



**AEON METALS**

# **Notice of Annual General Meeting**

and Proxy Form

Date of meeting: **25 November 2019**

Time of meeting: **10.00 am**

Place of meeting: **Boardroom Pty Ltd, Grosvenor Place  
Level 12, 225 George Street, Sydney NSW 2000**

[aeonmetals.com.au](http://aeonmetals.com.au)

# Notice of Annual General Meeting

**NOTICE IS HEREBY GIVEN** that the Annual General Meeting of the shareholders of Aeon Metals Limited, A.C.N. 121 964 725 (the “Company” or “Aeon”), will be held at **Boardroom Pty Ltd, Grosvenor Place, Level 12, 225 George Street, Sydney NSW 2000 on Monday, 25 November 2019 commencing at 10.00 am** for the purpose of transacting the following business.

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 of the Company at 10.00 am (Sydney time) on Saturday, 23 November 2019.

If you are unable to attend the Annual General Meeting, you are requested to complete the form of proxy enclosed with this Notice of Meeting (“Proxy Form”). This Proxy Form (and any Power of Attorney under which it is signed) must be received at the address below by no later than 10.00 am (Sydney time) on Saturday, 23 November 2019 (being 48 hours before the commencement of the Annual General Meeting). Any Proxy Form received after that time will not be valid for the scheduled Annual General Meeting.

In Person:	Boardroom Pty Limited Level 12 / 225 George Street Sydney NSW 2000
Postal address:	Boardroom Pty Limited GPO Box 3993 Sydney NSW 2001
Fax number:	+612 9290 9655
Online:	<a href="http://www.votingonline.com.au/amlagm2019">www.votingonline.com.au/amlagm2019</a>

Electronic voting is available for this Meeting and details are set out on the Proxy Form.

# AGENDA

## Financial Reports

To receive and consider the annual Financial Statements of the Company for the year ended 30 June 2019 including the Directors' Report and the Independent Audit Report.

The Financial Statements are contained in the Company's 2019 Annual Report which is available on the Company's website [www.aeonmetals.com.au](http://www.aeonmetals.com.au). Copies of the Annual Report have been posted to shareholders who have requested a printed copy. Shareholders will be given an opportunity to ask questions of the Directors and the Auditor in relation to these Financial Statements.

## Resolution 1

### Adoption of Remuneration Report

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

***“That the Remuneration Report be adopted”***

#### Voting Exclusion

Pursuant to Section 250R of the Corporations Act 2001 a vote on this resolution must not be cast (in any capacity) by or on behalf of any member of the key management personnel details of whose remuneration are included in the remuneration report or a closely related party of such a member. However, a person aforesaid, may cast a vote on the resolution if the person does so as a proxy appointed by writing that specifies how the proxy is to vote on the proposed resolution and the vote is not cast on behalf of a person aforesaid.

#### Explanatory Note

The Remuneration Report is contained in the Directors' Report in the 2019 Annual Report. It is a requirement of the Corporations Act that this Report be provided to shareholders and voted upon by a vote which is advisory only and does not bind the Directors or the Company. However, if 25% or more of the votes that are cast, are voted against the adoption of the Remuneration Report at two consecutive AGMs, shareholders will be required to vote at the second of those AGMs on a resolution that another meeting be held within 90 days at which all of the Company's Directors who are subject to a re-election requirement must go up for re-election. At the 2018 AGM 15.14% of the proxy votes cast were against the adoption of the Remuneration Report.

## Resolution 2

### Election of Mr Stephen Lonergan as a Director

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

***“That Mr Stephen Lonergan be re-elected a Director of the Company.”***

#### Explanatory Note

Mr Lonergan was first appointed to the Board as a Director on 7 September 2016 and was elected at the 2016 AGM. The Company's Constitution provides to the effect that Mr Lonergan must retire at this AGM and is eligible for re-election. Mr Lonergan is considered to be an independent Director. Details of Mr Lonergan's qualifications and experience are set out in the 2019 Annual Report.

### Resolution 3

#### Election of Dr Fred Hess as a Director

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

***“That Dr Fred Hess be elected a Director of the Company.”***

#### Explanatory Note

Dr Hess was appointed to the Board as a Director on 2 July 2019 as an additional Director. The Company's Constitution provides to the effect that Dr Hess must retire at this AGM and is eligible for election. Dr Hess is considered to be an independent Director. Details of Dr Hess's qualifications and experience are set out in the 2019 Annual Report.

### Resolution 4

#### Approval of Additional 10% Placement Capacity for Shares

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

***“That, for the purpose of ASX Listing Rule 7.1A and for all other purposes, approval is given for the issue of Equity Securities totalling up to 10% of the shares on issue, calculated in accordance with the formula prescribed in Listing Rule 7.1A.2 and on the terms and conditions set out in the Explanatory Note in relation to this Resolution contained in the Notice for this Meeting.”***

#### Voting Exclusion

The Company will disregard any votes cast in favour of this Resolution by any person who may participate in the issue of Equity Securities under this Resolution and a person who might obtain a benefit, except a benefit solely in the capacity of a holder of ordinary securities, if the Resolution is passed and any associates of those persons. However, the Company will not disregard a vote if it is cast by a person as a proxy for a person who is entitled to vote, in accordance with the directions on the Proxy Form, or, it is cast by the person chairing the meeting as proxy for a person who is entitled to vote, in accordance with a direction on the Proxy Form to vote as the proxy decides.

