



ACN 117 790 897

## NOTICE OF ANNUAL GENERAL MEETING

**The Annual General Meeting of the Company will be held at Suite 1, 295 Rokeby Road, Subiaco 6008 and via an online meeting platform on Friday, 31 July 2020, commencing at 3:00 pm (WST).**

*Titan Minerals Limited (the Company) advises Shareholders that, in light of the COVID-19 pandemic, the Company has made arrangements for the Meeting to be held virtually via an online meeting platform provided by the Company's share registry, Automic. The Company notes the recent relaxation of the COVID-19 restrictions in Western Australia, however, having regard to the significant number of Shareholders not located in Western Australia, the Company advises that it will be having a virtual Meeting and will not be holding a physical Meeting.*

*The Company strongly encourages all Shareholders to vote by directed proxy in lieu of attending the meeting in person. Proxy Forms for the Meeting should be lodged before 3:00 pm (WST) on Wednesday, 29 July 2020.*

*Shareholders who wish to attend and participate in a virtual Meeting can do so via the online meeting platform, where Shareholders will be able to watch, listen, and vote online. Details on how to access the virtual Meeting are provided in the Notice. Please contact the Company by emailing [info@titanminerals.com.au](mailto:info@titanminerals.com.au), if you have any queries.*

*Shareholders can also submit and are encouraged to submit any questions in advance of the Meeting by emailing the questions to [info@titanminerals.com.au](mailto:info@titanminerals.com.au) by no later than 3:00 pm (WST) Wednesday, 29 July 2020.*

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

*This Notice of annual general meeting should be read in its entirety. If Shareholders are in doubt as to how they should vote, they should seek advice from their accountant, solicitor or other professional adviser prior to voting.*

**Should you wish to discuss any matter please do not hesitate to contact the Company by telephone on + 61 8 6555 2950.**

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# TITAN MINERALS LIMITED

ACN 117 790 897

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## NOTICE OF ANNUAL GENERAL MEETING

Notice is hereby given that the annual general meeting of Shareholders of Titan Minerals Limited (**Company**) will be held at Suite 1, 295 Rokeby Road, Subiaco, 6008 and via an online meeting platform, on Friday, 31 July 2020, at 3:00 pm (WST) (**Meeting**).

The Explanatory Memorandum provides additional information on matters to be considered at the Meeting. The Explanatory Memorandum and the Proxy Form form part of this Notice.

The Directors have determined pursuant to regulations 7.11.37 and 7.11.38 of the *Corporations Regulations 2001* (Cth) that the persons eligible to vote at the Meeting are those who are registered as Shareholders on Wednesday, 29 July 2020 at 3:00 pm (WST).

Terms and abbreviations used in this Notice (including the Explanatory Memorandum) are defined in Schedule 1.

## AGENDA

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### Annual Report

To consider the Annual Report of the Company and its controlled entities for the year ended 31 December 2019, which includes the Financial Report, the Directors' Report and the Auditor's Report.

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

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

*“That, pursuant to and in accordance with section 250R(2) of the Corporations Act and for all other purposes, approval is given by Shareholders for the adoption of the Remuneration Report on the terms and conditions in the Explanatory Memorandum.”*

#### Voting Exclusion

In accordance with section 250R of the Corporations Act, a vote on the resolution must not be cast (in any capacity) by, or on behalf of:

- (a) a member of the Key Management Personnel whose remuneration details are included in the Remuneration Report; or
- (b) a Closely Related Party of such member.

However, a person described above may cast a vote on the resolution if the vote is not cast on behalf of a person described in subparagraphs (a) or (b) above and either:

- (a) the person does so as a proxy appointed in writing that specifies how the proxy is to vote on Resolution 1; or
  - (b) the person is the chair voting an undirected proxy which expressly authorises the chair to vote the proxy on a resolution connected with the remuneration of a member of the Key Management Personnel.
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### 2. Resolution 2 – Election of Director – Mr Nicholas Rowley

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

*“That, pursuant to and in accordance with Article 6.14 of the Constitution and for all other purposes, Mr Nicholas Rowley, Director, retires and being eligible, is re-elected as a Director on the terms and conditions in the Explanatory Memorandum.”*

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### **3. Resolution 3 – Election of Director – Mr Michael Hardy**

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

*“That, pursuant to and in accordance with Listing Rule 14.4, Article 6.21 of the Constitution and for all other purposes, Mr Michael Hardy, Director, who was appointed as a Director on 15 July 2019, retires and being eligible is elected as a Director on the terms and conditions in the Explanatory Memorandum.”*

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### **4. Resolution 4 – Ratification of Prior Issue of Placement Shares**

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

*“That, pursuant to and in accordance with Listing Rule 7.4 and for all other purposes, Shareholders ratify the prior issue of 185,376,923 Shares on the terms and conditions in the Explanatory Memorandum.”*

#### **Voting Exclusion**

The Company will disregard any votes cast in favour of the resolution by or on behalf of any person who participated in the Placement or an associate of those persons.

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

- (a) a person as proxy or attorney for a person who is entitled to vote on the resolution, in accordance with directions given to the proxy or attorney to vote on the resolution that way; or
  - (b) the Chairman 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 Chairman to vote on the resolution as the Chairman decides; or
  - (c) a holder acting solely in a nominee, trustee, custodial or other fiduciary capacity on behalf of a beneficiary provided the following conditions are met:
    - (i) the beneficiary provides written confirmation to the holder that the beneficiary is not excluded from voting, and is not an associate of a person excluded from voting, on the resolution; and
    - (ii) the holder votes on the resolution in accordance with directions given by the beneficiary to the holder to vote in that way.
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### **5. Resolution 5 – Approval to Issue SPP Shares**

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

*“That pursuant to, and in accordance with Listing Rule 7.1 and for all other purposes, Shareholders approve the issue of up to 30,769,231 Shares on the terms and conditions in the Explanatory Memorandum.”*

#### **Voting Exclusion**

A voting exclusion has not been included as the Company has obtained a waiver from ASX in respect of Listing Rule 7.3.9.

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### **6. Resolution 6 – Director Participation in Placement (Mr Laurence Marsland)**

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

*“That, pursuant to and in accordance with Listing Rule 10.11, section 208 of the Corporations Act and for all other purposes, Shareholders approve the issue of up to 3,846,154 Shares to Mr Laurence Marsland (and/or his nominee) on the terms and conditions in the Explanatory Memorandum.”*

#### **Voting Exclusion**

The Company will disregard any votes cast in favour of the resolution by or on behalf of Mr Laurence Marsland (and/or his nominee) or any of his associates and any other person who will obtain a material benefit as a result of the issue, except a benefit solely in the capacity of a holder of securities, or any associate of that person (or those persons).

However, this does not apply to a vote cast in favour of the resolution by:

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

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## **7. Resolution 7 – Director Participation in Placement (Mr Michael Hardy)**

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

*“That, pursuant to and in accordance with Listing Rule 10.11, section 208 of the Corporations Act and for all other purposes, Shareholders approve the issue of up to 769,231 Shares to Mr Michael Hardy (and/or his nominee) on the terms and conditions in the Explanatory Memorandum.”*

#### **Voting Exclusion**

The Company will disregard any votes cast in favour of the resolution by or on behalf of Mr Michael Hardy (and/or his nominee) or any of his associates and any other person who will obtain a material benefit as a result of the issue, except a benefit solely in the capacity of a holder of securities, or any associate of that person (or those persons).

However, this does not apply to a vote cast in favour of the resolution by:

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

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## 8. Resolution 8 – Director Participation in Placement (Mr Nicholas Rowley)

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

*“That, pursuant to and in accordance with Listing Rule 10.11, section 208 of the Corporations Act and for all other purposes, Shareholders approve the issue of up to 1,538,461 Shares to Mr Nicholas Rowley (and/or his nominee) on the terms and conditions in the Explanatory Memorandum.”*

### Voting Exclusion

The Company will disregard any votes cast in favour of the resolution by or on behalf of Mr Nicholas Rowley (and/or his nominee) or any of his associates and any other person who will obtain a material benefit as a result of the issue, except a benefit solely in the capacity of a holder of securities, or any associate of that person (or those persons).

However, this does not apply to a vote cast in favour of the resolution by:

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

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## 9. Resolution 9 – Director Participation in Placement (Mr Matthew Carr)

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

*“That, pursuant to and in accordance with Listing Rule 10.11, section 208 of the Corporations Act and for all other purposes, Shareholders approve the issue of up to 1,538,461 Shares to Mr Matthew Carr (and/or his nominee) on the terms and conditions in the Explanatory Memorandum.”*

### Voting Exclusion

The Company will disregard any votes cast in favour of the resolution by or on behalf of Mr Matthew Carr (and/or his nominee) or any of his associates and any other person who will obtain a material benefit as a result of the issue, except a benefit solely in the capacity of a holder of securities, or any associate of that person (or those persons).

However, this does not apply to a vote cast in favour of the resolution by:

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

- (ii) the holder votes on the resolution in accordance with directions given by the beneficiary to the holder to vote in that way.

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## 10. Resolution 10 – Director Participation in Share Purchase Plan

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

*“That, subject to Resolution 5 being passed, pursuant to and in accordance with Listing Rule 10.11, section 208 of the Corporations Act and for all other purposes, Shareholders approve the issue of up to 461,538 Shares to Mr Matthew Carr (and/or his nominee) on the terms and conditions in the Explanatory Memorandum.”*

### **Voting Exclusion**

The Company will disregard any votes cast in favour of the resolution by or on behalf of Mr Matthew Carr (and/or his nominee) or any of his associates and any other person who will obtain a material benefit as a result of the issue, except a benefit solely in the capacity of a holder of securities, or any associate of that person (or those persons).

However, this does not apply to a vote cast in favour of the resolution by:

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

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## 11. Resolution 11 – Approval to Issue Shares to New Azilian Pty Ltd

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

*“That, pursuant to and in accordance with Listing Rule 7.1 and for all other purposes, Shareholders approve the issue of such number of Shares to New Azilian Pty Ltd (and/or its nominee) calculated in accordance with the formula detailed in the Explanatory Memorandum and otherwise on the terms and conditions in the Explanatory Memorandum.”*

### **Voting Exclusion**

The Company will disregard any votes cast in favour of the resolution by or on behalf of New Azilian Pty Ltd (and/or its nominee) or any of its associates and any other person who will obtain a material benefit as a result of the issue, except a benefit solely in the capacity of a holder of securities, or any associate of that person (or those persons).

