

**Aeon Metals Limited**  
Suite 32, Level 7,  
88 Pitt Street  
Sydney NSW 2000

ACN: 121 964 725

<https://www.aeonmetals.com.au/>



# Aeon Metals Limited

## **Notice of 2020 Annual General Meeting** Explanatory Statement | Proxy Form

**18 November 2020**

**9:00AM AEDT**

### **Address**

Level 5, 126 Phillip Street  
Sydney NSW 2000

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.

### **Important Information for Shareholders about the Company's 2020 AGM**

Given the uncertainty surrounding the COVID-19 pandemic, by the time this Notice is received by Shareholders, circumstances may have changed, however, this Notice is given based on circumstances as at 19 October 2020.

Accordingly, should circumstances change, the Company will make an announcement on the ASX market announcements platform and on the Company's website at <https://www.aeonmetals.com.au/>. Shareholders are urged to monitor the ASX announcements platform and the Company's website.

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## Venue and Voting Information

The Annual General Meeting of the Shareholders to which this Notice of Meeting relates will be held at 9:00am (AEDT) on 18 November 2020 at Level 5, 126 Phillip Street, Sydney NSW 2000.

### Your vote is important

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

Due to the COVID-19 pandemic, the Company may be bound to adhere to any government restrictions on gatherings in place at the date of the Annual General Meeting. This could result in the number of people attending the Annual General Meeting being restricted. Although the Company intends for all attendees access to the Annual General Meeting, should numbers need to be restricted, Shareholders will be given priority.

The Company intends to monitor government guidelines in the lead up to the Annual General Meeting, and, if deemed necessary, may change the way in which shareholders can attend and vote on the day of the Annual General Meeting, which may include the use of virtual meeting technology. If such an arrangement is required, the Company will release an announcement to the ASX advising of such arrangements.

### Voting in person

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

### Voting by proxy

To vote by proxy, please use one of the following methods:

<b>Online</b>	<a href="http://www.votingonline.com.au/amlagm2020">www.votingonline.com.au/amlagm2020</a>
<b>By post</b>	Boardroom Pty Limited, GPO Box 3993, Sydney NSW 2001
<b>By hand</b>	Boardroom Pty Limited, Level 12 / 225 George Street, Sydney NSW 2000

Your Proxy instruction must be received not later than 48 hours before the commencement of the Meeting. **Proxy Forms received later than this time will be invalid.**

### Power of Attorney

If the proxy form is signed under a power of attorney on behalf of a shareholder, then the attorney must make sure that either the original power of attorney or a certified copy is sent with the proxy form, unless the power of attorney has already provided it to the Share Registry.

### Corporate Representatives

If a representative of a corporate shareholder or a corporate proxy will be attending the Meeting, the representative should bring to the Meeting adequate evidence of their appointment, unless this has previously been provided to the Share Registry.

# Notice of Annual General Meeting

Notice is hereby given that an Annual General Meeting of Shareholders of Aeon Metals Limited ACN 121 964 725 will be held at 9:00am (AEDT) on 18 November 2020 at Level 5, 126 Phillip Street, Sydney NSW 2000 (**Meeting**).

The Explanatory Statement to this Notice of Meeting provides additional information on matters to be considered at the Annual General Meeting. The Explanatory Statement and the Proxy Form forms part of this Notice of Meeting.

The Directors have determined pursuant to Regulation 7.11.37 of the *Corporations Regulations 2001* (Cth) that the persons eligible to vote at the Annual General Meeting are those who are registered Shareholders at 9:00am (AEDT) on 16 November 2020. Terms and abbreviations used in this Notice of Meeting and Explanatory Statement are defined in the Glossary.

## Agenda

### Ordinary business

#### Financial statements and reports

*“To receive and to consider the Annual Financial Report of the Company for the financial year ended 30 June 2020 together with the declaration of the Directors, the Directors’ Report, the Remuneration Report and the Auditor’s Report for that financial year.”*

**Note:** This item of ordinary business is **for discussion only and is not a resolution**.

Pursuant to the Corporations Act, Shareholders will be given a reasonable opportunity at the Meeting to ask questions about, or make comments in relation to, each of the aforementioned reports during consideration of these items.

# Resolutions

## Remuneration Report

### 1. **Resolution 1 – Adoption of Remuneration Report**

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

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

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

**Voting Exclusion Statement:** In accordance with the Corporations Act, the Company will disregard any votes cast on Resolution 1 by or on behalf of a member of the Company’s key management personnel (including the Directors), whose remuneration details are included in the Remuneration Report (**KMP**), or any of that person’s Closely Related Parties (such as close family members and any controlled companies of those persons) (collectively referred to as Restricted Voter). However, the Company need not disregard a vote if:

- (a) it is cast by a person as a proxy appointed in writing that specifies how the proxy is to vote on Resolution 1; and
- (b) it is not cast on behalf of a Restricted Voter.

If you appoint the person chairing the Meeting (**Chair**) and you are not a Restricted Voter, by submitting the Proxy Form you authorise the person chairing the Meeting to exercise the proxy even though Resolution 1 is connected directly or indirectly with the remuneration of a KMP, and you will be taken to have directed the Chair to vote in accordance with his or her stated intention to vote in favour of Resolution 1. If you do not want your vote exercised in favour of Resolution 1, you should direct the person chairing the Meeting to vote “against”, or to abstain from voting on, this Resolution.

## Re-election of Directors

### 2. **Resolution 2 – Election of Andrew Greville as Director**

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

*“That Mr Andrew Greville, a Director appointed as an additional Director and holding office until the next general meeting of the Company after his appointment in accordance with the Company’s Constitution and ASX Listing Rule 14.4, be elected as a Director of the Company, effective immediately.”*

### 3. **Resolution 3 – Re-election of Ivan Wong as Director**

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

*“That Mr Ivan Wong, a Director who retires by rotation in accordance with the Company’s Constitution and ASX Listing Rule 14.4, and being eligible offers himself for re-election as a Director of the Company, effective immediately.”*

## **ASX Listing Rule 7.1A (Additional 10% Capacity)**

### **4. Resolution 4 – ASX Listing Rule 7.1A Approval of Future Issue of Securities**

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

*“That, for the purposes of ASX Listing Rule 7.1A and for all other purposes, the Shareholders approve the issue of equity securities up to 10% of the issued capital of the Company (at the time of issue) calculated in accordance with the formula prescribed in ASX Listing Rule 7.1A.2 and otherwise on the terms and conditions set out in the Explanatory Statement which accompanies and forms part of this Notice of Meeting.”*

**Voting Exclusion Statement:** The Company will disregard any votes cast in favour of Resolution 4 by or on behalf of:

- (a) 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 ordinary securities in the Company); or
- (b) an Associate of that person or those persons.