#### Explanatory Note

ASX Listing Rule 7.1A provides that an Eligible Entity may seek shareholder approval at its annual general meeting to allow it to issue shares, options, convertible securities and performance rights and other securities defined as equity securities in the ASX Listing Rules (“Equity Securities”) up to 10% of its issued capital over a period up to 12 months after its Annual General Meeting (“10% Placement Capacity”). The Company is an Eligible Entity because it is not included in the S&P/ASX 300 Index and has a current market capitalisation of less than \$300 million. Shareholders last approved the 10% Placement Capacity at the 2018 AGM on 12 November 2018 and this authority expired after 12 months. No shares have been issued under that authority. The Company seeks the 10% Placement Capacity for the next 12 months by approval of this Resolution.

The effect of Resolution 4 will be to allow the Company to issue Equity Securities up to 10% of the Company's fully paid ordinary securities on issue, during the period up to 12 months after this AGM, without subsequent shareholder approval and without using the Company's 15% annual placement capacity under ASX Listing Rule 7.1.

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

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

**(A x D) – E**

Where:

- A** is the number of shares on issue 12 months before the date of issue or agreement as increased or decreased in accordance with ASX Listing Rule 7.1.
- D** is 10%.
- E** is the number of Equity Securities issued or agreed to be issued under ASX Listing Rule 7.1A in the 12 months before the date of issue or agreement to issue that are not issued with the approval of holders of shares under ASX Listing Rule 7.1 or 7.4.

As at the date of this Notice, the Company has the capacity to issue 101,110,459 Equity Securities under ASX Listing Rule 7.1.

If shareholders approve this Resolution 4, the Company will be able to issue 67,406,972 Equity Securities under ASX Listing Rule 7.1A.

Pursuant to and in accordance with ASX Listing Rule 7.3A, the information below is provided in relation to this Resolution 4:

1. The minimum price at which the Equity Securities may be issued is 75% of the volume weighted average price of Equity Securities in that class, calculated over the 15 ASX trading days on which trades in that class were recorded immediately before:
  - (a) the date on which the price at which the Equity Securities are to be issued is agreed; or
  - (b) if the Equity Securities are not issued within 5 ASX trading days of the date in (a) above, the date on which the Equity Securities are issued.
2. The Equity Securities may be issued under the 10% Placement Capacity commencing on the date of this Meeting and expiring on the first to occur of the following:
  - (a) 12 months after the date of this Meeting; and
  - (b) the date of approval by Shareholders of any transaction under ASX Listing Rules 11.1.2 (a significant change to the nature or scale of the Company's activities) or 11.2 (disposal of the Company's main undertaking) or such longer period if allowed by ASX ("10% Placement Capacity Period").

The approval will cease to be valid in the event that holders of the Company's ordinary securities approve a transaction under ASX Listing Rule 11.1.2 or 11.2.

3. Any issue of Equity Securities under the 10% Placement Capacity will dilute the interests of Shareholders who do not receive any Equity Securities under the issue. There is a risk that the market price for Equity Securities issued under the 10% Placement Capacity may be significantly lower on the issue date than on the date of approval under ASX Listing Rule 7.1A. In addition, 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.
4. If this Resolution 4 is approved by shareholders and the Company issues the maximum number of Equity Securities available under the 10% Placement Capacity, the economic and voting dilution of existing shares would be as shown in Table 1 below. Table 1 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 closing market price of Shares on 30 September 2019 (being 15.5cents) and the current number of Equity Securities being A in the formula in Listing Rule 7.1 as at 30 September 2019.

Table 1

Variable A in Listing Rule 7.1A.2		7.75 cents Issue Price (50% decrease)	15.5 cents Issue Price	31 cents Issue Price (100% increase)
Current Variable A 674,069,727 shares	10% Voting Dilution	67,406,972	67,406,972	67,406,972
	Funds raised	\$5,224,040	\$10,448,080	\$20,896,161
50% increase in Current Variable A 1,101,104,590 shares	10% Voting Dilution	110,110,459	110,110,459	110,110,459
	Funds raised	\$8,533,560	\$17,067,121	\$34,134,242
100% increase in Current Variable A 1,348,139,454 shares	10% Voting Dilution	134,813,945	134,813,945	134,813,945
	Funds raised	\$10,448,080	\$20,896,161	\$41,792,322

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

**Table 1 incorporates the following assumptions:**

- ▶ The current shares on issue are the shares on issue as at 30 September 2019.
  - ▶ The issue price set out above (15.5 cents) is the closing price of the Company's shares on the ASX on 30 September 2019.
  - ▶ The Company issues the maximum possible number of Equity Securities under the 10% Placement Capacity.
  - ▶ The calculations above do not show the dilution that any one particular shareholder will be subject to. All shareholders should consider the dilution caused to their own shareholding depending on their specific circumstances.
  - ▶ The Table does not set out any dilution pursuant to approvals under ASX Listing Rule 7.1.
5. The Company may issue Equity Securities under the 10% Placement Capacity for cash consideration in which case the Company will use funds raised for working capital, in particular for the exploration and development of the Company's Walford Creek Project. If the Equity Securities under the 10% Placement Capacity are issued for non-cash consideration that issue may be for the acquisition of new resources or capital assets and, in such circumstances, the Company will provide a valuation of the non-cash consideration as required by ASX Listing Rule 7.1A.3.
6. It has not been decided whether the capacity to allot Equity Securities under the 10% Placement Capacity will be utilised. The allottees of the Equity Securities which may be issued under the 10% Placement Capacity have not yet been determined. However, the allottees of Equity Securities could consist of current shareholders or new investors (or both), none of whom will be related parties of the Company. The Company will determine the allottees at the time of any issue under the 10% Placement Capacity, having regard to the following factors:
- ▶ the purpose and quantum of the issue;
  - ▶ alternative methods for raising funds available to the Company at that time, including, but not limited to, an entitlement issue or other offer where existing shareholders may participate;
  - ▶ the effect of the issue of the Equity Securities on the control of the Company;
  - ▶ the timeliness of the completion of an issue under the 10% Placement Capacity compared to other alternative fundraising mechanisms;
  - ▶ the circumstances of the Company, including, but not limited to, the financial position and solvency of the Company;