However, this does not apply to a vote cast in favour of the resolution by:

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

- (ii) the holder votes on the resolution in accordance with directions given by the beneficiary to the holder to vote in that way.

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## 12. Resolution 12 – Approval to Issue Shares to Ms Reena Modha

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

*“That, pursuant to and in accordance with Listing Rule 7.1 and for all other purposes, Shareholders approve the issue of such number of Shares to Ms Reena Modha (and/or her nominee) calculated in accordance with the formula detailed in the Explanatory Memorandum and otherwise on the terms and conditions in the Explanatory Memorandum.”*

### **Voting Exclusion**

The Company will disregard any votes cast in favour of the resolution by or on behalf of Ms Reena Modha (and/or her nominee) or any of her associates and any other person who will obtain a material benefit as a result of the issue, except a benefit solely in the capacity of a holder of securities, or any associate of that person (or those persons).

However, this does not apply to a vote cast in favour of the resolution by:

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

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## 13. Resolution 13 – Approval to Issue Shares to Block Capital Group Limited

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

*“That, pursuant to and in accordance with Listing Rule 7.1 and for all other purposes, Shareholders approve the issue of such number of Shares to Block Capital Group Limited (and/or its nominee) calculated in accordance with the formula detailed in the Explanatory Memorandum and otherwise on the terms and conditions in the Explanatory Memorandum.”*

### **Voting Exclusion**

The Company will disregard any votes cast in favour of the resolution by or on behalf of Block Capital Group Limited (and/or its nominee) or any of its associates and any other person who will obtain a material benefit as a result of the issue, except a benefit solely in the capacity of a holder of securities, or any associate of that person (or those persons).

However, this does not apply to a vote cast in favour of the resolution by:

- (a) a person as proxy or attorney for a person who is entitled to vote on the resolution, in accordance with directions given to the proxy or attorney to vote on the resolution in that way; or
- (b) the chair 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
- (c) a holder acting solely in a nominee, trustee, custodial or other fiduciary capacity on behalf of a beneficiary provided the following conditions are met:

- (i) the beneficiary provides written confirmation to the holder that the beneficiary is not excluded from voting and is not an associate of a person excluded from voting, on the resolution; and
- (ii) the holder votes on the resolution in accordance with directions given by the beneficiary to the holder to vote in that way.

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## 14. Resolution 14 – Approval to Issue Incentive Options to Mr Laurence Marsland

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

*“That, pursuant to and in accordance with Listing Rule 10.11, section 208 of the Corporations Act and for all other purposes, Shareholders approve the issue of up to 10,000,000 Incentive Options to Mr Laurence Marsland (and/or his nominee) on the terms and conditions in the Explanatory Memorandum.”*

### **Voting Exclusion**

The Company will disregard any votes cast in favour of the resolution by or on behalf of Mr Laurence Marsland (and/or his nominee) or any of his associates and any other person who will obtain a material benefit as a result of the issue, except a benefit solely in the capacity of a holder of securities, or any associate of that person (or those persons).

However, this does not apply to a vote cast in favour of the resolution by:

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

In accordance with section 250BD of the Corporations Act, a vote on the resolution must not be cast by a person appointed as a proxy, where that person is either a member of the Key Management Personnel or a Closely Related Party of such member.

However, a vote may be cast by such person if the vote is not cast on behalf of a person who is otherwise excluded from voting, and

- (a) the person is appointed as a proxy and the appointment specifies how the proxy is to vote; or
- (b) the person appointed as proxy is the chair and the appointment does not specify how the chair is to vote but expressly authorises the chair to exercise the proxy even if the resolution is connected with the remuneration of a member of the Key Management Personnel.

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## 15. Resolution 15 – Approval to Issue Incentive Options to Mr Michael Hardy

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

*“That, pursuant to and in accordance with Listing Rule 10.11, section 208 of the Corporations Act and for all other purposes, Shareholders approve the issue of up to 5,000,000 Incentive Options to Mr Michael Hardy (and/or his nominee) on the terms and conditions in the Explanatory Memorandum.”*



### **Voting Exclusion**

The Company will disregard any votes cast in favour of the resolution by or on behalf of Mr Michael Hardy (and/or his nominee) or any of his associates and any other person who will obtain a material benefit as a result of the issue, except a benefit solely in the capacity of a holder of securities, or any associate of that person (or those persons).

However, this does not apply to a vote cast in favour of the resolution by:

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

In accordance with section 250BD of the Corporations Act, a vote on the resolution must not be cast by a person appointed as a proxy, where that person is either a member of the Key Management Personnel or a Closely Related Party of such member.

However, a vote may be cast by such person if the vote is not cast on behalf of a person who is otherwise excluded from voting, and

- (a) the person is appointed as a proxy and the appointment specifies how the proxy is to vote; or
- (b) the person appointed as proxy is the chair and the appointment does not specify how the chair is to vote but expressly authorises the chair to exercise the proxy even if the resolution is connected with the remuneration of a member of the Key Management Personnel.

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## **16. Resolution 16 – Approval to Issue Incentive Options to Mr Nicholas Rowley**

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

*“That, pursuant to and in accordance with Listing Rule 10.11, section 208 of the Corporations Act and for all other purposes, Shareholders approve the issue of up to 5,000,000 Incentive Options to Mr Nicholas Rowley (and/or his nominee) on the terms and conditions in the Explanatory Memorandum.”*

### **Voting Exclusion**

The Company will disregard any votes cast in favour of the resolution by or on behalf of Mr Nicholas Rowley (and/or his nominee) or any of his associates and any other person who will obtain a material benefit as a result of the issue, except a benefit solely in the capacity of a holder of securities, or any associate of that person (or those persons).

However, this does not apply to a vote cast in favour of the resolution by:

- (a) a person as proxy or attorney for a person who is entitled to vote on the resolution, in accordance with directions given to the proxy or attorney to vote on the resolution in that way; or
- (b) the chair 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
- (c) a holder acting solely in a nominee, trustee, custodial or other fiduciary capacity on behalf of a beneficiary provided the following conditions are met:

- (i) the beneficiary provides written confirmation to the holder that the beneficiary is not excluded from voting and is not an associate of a person excluded from voting, on the resolution; and
- (ii) the holder votes on the resolution in accordance with directions given by the beneficiary to the holder to vote in that way.

In accordance with section 250BD of the Corporations Act, a vote on the resolution must not be cast by a person appointed as a proxy, where that person is either a member of the Key Management Personnel or a Closely Related Party of such member.

However, a vote may be cast by such person if the vote is not cast on behalf of a person who is otherwise excluded from voting, and

- (a) the person is appointed as a proxy and the appointment specifies how the proxy is to vote; or
- (b) the person appointed as proxy is the chair and the appointment does not specify how the chair is to vote but expressly authorises the chair to exercise the proxy even if the resolution is connected with the remuneration of a member of the Key Management Personnel.

## **17. Resolution 17 – Approval to Issue Incentive Options to Mr Matthew Carr**

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

*“That, pursuant to and in accordance with Listing Rule 10.11, section 208 of the Corporations Act and for all other purposes, Shareholders approve the issue of up to 7,000,000 Incentive Options to Mr Matthew Carr (and/or his nominee) on the terms and conditions in the Explanatory Memorandum.”*

### **Voting Exclusion**

The Company will disregard any votes cast in favour of the resolution by or on behalf of Mr Matthew Carr (and/or his nominee) or any of his associates and any other person who will obtain a material benefit as a result of the issue, except a benefit solely in the capacity of a holder of securities, or any associate of that person (or those persons).

However, this does not apply to a vote cast in favour of the resolution by:

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

In accordance with section 250BD of the Corporations Act, a vote on the resolution must not be cast by a person appointed as a proxy, where that person is either a member of the Key Management Personnel or a Closely Related Party of such member.

However, a vote may be cast by such person if the vote is not cast on behalf of a person who is otherwise excluded from voting, and

- (a) the person is appointed as a proxy and the appointment specifies how the proxy is to vote; or
- (b) the person appointed as proxy is the chair and the appointment does not specify how the chair is to vote but expressly authorises the chair to exercise the proxy even if the resolution is connected with the remuneration of a member of the Key Management Personnel.

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## 18. Resolution 18 – Approval to Issue Incentive Options to Mr Zane Lewis

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

*“That, pursuant to and in accordance with Listing Rule 7.1 and for all other purposes, Shareholders approve the issue of up to 2,000,000 Incentive Options to Mr Zane Lewis (and/or his nominee) on the terms and conditions in the Explanatory Memorandum.”*

### Voting Exclusion

The Company will disregard any votes cast in favour of the resolution by or on behalf of Mr Zane Lewis (and/or his nominee) or any of his associates and any other person who will obtain a material benefit as a result of the issue, except a benefit solely in the capacity of a holder of securities, or any associate of that person (or those persons).

However, this does not apply to a vote cast in favour of the resolution by:

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

In accordance with section 250BD of the Corporations Act, a vote on the resolution must not be cast by a person appointed as a proxy, where that person is either a member of the Key Management Personnel or a Closely Related Party of such member.

However, a vote may be cast by such person if the vote is not cast on behalf of a person who is otherwise excluded from voting, and

- (a) the person is appointed as a proxy and the appointment specifies how the proxy is to vote; or
- (b) the person appointed as proxy is the chair and the appointment does not specify how the chair is to vote but expressly authorises the chair to exercise the proxy even if the resolution is connected with the remuneration of a member of the Key Management Personnel.

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## 19. Resolution 19 – Approval to Issue Incentive Options to Mr Travis Schwertfeger

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

*“That, pursuant to and in accordance with Listing Rule 7.1 and for all other purposes, Shareholders approve the issue of up to 3,000,000 Incentive Options to Mr Travis Schwertfeger (and/or his nominee) on the terms and conditions in the Explanatory Memorandum.”*

### Voting Exclusion

The Company will disregard any votes cast in favour of the resolution by or on behalf of Mr Travis Schwertfeger (and/or his nominee) or any of his associates and any other person who will obtain a material benefit as a result of the issue, except a benefit solely in the capacity of a holder of securities, or any associate of that person (or those persons).

