to paragraph (i), the amount payable upon exercise of each Option is:

- (i) 15,000,000 Options each exercisable at \$0.025 expiring three years from date of issue;

**(Exercise Price).**

(b) **Vesting Period**

- (ii) 7,500,000 Options will vest upon Mr Robert Gregory having remained a Director of the Company for a period of six months from 1 January 2022, unless otherwise determined by the Board; and

- (iii) 7,500,000 Options will vest upon Mr Robert Gregory having remained a Director of the Company for a period of 12 months from 1 January 2022, unless determined otherwise by the Board.

**(Vesting Period).**

(c) **Expiry Date**

Each Option will expire at 5:00 pm (AWDT) three years from issue date **(Expiry Date)**.

If 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 between the date on which they have vested (or have their Vesting Period waived by the Board) and the Expiry Date **(Exercise Period)**.

Options which do not vest or have their Vesting Period waived by the Board cannot be exercised.

(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 ten 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 an Optionholder are to be changed in a manner consistent with the Corporations Act and the ASX Listing Rules at the time of the reconstruction.

(j) **Participation in new issues**

There are no participation rights or entitlements inherent in the Options and Mr Robert Gregory 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.

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## SCHEDULE 5 – TERMS AND CONDITIONS OF DIRECTOR PERFORMANCE RIGHTS – MR ROBERT GREGORY

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Set out below are the terms and conditions of the Performance Rights.

(a) **Milestones**

The milestones attaching to the Performance Rights (**Milestones**) are as follows:

Tranche	Number of Performance Rights	Milestone
Tranche 1	10,000,000	The Company's share price, as quoted on the ASX, achieves a 20-day consecutive VWAP of \$0.11 per Share on or before 1 January 2023.
Tranche 2	10,000,000	The Company announces completion of a Definitive Feasibility Study, as defined under the JORC code, at its MCB Copper/Gold Projecting supporting a decision to mine by the Company, on or before 1 January 2025,

(a) **Notification to holder**

The Company shall notify the holder, Mr Robert Gregory, in writing when the relevant Milestone has been satisfied.

(b) **Conversion**

Subject to paragraph (o), upon vesting, each Performance Right will, at the election of the holder, convert into one Share.

(c) **Expiry Date**

The Performance Rights shall otherwise expire on or before:

- (i) in the case of the Tranche 1 Milestone, each Performance Right shall otherwise expire on or before the date that is one (1) year from the date of issue (**Tranche 1 Expiry Date**); or
- (ii) in the case of the Tranche 2 Milestone, each Performance Right shall otherwise expire on or before the date that is three (3) years from the date of issue (**Tranche 2 Expiry Date**)

(each, an **Expiry Date**).

If the relevant Milestone attached to the Performance Right has been achieved by the relevant Expiry Date, all unconverted Performance Rights of the relevant tranche will automatically lapse at that time.

(d) **Lapsing Otherwise**

If the holder (or the effective holder where a nominee has been appointed) of the Performance Right's engagement with the Company (or one of its subsidiaries) is terminated for whatever reason, any unvested Performance Rights held by that relevant holder will automatically lapse.

(e) **Consideration**

The Performance Rights will be issued for nil consideration and no consideration will be payable upon the conversion of the Performance Rights into Shares.

(f) **Share ranking**

All Shares issued upon the vesting of Performance Rights will upon issue rank pari passu in all respects with other Shares.

(g) **Application to ASX**

The Performance Rights will not be quoted on ASX. The Company must apply for the official quotation of a Share issued on conversion of a Performance Right on ASX within the time period required by the ASX Listing Rules.

(h) **Timing of issue of Shares on conversion**

Within 5 business days after date that the Performance Rights are converted, the Company will:

- (i) issue the number of Shares required under these terms and conditions in respect of the number of Performance Rights converted;
- (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 conversion of the Performance Rights.

If a notice delivered under (h)(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.

(i) **Transfer of Performance Rights**

The Performance Rights are not transferable.

(j) **Participation in new issues**

A Performance Right does not entitle a holder (in their capacity as a holder of a Performance Right) to participate in new issues of capital offered to holders of Shares such as bonus issues and entitlement issues without exercising the Performance Right.