- ▶ prevailing market conditions; and
  - ▶ advice from corporate, financial and broking advisers (if applicable).
7. The Company has previously obtained approval under ASX Listing Rule 7.1A, the last such approval being at its 2018 AGM.
  8. 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 in favour this Resolution.
  9. In the 12 months preceding this Meeting, the Company issued a total of 86,600,000 Equity Securities. This total represented 14.75% of the total number of Equity Securities on issue at the commencement of that 12 month period.
  10. In the 12 months preceding this Meeting, the Company has issued the following Equity Securities:
    - 4 March 2019** 600,000 shares pursuant to the Employee Share Incentive Plan at 27.84 cents per share.
    - 18 March 2019** 85,000,000 shares pursuant to an exercise of warrants by OCP Asia (Singapore) Pte Ltd at 16 cents per share.
    - 20 August 2019** 1,000,000 shares pursuant to the Employee Share Incentive Plan at 15.24 cents per share.

## Resolution 5

### Issue of Shares to Dr Fred Hess

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

***“That for the purposes of ASX Listing Rule 10.11 and for all other purposes, approval is given for the issue of 2,500,000 shares to Dr Fred Hess (or his nominee) to be funded by a limited recourse loan by the Company to Dr Fred Hess (or his nominee) in accordance with the Explanatory Note in respect of this Resolution.”***

#### Voting Exclusion

The Company will disregard any votes cast on this Resolution by Dr Fred Hess and any associate of Dr Fred Hess. However, the Company need not disregard a vote if it is cast by a person as proxy for a person who is entitled to vote in accordance with the directions on the proxy form or if it is cast by a person chairing the meeting as proxy for a person who is entitled to vote in accordance with a direction on a proxy form to vote as the proxy decides.

#### Explanatory Note

The Company proposes to grant Dr Fred Hess 2,500,000 shares in the Company to be funded by limited recourse, interest free 3 year loan by the Company.

The grant of the shares, similar to grants made to the other Directors in August 2017, is designed to incentivise Dr Hess by participating in the future growth and prosperity of the Company through share ownership. Dr Hess will only benefit from these shares and the associated loan if the Company's share price increases beyond a 25% premium above the share issue price.

The relevant shares would be placed with Dr Hess (or his nominee) at a subscription price equal to the ASX closing price for Aeon shares on the date of allotment of the shares. However, if in the two months prior to the proposed date of issue of the shares the Company has raised equity at a price higher than the relevant ASX closing price, then the issue price will be that higher equity raise price.

Dr Hess will not be permitted to sell these shares at a price less than the issue price plus 25%. When shares are sold, the loan amount per share would be repaid to the Company. Upon a default by Dr Hess, the sole recourse of the Company will be the relevant shares. If Dr Hess ceases to be a Director during the term of the loan, that will not affect his rights to continue to hold the shares and enjoy the loan for the remainder of the 3 year term. Appropriate loan agreements will be entered into between the Company and Dr Hess if this Resolution is approved providing for:

- (a) the loan to be interest free and for a 3 year term.

- (b) the Company to maintain a holding lock or equivalent on the shares pending repayment of the loan.
- (c) if any share is sold during the term, it must be sold at a price no less than the issue price plus 25% and the loan amount in respect of that share must be repaid.
- (d) if the shares are not all sold before the end of the term, Dr Hess's repayment obligation will be discharged by providing a signed transfer in respect of the shares and there will be no other recourse to the Director.
- (e) in the event of a merger or takeover offer, if the cash offer price per share is more than the loan amount per share, Dr Hess will be free to accept the offer provided the loan amount is repaid. In the event of a script offer, the loan shares may be replaced by the offer script on the basis of new documentation to be proposed by the Company.
- (f) Dr Hess will be entitled to all rights arising in respect of the shares while there is any loan amount outstanding, except that cash distributions must be paid to the Company to reduce the loan amount outstanding.

The Company will incur an accounting cost in relation to the loan and the shares issued. In accordance with AASB2, the loans provided to Directors and the shares issued are required to be valued as options. The Company is required to expense the value of these options granted to Directors with the loan effectively being recorded in the Company's Share Based Payments Reserve account. The exact amount to be expensed and transferred to the Reserve in relation to this Resolution 5 cannot be estimated at this time as the relevant share price is not yet known. However, if the subscription price (and therefore the loan amount) was 15 cents per share, the fair value of the shares issued and therefore the loan amount for accounting purposes would be \$234,288. If the subscription price was 20 cents per share the fair value for accounting purposes would be \$312,384.

In calculating the above option valuation examples, the following inputs were used in the Black and Scholes valuation methodology:

<b>Exercise Price</b>	\$0.15	\$0.20
<b>Expected Life</b>	3 years	3 years
<b>Volatility</b>	100%	100%
<b>Risk free rate (3 year Government Bond Rate)</b>	1.93%	1.93%
<b>Base share price</b>	\$0.15	\$0.20

It is noted that the proposed placement and loan will not involve any reduction in the Company's cash position.

Any issue of shares to Dr Hess will be conditional on the Board determining immediately prior to any issue of shares, having regard to the circumstances of the Company at the time, that

- (a) the financial benefit constituted by the loan and issue of the shares constitutes reasonable remuneration for that Director for the purposes of Section 211 of the Corporations Act; and
- (b) the giving of the assistance by the loan does not materially prejudice the interest of the Company or its shareholders or the Company's ability to pay its creditors for the purposes of Section 260B of the Corporations Act.

If shareholder approval is given under ASX Listing Rule 10.11, shareholder approval is not required under ASX Listing Rule 7.1.