However, this does not apply to a vote cast in favour of the resolution by:

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

In accordance with section 250BD of the Corporations Act, a vote on the resolution must not be cast by a person appointed as a proxy, where that person is either a member of the Key Management Personnel or a Closely Related Party of such member.

However, a vote may be cast by such person if the vote is not cast on behalf of a person who is otherwise excluded from voting, and

- (a) the person is appointed as a proxy and the appointment specifies how the proxy is to vote; or
- (b) the person appointed as proxy is the chair and the appointment does not specify how the chair is to vote but expressly authorises the chair to exercise the proxy even if the resolution is connected with the remuneration of a member of the Key Management Personnel.

## **20. Resolution 20 – Approval to Issue Shares to RM Hunter Fund Pty Ltd**

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

*“That, pursuant to and in accordance with Listing Rule 7.1 and for all other purposes, Shareholders approve the issue of up to that number of Shares that when multiplied by the issue price, will raise up to US\$500,000 to RM Hunter Fund Pty Ltd (and/or its nominee) on the terms and conditions in the Explanatory Memorandum.”*

### **Voting Exclusion**

The Company will disregard any votes cast in favour of the resolution by or on behalf of RM Hunter Fund Pty Ltd (and/or its nominee) or any of its associates and any other person who will obtain a material benefit as a result of the issue, except a benefit solely in the capacity of a holder of securities, or any associate of that person (or those persons).

However, this does not apply to a vote cast in favour of the resolution by:

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

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## 21. Resolution 21 – Section 195 Approval

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

*“That, pursuant to and in accordance with subsection 195(4) of the Corporations Act and for all other purposes, Shareholders approve the transactions contemplated in Resolutions 6 to 9 (inclusive) and Resolutions 14 to 17 (inclusive).”*

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## 22. Resolution 22 – Modification of Constitution

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

*“That, pursuant to and in accordance with section 136 of the Corporations Act and for all other purposes, the Constitution be modified on the terms and conditions in the Explanatory Memorandum.”*

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## 23. Resolution 23 – Approval of 10% Placement Facility

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

*“That, pursuant to and in accordance with Listing Rule 7.1A and for all other purposes, Shareholders approve the issue of Equity Securities of up to 10% of the issued capital of the Company (at the time of the issue) calculated in accordance with the formula prescribed in Listing Rule 7.1A.2 and on the terms and conditions in the Explanatory Memorandum.”*

### **Voting Exclusion**

The Company will disregard any votes cast in favour of the resolution by or on behalf of any person (and any associates of such a person) who may participate in the 10% Placement Facility (and/or their nominee) or any of their associates and any other person who might obtain a benefit if the resolution is passed, except a benefit solely in the capacity of a holder of Shares, or any associate of that person (or those persons).

The Company will disregard any votes cast in favour of the resolution by or on behalf of a person who is expected to participate in the proposed issue or who will obtain a material benefit as a result of the proposed issue (except a benefit solely in the capacity of a holder of ordinary securities in the entity) or an associate of that person or those persons.

However, this does not apply to a vote cast in favour of the resolution by:

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

**BY ORDER OF THE BOARD**

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

**Zane Lewis**  
Company Secretary

Dated: 1 July 2020

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# TITAN MINERALS LIMITED

ACN 117 790 897

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## EXPLANATORY MEMORANDUM

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### 1. Introduction

This Explanatory Memorandum has been prepared for the information of Shareholders in connection with the business to be conducted at the Meeting on Friday, 31 July 2020, at 3:00 pm (WST).

This Explanatory Memorandum should be read in conjunction with, and forms part of, the Notice.

The purpose of this Explanatory Memorandum is to provide information to Shareholders in deciding whether or not to pass the Resolutions.

This Explanatory Memorandum includes the following information to assist Shareholders in deciding how to vote on the Resolutions:

Section 1	Action to be taken by Shareholders
Section 2	Background
Section 3	Annual Report
Section 4	Resolution 1 – Adoption of Remuneration Report
Section 5	Resolution 2 – Election of Director – Mr Nicholas Rowley
Section 6	Resolution 3 – Election of Director – Mr Michael Hardy
Section 7	Resolution 4 – Ratification of Prior Issue of Placement Shares
Section 8	Resolution 5 – Approval to Issue SPP Shares
Section 9	Resolutions 6 to 9 (inclusive) – Directors Participation in Placement
Section 10	Resolution 10 – Director Participation in Share Purchase Plan
Section 11	Resolutions 11 to 13 (inclusive) – Approval to Issue Shares to the Lenders
Section 12	Resolutions 14 to 17 (inclusive) – Approval to Issue Incentive Options to the Directors
Section 13	Resolutions 18 and 19 (inclusive) – Approval to Issue Incentive Options to Mr Zane Lewis and Mr Travis Schwertfeger
Section 14	Resolution 20 – Approval to Issue Shares to RM Hunter Fund
Section 15	Resolution 21 – Section 195 Approval
Section 16	Resolution 22 – Modification of Constitution
Section 17	Resolution 23 – Approval of 10% Placement Capacity

Schedule 1	Definitions
Schedule 2	Summary of the terms of the loan facility agreement with New Azilian Pty Ltd
Schedule 3	Summary of the terms of the loan facility agreement with Ms Reena Modha
Schedule 4	Summary of the terms of the loan facility agreement with Block Capital Group Limited
Schedule 5	Summary of the terms of the Incentive Options
Schedule 6	Summary of the terms of the RM Hunter Fund Pty Ltd facility agreement
Schedule 7	Information Required by Listing Rule 7.3A.6

A Proxy Form is enclosed with the Notice and this Explanatory Memorandum.

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## **1. Action to be Taken by Shareholders**

Shareholders should read the Notice including this Explanatory Memorandum carefully before deciding how to vote on the Resolutions.

### **1.1 Proxies**

A Proxy Form is enclosed with the Notice and this Explanatory Memorandum. This is to be used by Shareholders if they wish to appoint a representative (a "proxy") to vote in their place. All Shareholders are invited and strongly encouraged to attend the Meeting via videoconference or, if they are unable to attend in person via videoconference to sign and return the Proxy Form to the Company in accordance with the instructions detailed in the Proxy Form. Lodgement of a Proxy Form will not preclude a Shareholder from attending and voting at the Meeting in person via videoconference.

Please note that:

- (a) a member of the Company entitled to attend and vote at the Meeting is entitled to appoint a proxy;
- (b) a proxy need not be a member of the Company; and
- (c) a member of the Company entitled to cast two or more votes may appoint two proxies and may specify the proportion or number of votes each proxy is appointed to exercise. Where the proportion or number is not specified, each proxy may exercise half of the votes.

Proxy Forms must be received by the Company no later than 3:00 pm (WST) on Wednesday, 29 July 2020, being at least 48 hours before the Meeting.

The enclosed Proxy Form provides further details on appointing proxies and lodging Proxy Forms.

### **1.2 Attendance at the Meeting**

The Company advises Shareholders that the Meeting will be held via an online meeting platform.

The Company notes the recent relaxation of the COVID-19 restrictions in Western Australia, however, having regard to the significant number of Shareholders not located in Western Australia, the Company advises that it will be having a virtual Meeting and will not be holding a physical Meeting.

The Company strongly encourages all Shareholders to vote by directed proxy in lieu of attending the meeting in person. Proxy Forms for the Meeting should be lodged before 3:00 pm (WST) on Wednesday, 29 July 2020.

Shareholders who wish to attend and participate in the virtual Meeting can do so through the online meeting platform provided by Automic, the Company's share registry, where Shareholders will be able to watch, listen, and vote online.

To access the virtual Meeting:



- (a) Open your internet browser and go to investor.automic.com.au.
- (b) Login with your username and password or click “register” if you haven’t already created an account. **Shareholders are encouraged to create an account prior to the start of the Meeting to ensure there is no delay in attending the virtual Meeting.**
- (c) After logging in, a banner will be displayed at the top once the Meeting is open for registration, click on “View” when this appears.
- (d) Click on “Register” and follow the steps.
- (e) Click on the URL to join the webcast where you can view and listen to the virtual Meeting.
- (f) Once the Chairperson of the Meeting has declared the poll open for voting click on “Refresh” to be taken to the voting screen.
- (g) Select your voting direction and click “confirm” to submit your vote. **Note that you cannot amend your vote after it has been submitted.**

Shareholders can also submit any questions in advance of the Meeting by emailing the questions to info@titanminerals.com.au by no later than 3:00 pm (WST) Wednesday, 29 July 2020.

If the above arrangements with respect to the Meeting change, Shareholders will be updated via the ASX Market Announcements Platform and on the Company’s website at www.titanminerals.com.au.

### 1.3 Voting Prohibition by Proxy Holders (Remuneration Report)

In accordance with section 250R of the Corporations Act, a vote on Resolution 1 must not be cast (in any capacity) by, or on behalf of:

- (a) a member of the Key Management Personnel whose remuneration details are included in the Remuneration Report; or
- (b) a Closely Related Party of such member.

However, a person described above may cast a vote on Resolution 1 if the vote is not cast on behalf of a person described in subparagraphs (a) or (b) above and either:

- (a) the person does so as a proxy appointed in writing that specifies how the proxy is to vote on Resolution 1; or
- (b) the person is the Chairperson voting an undirected proxy which expressly authorises the Chairperson to exercise the proxy even if Resolution 1 is connected directly or indirectly with the remuneration of a member of the Key Management Personnel.

A vote on Resolution 1 must not be cast by a person appointed as a proxy, where that person is either a member of the Key Management Personnel or a Closely Related Party of such member.

However, a vote may be cast by such persons if the vote is not cast on behalf of a person who is excluded from voting on Resolution 1, and:

- (a) the person is appointed as a proxy that specifies the way the proxy is to vote on this Resolution; or
- (b) the person is the chair and the appointment of the chair as proxy does not specify the way the proxy is to vote on Resolution 1, but expressly authorises the Chairperson to exercise the proxy even if Resolution 1 is connected with the remuneration of a member of the Key Management Personnel.

### 1.4 Canadian Requirement

The Company advises that it is a designated foreign issuer as that term is defined in National Instrument 71-102 – *Continuous Disclosure and other Exemptions Relation to Foreign Issuers* and it is subject to the foreign regulatory requirements of ASX.