However, this does not apply to a vote cast in favour of Resolution 4 by:

- (i) a person as proxy or attorney for a person who is entitled to vote on the Resolution, in accordance with directions given to the proxy or attorney to vote on the Resolution in that way; or
- (ii) the Chair of the Meeting 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
- (iii) a holder acting solely in a nominee, trustee, custodial or other fiduciary capacity on behalf of a beneficiary provided the following conditions are met:
  - 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
  - the holder votes on the Resolution in accordance with directions given by the beneficiary to the holder to vote in that way.

## **Appointment of Auditor**

### **5. Resolution 5 – Appointment of Auditor**

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

*“That, for the purposes of section 327B(1) of the Corporations Act and for all other purposes, BDO Audit Pty Ltd ACN 134 022 870, having been nominated by shareholders and consented in writing to act as auditor of the Company, be appointed as auditor of the Company, effective immediately.”*

## **Maximum Aggregate Amount of Non-Executive Directors' Fees**

### **6. Resolution 6 – Approval to Increase the Maximum Aggregate Amount of Non-Executive Directors' Fees**

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

*“That, for the purposes of ASX Listing Rule 10.17 and for all other purposes, the maximum aggregate amount of remuneration that may be paid to the Company’s non-executive directors in any financial year is increased by \$125,000, from \$375,000 to \$500,000, effective immediately.”*

**Voting Exclusion Statement:** The Company will disregard any votes cast in favour of Resolution 6 by or on behalf of:

- (a) any Director of the Company; or
- (b) an Associate of that person or those persons.

However, this does not apply to a vote cast in favour of Resolution 6 by:

- (i) a person as proxy or attorney for a person who is entitled to vote on the Resolution, in accordance with directions given to the proxy or attorney to vote on the Resolution in that way; or
- (ii) the Chair of the meeting 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
- (iii) a holder acting solely in a nominee, trustee, custodial or other fiduciary capacity on behalf of a beneficiary provided the following conditions are met:
  - 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
  - the holder votes on the Resolution in accordance with directions given by the beneficiary to the holder to vote in that way.

## **Existing Incentive Shares – Long Term Incentive Plan**

### **7. Resolution 7 – Approval for Existing Incentive Shares to be administered under the LTIP for 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 10.14 and for all other purposes, the Shareholders of the Company approve for the existing 4,000,000 incentive shares and 1,000,000 incentive shares held by a nominee of Hamish Collins, Director of the Company to be administered under the LTIP (and any ancillary amendments to the loan terms), on the terms and conditions set out in the Explanatory Statement which accompanies and forms part of this Notice of Meeting.”*

**Voting Exclusion Statement:** The Company will disregard any votes cast in favour of Resolution 7 by or on behalf of:

- (a) a person referred to in rule 10.14.1, 10.14.2 or 10.14.3 who is eligible to participate in the Plan; or
- (b) an Associate of that person or those persons.

However, this does not apply to a vote cast in favour of Resolution 7 by:

- (i) a person as proxy or attorney for a person who is entitled to vote on the Resolution, in accordance with directions given to the proxy or attorney to vote on the Resolution in that way; or
- (ii) the Chair of the Meeting 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
- (iii) a holder acting solely in a nominee, trustee, custodial or other fiduciary capacity on behalf of a beneficiary provided the following conditions are met:
  - 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
  - the holder votes on the Resolution in accordance with directions given by the beneficiary to the holder to vote in that way.

## 8. **Resolution 8** – Approval for Existing Incentive Shares to be administered under the LTIP for 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 10.14 and for all other purposes, the Shareholders of the Company approve for the existing 2,500,000 incentive shares held by a nominee of Fred Hess, Director of the Company to be administered under the LTIP (and any ancillary amendments to the loan terms), on the terms and conditions set out in the Explanatory Statement which accompanies and forms part of this Notice of Meeting.”*

**Voting Exclusion Statement:** The Company will disregard any votes cast in favour of Resolution 8 by or on behalf of:

- (a) a person referred to in rule 10.14.1, 10.14.2 or 10.14.3 who is eligible to participate in the Plan; or
- (b) an Associate of that person or those persons.

However, this does not apply to a vote cast in favour of Resolution 8 by:

- (i) a person as proxy or attorney for a person who is entitled to vote on the Resolution, in accordance with directions given to the proxy or attorney to vote on the Resolution in that way; or
- (ii) the Chair of the Meeting 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
- (iii) a holder acting solely in a nominee, trustee, custodial or other fiduciary capacity on behalf of a beneficiary provided the following conditions are met:
  - 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
  - the holder votes on the Resolution in accordance with directions given by the beneficiary to the holder to vote in that way.

## **Renewal of Proportional Takeover Provisions**

### 9. **Resolution 9** – Renewal of Proportional Takeover Provisions

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

*“That, for the purposes of section 648G of the Corporations Act and for all other purposes, approval is given for the Company to renew the proportional takeover provisions in its Constitution, with immediate effect.”*

#### **BY ORDER OF THE BOARD**

David Hwang  
Company Secretary

# Explanatory Statement

This Explanatory Statement has been prepared for the information of the Shareholders in connection with the business to be conducted at the Annual General Meeting to be held at 9:00am (AEDT) on 18 November 2020 at Level 5, 126 Phillip Street, Sydney NSW 2000.

The purpose of this Explanatory Statement is to provide information which the Directors believe to be material to Shareholders in deciding whether or not to pass the Resolutions in the Notice of Meeting.

If you are in any doubt about what to do in relation to the Resolutions contemplated in the Notice of Meeting and this Explanatory Statement, it is recommended that you seek advice from an accountant, solicitor or other professional advisor.

Full details of the business to be considered at the Annual General Meeting are set out below.

## Agenda

### **Ordinary business**

#### Financial statements and reports

In accordance with the Constitution and the Corporations Act, the business of the Annual General Meeting will include receipt and consideration of the Annual Financial Report of the Company for the financial year ended 30 June 2020 together with the declaration of the Directors, the Director's Report, the Remuneration Report and the Auditor's Report.

In accordance with the amendments to the Corporations Act, the Company is no longer required to provide a hard copy of the Company's Annual Financial Report to Shareholders unless a Shareholder has specifically elected to receive a printed copy.

Whilst the Company will not provide a hard copy of the Company's Annual Financial Report unless specifically requested to do so, Shareholders may view the Company Annual Financial Report on its website at <http://www.aeonmetals.com.au/>.

No resolution is required for this item, but Shareholders will be given the opportunity to ask questions and to make comments on the management and performance of the Company.

The Company's auditor will be present at the Meeting. During the discussion of this item, the auditor will be available to answer questions on the:

- Conduct of the audit;
- Preparation and content of the Auditor's Report;
- Accounting policies adopted by the Company in relation to the preparation of the financial statements; and
- Independence of the auditor in relation to the conduct of the audit.

#### **Written questions of the auditor**

If you would like to submit a written question about the content of the Auditor's Report or the conduct of the audit of the Annual Financial Report of the Company's auditor, please send your question to the Company Secretary. A list of qualifying questions will be made available at the Meeting.