ASX Listing Rule 10.11 requires shareholder approval for an issue of equity securities to a related party. ASX Listing Rule 10.13 requires this Notice of Meeting to include the following specified information in relation to the shares to be granted to Dr Hess:

- (a) The maximum number of securities to be issued to Dr Hess is 2,500,000 shares.
- (b) No funds will be raised by the grant of the shares as they are being funded by interest free, limited recourse loan to be provided by the Company.
- (c) The issue price of the shares will be the ASX closing price for the Company's shares on the date the shares are issued. However, if in the two months prior to the proposed date of issue of the shares

the Company has raised equity at a price higher than the relevant ASX closing price, then the issue price will be that higher equity raise price.

- (d) The Company intends to grant the shares to Dr Hess as soon as practicable after the date of the Meeting but in any event, no later than one month after the date of the Meeting.

## Resolution 6

### Issue of Shares to Mr Hamish Collins

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

***“That for the purposes of ASX Listing Rule 10.11 and for all other purposes, approval is given for the issue of 1,000,000 shares to Mr Hamish Collins (or his nominee) to be funded by a limited recourse loan by the Company to Mr Hamish Collins (or his nominee) in accordance with the Explanatory Note in respect of this Resolution.”***

#### Voting Exclusion

The Company will disregard any votes cast on this Resolution by Hamish Collins and any of associate of Hamish Collins. However, the Company need not disregard a vote if it is cast by a person as proxy for a person who is entitled to vote in accordance with the directions on the proxy form or if it is cast by a person chairing the meeting as proxy for a person who is entitled to vote in accordance with a direction on a proxy form to vote as the proxy decides.

#### Explanatory Note

The Company proposes to grant Mr Hamish Collins 1,000,000 shares in the Company to be funded by a limited recourse, interest free 3 year loan by the Company.

Mr Collins already has the benefit of two prior incentive share arrangements.

On 8 May 2014 shareholders approved the issue to Hamish Collins or his nominee of 4,000,000 Aeon shares at 12 cents per share to be funded by a 3 year, interest free, limited recourse loan of \$480,000. The shares were issued on 3 July 2014 subject to a loan agreement which specifies that the 3 year loan term was to expire on 3 July 2017. In August 2017 shareholders approved a three year extension of that term. Resolution 7 to be considered by this Meeting would further extend this loan expiry date by 3 years.

The second incentive share arrangement was approved by shareholders in August 2017 by which Mr Collins and three other directors were each granted 2,500,000 shares in the Company to be funded by limited recourse, interest free 3 year loans by the Company. The issue price of these shares was 14.5 cents and the loan term expires on 17 August 2020. Resolution 10 to be considered by this Meeting would further extend this loan expiry date by 3 years.

The grant of these additional shares, is designed to further incentivise Mr Collins by participating in the future growth and prosperity of the Company through share ownership. Mr Collins will only benefit from these shares and the associated loan if the Company's share price increases beyond a 25% premium above the share issue price.

The relevant shares would be placed with Mr Collins (or his nominee) at a subscription price equal to the ASX closing price for Aeon shares on the date of allotment of the shares. However, if in the two months prior to the proposed date of issue of the shares the Company has raised equity at a price higher than the relevant ASX closing price, then the issue price will be that higher equity raise price.

Mr Collins will not be permitted to sell these shares at a price less than the issue price plus 25%. When shares are sold, the loan amount per share would be repaid to the Company. Upon a default by Mr Collins, the sole recourse of the Company will be the relevant shares. If Mr Collins ceases to be a Director during the term of the loan, that will not affect his rights to continue to hold the shares and enjoy the loan for the remainder of the 3 year term. Appropriate loan agreements will be entered into between the Company and Mr Collins if this Resolution is approved providing for:

- (a) the loan to be interest free and for a 3 year term.
- (b) the Company to maintain a holding lock or equivalent on the shares pending repayment of the loan.

- (c) if any share is sold during the term, it must be sold at a price no less than the issue price plus 25% and the loan amount in respect of that share must be repaid.
- (d) if the shares are not all sold before the end of the term, Mr Collins's repayment obligation will be discharged by providing a signed transfer in respect of the shares and there will be no other recourse to the Director.
- (e) in the event of a merger or takeover offer, if the cash offer price per share is more than the loan amount per share, Mr Collins will be free to accept the offer provided the loan amount is repaid. In the event of a script offer, the loan shares may be replaced by the offer script on the basis of new documentation to be proposed by the Company.
- (f) Mr Collins will be entitled to all rights arising in respect of the shares while there is any loan amount outstanding, except that cash distributions must be paid to the Company to reduce the loan amount outstanding.

The Company will incur an accounting cost in relation to the loan and the shares issued. In accordance with AASB2, the loans provided to Directors and the shares issued are required to be valued as options. The Company is required to expense the value of these options granted to Directors with the loan effectively being recorded in the Company's Share Based Payments Reserve account. The exact amount to be expensed and transferred to the Reserve in relation to this Resolution 6 cannot be estimated at this time as the relevant share price is not yet known. However, if the subscription price (and therefore the loan amount) was 15 cents per share, the fair value of the shares issued and therefore the loan amount for accounting purposes would be \$93,715. If the subscription price was 20 cents per share the fair value for accounting purposes would be \$124,953.

In calculating the above option valuation examples, the following inputs were used in the Black and Scholes valuation methodology:

<b>Exercise Price</b>	\$0.15	\$0.20
<b>Expected Life</b>	3 years	3 years
<b>Volatility</b>	100%	100%
<b>Risk free rate (3 year Government Bond Rate)</b>	1.93%	1.93%
<b>Base share price</b>	\$0.15	\$0.20

It is noted that the proposed placement and loan will not involve any reduction in the Company's cash position.