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## 2. Background

### 2.1 Placement and Share Purchase Plan

On 1 June 2020, the Company announced that it had received firm commitments from investors for a placement to raise A\$12,000,000 (before costs) at A\$0.065 per Share (**Placement**).

The Company has issued 185,376,923 Shares under the Placement (**Placement Shares**). Refer to the Company's Appendix 2A lodged on 5 June 2020.

Subject to Shareholder approval, Messrs Marsland, Hardy, Rowley and Carr (and/or their nominees), who are Directors of the Company, intend to subscribe for an aggregate amount of A\$500,000 worth of Shares (**Director Placement**) at A\$0.065 per Share (**Director Shares**).

Resolutions 6 to 9 (inclusive) seek Shareholder approval for the issue of the Director Shares.

The Company also intends to offer all of its existing eligible Shareholders the opportunity to subscribe for up to a maximum of A\$30,000 worth of shares at an offer price of A\$0.065 per new Share (**SPP Share**) under a Share Purchase Plan to raise up to an additional A\$2,000,000 (before costs) (**SPP**). The SPP opened on 9 June 2020 and is scheduled to close at 5.00 pm (WST) on 25 June 2020. On 1 July 2020, the Company announced that the SPP was oversubscribed and, accordingly, no new Shares will be issued under the shortfall offer detailed in the Prospectus.

The issue of the SPP Shares are subject to Shareholder approval.

Funds raised from the Placement, SPP and Director Shares will be applied to fully fund near term exploration activities at the Dynasty Gold and Copper Duke Projects and for general working capital.

Subject to Shareholder approval, Mr Matthew Carr, a Director, intends to subscribe for up to 461,538 Shares under the SPP.

Resolutions 5 and 10 (inclusive) seek Shareholder approval for the issue of the SPP Shares.

The participation of Mr Carr in the SPP is also subject to Shareholder approval under Resolution 10 in this Notice.

Refer to the Company's announcement dated 1 June 2020 for further details.

## 2.2 Secured Financing Arrangement

On 25 March 2019, the Company announced that it had successfully closed its US\$3,000,000 private placement with Core Gold Inc. (**Core**) (**Core Placement**).

In order to fund its payment obligations pursuant to the Core Placement, the Company entered into a financing arrangement with a group of sophisticated and professional investors (**Secured Facilities**).

Refer to the Company's announcements on 25 March 2019 and 24 December 2019 for further details.

On 5 June 2020, the Company announced that it had amended the Secured Facilities to (amongst other matters):

- (a) extend the maturity date to 30 November 2020; and
- (b) subject to Shareholder approval, provide for the conversion of certain amounts owing under the Secured Facilities into Shares.

Resolutions 11 to 13 (inclusive) seek Shareholder approval for the issue of Shares to the Lenders.

Refer to the Company's announcement on 5 June 2020 for further details.

## 2.3 Unsecured Financing Arrangement

On 2 January 2020, the Company announced that it had entered in to an unsecured financing arrangement with RM Hunter Fund Pty Ltd (**RM Hunter Fund**) (**Unsecured Facility**) in respect to its takeover bid for Core.

Under the terms of the Unsecured Facility, the Company has agreed to issue US\$500,000 worth of Shares to the RM Hunter Fund (**RM Hunter Fund Shares**).

Resolution 20 seeks Shareholder approval for the issue of Shares to RM Hunter Fund.

Refer to the Company's announcement on 2 January 2020 for further details.

## 2.4 Incentive Options

The Company is proposing to issue an aggregate of 32,000,000 Incentive Options as follows:

- (a) 10,000,000 Incentive Options to Mr Marsland (and/or his nominee);
- (b) 5,000,000 Incentive Options to Mr Hardy (and/or his nominee);
- (c) 5,000,000 Incentive Options to Mr Rowley (and/or his nominee);

- (d) 7,000,000 Incentive Options to Mr Carr (and/or his nominee);
- (e) 2,000,000 Incentive Options to Mr Lewis (and/or his nominee); and
- (f) 3,000,000 Incentive Options to Mr Schwertfeger (and/or his nominee).

The Incentive Options are being issued for nil consideration as an incentive to the Directors and to certain Key Management Personnel, being Mr Zane Lewis and Mr Travis Schwertfeger, to incentivise continued performance and is consistent with the strategic goals of the Company. It also allows for the preservation of cash at the time when the Company is focused on exploration activities at the Dynasty Gold and Copper Duke Projects.

Resolutions 14 to 17 (inclusive) seeks Shareholder approval for the issue of the Incentive Options to the Directors pursuant to Listing Rule 10.11.

Resolutions 18 and 19 (inclusive) seeks Shareholder approval for the issue of Incentive Options to Messrs Lewis and Schwertfeger pursuant to Listing Rule 7.1.

## 2.5 Pro Forma Capital Structure

The pro forma capital structure of the Company if Resolutions 5 to 20 (inclusive) are passed will be as follows:

	Number of Shares	Number of Options	Number of Performance Rights
<b>Securities on Issue<sup>(1)</sup></b>	992,766,020	4,500,000 <sup>(2)</sup>	1,500,000 <sup>(3)</sup>
<b>SPP Shares</b>	30,769,231	-	-
<b>Director Shares</b>	7,692,308 <sup>(4)</sup>	-	-
<b>Lender Shares</b>	45,456,415 <sup>(5)</sup>	-	-
<b>RM Hunter Fund Shares</b>	11,689,672 <sup>(6)</sup>	-	-
<b>Incentive Options</b>		32,000,000 <sup>(7)</sup>	-
<b>Total</b>	<b>1,088,373,646</b>	<b>36,500,000</b>	<b>1,500,000</b>

Notes:

1. Based on the Company's Appendix 2A dated 4 June 2020.
2. Comprising of:
  - ⌋ 1,200,000 Options exercisable at A\$0.50 each, expiring on 1 July 2021;
  - ⌋ 1,500,000 Options exercisable at A\$0.60 each, expiring on 1 July 2021; and
  - ⌋ 1,800,000 Options exercisable at A\$0.70 each, expiring on 1 July 2021.
Refer to the Company's Appendix 2A dated 4 June 2020 for further details.
3. Comprising of:
  - ⌋ 500,000 TTMPR4 Class D Performance Rights;
  - ⌋ 500,000 TTMPR5 Class E Performance Rights; and
  - ⌋ 500,000 TTMPR6 Class E Performance Rights.
Refer to the Company's Appendix 2A dated 4 June 2020 for further details.
4. Comprising of:
  - ⌋ 3,846,154 Shares to Laurence Marsland, valued at A\$250,000;
  - ⌋ 769,231 Shares to Michael Hardy, valued at A\$50,000;
  - ⌋ 1,538,461 Shares to Nicholas Rowley, valued at A\$100,000; and
  - ⌋ 1,538,461 Shares to Matthew Carr, valued at A\$100,000.
5. Assumes an exchange rate of US\$0.645 for each A\$1 and the information and formulas in Section 11.
6. Based on an issue price of A\$0.067 as per Section 14.
7. Comprising of:
  - ⌋ 10,000,000 to Laurence Marsland;
  - ⌋ 5,000,000 to Michael Hardy;
  - ⌋ 5,000,000 to Nicholas Rowley;
  - ⌋ 7,000,000 to Matthew Carr;

- ) 2,000,000 to Zane Lewis; and
- ) 3,000,000 to Travis Schwertfeger.

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### 3. Annual Report

In accordance with section 317(1) of the Corporations Act, the Annual Report must be laid before the annual general meeting. Shareholders will be offered the opportunity to discuss the Annual Report at the Meeting. Copies of the report can be found on the Company's website [www.titanminerals.com.au](http://www.titanminerals.com.au) or by contacting + 61 8 6555 2950.

There is no requirement for Shareholders to approve the Annual Report.

Shareholders will be offered the following opportunities:

- (a) discuss the Annual Report for the financial year ended 31 December 2019;
- (b) ask questions about, or make comment on, the management of the Company;
- (c) ask questions about, or make comment on, the Remuneration Report; and
- (d) ask the auditor questions about:
  - (i) the conduct of the audit;
  - (ii) the preparation and content of the Auditor's Report;
  - (iii) accounting policies adopted by the Company in relation to the preparation of the financial statements; and
  - (iv) the independence of the auditor in relation to the conduct of the audit.

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

- (a) the content of the Auditor's Report; and
- (b) the conduct of the audit of the Financial Report,

may be submitted no later than 5 business days before the Meeting to the Company Secretary via [info@titanminerals.com.au](mailto:info@titanminerals.com.au).

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

#### 4.1 General

In accordance with section 250R(2) of the Corporations Act, the Company must put the Remuneration Report to the vote of Shareholders. The Directors' Report contains the Remuneration Report which sets out the remuneration policy for the Company and the remuneration arrangements in place for the executive Directors, specified executives and non-executive Directors.

In accordance with section 250R(3) of the Corporations Act, Resolution 1 is advisory only and does not bind the Directors of the Company. If Resolution 1 is not passed, the Directors will not be required to alter any of the arrangements in the Remuneration Report.

Shareholders will have the opportunity to remove the whole Board except the Managing Director if the Remuneration Report receives a 'no' vote of 25% or more (**Strike**) at two consecutive annual general meetings.

Where a resolution on the Remuneration Report receives a Strike at two consecutive annual general meetings, the Company will be required to put to Shareholders at the second annual general meeting a resolution on whether another meeting should be held (within 90 days) at which all Directors (other than the managing director) who were in office at the date of approval of the applicable Directors' Report must stand for re-election.

The Company's Remuneration Report did not receive a Strike at the 2019 annual general meeting. Please note if the Remuneration Report receives a Strike at this Meeting and if a second Strike is received at the 2021 annual general meeting, this may result in the re-election of the Board.

The Chairperson will allow reasonable opportunity for Shareholders to ask questions about or comment on the Remuneration Report.

Resolution 1 is an ordinary resolution.

The Chairperson intends to exercise all available proxies in favour of Resolution 1.

If the Chairperson is appointed as your proxy and you have not specified the way the Chairperson is to vote on Resolution 1, by signing and returning the Proxy Form, you are considered to have provided the Chairperson with an express authorisation for the Chairperson to vote the proxy in accordance with the Chairperson's intention, even though the Resolution is connected directly or indirectly with the remuneration of a member of the Key Management Personnel.