Please note that all written questions must be received at least five business days before the Meeting, which is by 2 November 2020.

# Resolutions

## Remuneration Report

### **Resolution 1 – Adoption of Remuneration Report**

In accordance with section 250R(2) of the Corporations Act, the Company is required to present to its Shareholders the Remuneration Report as disclosed in the Company's Annual Financial Report.

The vote on the Resolution is advisory only and does not bind the Directors or the Company. The Remuneration Report is set out in the Company's Annual Financial Report and is also available on the Company's website at <http://www.aeonmetals.com.au/>.

However, if at least 25% of the votes cast are against the adoption of the Remuneration Report at the Meeting (subject of this Notice of Meeting), and then again at the 2021 Annual General Meeting (**2021 AGM**), the Company will be required to put to the vote a resolution (**Spill Resolution**) at the 2021 AGM to approve the calling of a further meeting (**Spill Meeting**). If more than 50% of Shareholders vote in favour of the Spill Resolution, the Company must convene the Spill Meeting within 90 days of the 2021 AGM. All of the Directors who were in office when the 2021 Directors' Report was approved, other than the Managing Director, will (if desired) need to stand for re-election at the Spill Meeting.

The Remuneration Report explains the Board's policies in relation to the nature and level of remuneration paid to KMPs (including Directors) and sets out remuneration details, service agreements and the details of any share-based compensation.

#### **Voting**

Note that a voting exclusion applies to Resolution 1 in the terms set out in the Notice of Meeting. In particular, the Directors and other Restricted Voters must not vote on this Resolution and must not cast a vote as proxy, unless the appointment gives a direction on how to vote, or the proxy is given to the Chair and you submit the Proxy Form, authorising the Chair to exercise the proxy even though Resolution 1 is connected directly or indirectly with the remuneration of a KMP and that in doing so you will be taken to have directed the Chair to vote in accordance with the Chair's stated intention to vote in favour of Resolution 1.

Shareholders are urged to read carefully the Proxy Form and to provide a direction to the proxy on how to vote on this Resolution.

## Re-election of Directors

### **Resolution 2 – Election of Andrew Greville as Director**

The Company's Constitution (clause 12.7) provides that any Director appointed in addition to the existing Directors will hold office until the next following annual general meeting and is then eligible for re-election.

ASX Listing Rule 14.4 also provides that each additional director appointed during the year is to hold office until the next annual general meeting and is then eligible for election as a Director of the Company.

Mr Andrew Greville was appointed as an additional Director of the Company on 15 May 2020 and has since served as a Director of the Company.

Under this Resolution, Andrew seeks election as a Director of the Company at this AGM.

Mr Greville is a senior international mining executive with over 36 years' experience and a track record of success. His expertise is particularly strong in the fields of business development, mergers and acquisitions, product marketing and strategy.

Mr Greville started his career in 1984 with BHP where he worked across a range of senior operational and product marketing roles for the next 15 years. He then moved to Pechiney SA where he spent the next five years as Vice President, Ores and Concentrates. This role included the management of significant zinc, copper and lead concentrate sales into China, Korea and Japan.

Following this, Mr Greville joined Xstrata Copper where he worked across the last seven years of his executive career. This included four years as Executive General Manager, Business Development and Strategy, where he was responsible for optimising Xstrata Copper's asset portfolio and representing the business on JV boards and management committees. Mr Greville is also the founder and Managing

Director of West End Mining & Consulting (Wemco), a boutique mining market consulting organisation.

Mr Greville has a Bachelor of Engineering (Mining) and is a member of the Australian Institute of Company Directors. He also currently serves on the Board of Rimfire Pacific Mining Limited (ASX: RIM) as a non-executive director.

#### **Directors' recommendation**

The Directors (excluding Mr Greville) recommend that Shareholders vote for this Resolution.

### **Resolution 3 – Re-election of Ivan Wong as Director**

The Company's Constitution (clause 12.3) requires that a Director shall not hold office for a period in excess of three years or past the third annual general meeting following his appointment.

ASX Listing Rule 14.4 also provides that each Director must not hold office (without re-election) past the third annual general meeting following the Director's appointment or 3 years, whichever is longer.

Mr Ivan Wong was appointed a Director of the Company on 1 July 2016 and was last re-elected at the 2017 AGM.

Under this Resolution, Ivan has elected to retire by rotation, and being eligible, seeks re-election as a Director of the Company at this AGM.

Mr Wong has strong IT background and over 27 years' experience in running various businesses in Australia. Mr. Wong is currently an Executive Director of Great Pacific Financial Group which was established in 1992. Via its subsidiary / related companies it has involved in many business operations/ventures since establishment. Currently its core business is in mortgage finance, loan management and property management. Previously it had businesses in financial services, IT services, property information, property development and hotel investment and management services.

#### **Directors' recommendation**

The Directors (excluding Mr Wong) recommend that Shareholders vote for this Resolution.

### **ASX Listing Rule 7.1A**

#### **Resolution 4 – ASX Listing Rule 7.1A Approval of Future Issue of Securities**

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

Under Listing Rule 7.1A, however, an eligible entity can seek approval from its members, by way of a special resolution passed at its annual general meeting, to add an additional 10% capacity.

An eligible entity for the purposes of Listing Rule 7.1A is an entity that is not included in the S&P/ASX 300 Index and has a market capitalisation less than the amount prescribed by ASX (currently \$300 million).

As of the date of this Notice of Meeting, the Company has a market capitalisation of approximately \$98 million and therefore is an eligible entity. If at the time of the Meeting the Company is no longer an eligible entity this Resolution will be withdrawn.

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

If this Resolution is passed, the Company will be able to issue equity securities up to the combined 25% limit in Listing Rules 7.1 and 7.1A without any further Shareholder approval.

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

### **Information Required by ASX Listing Rule 7.3A**

The following information is provided to Shareholder for the purposes of Listing Rule 7.3A.

#### Period for which the approval will be valid

An approval under this Listing Rule 7.1A commences on the date of the annual general meeting at which the approval is obtained and expires on the first to occur of the following:

- (a) the date which is 12 months after the date of the annual general meeting at which the approval is obtained;
- (b) the time and date of the entity's next annual general meeting; and
- (c) the time and date on which Shareholders approve a transaction under Listing Rule 11.1.2 (a significant change to the nature or scale of activities) or 11.2 (disposal of main undertaking).

#### Minimum price at which the equity securities may be issued under Listing Rule 7.1A

Any equity securities issued under Listing Rule 7.1A.2 must be an existing quoted class of the Company's equity securities and issued for cash consideration.

The issue price per equity security must not be less than 75% of the volume weighted average market price of the equity securities in that class, calculated over 15 trading days on which trades in that class were recorded immediately before:

- (a) the date on which the price at the equity securities are to be issued is agreed by the Company and the recipient of the equity securities; and
- (b) if the equity securities are not issued within 10 trading days of the date in paragraph (a), the date on which the equity securities are issued.