Any issue of shares to Mr Collins will be conditional on the Board determining immediately prior to any issue of shares, having regard to the circumstances of the Company at the time, that

- (a) the financial benefit constituted by the loan and issue of the shares constitutes reasonable remuneration for that Director for the purposes of Section 211 of the Corporations Act; and
- (b) the giving of the assistance by the loan does not materially prejudice the interest of the Company or its shareholders or the Company's ability to pay its creditors for the purposes of Section 260B of the Corporations Act.

If shareholder approval is given under ASX Listing Rule 10.11, shareholder approval is not required under ASX Listing Rule 7.1.

ASX Listing Rule 10.11 requires shareholder approval for an issue of equity securities to a related party. ASX Listing Rule 10.13 requires this Notice of Meeting to include the following specified information in relation to the shares to be granted to Mr Collins:

- (a) The maximum number of securities to be issued to Mr Collins is 1,000,000 shares.
- (b) No funds will be raised by the grant of the shares as they are being funded by a interest free, limited recourse loan to be provided by the Company.
- (c) The issue price of the shares will be the ASX closing price for the Company's shares on the date the shares are issued. However, if in the two months prior to the proposed date of issue of the shares the Company has raised equity at a price higher than the relevant ASX closing price, then the issue price will be that higher equity raise price.

- (d) The Company intends to grant the shares to Mr Collins as soon as practicable after the date of the EGM but in any event, no later than one month after the date of the Meeting.

## Resolution 7

### Approval of Incentive Share Loan Extension to Managing Director, Mr Hamish Collins

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

***“That for the purposes of ASX Listing rule 10.11 and for all other purposes, approval is given to the extension for a period of three years of a limited recourse loan pursuant to which Mr Collins’ nominee was issued 4,000,000 shares in the Company as detailed in the Explanatory Note set out below which forms part of the Notice for this Meeting.”***

#### Voting Exclusion

The Company will disregard any votes cast on this Resolution by Hamish Collins and any of associate of Hamish Collins. However, the Company need not disregard a vote if it is cast by a person as proxy for a person who is entitled to vote in accordance with the directions on the proxy form or if it is cast by a person chairing the meeting as proxy for a person who is entitled to vote in accordance with a direction on a proxy form to vote as the proxy decides.

#### Explanatory Note

On 8 May 2014 shareholders approved the issue to Hamish Collins or his nominee of 4,000,000 Aeon shares at 12 cents per share to be funded by a 3 year, interest free, limited recourse loan of \$480,000. The shares were issued on 3 July 2014 to his nominee subject to a loan agreement which specified that the 3 year loan term was to expire on 3 July 2017. In August 2017, shareholders approved an extension of the loan term for an additional 3 years so that the term now expires on 3 July 2020. The effect of approval of this Resolution would be that the loan term will expire on 3 July 2023.

The effect of a further extension of the loan term will be to maintain an incentive for Mr Collins to work to increase the Company’s share price and may defer the point when Mr Collins may elect to sell the shares into the market. The extension will also defer the end date of the loan which could see these shares sold into the market to recover the Company’s loan. The deferral of selling in the market and maintenance of management incentive are considered by the Directors (other than Mr Collins) to be in the interests of shareholders.

ASX Listing Rule 10.11 restricts the Company from issuing shares to Directors unless approval is obtained from shareholders. While in this case the relevant shares are already issued, the commercial effect of the proposed extension is to confer on Mr Collins the benefit of this parcel of shares for the 3 year extension period and therefore the Directors are seeking shareholder approval under ASX Listing Rule 10.11 as if 4,000,000 shares were now being issued. On this basis, the following additional information is provided in accordance with ASX Listing Rule 10.13:

- ▶ the 4,000,000 shares will remain registered in the name of his nominee, Louise Collins.
- ▶ the number of shares is 4,000,000.
- ▶ the shares are already issued.
- ▶ the issue price of the shares was 12 cents per share.
- ▶ the shares rank pari passu with the issued shares of the Company.
- ▶ no funds have been raised in respect of these shares.
- ▶ a voting exclusion statement is provided in relation to this Resolution 7.

Section 208 of the Corporations Act provides that for a public company to give a financial benefit to a related party of the public company, the public company 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 fifteen (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 Board (excluding Mr Collins) has formed the view that shareholder approval under section 208 of the Corporations Act is not required for the loan extension as the exception in section 211 of the Corporations Act applies, namely the financial benefit is reasonable remuneration to Mr Collins as an officer of the Company.

The proposed 3 year loan extension may constitute financial assistance for the purchase of shares in the Company and this is permitted by Section 260B of the Corporations Act if the giving of the assistance does not materially prejudice the interest of the Company or its shareholders or the Company's ability to pay its creditors. The Directors (excluding Mr Collins) believe, in the circumstances, that the proposed financial assistance satisfies these tests.

## Resolution 8

### Approval of Incentive Share Loan Extension to Director, Mr Stephen Lonergan

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

***“That for the purposes of ASX Listing rule 10.11 and for all other purposes, approval is given to the extension for a period of three years of a limited recourse loan pursuant to which the Mr Lonergan has been issued shares in the Company as detailed in the Explanatory Note set out below which forms part of the Notice for this Meeting.”***

#### Voting Exclusion

The Company will disregard any votes cast on this Resolution by Stephen Lonergan and any of associate of Stephen Lonergan. However, the Company need not disregard a vote if it is cast by a person as proxy for a person who is entitled to vote in accordance with the directions on the proxy form or if it is cast by a person chairing the meeting as proxy for a person who is entitled to vote in accordance with a direction on a proxy form to vote as the proxy decides.