#### **4.2 Board Recommendation**

If the Chairperson is appointed as your proxy and you have not specified the way the Chairperson is to vote on Resolution 1, by signing and returning the Proxy Form, you are considered to have provided the Chairperson with an express authorisation for the Chairperson to vote the proxy in accordance with the Chairperson's intention, even though the Resolution is connected directly or indirectly with the remuneration of a member of the Key Management Personnel.

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## **5. Resolution 2 – Election of Mr Nicholas Rowley as Director**

### **5.1 General**

Article 6.14 of the Constitution requires one third of the Directors (excluding Directors required to retire under Article 6.21 and rounded down to the nearest whole number) to retire at each annual general meeting.

Article 6.17 of the Constitution states that a Director who retires under Article 6.14 is eligible for re-election.

Resolution 2 provides that Mr Nicholas Rowley retires by rotation and seeks re-election as a Director.

Details of the qualifications and experience of Mr Rowley are in the Annual Report.

Resolution 2 is an ordinary resolution.

The Chairperson intends to exercise all available proxies in favour of Resolution 2.

### **5.2 Board Recommendation**

The Board (excluding Mr Rowley) supports the election of Mr Rowley and recommends that Shareholders vote in favour of Resolution 2.

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## **6. Resolution 3 – Election of Mr Michael Hardy as Director**

### **6.1 General**

In accordance with Listing Rule 14.4, a director appointed as an addition to the Board must not hold office (without re-election) past the next annual general meeting of the entity.

Article 6.6 of the Constitution allows the Directors to appoint a person as an addition to the Board at any time, subject to the limits on the number of Directors under the Constitution. Any Director so appointed may retire at the next general meeting, and otherwise, must retire at the next annual general meeting and is eligible for re-election at that meeting.

Mr Michael Hardy was appointed as an addition to the Board on 15 July 2019.

Resolution 3 provides that Mr Hardy retires from office and seeks re-election as a Director.

Details of the qualifications and experience of Mr Hardy are in the Annual Report.

Resolution 3 is an ordinary resolution.

The Chairperson intends to exercise all available proxies in favour of Resolution 3.

### **6.2 Board Recommendation**

The Board (excluding Mr Hardy) supports the election of Mr Hardy and recommends that Shareholders vote in favour of Resolution 3.

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## **7. Resolution 4 – Ratification of Prior Issue of Placement Shares**

### **7.1 Background**

Resolution 4 seeks Shareholder approval to ratify the prior issue by the Company of the Placement Shares.

Resolution 4 is an ordinary resolution.

The Chairperson intends to exercise all available proxies in favour of Resolution 4.

### **7.2 Listing Rule 7.4**

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.

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

Listing Rule 7.4 provides that where a company in a general meeting ratifies the previous issue of securities made pursuant to Listing Rule 7.1 (and provided that the previous issue did not breach Listing Rule 7.1) those securities will be deemed to have been made with Shareholder approval for the purpose of Listing Rule 7.1 and so does not reduce the Company's capacity to issue further Equity Securities without Shareholder approval under that rule. The Company confirms that the issue of the Placement Shares will not breach Listing Rule 7.1.

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

Resolution 4 seeks Shareholder approval for the Placement Shares under, and for the purposes of, Listing Rule 7.4.

If Resolution 4 is passed, the effect will be that the Placement Shares will be excluded in calculating the Company's 15% limit in Listing Rule 7.1, effectively increasing the number of Equity Securities it can issue without Shareholder approval over the 12 month period following the issue dates.

If Resolution 4 is not passed, the effect will be that the Placement Shares will be included in calculating the Company's 15% limit in Listing Rule 7.1, effectively decreasing the number of Equity Securities it can issue without Shareholder approval over the 12 month period following the issue dates.

### **7.3 Specific information required by Listing Rule 7.5**

In accordance with Listing Rule 7.5, information is provided in relation to the Placement Shares as follows:

- (a) The Placement Shares were issued to professional and sophisticated investors identified by Canaccord Genuity (Australia) Limited.
- (b) The number of Placement Shares to be issued is 185,376,923.
- (c) The Placement Shares are fully paid ordinary Shares in the capital of the Company on the same terms and conditions as the Company's existing Shares and rank equally in all respects with the existing Shares.
- (d) The Placement Shares were issued on or around 4 June 2020.
- (e) The Placement Shares have an issue price of A\$0.065 per Share.
- (f) Funds raised by the issue of the Placement Shares will be applied to fund near term exploration activities at the Dynasty Gold and Copper Duke Projects and for general working capital.
- (g) A voting exclusion statement is included in the Notice for Resolution 4.

### **7.4 Board Recommendation**

The Board recommends that Shareholders vote in favour of Resolution 4.

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## **8. Resolution 5 – Approval to Issue SPP Shares**

### **8.1 General**

The Company intends to offer eligible Shareholders a right to participate in the SPP pursuant to which each eligible Shareholder may apply for up to A\$30,000 worth of SPP Shares at A\$0.065 each.

The SPP provides all eligible Shareholders the opportunity to participate on the same terms and conditions as the Placement, and will raise up to approximately A\$2,000,000 (before costs).

Resolution 5 is an ordinary resolution.

The Chairperson intends to exercise all available proxies in favour of Resolution 5.

### **8.2 Listing Rule 7.1**

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

Listing Rule 7.2, exception 15 provides an exception to Listing Rule 7.1 for the issue of securities pursuant to a share purchase plan. However, for this exception to apply, the issue price of the Shares must be greater than 80% of the volume weighted average market price (**VWAP**) of Shares calculated over the last 5 days on which sales in Shares were recorded before the day the SPP was announced.

The VWAP of Shares for the last 5 days on which sales in Shares were recorded prior to the date of the announcement of the SPP (being 1 June 2020) is A\$0.086, with 80% of this VWAP being A\$0.68. The price per SPP Share is A\$0.065, which is a 24.4% discount to the relevant VWAP prior to the date of the announcement of the SPP on 1 June 2020. Accordingly, exception 15 of Listing Rule 7.2 does not apply to the issue of SPP Shares. Further, the issue of the SPP Shares does not fall within any other exceptions under Listing Rule 7.2 and as such exceeds the 15% limit in Listing Rule 7.1. It therefore requires the approval of the Company's Shareholders under Listing Rule 7.1.

If Resolution 5 is passed, the effect will be to allow the Company to issue the SPP Shares during the period 3 months after the Meeting (or such longer period of time as ASX may in its discretion allow), without using the Company's 15% annual placement capacity.

If Resolution 5 is not passed, the effect will be that the Company will not be able to proceed with the issue of the SPP Shares.

### **8.3 Specific information required by Listing Rule 7.3**

In accordance with Listing Rule 7.3, information is provided in relation to the SPP Shares as follows:

- (a) The SPP Shares will be issued to eligible Shareholders who have elected to participate in the SPP.
- (b) The maximum number of SPP Shares to be issued is 30,769,231.
- (c) The SPP Shares will be fully paid ordinary Shares in the capital of the Company on the same terms and conditions as the Company's existing Shares and rank equally in all respects with the existing Shares.
- (d) The SPP Shares will be issued no later than 3 months after the date of the Meeting (or such later date to the extent permitted by any ASX waiver or modification of the Listing Rules).
- (e) The issue price of the SPP Shares will be A\$0.065 per Share.
- (f) The issue of the SPP Shares will occur on or around 3 August 2020.
- (g) Funds raised by the issue of the SPP Shares will be applied to fund near term exploration activities at the Dynasty Gold and Copper Duke Projects and for general working capital.
- (h) The Company has obtained a waiver from ASX in respect of Listing Rule 7.3.9 to permit Resolution 5 to not include a voting exclusion statement that excludes any person who may participate in the SPP.

### **8.4 Board Recommendation**

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

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## **9. Resolutions 6 to 9 (inclusive) – Directors Participation in Placement**

### **9.1 Background**

The Company intends to issue an aggregate of up to 7,692,308 Shares under the Director Placement to:

- (a) Mr Laurence Marsland (and/or his nominee);
- (b) Mr Michael Hardy (and/or his nominee);
- (c) Mr Nicholas Rowley (and/or his nominee); and
- (d) Mr Matthew Carr (and/or his nominee),

at an issue price of A\$0.065 per Share (the same as the issue price under the Placement and SPP (**Equity Raising**)) to raise an aggregate amount of approximately A\$500,000.

The reason for seeking the approval of Shareholders contemplated by Resolutions 6 to 9 (inclusive) is to enable the Directors to demonstrate their support for the Company and to do so by participating in an issue of Shares at the same issue price and on the same terms as the Equity Raising.

In accordance with Listing Rule 10.11, the Company must not issue securities to a related party of the Company unless it obtains Shareholder approval.

Messrs Marsland, Hardy, Rowley and Carr are related parties of the Company by virtue of being Directors of the Company.

Resolutions 6 to 9 (inclusive) are ordinary resolutions.

The Chairperson intends to exercise all available proxies in favour of Resolutions 6 to 9 (inclusive).

### **9.2 Section 208 of Corporations Act**

In accordance with section 208 of the Corporations Act, to give a financial benefit to a related party, the Company must obtain Shareholder approval unless the giving of the financial benefit falls within an exception in sections 210 to 216 of the Corporations Act.

Messrs Marsland, Hardy, Rowley and Carr are related parties of the Company.

### **9.3 Listing Rule 10.11**

Listing Rule 10.11 provides that unless one of the exceptions in Listing Rule 10.12 applies, a listed company must not issue or agree to issue Equity Securities to:

- (a) Listing Rule 10.11.1 - a related party;
- (b) Listing Rule 10.11.2 - a person who is, or was at any time in the 6 months before the issue or agreement, a substantial (30%+) holder in the company;
- (c) Listing Rule 10.11.3 - a person who is, or was at any time in the 6 months before the issue or agreement, a substantial (10%+) holder in the company and who has nominated a director to the board of the company pursuant to a relevant agreement which gives them a right or expectation to do so;
- (d) Listing Rule 10.11.4 - an associate of a person referred to in Listing Rules 10.11.1 to 10.11.3; or
- (e) Listing Rule 10.11.5 - a person whose relationship with the company or a person referred to in Listing Rules 10.11.1 to 10.11.4 is such that, in ASX's opinion, the issue or agreement should be approved by its shareholders,

unless it obtains Shareholder approval.