#### Purposes for which the funds raised by an issue of equity securities under Listing Rule 7.1A may be used

As noted above, any equity securities issued under Listing Rule 7.1A.2 must be issued for cash consideration. Accordingly, every issue of equity securities under Listing Rule 7.1A.2 will have an accompanying proposed use of funds at the time of issue.

As at the date of this Notice, the Company has not formed an intention to offer any equity securities under Listing Rule 7.1A during the Listing Rule 7.1A mandate period, if Shareholders approve this Resolution. However, if Shareholders approved this Resolution and the Company did raise funds from the issue of equity securities under Listing Rule 7.1A, based on the Company's existing plans, the Company considers that the funds may be used for the following purposes:

- (a) Working capital in particular for the exploration and continued development of the Company's Walford Creek Project; and
- (b) Ongoing regional exploration of priority exploration tenements.

#### Risk of economic and voting dilution to existing ordinary Securityholders

If this Resolution is approved, and the Company issues equity securities under Listing Rule 7.1A, the existing Shareholders' economic and voting power in the Company will be diluted.

There is a risk that:

- (a) the market price for the Company's equity securities in that class may be significantly lower on the issue date than on the date of the approval under Listing Rule 7.1A; and
- (b) the equity securities may be issued at a price that is at a discount (as described above) to the market price for the Company's equity securities on the issue date;

which may have an effect on the amount of funds raised by the issue of equity securities under Listing Rule 7.1A.

The table below shows the potential dilution of existing Securityholders on the basis of 3 different assumed issue prices and values for the variable "A" in the formula in rule 7.1A.2:

Variable "A" ASX Listing Rule 7.1A.2		Potential Dilution and Funds Raised		
		\$0.0725 50% decrease in issue price	\$0.145 issue prices <sup>(b)</sup>	\$0.29 100% increase in issue price
"A" is the number of shares on issue, being 677,569,727 Shares <sup>(a)</sup>	10% voting dilution <sup>(c)</sup>	67,756,972	67,756,972	67,756,972
	Funds raised	\$4,912,380	\$9,824,761	\$19,649,522
"A" is a 50% increase in shares on issue, being 1,016,354,590 Shares	10% voting dilution <sup>(c)</sup>	101,635,459	101,635,459	101,635,459
	Funds raised	\$7,368,571	\$14,737,142	\$29,474,283
"A" is a 100% increase in shares on issue, being 1,355,139,454 Shares	10% voting dilution <sup>(c)</sup>	135,513,945	135,513,945	135,513,945
	Funds raised	\$9,824,761	\$19,649,522	\$39,299,044

**Notes:**

- (a) Based on the total number of fully paid ordinary Shares on issue as at 17 September 2020.
- (b) Based on the closing price of the Company's Shares on ASX as at 17 September 2020.
- (c) The table assumes that the Company issues the maximum number of ordinary Shares available to be issued under Listing Rule 7.1A.
- (d) The table does not show an example of dilution that may be caused to a particular Shareholder by reason of issues of equity securities under Listing Rule 7.1A based on that Shareholder's holding at the date of this Explanatory Statement.
- (e) The table shows the effect of an issue of equity securities under Listing Rule 7.1A only, not under the Company's 15% placement capacity under Listing Rule 7.1.

**Allocation policy for issues under Listing Rule 7.1A**

The Company's allocation policy and the identity of the allottees of equity securities under Listing Rule 7.1A will depend on a number of factors, including:

- (a) the Company's intentions in relation to the possible issue of equity securities (for cash consideration) during the Listing Rule 7.1A mandate period;
- (b) the structure and timeframe of the capital raising opportunities available to the Company and any alternative methods for raising funds that are available to the Company (such as a pro rata offer or an offer under a share purchase plan);
- (c) the potential effect on the control of the Company;
- (d) the Company's financial position and the likely future capital requirements; and
- (e) advice from the Company's corporate or financial advisors.

Based on the Company's historical cashflow reports and capital raising activities in the past 12 months, the Company considers that it may raise funds during the Listing Rule 7.1A mandate period, although this cannot be guaranteed. As of the date of this Notice, no specific intention to issue equity securities in relation to any parties, investors or existing Securityholders have been formed. In addition, no intentions have been formed in relation to the possible number of issues, or the time frame in which the issues could be made. Subject to the requirements of the Listing Rules and the Corporations Act, the Board of Directors reserve the right to determine at the time of any issue of equity securities under Listing Rule 7.1A, the allocation policy that the Company will adopt for that issue.

If and when the determination is made to proceed with an issue of equity securities during the Listing Rule 7.1A mandate period, details regarding the allottees and purposes of issue will be disclosed pursuant to the Company's obligations under Listing Rules 3.10.3 and 7.1A.4.

Offers made under Listing Rule 7.1A may be made to parties (excluding any related parties) including professional and sophisticated investors, existing Shareholders of the Company, clients of Australian Financial Service Licence holders and/or their nominees, or any other person to whom the Company is able to make an offer of equity securities.

**Issue or agreement to issue equity securities under Listing Rule 7.1A in the 12 months prior to AGM**

The Company last sought Shareholder approval under Listing Rule 7.1A at the 2019 AGM. However, the Company has not issued or agreed to issue equity securities under Listing Rule 7.1A.2 in the 12 months preceding the AGM.

This Resolution is a Special Resolution. For a Special Resolution to be passed, at least 75% of the votes validly cast on the resolution by Shareholders (by number of ordinary shares) must be in favour of this Resolution.

#### **Directors' recommendation**

The Board of Directors recommend that Shareholders vote for this Resolution.

## **Appointment of Auditor**

### **Resolution 5 – Appointment of Auditor**

On 31 July 2020, pursuant to section 327C(1) of the Corporations Act, BDO Audit Pty Ltd was appointed as auditor of the Company to fulfil a casual vacancy. The appointment followed the resignation of BDO East Coast Partnership and ASIC's consent to the resignation in accordance with section 329(5) of the Corporations Act.

Under section 327C(2) of the Corporations Act, an auditor who has been appointed under section 327C(1) of the Corporations Act only holds office until the company's next annual general meeting.

The Company is required to appoint an auditor to fill any vacancy at each annual general meeting (after its first annual general meeting) pursuant to section 327B(1) of the Corporations Act.

Pursuant to section 328B of the Corporations Act, the Company received a valid notice of nomination which nominated BDO Audit Pty Ltd to be appointed as the new auditor of the Company. A copy of the notice of nomination is set out in Annexure A of this Notice of Meeting.

BDO Audit Pty Ltd has provided the Company its written consent to act, subject to Shareholder approval being obtained, as the Company's auditor in accordance with section 328A(1) of the Corporations Act.