#### Explanatory Note

On 4 August 2014 Mr Lonergan, who was at that time Company Secretary and not a Director, was allotted 1,000,000 Aeon shares at 19.5 cents per share funded by a 3 year, interest free, limited recourse loan from Aeon of \$195,000. Mr Lonergan subsequently became a Director on 7 September 2016. The 3 year loan term was to expire on 4 August 2017. In August 2017, shareholders approved an extension of the loan term for an additional 3 years so that the term now expires on 4 August 2020. The effect of approval of this Resolution would be that the loan term will expire on 4 August 2023.

The effect of a further extension of the loan term will be to maintain an incentive for Mr Lonergan to work to increase the Company's share price and may defer the point when Mr Lonergan may elect to sell the shares into the market. The extension will also defer the end date of the loan which could see these shares sold into the market to recover the Company's loan. The deferral of selling in the market and maintenance of management incentive are considered by the Directors (other than Mr Lonergan) to be in the interests of shareholders.

ASX Listing Rule 10.11 restricts the Company from issuing shares to Directors unless approval is obtained from shareholders. While in this case the relevant shares are already issued, the commercial effect of the proposed extension is to confer on Mr Lonergan the benefit of this parcel of shares for the 3 year extension period and therefore the Directors are seeking shareholder approval under ASX Listing Rule 10.11 as if 1,000,000 shares were now being issued. On this basis, the following additional information is provided in accordance with ASX Listing Rule 10.13:

- ▶ the 1,000,000 shares will remain registered in the name of Mr Lonergan.
- ▶ the number of shares is 1,000,000.
- ▶ the shares are already issued.
- ▶ the issue price of the shares was 19.5 cents per share.
- ▶ the shares rank pari passu with the issued shares of the Company.
- ▶ no funds have been raised in respect of these shares.
- ▶ a voting exclusion statement is provided in relation to this Resolution 8.

Section 208 of the Corporations Act provides that for a public company to give a financial benefit to a related party of the public company, the public company 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 fifteen (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 Board (excluding Mr Lonergan) has formed the view that shareholder approval under section 208 of the Corporations Act is not required for the loan extension as the exception in section 211 of the Corporations Act applies, namely the financial benefit is reasonable remuneration to Mr Lonergan as an officer of the Company.

The proposed 3 year loan extension may constitute financial assistance for the purchase of shares in the Company and this is permitted by Section 260B of the Corporations Act if the giving of the assistance does not materially prejudice the interest of the Company or its shareholders or the Company's ability to pay its creditors. The Directors (excluding Mr Lonergan) believe, in the circumstances, that the proposed financial assistance satisfies these tests.

## Resolution 9

### Approval of Incentive Share Loan Extension to Mr Paul Harris

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

***"That for the purposes of ASX Listing rule 10.11 and for all other purposes, approval is given to the extension for a period of three years of a limited recourse loan pursuant to which Mr Harris was issued 2,500,000 shares in the Company as detailed in the Explanatory Note in relation to this Resolution which forms part of the Notice for this Meeting. Approval of this Resolution will be conditional upon approval of Resolutions 10, 11 and 12 by this Meeting."***

#### Voting Exclusion

The Company will disregard any votes cast on this Resolution by Paul Harris and any of associate of Paul Harris. However, the Company need not disregard a vote if it is cast by a person as proxy for a person who is entitled to vote in accordance with the directions on the proxy form or if it is cast by a person chairing the meeting as proxy for a person who is entitled to vote in accordance with a direction on a proxy form to vote as the proxy decides.

#### Explanatory Note

On 11 August 2017 shareholders approved the grant each of 4 Directors, being Paul Harris, Hamish Collins, Ivan Wong and Stephen Lonergan, 2,500,000 shares in the Company to be funded by limited recourse, interest free 3 year loans by the Company. The shares were issued on 17 August 2017 at 14.5 cents per shares and the loan term expires on 17 August 2020. The effect of approval of this Resolution (in respect of Mr Harris) and Resolutions 10 (in respect of Mr Collins), 11 (in respect of Mr Wong) and 12 (in respect of Mr Lonergan) would be that the loan term in respect of all 4 Director's loans will expire on 17 August 2023. Resolutions 9, 10, 11 and 12 are interconditional so that all 4 Resolutions must be approved for any to have effect.

The grant of the shares in 2017 was designed to incentivise the Directors by participating in the future growth and prosperity of the Company through share ownership and in recognition of the contribution made to the Company by the Directors and their ongoing responsibility. The Directors will only benefit from these shares and the associated loans if the Company's share price increases beyond a 25% premium above the 14.5 share issue price.

Directors are not permitted to sell these shares at a price less than the issue price plus 25%. When shares are sold, the loan amount per share will be repaid to the Company. Upon a default by a Director, the sole recourse of the Company will be the relevant shares. If a Director ceases to be a Director during the term of the loan, that will not affect his rights to continue to hold the shares and enjoy the loan for the remainder of the 3 year term. Appropriate loan agreements have been entered into between the Company and each Director.

The effect of an extension of the loan term will to maintain an incentive for the Directors to work to increase the Company's share price and may defer the point when individual Directors may elect to sell the shares into the market. The extension will also defer the end date of the loan which could see these shares sold into the

market to recover the Company's loan. The deferral of selling in the market and maintenance of management incentive are considered by the Directors to be in the interests of shareholders.