The issue of the Director Shares falls within Listing Rule 10.11.1.

Resolutions 6 to 9 (inclusive) seek the required Shareholder approval to issue the Director Shares under the Director Placement under, and for the purposes of, Listing Rule 10.11.

If Resolutions 6 to 9 (inclusive) are passed, the effect will be that the Company will be allowed to issue the Director Shares during the period 3 months after the Meeting (or such longer period of time as ASX may in its discretion allow), without using the Company's 15% annual placement capacity.

If Resolutions 6 to 9 (inclusive) are not passed, the effect will be that the Company won't be able to issue the Director Shares to Messrs Marsland, Hardy, Rowley and Carr (and/or their nominees).



#### 9.4 Specific information required by Listing Rule 10.13 and section 219 of the Corporations Act

In accordance with Listing Rule 10.13 and section 219 of the Corporations Act, information is provided in relation to the Director Shares as follows:

- (a) The Director Shares will be issued to:
- (i) Mr Marsland (and/or his nominee);
  - (ii) Mr Hardy (and/or his nominee);
  - (iii) Mr Rowley (and/or his nominee); and
  - (iv) Mr Carr (and/or his nominee).
- (b) Messrs Marsland, Hardy, Rowley and Carr fall within Listing Rule 10.11 by virtue of being Directors.
- (c) The maximum number of Director Shares to be issued are as follows:

Director	No. of Shares	Value of Shares
Laurence Marsland	3,846,154	A\$250,000
Michael Hardy	769,231	A\$50,000
Nicholas Rowley	1,538,461	A\$100,000
Matthew Carr	1,538,461	A\$100,000

- (d) The Director Shares are fully paid ordinary Shares and will rank equally in all respects with the Company's existing Shares on issue.
- (e) The Director Shares will be issued no later than 1 month after the date of the Meeting (or such longer period of time as ASX may in its discretion allow).
- (f) The Director Shares will be issued at an issue price of A\$0.065 per Share being the same issue price as the Shares offered under the Equity Raising.
- (g) Up to A\$500,000 will be raised from the issue of the Director Shares, which will be applied to fund near term exploration activities at the Dynasty Gold and Copper Duke Projects and for general working capital.
- (h) The Directors, with respect to Resolutions 6 to 9 (inclusive) relating to the approval for the issue of Director Shares to the Directors (in respect of which Messrs Marsland, Hardy, Rowley and Carr make no recommendation), are unanimously in favour of the grant of the Director Shares under Resolutions 6 to 9 (inclusive). As at the date of this Notice, the Share holdings for the Directors are as follows:

Director	Shares
Laurence Marsland	1,850,000
Michael Hardy	67,000
Nicholas Rowley	3,618,999
Matthew Carr	7,314,493

- (i) The remuneration of each the Directors receiving Director Shares for the year ended 31 December 2019 is as follows:

Director	Year	Short Term Benefits (AUD)	Superannuation	Share Based Payments (AUD)	Total (AUD)
Laurence Marsland	2019	\$120,000	-	-	\$120,000
Michael Hardy	2019	\$30,000	-	-	\$30,000
Nicholas Rowley	2019	\$96,000	-	\$234,707	\$330,707
Matthew Carr	2019	\$240,000	-	\$234,707	\$474,707

- (j) Historical quoted price information for the Company's listed securities for the last twelve months is as follows:

Shares	Price	Date
Highest	A\$0.2	16 September 2019
Lowest	A\$0.037	25 March 2020
Last	A\$0.062	15 June 2020

- (k) The exercise of the Options the subject of Resolutions 6 to 9 (inclusive) will result in a dilution of all other Shareholder's holding in the Company of:
- (i) approximately 0.77% based on issued Shares as at the date of the Notice; and
  - (ii) approximately 0.76% based on a fully diluted basis.
- (l) A voting exclusion statement is included in the Notice for Resolutions 6 to 9 (inclusive).
- (m) Other than the information above and otherwise set out in the Notice, the Company believes that there is no other information that would be reasonably required by Shareholders to pass Resolutions 6 to 9 (inclusive).

## 9.5 Board Recommendation

The Directors decline to make a recommendation on Resolutions 6 to 9 (inclusive) as they have an interest in these Resolutions and do not consider it appropriate that they make a recommendation.

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## 10. Resolution 10 – Director Participation in Share Purchase Plan

### 10.1 General

Resolution 10 seeks Shareholder approval in accordance with Listing Rule 10.11 to issue to 461,538 Shares under the SPP (**SPP Securities**) to Mr Matthew Carr (and/or his nominee).

Resolution 10 is an ordinary resolution.

The Chairperson intends to exercise all available proxies in favour of Resolution 10.

### 10.2 Listing Rule 10.11

A summary of Listing Rule 10.11 is provided in Section 9.1.

The issue of the SPP Securities to Mr Carr (and/or his nominee) falls within Listing Rule 10.11.1, as Mr Carr is a related party to the Company, and does not fall within any of the exceptions in Listing Rule 10.12. It therefore requires the approval of the Company's Shareholders under Listing Rule 10.11.

Resolution 10 seeks the required Shareholder approval to issue SPP Securities to Mr Carr (and/or his nominee) under and for the purposes of Listing Rule 10.11.

If Resolution 10 is passed, the effect will be that the Company will be able to proceed with the issue of the SPP Securities to Mr Carr (and/or his nominee) and pursuant to Listing Rule 7.2, exception 14, the Company may issue the SPP Securities without using up the Company's 15% placement capacity under Listing Rule 7.1.

If Resolution 10 is not passed, the effect will be that Mr Carr will not be able to participate in the SPP.

### 10.3 Section 208 of Corporations Act

A summary of Section 208 is provided in Section 9.2.

The Board considers that Shareholder approval under section 208 of the Corporations Act is not required as the exception in section 210 of the Corporations Act applies. The SPP Securities will be

issued to Mr Carr on the same terms as Shareholders participating under the SPP and as such the giving of the financial benefit to Mr Carr will be on arm's length terms.

#### 10.4 Specific information required by Listing Rule 10.13 and section 219 of the Corporations Act

In accordance with Listing Rule 10.13 and section 219 of the Corporations Act, information is provided in relation to the SPP Securities as follows:

- (a) The SPP Securities will be issued to Mr Carr (and/or his nominee).
- (b) Mr Carr falls within Listing Rule 10.11.1 and is a related party of the Company, by virtue of being a director of the Company.
- (c) The maximum number of SPP Securities to be issued to Mr Carr (and/or his nominee) is 461,538 Shares.
- (d) The Shares under the SPP are fully paid ordinary Shares in the capital of the Company and rank equally in all respects with the Company's existing Shares on issue.
- (e) The SPP Securities will be issued no later than 1 months after the date of the Meeting (or such longer period of time as ASX may in its discretion allow).
- (f) The SPP Securities being issued to Mr Carr will be issued at A\$0.065, the same as in the SPP.
- (g) Up to A\$30,000 will be raised from the issue of the SPP Securities to Mr Carr. The funds raised from the issue of the SPP Securities will be aggregated and used for the same purpose as the funds raised in the SPP.
- (h) The remuneration of Mr Carr for being a Director of the Company currently consists of

Director	Year	Short Term Benefits	Superannuation	Share Based Payments	Total
Matthew Carr	2019	A\$240,000	-	A\$234,707	A\$474,707

- (i) A voting exclusion statement is included in the Notice for Resolution 10.

#### 10.5 Board Recommendation

The Board (excluding Mr Carr) recommends that Shareholders vote in favour of Resolution 10.

## 11. Resolutions 11 to 13 (inclusive) – Approval to Issue Shares to the Lenders

### 11.1 General

Resolutions 11 to 13 (inclusive) seeks Shareholder approval for the issue of Shares to the Lenders.

Resolutions 11 to 13 (inclusive) are ordinary resolutions.

The Chairperson intends to exercise all available proxies in favour of Resolutions 11 to 13 (inclusive).

### 11.2 Listing Rule 7.1

A summary of Listing Rule 7.1 is provided in Section 8.2.

The issue of Shares to the Lenders does fall within any of the exceptions in Listing Rule 7.2 and exceeds the 15% limit in Listing Rule 7.1. It therefore requires the approval of the Company's Shareholders under Listing Rule 7.1.

If Resolutions 11 to 13 (inclusive) are passed, the effect will be to allow the Directors to issue Shares to the Lenders (**Lender Shares**) during the period 3 months after the Meeting (or such longer period of time as ASX may in its discretion allow), without using the Company's 15% annual placement capacity.

If Resolutions 11 to 13 (inclusive) are not passed, the effect will be that the Directors will not be able to issue the Lender Shares and the Company will be in default under the Secured Facilities. That default will entitle the Lenders to demand the repayment of all amounts owing to the Lenders under the Secured Facilities.

### 11.3 Specific Information Required by Listing Rule 7.3

In accordance with Listing Rule 7.3, information is provided in relation to the Lender Shares as follows:

- (a) The Lender Shares will be issued to the following entities who are not related parties to the Company:
- (i) New Azilian (and/or its nominee);
  - (ii) Ms Reena Modha (and/or her nominee); and
  - (iii) Block Capital (and/or its nominee).
- (b) The maximum number of Shares to be issued to Block Capital and Ms Modha will be calculated in accordance with the following formula:

$$L \text{ Sha} = \left( \frac{T \ U \ A}{E \ ha \ R} \right) d \quad \text{by the C} \quad P$$

where:

Total USD Amount =

Lender	Fees (USD)	Interest (USD)	Total USD Amount
Block Capital <sup>(1)</sup>	250,000	361,757	611,757
Ms Reena Modha	25,000	127,603	152,603

Note:

- (1) Block Capital has a right to defer the payment of the fees and interest specified in the table up to 30 November 2021. Interest will accrue on any deferred amount at the rate of 10% per annum. If it elects to do so, the maximum number of Shares that can be issued to Block Capital (and/or its nominee), if it elects to convert those deferred amounts into Shares at any time prior to 30 November 2021, will be based on the above formula using the Total USD Amount US\$672,933. The Company will provide Shareholders with an update by way of ASX announcement if Block Capital makes such an election.