Accordingly, under this Resolution, Shareholder approval is being sought to appoint BDO Audit Pty Ltd as the auditor of the Company.

#### **Directors' recommendation**

The Board of Directors recommend that Shareholders vote for this Resolution.

## **Maximum Aggregate Amount of Non-Executive Directors' Fees**

### **Resolution 6 – Approval to Increase the Maximum Aggregate Amount of Non-Executive Directors' Fees**

In accordance with Listing Rule 10.17 and clause 13.1 of the Company's Constitution, Shareholder approval is sought to increase the maximum aggregate amount available for non-executive directors' remuneration in any financial year by \$125,000, from \$375,000 to \$500,000. The current aggregate remuneration amount was approved by Shareholders at the Company's 2014 AGM.

The Directors seek Shareholder approval to increase the aggregate amount of directors' fees for non-executive directors as:

- (a) it is important to ensure that the Company maintains the ability to pay competitive fees and attract and retain high calibre non-executive directors; and
- (b) the size of the proposed increase would be consistent with other ASX listed entities of similar market capitalisation.

It is not intended that should this Resolution be passed, the maximum aggregate of the fees of non-executive directors would be utilised immediately.

The proportion remaining unused will provide the Company with the ability to attract and retain high quality directors, to make any appropriate increases to the size of the Board, and to increase fees in the future in line with market conditions.

It is proposed that the increase in the aggregate amount of fees for non-executive directors will take effect immediately after this Meeting.

As required by Listing Rule 10.17, the Company confirms that the following securities have been issued to non-executive directors in the preceding three years (from the date of this Meeting) under Listing

Rules 10.11 or 10.14:

Date of issue	Non-executive director	Terms and number of securities issued
19 December 2019	Fred Hess	Listing Rule 10.11: Acquired 2,500,000 shares at an issue price of \$0.17 per share, funded by a limited recourse interest free 3 year loan by the Company.
25 August 2020	Paul Harris	Listing Rule 10.14: Issued 2,250,000 loan funded shares under the Long Term Incentive Plan (as approved by Shareholders on 12 August 2020)
25 August 2020	Ivan Wong	Listing Rule 10.14: Issued 2,250,000 loan funded shares under the Long Term Incentive Plan (as approved by Shareholders on 12 August 2020)
25 August 2020	Andrew Greville	Listing Rule 10.14: Issued 2,250,000 loan funded shares under the Long Term Incentive Plan (as approved by Shareholders on 12 August 2020)

Given the nature of this Resolution, the Board does not consider that it is appropriate to make a recommendation on how Shareholders should vote on this Resolution. As noted in the Proxy Form, the Chairman of the Meeting intends to cast all undirected proxies in favour of this Resolution.

## **Existing Incentive Shares – Long Term Incentive Plan**

### **Resolutions 7 and 8 – Approval for Existing Incentive Shares to be administered under LTIP for Directors**

#### **Background**

Mr Hamish Collins (Managing Director) (and his nominee) currently holds 4,000,000 Shares (funded by a limited recourse loan at an issue price of 12 cents per Share which expires on 3 July 2023) and 1,000,000 Shares (funded by a limited recourse loan at an issue price of 17 cents per Share which expires on 18 December 2022). These Shares are not currently administered by the Long Term Incentive Plan (LTIP) which was approved by Shareholders on 12 August 2020, as the Shares were issued prior to the establishment of the LTIP.

Dr Fred Hess (Non-Executive Director) (and his nominee) currently holds 2,500,000 Shares (funded by a limited recourse loan at an issue price of 17 cents per Share which expires on 18 December 2022). These Shares are also not currently administered by the LTIP, as the Shares were issued prior to the establishment of the LTIP.

Resolutions 7 and 8 seek Shareholder approval for the existing incentive Shares noted above (all of which were issued prior to 2020) to be administered under the operation of the LTIP, and make consequential amendments to the terms of the loans to ensure consistency with other similar incentive shares issued under the LTIP.

The terms of the LTIP and these Shares have been designed to incentivise the Directors by participating in the future growth 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 benefit from these Shares and the associated loans if the Company's Share price increases beyond a 25% premium above the respective Share issue prices, or if a Change of Control Event takes place.

As these are limited recourse loans, if there was a default by a Director, the sole recourse of the Company will be to the relevant Shares. If a Director ceases to be a Director during the term of the loan, the Director will continue to hold the Shares for the remainder of the loan term.

#### **Listing Rule 10.14**

ASX Listing Rule 10.14 provides that a listed company must not permit any of the following persons to acquire securities under an employee incentive scheme unless it obtains the approval of its shareholders:

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

As Mr Collins and Dr Hess are existing Directors of the Company, the proposed acquisition of securities under an employee incentive scheme by each of them (by approval being sought for the existing incentive shares to be administered under the operation of the LTIP) arguably requires the approval of the Company's Shareholders under Listing Rule 10.14.

If approval is obtained under Listing Rule 10.14, in accordance with Listing Rule 10.12 (exception 4), separate approval is not required under Listing Rule 10.11.

If Resolutions 7 and 8 are passed, the Company will be able to proceed with the proposed changes, which will ensure that the existing incentive Shares are administered by the LTIP and the loan terms are consistent with other similar incentive shares issued under the LTIP.

If Resolutions 7 and 8 are not passed, the Company will be unable to proceed with the proposed changes.

### **Chapter 2E and section 260A of the Corporations Act**

Chapter 2E of the Corporations Act prohibits the Company from giving a financial benefit to a related party of the Company unless either:

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

The proposed amendments to the terms of the loans attached to the Shares constitutes the giving of a financial benefit.

A "related party" for the purposes of the Corporations Act and the Listing Rules is widely defined and includes a director of a public company, a spouse of a director of a public company or an entity controlled by a director of a public company. The definition of "related party" also includes a person whom there is reasonable grounds to believe will become a "related party" of a public company.

The Board (with the conflicted Directors excluded) carefully considered the giving of this financial benefit to Mr Collins and Dr Hess and formed the view that the giving of this financial benefit was reasonable remuneration for the purposes of section 211 of the Corporations Act, and relies on this exception for the purposes of Resolutions 7 and 8 in this Notice. Accordingly, the proposed amendments to the terms of the loans requires Shareholder approval under and for the purposes of Listing Rule 10.14 only.

In addition, the proposed amendments to the loan terms may constitute financial assistance for the purchase of Shares in the Company and this is permitted by section 260A of the Corporations Act if the giving of the assistance does not materially prejudice the interests of the Company or its Shareholders, or the Company's ability to pay its creditors. The Board (with the conflicted Directors excluded) formed the view that, in the circumstances, that the proposed financial assistance satisfies these tests.