ASX Listing Rule 10.11 restricts the Company from issuing shares to Directors unless approval is obtained from shareholders. While in this case the relevant shares are already issued, the commercial effect of the proposed extension is to confer on the respective Directors the benefit of this parcel of shares for the 3 year extension period and therefore the Directors are seeking shareholder approval under ASX Listing Rule 10.11 as if 2,500,000 shares were now being issued to each Director. On this basis, the following additional information is provided in accordance with ASX Listing Rule 10.13:

- ▶ the 2,500,000 shares will remain registered in the name of the respective Directors/ nominees.
- ▶ the number of shares is 2,500,000 for each Director.
- ▶ the shares are already issued.
- ▶ the issue price of the shares was 14.5 cents per share.
- ▶ the shares rank pari passu with the issued shares of the Company.
- ▶ no funds have been raised in respect of these shares.
- ▶ a voting exclusion statement in relation to each of Resolutions 9, 10 11 and 12 is provided in this Notice.

Section 208 of the Corporations Act provides that for a public company to give a financial benefit to a related party of the public company, the public company 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 fifteen (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 Board has formed the view that shareholder approval under section 208 of the Corporations Act is not required for the loan extension as the exception in section 211 of the Corporations Act applies, namely the financial benefit is reasonable remuneration to the respective Directors as an officer of the Company.

The proposed 3 year loan extension may constitute financial assistance for the purchase of shares in the Company and this is permitted by Section 260B of the Corporations Act if the giving of the assistance does not materially prejudice the interest of the Company or its shareholders or the Company's ability to pay its creditors. The Directors believe, in the circumstances, that the proposed financial assistance satisfies these tests.

## Resolution 10

### Approval of Incentive Share Loan Extension to Mr Hamish Collins

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

***"That for the purposes of ASX Listing rule 10.11 and for all other purposes, approval is given to the extension for a period of three years of a limited recourse loan pursuant to which Mr Collins was issued 2,500,000 shares in the Company as detailed in the Explanatory Note in relation to this Resolution which forms part of the Notice for this Meeting. Approval of this Resolution will be conditional upon approval of Resolutions 9, 11 and 12 by this Meeting."***

#### Voting Exclusion

The Company will disregard any votes cast on this Resolution by Hamish Collins and any of associate of Hamish Collins. However, the Company need not disregard a vote if it is cast by a person as proxy for a person who is entitled to vote in accordance with the directions on the proxy form or if it is cast by a person chairing the meeting as proxy for a person who is entitled to vote in accordance with a direction on a proxy form to vote as the proxy decides.

#### Explanatory Note

Please refer to the Explanatory Note above in relation to Resolution 9.

## Resolution 11

### Approval of Incentive Share Loan Extension to Mr Ivan Wong

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

***“That for the purposes of ASX Listing rule 10.11 and for all other purposes, approval is given to the extension for a period of three years of a limited recourse loan pursuant to which Mr Wong was issued 2,500,000 shares in the Company as detailed in the Explanatory Note in relation to this Resolution which forms part of the Notice for this Meeting. Approval of this Resolution will be conditional upon approval of Resolutions 9, 10 and 12 by this Meeting.”***

#### Voting Exclusion

The Company will disregard any votes cast on this Resolution by Ivan Wong and any of associate of Ivan Wong. However, the Company need not disregard a vote if it is cast by a person as proxy for a person who is entitled to vote in accordance with the directions on the proxy form or if it is cast by a person chairing the meeting as proxy for a person who is entitled to vote in accordance with a direction on a proxy form to vote as the proxy decides.

#### Explanatory Note

Please refer to the Explanatory Note above in relation to Resolution 9.

## Resolution 12

### Approval of Incentive Share Loan Extension to Mr Stephen Lonergan

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

***“That for the purposes of ASX Listing rule 10.11 and for all other purposes, approval is given to the extension for a period of three years of a limited recourse loan pursuant to which Mr Lonergan was issued 2,500,000 shares in the Company as detailed in the Explanatory Note in relation to this Resolution which forms part of the Notice for this Meeting. Approval of this Resolution will be conditional upon approval of Resolutions 9, 10 and 11 by this Meeting.”***

#### Voting Exclusion

The Company will disregard any votes cast on this Resolution by Stephen Lonergan and any of associate of Stephen Lonergan. However, the Company need not disregard a vote if it is cast by a person as proxy for a person who is entitled to vote in accordance with the directions on the proxy form or if it is cast by a person chairing the meeting as proxy for a person who is entitled to vote in accordance with a direction on a proxy form to vote as the proxy decides.

#### Explanatory Note

Please refer to the Explanatory Note above in relation to Resolution 9.



**Stephen J Lonergan**

Company Secretary

Dated 16 October 2019



[aeonmetals.com.au](http://aeonmetals.com.au)



**ALL CORRESPONDENCE TO:**

**By Mail:**

Boardroom Pty Limited  
GPO Box 3993  
Sydney NSW 2001 Australia

**By Fax:**

+61 2 9290 9655

**Online:**

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

**By Phone:**

1300 737 760 (within Australia)  
+61 2 9290 9600 (outside Australia)

## YOUR VOTE IS IMPORTANT

For your vote to be effective it must be recorded **before 10.00am (Sydney time) on Saturday 23 November 2019.**

### TO VOTE ONLINE

**STEP 1: VISIT** <https://www.votingonline.com.au/amlagm2019>

**STEP 2: ENTER** your Postcode OR Country of Residence (if outside Australia)

**STEP 3: ENTER** your Voting Access Code (VAC):



### TO VOTE BY SMARTPHONE

Scan the QR Code using a smartphone QR reader app.

### TO VOTE BY COMPLETING THE PROXY FORM

#### STEP 1: APPOINTMENT OF PROXY

Indicate who you want to appoint as your Proxy.

If you wish to appoint the Chair of the Meeting as your proxy, mark the box. If you wish to appoint someone other than the Chair of the Meeting as your proxy please write the full name of that individual or body corporate. If you leave this section blank, or your named proxy does not attend the meeting, the Chair of the Meeting will be your proxy. A proxy need not be a securityholder of the company. Do not write the name of the issuer company or the registered securityholder in the space.