(k) **Reorganisation of capital**

If, at any time, the issued capital of the Company is reorganised (including consolidation, subdivision, reduction or return), all rights of a holder will be

changed in a manner consistent with the applicable ASX Listing Rules and the *Corporations Act 2001* (Cth) at the time of reorganisation.

(l) **Adjustment for bonus issues of Shares**

If the Company makes a bonus issue of Shares or other securities to the Company's existing shareholders (other than an issue in lieu or in satisfaction, of dividends or by way of dividend reinvestment) no changes will be made to the Performance Rights.

(m) **Dividend and voting rights**

The Performance Rights do not confer on the holder an entitlement to vote (except as otherwise required by law) or receive dividends.

(n) **Change in control**

Subject to paragraph (o), upon:

- (i) a takeover bid under Chapter 6 of the *Corporations Act* having been made in respect of the Company and:
  - (A) having received acceptances for not less than 50% of the Company's Shares on issue; and
  - (B) having been declared unconditional by the bidder; or
- (ii) a Court granting orders approving a compromise or arrangement for the purposes of or in connection with a scheme of arrangement for the reconstruction of the Company or its amalgamation with any other company or companies,

the Performance Rights shall automatically convert into Shares, provided that if the number of Shares that would be issued upon such conversion is greater than 10% of the Company's Shares on issue as at the date of conversion, then that number of Performance Rights that is equal to 10% of the Company's Shares on issue as at the date of conversion under this paragraph will automatically convert into an equivalent number of Shares. The conversion will be completed on a pro rata basis across each class of Performance Rights then on issue as well as on a pro rata basis for each holder of Performance Rights. Performance Rights that are not converted into Shares under this paragraph will continue to be held by the holders on the same terms and conditions.

(o) **Deferral of conversion if resulting in a prohibited acquisition of Shares**

If the conversion of a Performance Right under paragraph (c) or (o) would result in any person being in contravention of section 606(1) of the *Corporations Act 2001* (Cth) (**General Prohibition**) then the conversion of that Performance Right shall be deferred until such later time or times that the conversion would not result in a contravention of the General Prohibition. In assessing whether a conversion of a Performance Right would result in a contravention of the General Prohibition:

- (i) holders may give written notification to the Company if they consider that the conversion of a Performance Right may result in the contravention of the General Prohibition. The absence of such written notification from the holder will entitle the Company to assume the conversion of a Performance Right will not result in any person being in contravention of the General Prohibition; and

(ii) the Company may (but is not obliged to) by written notice to a holder request a holder to provide the written notice referred to in paragraph (o)(i) within seven (7) days if the Company considers that the conversion of a Performance Right may result in a contravention of the General Prohibition. The absence of such written notification from the holder will entitle the Company to assume the conversion of a Performance Right will not result in any person being in contravention of the General Prohibition.

(p) **No rights to return of capital**

A Performance Right does not entitle the holder to a return of capital, whether in a winding up, upon a reduction of capital or otherwise.

(q) **Rights on winding up**

A Performance Right does not entitle the holder to participate in the surplus profits or assets of the Company upon winding up.

(r) **ASX Listing Rule compliance**

The Board reserves the right to amend any term of the Performance Rights to ensure compliance with the ASX Listing Rules.

(s) **No other rights**

A Performance Right gives the holder no rights other than those expressly provided by these terms and those provided at law where such rights at law cannot be excluded by these terms.

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 **3.00pm (AWST) on Tuesday, 24 May 2022**, 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 VOTE ONLINE

**Vote online at <https://investor.automic.com.au/#/loginsah>**

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

- ✓ **Save Money:** help minimise unnecessary print and mail costs for the Company.
- ✓ **It's Quick and Secure:** provides you with greater privacy, eliminates any postal delays and the risk of potentially getting lost in transit.
- ✓ **Receive Vote Confirmation:** instant confirmation that your vote has been processed. It also allows you to amend your vote if required.



## SUBMIT YOUR PROXY VOTE BY PAPER

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>.