### **Information required by ASX Listing Rule 10.15**

The following information for the purposes of ASX Listing Rule 10.15 is provided to Shareholders:

- (a) The allottees will remain the same, being the current holders of the shares by the respective Directors (or their nominees).
- (b) Mr Hamish Collins and Dr Fred Hess are each current Directors of the Company, to whom Listing Rule 10.14.1 applies.
- (c) Mr Collins (and his nominee) was issued 4,000,000 Shares (funded by a limited recourse loan at an issue price of 12 cents per Share which expires on 3 July 2023) on 3 July 2014. An extension of the loan term was last approved by Shareholders on 25 November 2019. Mr Collins (and his nominee) was issued 1,000,000 Shares (funded by a limited recourse loan at an issue price of 17 cents per Share which expires on 18 December 2022) on 18 December 2019. Dr Hess (and his nominee) was issued 2,500,000 Shares (funded by a limited recourse loan at an issue price of 17 cents per Share which expires on 18 December 2022) on 18 December 2019.
- (d) The current total remuneration packages of each of the Directors are as follows:

<b>Director</b>	<b>Salary/Director fees</b>	<b>Current incentive based remuneration</b>
Hamish Collins, Managing Director	\$400,000 (plus superannuation)	4,000,000 loan funded Shares (issue price 12 cents, loan term expires on 3 July 2023)**

		2,500,000 loan funded Shares (issue price 14.5 cents, loan term expires on 17 August 2023) 1,000,000 loan funded Shares (issue price 17 cents, loan term expires on 18 December 2022)** 2,250,000 loan funded Shares (issue price 15.5 cents, loan term expires on 25 August 2023)
Fred Hess, Managing Director	\$65,000 (inclusive of superannuation)	2,500,000 loan funded Shares (issue price 17 cents, loan term expires on 18 December 2022)**

\*\* These are the Shares where the loan terms are proposed to amended pursuant to Resolutions 7 and 8.

- (e) The LTIP was approved by Shareholders on 12 August 2020. Under the LTIP, Dr Hess has not yet received any securities, and Mr Collins received 2,250,000 loan funded Shares (issue price 15.5 cents, loan term expires on 25 August 2023).
- (f) The Shares on issue are fully paid and rank equally in all aspects with all existing fully paid ordinary shares previously issued by the Company. With respect to the loans attached to the Shares, the material terms are as follows:
- (i) the loan to be interest free and for a 3 year term from the date of issue (unless otherwise extended with Shareholder approval);
  - (ii) the repayment of the loan to have limited recourse to the relevant Shares only;
  - (iii) the Company to maintain a holding lock or equivalent on the Shares pending repayment of the loan;
  - (iv) 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;
  - (v) in the event that a Change of Control Event occurs, the loans will be forgiven by the Company; and
  - (vi) the holder 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.
- (g) The Shares will be administered under the LTIP (which includes the implementation of consequential amendments noted above) as soon as practicable after the Meeting, and within 3 years of the date of the Meeting.
- (h) The issue price of the 4,000,000 Shares was 12 cents per Share, and the issue price of the 3,500,000 Shares (1,000,000 Shares held by Mr Collins (and his nominee) and 2,500,000 Shares held by Dr Hess (and his nominee)) was 17 cents per Share. These issue prices will remain unchanged.
- (i) The material terms of the LTIP are set out in Annexure A of this Notice of Meeting.
- (j) Details of any securities issued under the Incentive Plan will be published in each annual report of the Company relating to a period which securities have been issued, and that approval for the issue of securities was obtained under ASX Listing Rule 10.14. Any additional persons who become entitled to participate in the Incentive Plan after the resolution was approved and who were not named in the notice of meeting will not participate until approval is obtained under ASX Listing Rule 10.14.

## **Renewal of Proportional Takeover Provisions**

### **Resolution 9 – Renewal of Proportional Takeover Provisions**

The Company wishes to renew the proportional takeovers provisions in its current Constitution, which was last adopted by Shareholders on 20 November 2017.

Further details in relation to this renewal are set out as follows:

#### **Renewal of proportional takeover provisions**

The Company's Constitution contains provisions concerning "Proportional Takeover Approval Provisions" in clause 32 (**Proportional Takeover Provisions**). The Proportional Takeover Provisions provide that the Company can refuse to register Shares acquired under a proportional takeover bid unless an approving resolution is passed by Shareholders.

Section 648G(1) of the Corporations Act provides that a company's proportional takeover provisions will cease to have effect at the end of three years from the date of adoption (or renewal, as the case may be). Clause 32 of the Company's Constitution was adopted by on 20 November 2017. The Company accordingly seeks the Shareholder approval of this Resolution for the renewal of the Proportional Takeover Provisions, which, for the purposes of the Corporations Act, requires the same process to amend or adopt a new constitution for the purposes of 136(2) of the Corporations Act. Shareholder approval will not result in a change to the wording of clause 32 of the Company's current Constitution.

The following information is provided for the purposes of Section 648G of the Corporations Act.

#### **Proportional takeover bid**

A proportional takeover bid is a takeover bid where the offer made to each Shareholder is only for a proportion of the Shareholder's Shares. If a Shareholder accepts, in full, an offer under a proportional takeover bid, the Shareholder will only dispose of a specified portion of their Shares in the Company and retain the balance of the Shares.

The Proportional Takeover Provisions are designed to assist Shareholders to receive proper value for their Shares if a proportional takeover bid is made for the Company by providing, in the Constitution, that:

- (a) in the event of a proportional takeover bid being made for Shares in the Company, Shareholders are required to vote and collectively decide whether to accept or reject the offer; and
- (b) the majority decision of the Company's members will be binding on all Shareholders.

#### **Effect of the proposed provisions**

Where offers have been made under a proportional takeover bid in respect of a class of securities in a company, the registration of a transfer giving effect to a contract resulting from the acceptance of an offer made under such a proportional takeover bid is prohibited unless and until a resolution to approve the proportional takeover bid is passed by Shareholders or otherwise, as pursuant to the terms of the Proportional Takeover Provisions.

In more detail, the effect of the Proportional Takeover Provisions is as follows:

- (a) if a proportional takeover bid is made for Securities of the Company, the Directors must ensure that a meeting of Shareholders is convened to vote on a resolution to approve that bid;
- (b) the bidder and persons associated with the bidder may not vote;
- (c) approval of the bid will require a simple majority of the votes cast;
- (d) the meeting must take place more than 14 days before the last day of the bid period (**Resolution Deadline**);
- (e) if the resolution is rejected before the Resolution Deadline, the bid cannot proceed and any transfers giving effect to takeover contracts for the bid will not be registered;
- (f) the bid will be taken to have been approved if, as at the end of the day before the Resolution Deadline, the resolution has not been voted on;
- (g) if the resolution is approved, the transfers must be registered (subject to other provisions of the Corporations Act and the Constitution); and

- (h) the Directors will breach the Corporations Act if they fail to ensure the resolution is voted on. However, the bid will still be taken to have been approved if it is not voted on within the Resolution Deadline.