#### Appointment of a Second Proxy

You are entitled to appoint up to two proxies to attend the meeting and vote. If you wish to appoint a second proxy, an additional Proxy Form may be obtained by contacting the company's securities registry or you may copy this form.

To appoint a second proxy you must:

- complete two Proxy Forms. On each Proxy Form state the percentage of your voting rights or the number of securities 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.
- return both forms together in the same envelope.

#### STEP 2: VOTING DIRECTIONS TO YOUR PROXY

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

#### Proxy which is a Body Corporate

Where a body corporate is appointed as your proxy, the representative of that body corporate attending the meeting must have provided an "Appointment of Corporate Representative" prior to admission. An Appointment of Corporate Representative form can be obtained from the company's securities registry.

#### STEP 3: SIGN THE FORM

The form must be signed as follows:

**Individual:** this form is to be signed by the securityholder.

**Joint Holding:** where the holding is in more than one name, all the securityholders should sign.

**Power of Attorney:** to sign under a Power of Attorney, you must have already lodged it with the registry. Alternatively, attach a certified photocopy of the Power of Attorney to this form when you return it.

**Companies:** this form must be signed by a Director jointly with either another Director or a Company Secretary. Where the company has a Sole Director who is also the Sole Company Secretary, this form should be signed by that person. **Please indicate the office held by signing in the appropriate place.**

#### STEP 4: LODGEMENT

Proxy forms (and any Power of Attorney under which it is signed) must be received no later than 48 hours before the commencement of the meeting, therefore by **10.00am (Sydney time) on Saturday, 23 November 2019.** Any Proxy Form received after that time will not be valid for the scheduled meeting.

Proxy forms may be lodged using the enclosed Reply Paid Envelope or:

**ONLINE** <https://www.votingonline.com.au/amlagm2019>

**BY FAX** + 61 2 9290 9655

**BY MAIL** Boardroom Pty Limited  
GPO Box 3993,  
Sydney NSW 2001 Australia

**IN PERSON** Boardroom Pty Limited  
Level 12, 225 George Street,  
Sydney NSW 2000 Australia

#### Attending the Meeting

If you wish to attend the meeting please bring this form with you to assist registration.

# Aeon Metals Ltd

ACN 121 964 725



## YOUR ADDRESS

This is your address as it appears on the company's share register. If this is incorrect, please mark the box with an 'X' and make the correction in the space to the left. Securityholders sponsored by a broker should advise their broker of any changes.

**Please note, you cannot change ownership of your securities using this form.**

## STEP 1: APPOINT A PROXY

I/We being a member/s of **Aeon Metals Limited** (Company) and entitled to attend and vote hereby appoint:

the **Chair of the Meeting** (mark box)

**OR** if you are **NOT** appointing the Chair of the Meeting as your proxy, please write the name of the person or body corporate (excluding the registered securityholder) you are appointing as your proxy below.

or failing the individual or body corporate named, or if no individual or body corporate is named, the Chair of the Meeting as my/our proxy at the Annual General Meeting of the Company to be held at **Boardroom Pty Limited, Level 12, 225 George Street, Sydney NSW 2000 on Monday, 25 November 2019 at 10.00am (Sydney time)** and at any adjournment of that meeting, to act on my/our behalf and to vote in accordance with the following directions or if no directions have been given, as the proxy sees fit.

Chair of the Meeting authorised to exercise undirected proxies on remuneration related matters: If I/we have appointed the Chair of the Meeting as my/our proxy or the Chair of the Meeting becomes my/our proxy by default and I/we have not directed my/our proxy how to vote in respect of Resolutions 1, 5-12, I/we expressly authorise the Chair of the Meeting to exercise my/our proxy in respect of these Resolutions even though Resolutions 1, 5-12 are connected with the remuneration of a member of the key management personnel for the Company.

The Chair of the Meeting will vote all undirected proxies in favour of all Items of business (including Resolutions 1, 5-12). If you wish to appoint the Chair of the Meeting as your proxy with a direction to vote against, or to abstain from voting on an item, you must provide a direction by marking the 'Against' or 'Abstain' box opposite that resolution.

## STEP 2: VOTING DIRECTIONS

\* 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 vote will not be counted in calculating the required majority if a poll is called.

	For	Against	Abstain*		For	Against	Abstain*
<b>Res 1:</b> Adoption of Remuneration Report	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<b>Res 7:</b> Approval of Incentive Share Loan Extension to Managing Director, Mr Hamish Collins	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
<b>Res 2:</b> Election of Mr Stephen Lonergan as a Director	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<b>Res 8:</b> Approval of Incentive Share Loan Extension to Director, Mr Stephen Lonergan	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
<b>Res 3:</b> Election of Dr Fred Hess as a Director	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<b>Res 9:</b> Approval of Incentive Share Loan Extension to Mr Paul Harris	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
<b>Res 4:</b> Approval of Additional 10% Placement Capacity	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<b>Res 10:</b> Approval of Incentive Share Loan Extension to Mr Hamish Collins	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
<b>Res 5:</b> Issue of Shares to Dr Fred Hess	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<b>Res 11:</b> Approval of Incentive Share Loan Extension to Mr Ivan Wong	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
<b>Res 6:</b> Issue of Shares to Mr Hamish Collins	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<b>Res 12:</b> Approval of Incentive Share Loan Extension to Mr Stephen Lonergan	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>

## STEP 3: SIGNATURE OF SECURITYHOLDERS

This form must be signed to enable your directions to be implemented.

Individual or Securityholder 1

Securityholder 2

Securityholder 3

Sole Director and Sole Company Secretary

Director

Director/Company Secretary

Contact Name: ..... Contact Daytime Telephone: ..... Date: ..... / ..... / 2019