The Proportional Takeover Provisions do not apply to full takeover bids. If the Proportional Takeover Provisions are renewed, they will cease to apply at the end of three years after renewal unless renewed by a Special Resolution of Shareholders.

### **Reasons for the proposed provisions**

In the absence of the Proportional Takeover Provisions, a proportional takeover bid may result in control of the Company changing without Shareholders having an opportunity to dispose of all their Shares. By making a partial bid, a bidder can obtain practical control of the Company by acquiring less than a majority interest. Shareholders could be exposed to the risks of passing control to the bidder without payment of an adequate control premium for all their Shares and being left with a minority interest in the Company. Such Shareholders could suffer potential further loss if the takeover bid were to cause a decrease in the Share price or otherwise make the Shares less attractive and, therefore, more difficult to sell.

### **Knowledge of any acquisition proposals**

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

### **Advantages and disadvantages during the period in which they have been in effect**

The Directors consider that the Proportional Takeover Provisions had no advantages or disadvantages for them during the period in which they have been in effect.

The advantages and disadvantages of the Proportional Takeover Provisions for Shareholders include those set out below, which were applicable during the period in which they have been in effect.

### **Potential advantages and disadvantages**

The renewal of the Proportional Takeover Provisions will enable the Directors to formally ascertain the views of the Shareholders in respect of a proportional takeover bid. Without such provisions, the Directors are dependent upon their perception of the interests and views of Shareholders. Other than this advantage, the Directors consider that the Proportional Takeover Provisions have no potential advantages or disadvantages for them and that they remain free to make a recommendation on whether an offer under a proportional takeover bid should be accepted.

The potential advantages of the Proportional Takeover Provisions for Shareholders include:

- (a) providing the right to discuss, in a meeting called specifically for that purpose, and then decide, by majority vote, whether an offer under a proportional takeover bid should proceed;
- (b) assisting the prevention of Shareholders being locked in as a minority;
- (c) increasing the bargaining power of Shareholders which may assist in ensuring that any proportional takeover bid is adequately priced;
- (d) potentially increasing the likelihood of a full takeover bid rather than a proportional takeover bid; and/or
- (e) enabling individual Shareholders to better assess the likely outcome of the proportional takeover bid, by knowing the view of the majority of Shareholders, which may assist in deciding whether to accept or reject an offer under the bid;

The potential disadvantages of the Proportional Takeover Provisions for Shareholders include:

- (a) imposing a hurdle to, and potentially discouraging the making of, provisional takeover bids which, in turn, may reduce any takeover speculation element in the price of Shares;
- (b) potentially reducing the likelihood of success of a proportional takeover bid;
- (c) possible reduction or loss of opportunities for Shareholders sell some or all of their Shares at a premium; and/or
- (d) potentially causing some Shareholders to form the view that the Proportional Takeover Provisions impose an unreasonable restriction on their ability to freely deal with their Shares.

Accordingly, the Company has prepared an updated Constitution (**New Constitution**) which renews clause 32, which prescribes the procedure to be followed when a proportional off-market bid is made.

Prior to the Meeting, a copy of the New Constitution is available for review by Shareholders at the Company's registered office during normal business hours. A copy of the New Constitution can also be sent to Shareholders of the Company upon a request being made to the Company Secretary on (02) 8072 1400.

A complete signed copy of the New Constitution will be tabled at the Meeting.

Pursuant to section 136(2) of the Corporations Act, a modification to the Company's Constitution (which includes renewal of the Proportional Takeover Provisions) can only be effected by way of a Special Resolution passed by its Shareholders. Therefore, this Resolution is a Special Resolution that can only be passed if at least 75% of the total votes cast by Shareholders entitled to vote on this Resolution are voted in its favour.

#### **Professional Advice**

If you have any doubt or do not understand this Resolution, it is strongly recommended that you seek advice from a solicitor or other professional advisor.

#### **Directors' Recommendation**

The Board of Directors recommend Shareholders vote for this Resolution.

## Enquiries

Shareholders are asked to contact the Company Secretary on +61 2 8072 1400 if they have any queries in respect of the matters set out in these documents.

# Glossary

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

**Annual Financial Report** means the 2020 Annual Report to Shareholders for the period ended 30 June 2020 as lodged by the Company with ASX on 14 October 2020.

**Annual General Meeting** or **AGM** or **Meeting** means an Annual General Meeting of the Company and, unless otherwise indicated, means the meeting of the Company's members convened by this Notice of Meeting.

**ASIC** means Australian Securities and Investment Commission.

**Associate** has the meaning given to it by the ASX Listing Rules.

**ASX** means ASX Limited ACN 008 624 691 or the financial market operated by it, as the context requires, of 20 Bridge Street, Sydney, NSW 2000.

**ASX Listing Rules** or **Listing Rules** means the official ASX Listing Rules of the ASX and any other rules of the ASX which are applicable while the Company is admitted to the official list of the ASX, as amended or replaced from time to time, except to the extent of any express written waiver by the ASX.

**Auditor's Report** means the auditor's report of BDO Audit Pty Ltd dated 25 September 2020 as included in the Annual Financial Report.

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

**Business Day** means a day on which trading takes place on the stock market of ASX.

**Chair** means the person chairing the Meeting.

**Change of Control Event** means where:

- (a) a court orders a meeting to be held in relation to a proposed compromise or arrangement for the purposes of or in connection with a scheme for the reconstruction of the Company or its amalgamation with any other company or companies;
- (b) any person becomes bound or entitled to acquire shares in the Company under:
  - (i) section 411 of the Corporations Act (upon a scheme of arrangement being approved); or
  - (ii) Chapter 6A of the Corporations Act (compulsory acquisition following a Takeover Bid);
- (c) a Takeover Bid or other offer is made to acquire more than 75% of the voting shares of the Company and has become unconditional;
- (d) the Company passes a resolution for voluntary winding up;
- (e) an order is made for the compulsory winding up of the Company; or
- (f) a person or a group of associated persons obtains a relevant interest in sufficient Shares to give it or them the ability, in a general meeting, to replace all or a majority of the Board.

**Closely Related Party** of a member of the KMP means:

- (a) a spouse or child of the member;
- (b) a child of the member's spouse;
- (c) a dependant of the member or of 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 dealings with the Company;
- (e) a company the member controls; or
- (f) a person prescribed by the *Corporation Regulations 2001* (Cth).

**Company** means Aeon Metals Limited ACN 121 964 725.

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

**Corporations Act** means the *Corporations Act 2001* (Cth) as amended or replaced from time to time.

**Director** means a current director of the Company.

**Directors' Report** means the report of Directors as included in the Annual Financial Report.

**Dollar** or “\$” means Australian dollars.

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

**KMP** means key management personnel (including the Directors) whose remuneration details are included in the Remuneration Report.

**Notice of Meeting** or **Notice of Annual General Meeting** means this notice of annual general meeting dated 19 October 2020 including the Explanatory Statement.

**Option** means an option which, subject to its terms, could be exercised into a Share.

**Ordinary Resolution** means a resolution that can only be passed if at least 50% of the total votes cast by Shareholders entitled to vote on the resolution are voted in its favour at the meeting.

**Performance Right** means a performance right which, subject to its terms, could convert to a Share.

**Proxy Form** means the proxy form attached to this Notice of Meeting.

**Remuneration Report** means the remuneration report as set out in the Annual Financial Report.

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

**Restricted Voter** means a member of the Company’s KMP and any Closely Related Parties of those members.

**Securities** mean Shares and/or Options (as the context requires).

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

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

**Share Registry** means Boardroom Pty Limited.

**Special Resolution** means a resolution that can only be passed if at least 75% of the total votes cast by Shareholders entitled to vote on the resolution are voted in its favour at the meeting.

**Spill Meeting** means the meeting that will be convened within 90 days of the 2021 AGM if a threshold of votes is cast against the adoption of the Remuneration Report at the Meeting and the 2021 AGM.

**Spill Resolution** means the resolution required to be put to Shareholders at the 2021 AGM if a threshold of votes is cast against the adoption of the Remuneration Report at the Meeting and the 2021 AGM.

**Trading Day** has the meaning given to that term in ASX Listing Rule 19.12.

**VWAP** means the volume weighted average market (closing) price, with respects to the price of Shares.

# Annexure A – Notice of Nomination of Auditor

5 October 2020

The Board of Directors  
Aeon Metals Limited  
Suite 32, Level 7, 88 Pitt Street  
Sydney NSW 2000

To the Board of Directors

**RE: NOTICE OF NOMINATION OF AUDITOR PURSUANT TO SECTION 328B OF THE CORPORATIONS ACT**

In accordance with Section 328B(1) of the *Corporations Act 2001* (Cth), I Frederick Hess, a shareholder of Aeon Metals Limited ACN 121 964 725 (the Company) hereby nominate BDO Audit Pty Ltd of Level 11, 1 Margaret Street Sydney NSW 2000 for appointment to the position of Auditor of the Company at the next Annual General Meeting.

Yours sincerely,



Frederick Hess

# Annexure B – Summary of LTIP

The Company has adopted the Long Term Incentive Plan (**LTIP**), to assist in the reward, retention and motivation of the Company's Directors, senior management, and other key employees.

Under the rules of the LTIP, the Board has a discretion to offer any of the following awards to senior management, directors or other nominated key employees:

- options to acquire Shares;
- performance rights to acquire Shares; and/or
- Shares, including to be acquired under a limited recourse loan funded arrangement,

In each case subject to service-based conditions and/or performance hurdles (collectively, the **Incentive Securities**).

The terms and conditions of the LTIP are set out in comprehensive rules. A summary of the rules of the LTIP is set out below:

- The LTIP is open to Directors, senior management, and any other employees of the Company, as determined by the Board. Participation is voluntary.
- The Board may determine the type and number of Incentive Securities to be issued under the LTIP to each participant and other terms of issue of the Incentive Securities, including:
  - what service-based conditions and/or performance hurdles must be met by a participant in order for an Award to vest (if any);
  - the fee payable (if any) to be paid by a participant on the grant of Incentive Securities;
  - the exercise price of any option granted to a participant;
  - the period during which a vested option can be exercised; and
  - any forfeiture conditions or disposal restrictions applying to the Incentive Securities and any Shares that a participant receives upon exercise of their options or performance rights.
- The Board may, in its discretion, also determine that the Company will issue limited recourse loans to participants to use for the purchase of Shares as part of a Share Award under the LTIP.
- When any service-based conditions and/or performance hurdles have been satisfied, participants will receive fully vested Shares or their options/performance rights will become vested and will be exercisable over Shares (as applicable).
- Each vested option and performance right enables the participant to be issued or to be transferred one Share upon exercise, subject to the rules governing the LTIP and the terms of any particular offer.
- Participants holding options or performance rights are not permitted to participate in new issues of securities by the Company but adjustments may be made to the number of Shares over which the options or performance rights are granted and/or the exercise price (if any) to take into account changes in the capital structure of the Company that occur by way of pro rata and bonus issues in accordance with the rules of the LTIP and the Listing Rules.
- The LTIP limits the number of Incentive Securities that the Company may grant without Shareholder approval. An offer of Incentive Securities under the LTIP must not be made if the aggregate number of the following will exceed 10% of the issued Shares as on the date when the issue is proposed to take place:
  - the number of Shares which are subject of the offer of the Incentive Securities;
  - the total number of Shares which are the subject of any outstanding offers of Incentive Securities; and
  - the total number of Shares which would be issued under all outstanding Incentive Securities that have been granted but which have not yet been exercised, converted, terminated or expired.

For the purposes of this 10% limit, the limit does not count:

- an offer to a person situated outside Australia;
  - an offer made under a disclosure document (such as a prospectus) as defined in the Corporations Act; and
  - any Incentive Securities which have expired or were cancelled after its issue.
- The Board may delegate management and administration of the LTIP, together with any of their powers or discretions under the LTIP, to a committee of the Board or to any one or more persons selected by them as the Board thinks fit.



#### 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
- ☎ **By Phone:** (within Australia) 1300 737 760  
(outside Australia) +61 2 9290 9600

## YOUR VOTE IS IMPORTANT

For your vote to be effective it must be recorded **before 9:00am (AEDT) on Monday 16 November 2020.**

### 🖥 TO VOTE ONLINE

**STEP 1: VISIT** <https://www.votingonline.com.au/amlagm2020>

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

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

### 📱 BY SMARTPHONE



Scan QR Code using 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 **9:00am (AEDT) on Monday, 16 November 2020.** 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/amlagm2020>
- 📠 **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.

**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.**

**PROXY 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 the **Level 5, 126 Phillip Street, Sydney NSW 2000 on Wednesday, 18 November, 2020 at 9:00am (AEDT)** 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 1,6,7 and 8, I/we expressly authorise the Chair of the Meeting to exercise my/our proxy in respect of these Resolutions even though Resolutions 1,6,7 and 8 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 1,6,7 and 8). 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*
Resolution 1	Adoption of Remuneration Report	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Resolution 2	Election of Andrew Greville as Director	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Resolution 3	Re-election of Ivan Wong as Director	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Resolution 4	ASX Listing Rule 7.1A Approval of Future Issue of Securities	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Resolution 5	Appointment of Auditor	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Resolution 6	Approval to Increase the Maximum Aggregate Amount of Non-Executive Director's Fees	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Resolution 7	Approval for Existing Incentive Shares to be administered under the LTIP for Hamish Collins	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Resolution 8	Approval for Existing Incentive Shares to be administered under the LTIP for Fred Hess	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Resolution 9	Renewal of Proportional Takeover Provisions	<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

Sole Director and Sole Company Secretary

Securityholder 2

Director

Securityholder 3

Director / Company Secretary