Exchange Rate = means the rate of exchange for converting Australian dollars to United States dollars published by the Reserve Bank of Australia on the business day prior to the date on which the Lender elects to convert (expressed in US\$ per A\$1). If the Reserve Bank of Australia ceases to publish the rate of exchange for those two currencies, then the replacement rate of exchange, negotiated in good faith by the parities, is to be used. For Block Capital, if the relevant rate of exchange is more than US\$0.645 for each A\$1 then the rate of exchange will be US\$0.645 for each A\$1.

Conversion Price =

Lender	Conversion Price (AUD)
Block Capital	0.04
Ms Reena Modha	0.06

- (c) The maximum number of Shares to be issued to New Azilian will be calculated in accordance with the following formula:

$$L \text{ Sha} = \left( L \ A + \frac{F}{E \ ha \ R} \right) d \quad \text{b the C} \quad P e$$

where:

Loan Amount = means the aggregate of the principal and interest owing to New Azilian under the Secured Facilities, being A\$887,071.

Fees = US\$25,000.

Exchange Rate = means the rate of exchange for converting Australian dollars to United States dollars published by the Reserve Bank of Australia on the business day prior to the date on which the Lender elects to convert (expressed in US\$ per A\$1). If the Reserve Bank of Australia ceases to publish the rate of exchange for those two currencies, then the replacement rate of exchange, negotiated in good faith by the parties, is to be used.

Conversion Price = A\$0.06

- (d) The Lender Shares will be fully paid ordinary Shares in the capital of the Company on the terms and conditions as the Company's existing Shares and rank equally in all respects with the existing Shares.
- (e) The Lender Shares will be issued no later than 3 months after the date of the Meeting (or such later date to the extent permitted by any ASX waiver or modification of the Listing Rules). The Company has applied for a waiver under Listing Rule 7.3.4 in respect to the Lender Shares to allow the Company to issue the Lender Shares no later than 30 November 2020. If the Company is not granted a waiver pursuant to Listing Rule 7.3.4, the Company will not issue the Lender Shares on a date later than 3 months after the date of the Meeting.
- (f) The issue price of the Lender Shares will be as follows:
  - (i) A\$0.06 per Share for New Azilian;
  - (ii) A\$0.06 per Share for Ms Modha; and
  - (iii) A\$0.04 per Share for Block Capital.
- (g) No funds will be raised from the issue of the Lender Shares as they are being issued for nil cash consideration but will satisfy certain payment obligations under:
  - (i) the loan facility agreement with New Azilian (refer to Schedule 2 for a summary of the terms of the agreement);
  - (ii) the loan facility agreement with Ms Modha (refer to Schedule 3 for a summary of the terms of the agreement); and
  - (iii) the loan facility agreement with Block Capital (refer to Schedule 4 for a summary of the terms of the agreement).
- (h) A voting exclusion statement is included in the Notice for Resolutions 11 to 13 (inclusive).

#### 11.4 Potential Dilution

The exact number of Lender Shares to be issued to the Lenders will depend on the exchange rate and the date on which the Lenders elect to exercise their conversion rights.

As the number of Lender Shares to be issued is not known as at the date of this Notice, and will not be known as at the date of the Meeting, below are worked examples of the number of Lender Shares that may be issued under Resolutions 11 to 13 (inclusive), based on a range of US/AUD exchange rates between US\$0.50 and US\$0.99 for each A\$1. The figures are subject to rounding.

Exchange Rate	Maximum number of Shares	Shares currently on issue	Shares on issue post-completion of the Placement	Dilution Effect
US\$0.50	54,351,266	992,766,020	1,046,994,470	5.1%
US\$0.645	45,456,415	992,766,020	1,038,100,050	4.3%
US\$0.80	44,567,254	992,766,020	1,037,211,919	4.2%
US\$0.99	43,857,142	992,766,020	1,036,502,630	4.2%

The above table is for illustrative purposes only. The actual exchange rate for the Lender Shares may differ and this will result in the maximum number of Lender Shares to be issued and the dilutive percentage to also differ. The example table also assumes that no existing Options or Performance Rights are exercised or converted or securities issued.

## 11.5 Board Recommendation

The Board recommends that Shareholders approve Resolutions 11 to 13 (inclusive).

## 12. Resolutions 14 to 17 (inclusive) – Approval of Incentive Options to the Director

### 12.1 General

Resolutions 14 to 17 (inclusive) seek Shareholder approval for the issue of up to an aggregate of 27,000,000 Incentive Options as follows:

- (a) 10,000,000 Incentive Options to Mr Laurence Marsland (and/or his nominee);
- (b) 5,000,000 Incentive Options to Mr Michael Hardy (and/or his nominee);
- (c) 5,000,000 Incentive Options to Mr Nicholas Rowley (and/or his nominee); and
- (d) 7,000,000 Incentive Options to Mr Matthew Carr (and/or his nominee),

(collectively, the **Director Recipients**).

The Company considers that the grant of Incentive Options to the Director Recipients is a cost effective and efficient reward for the Company to appropriately incentivise continued performance and is consistent with the strategic goals and targets of the Company.

The Incentive Options will have the following key terms:

Options	Vesting Condition	Exercise Price	Expiry Date
6,750,000	The Company announcing on its ASX Market Announcements Platform a minimum 2,000,000 ounces of gold (Au) or gold equivalent (in accordance with clause 50 of the JORC code) at the Dynasty Gold Project in Ecuador.	A\$0.0001	4 years from the date of issue
6,750,000	The Company announcing on its ASX Market Announcements Platform a minimum 2,500,000 ounces of gold (Au) or gold equivalent (in accordance with clause 50 of the JORC code) at the Dynasty Gold Project in Ecuador.	A\$0.0001	4 years from the date of issue
6,750,000	The VWAP of Shares is at least A\$0.15 for 10 consecutive trading days	A\$0.0001	4 years from the date of issue
6,750,000	The VWAP of Shares is at least A\$0.30 for 10 consecutive trading days or at 24 months after the issue of the Incentive Options.	A\$0.0001	4 years from the date of issue

If the respective vesting conditions are satisfied prior to the relevant expiry date, the Incentive Options will become exercisable. If the respective vesting conditions are not achieved by the expiry date then all Incentive Options held by the Director Recipients will expire.

### 12.2 Section 208 of Corporations Act

A summary of section 208 of the Corporations is provided in Section 9.2.

The Director Recipients are related parties of the Company, by virtue of being Directors of the Company.

### 12.3 Listing Rule 10.11

A summary of Listing Rule 10.11 is provided in Section 9.1.

The issue of the Incentive Options to the Director Recipients falls within Listing Rule 10.11.1.

Resolutions 14 to 17 (inclusive) seek the required Shareholder approval to issue the Incentive Options to the Director Recipients (and/or their nominee) under, and for the purposes of, Listing Rule 10.11.

If Resolutions 14 to 17 (inclusive) are passed, the Company will be able to issue the Incentive Options to the Director Recipients (and/or their nominee) pursuant to Listing Rule 7.2, exception 14, the Company may issue the Incentive Options to the Director Recipients without using up the Company's 15% placement capacity under Listing Rule 7.1.

If Resolutions 14 to 17 (inclusive) are not passed, the Company will not be able to proceed with the issue of the Incentive Options to the Director Recipients (and/or their nominee).

#### 12.4 Specific information required by Listing Rule 10.13 and Section 219 of the Corporations Act

In accordance with Listing Rule 10.13 and Section 219, information is provided in relation to the Incentive Options to be issued to the Director Recipients as follows:

- (a) The Incentive Options will be issued to the Director Recipients, being :
  - (i) Mr Marsland (and/or his nominee);
  - (ii) Mr Hardy (and/or his nominee);
  - (iii) Mr Rowley (and/or his nominee); and
  - (iv) Mr Carr (and/or his nominee).
- (b) The Director Recipients fall within Listing Rule 10.11.1 by virtue of being directors of the Company.
- (c) The maximum number of Incentive Options to be issued to the Director Recipients are as follows:

Director	No. of Options
Laurence Marsland	10,000,000
Michael Hardy	5,000,000
Nicholas Rowley	5,000,000
Matthew Carr	7,000,000

- (d) The Incentive Options will be issued on the terms and conditions in Schedule 5.
- (e) The Incentive Options will be issued no later than 1 month after the date of the Meeting (or such longer period of time as ASX may in its discretion allow).
- (f) The Incentive Options will have an exercise price of A\$0.0001 per Option.
- (g) The Incentive Options are being issued for nil cash consideration. The Incentive Options are being issued as a cost effective reward to appropriately incentivise continued performance of the Director Recipients. Accordingly, no funds will be raised from the issue of the Incentive Options.
- (h) The Director Recipients, with respect to Resolutions 14 to 17 (inclusive) relating to the approval for the issue of Incentive Options to the Director Recipients (and/or their nominee) (in respect of which Messrs Marsland, Hardy, Rowley and Carr make no recommendation), are unanimously in favour of the grant of the Incentive Options under Resolutions 14 to 17 (inclusive). As at the date of the Notice, the Share holdings for the Director Recipients are as follows:

Director	Shares
Laurence Marsland	1,850,000
Michael Hardy	67,000
Nicholas Rowley	3,618,999
Matthew Carr	7,314,493

- (i) The remuneration of each the Director Recipients for the year ended 31 December 2019 is as follows:

Director	Year	Short Term Benefits (AUD)	Superannuation	Share Based Payments (AUD)	Total (AUD)
Laurence Marsland	2019	\$120,000	-	-	\$120,000
Michael Hardy	2019	\$30,000	-	-	\$30,000
Nicholas Rowley	2019	\$96,000	-	\$234,707	\$330,707
Matthew Carr	2019	\$240,000	-	\$234,707	\$474,707

- (j) The Board has received advice from an independent expert, being Bentleys Advisory (WA) Pty Ltd on the value of the Incentive Options and determined on the basis of assumptions set out below, the technical value of one Option is as follows:

Director	Option	Number of Options	Value Per Security A\$	Total Value A\$
Laurence Marsland	Tranche 1	2,500,000	0.06092	152,300
	Tranche 2	2,500,000	0.06092	152,300
	Tranche 3	2,500,000	0.05285	132,125
	Tranche 4	2,500,000	0.02859	71,475
Michael Hardy	Tranche 1	1,250,000	0.06092	76,150
	Tranche 2	1,250,000	0.06092	76,150
	Tranche 3	1,250,000	0.05285	66,062
	Tranche 4	1,250,000	0.02859	35,738
Nicholas Rowley	Tranche 1	1,250,000	0.06092	76,150
	Tranche 2	1,250,000	0.06092	76,150
	Tranche 3	1,250,000	0.05285	66,062
	Tranche 4	1,250,000	0.02859	35,738
Matthew Carr	Tranche 1	1,750,000	0.06092	106,610
	Tranche 2	1,750,000	0.06092	106,610
	Tranche 3	1,750,000	0.05285	92,488
	Tranche 4	1,750,000	0.02859	50,033

This valuation imputes a total value to the Incentive Options, as follows:

Director	Total Number of Incentive Options	Total Value of the Incentive Options A\$
Laurence Marsland	10,000,000	508,200
Michael Hardy	5,000,000	254,100
Nicholas Rowley	5,000,000	254,100
Matthew Carr	7,000,000	355,741
<b>Total</b>	<b>27,000,000</b>	<b>1,372,141</b>



This valuation imputes a total of A\$1,372,141. The value may go up or down after the date of valuation as it will depend on the future price of a Share. The Black Scholes Pricing Model has been used to value the Tranche 1 and 2 Incentive Options and the Hoadleys Hybrid ESO Model (a monte carlo model) has been used to value the Tranche 3 and 4 Incentive Options, with the following assumptions:

- (i) the risk free rate for each tranche is as follows:
  - (A) 0.32% (continuously compounded rate based on the average of the 3 and 5 year discrete Australian Government bond yield as at 12 June 2020) for Tranche 1;
  - (B) 0.32% (continuously compounded rate based on the average of the 3 and 5 year discrete Australian Government bond yield as at 12 June 2020) for Tranche 2;
  - (C) 0.32% (continuously compounded rate based on a 2 year discrete Australian Government bond yield as at 12 June 2020) for Tranche 3;
  - (D) 0.27% (continuously compounded rate based on the average of the 3 and 5 year discrete Australian Government bond yield as at 12 June 2020) for Tranche 4;
- (ii) the underlying security spot price of A\$0.061 used for the purposes of this valuation is based on the Share price of the Company on the day of the report, being 12 June 2020;
- (iii) the estimated volatility used in the Incentive Option valuation is as follows:
  - (A) 146% for Tranche 1;
  - (B) 146% for Tranche 2;
  - (C) 146% for Tranche 3; and
  - (D) 120% for Tranche 4.
- (iv) for the purposes of the valuation, no future dividend payments have been forecast; and
- (v) for the purposes of the valuation it is assumed that the Incentive Options will be issued on date of the valuation, being 12 June 2020, and the Incentive Options will have a life of 4 years from the commencement date.
- (k) Under the accounting standard AASB 2 share based payments, the Company will recognise an expense in the income statement based on the fair value of the Incentive Options over the period from the date of issue to the vesting date. The total of the fair value of the Options issued is A\$1,372,141 at the date of the Notice.
- (l) The market price of Shares would normally determine whether the Director Recipients will exercise the Incentive Options. If the Incentive Options are exercised at a price that is lower than the price at which Shares are trading on ASX, there may be a perceived cost to the Company.
- (m) Historical quoted price information for the Company's listed securities for the last twelve months is as follows:

Shares	Price	Date
Highest	A\$0.2	16 September 2019
Lowest	A\$0.037	25 March 2020

Last	A\$0.062	15 June 2020
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- (n) The exercise of the Incentive Options the subject of Resolutions 14 to 17 (inclusive) will result in a dilution of all other Shareholder's holding in the Company of:
- (i) approximately 2.65% based on issued Shares as at the date of the Notice; and
  - (ii) approximately 2.63% based on a fully diluted basis.
- (o) Other than the information above and otherwise set out in the Notice, the Company believes that there is no other information that would be reasonably required by Shareholders to pass Resolutions 14 to 17 (inclusive).

## 12.5 Board Recommendation

The Directors decline to make a recommendation on Resolutions 14 to 17 (inclusive) as they have an interest in these Resolutions and do not consider it appropriate that they make a recommendation.

## 13. Resolutions 18 and 19 (inclusive) – Approval of Incentive Options to Mr Zane Lewis and Travis Schewertfeger

### 13.1 General

Resolutions 18 and 19 (inclusive) seek Shareholder approval for the issue of up to an aggregate of 5,000,000 Incentive Options as follows:

- (a) 2,000,000 Incentive Options to Mr Zane Lewis (and/or his nominee); and
  - (b) 3,000,000 Incentive Options to Mr Travis Schewertfeger (and/or his nominee),
- (collectively, the **Management Recipients**).

The Company considers that the grant of Incentive Options to the Management Recipients is a cost effective and efficient reward for the Company to appropriately incentivise continued performance and is consistent with the strategic goals and targets of the Company.

The Incentive Options will have the following key terms:

Options	Vesting Condition	Exercise Price	Expiry Date
1,250,000	The Company announcing on its ASX Market Announcements Platform a minimum 2,000,000 ounces of gold (Au) or gold equivalent (in accordance with clause 50 of the JORC code) at the Dynasty Gold Project in Ecuador.	A\$0.0001	4 years from the date of issue
1,250,000	The Company announcing on its ASX Market Announcements Platform a minimum 2,500,000 ounces of gold (Au) or gold equivalent (in accordance with clause 50 of the JORC code) at the Dynasty Gold Project in Ecuador.	A\$0.0001	4 years from the date of issue
1,250,000	The VWAP of Company Shares is at least \$0.15 for 10 consecutive trading days	A\$0.0001	4 years from the date of issue
1,250,000	The VWAP of Company Shares is at least \$0.30 for 10 consecutive trading days or at 24 months after the issue of the Incentive Options.	A\$0.0001	4 years from the date of issue

If the respective vesting conditions are satisfied prior to the relevant expiry date, the Incentive Options will become exercisable. If the respective vesting conditions are not achieved by the expiry date then all Incentive Options held by the Management Recipients will expire.

### 13.2 Listing Rule 7.1

A summary of Listing Rule 7.1 is provided in Section 8.2.

The issue of the Incentive Options to the Management Recipients does fall within any of the exceptions in Listing Rule 7.2 and exceeds the 15% limit in Listing Rule 7.1. It therefore requires the approval of the Company's Shareholders under Listing Rule 7.1.

If Resolutions 18 and 19 (inclusive) are passed, the Company will be able to issue the Incentive Options to the Management Recipients without using up the Company's 15% placement capacity under Listing Rule 7.1.

If Resolutions 18 and 19 (inclusive) are not passed, the Company will not be able to proceed with the issue of the Incentive Options to the Management Recipients (and/or their nominee).

### 13.3 Listing Rule 7.3

In accordance with Listing Rule 7.3, information is provided in relation to the Incentive Options to be issued to the Management Recipients as follows:

- (a) The Incentive Options will be issued to the Management Recipients, being :
  - (i) Mr Zane Lewis (and/or his nominee); and
  - (ii) Mr Travis Schwertfeger (and/or his nominee).
- (b) The maximum number of Incentive Options issued to the Management Recipients is as follows:

Management	No. of Options
Zane Lewis	2,000,000
Travis Schwertfeger	3,000,000

- (c) The Incentive Options will be issued on the terms and conditions in Schedule 5.
- (d) The Incentive Options will be issued no later than 3 months after the date of the Meeting (or such longer period of time as ASX may in its discretion allow).
- (e) The Incentive Options will have an exercise price of A\$0.0001 per Option.
- (f) The Incentive Options are being issued for nil cash consideration. The Incentive Options are being issued as a cost effective reward to appropriately incentivise continued performance of the Management Recipients. Accordingly, no funds will be raised from the issue of the Incentive Options.
- (g) A voting exclusion statement is included in the Notice for Resolutions 18 and 19 (inclusive).

### 13.4 Board Recommendation

The Board recommends that Shareholders approve Resolutions 18 and 19 (inclusive).

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## 14. Resolution 20 – Approval to Issue Shares to RM Hunter Fund

### 14.1 General

Resolution 20 seeks Shareholder approval for the issue of Shares to RM Hunter Fund (and/or its nominee).

Resolution 20 is an ordinary resolution.

The Chairperson intends to exercise all available proxies in favour of Resolution 20.

### 14.2 Listing Rule 7.1

A summary of Listing Rule 7.1 is provided in Section 8.2.

The issue of the RM Hunter Fund Shares does fall within any of the exceptions in Listing Rule 7.2 and exceeds the 15% limit in Listing Rule 7.1. It therefore requires the approval of the Company's Shareholders under Listing Rule 7.1.

If Resolution 20 is passed, the effect will be to allow the Directors to issue the RM Hunter Fund Shares during the period 3 months after the Meeting (or such longer period of time as ASX may in its discretion allow), without using the Company's 15% annual placement capacity.

If Resolution 20 is not passed, the effect will be that the Directors will not be able to issue the RM Hunter Fund Shares and the Company will be required to pay a fee of US\$500,000 to RM Hunter Fund.

#### **14.3 Specific Information Required by Listing Rule 7.3**

In accordance with Listing Rule 7.3, information is provided in relation to the RM Hunter Fund Shares as follows:

- (a) The RM Hunter Fund Shares will be issued to RM Hunter Fund, which is not a related party to the Company (and/or its nominee).
- (b) The maximum number of Shares to be issued to RM Hunter Fund will be 11,689,672 Shares.
- (c) The RM Hunter Fund Shares will be fully paid ordinary Shares in the capital of the Company on the terms and conditions as the Company's existing Shares and rank equally in all respects with the existing Shares.
- (d) The RM Hunter Fund Shares will be issued no later than 3 months after the date of the Meeting (or such later date to the extent permitted by any ASX waiver or modification of the Listing Rules).
- (e) The RM Hunter Fund Shares will be issued at A\$0.067 which is based on:
  - (i) the date on which first draw down occurred under the Unsecured Facility the Company, being 15 April 2020;
  - (ii) the Unsecured Facility fee at the date of the draw down, being US\$500,000; and
  - (iii) the US/AUD exchange rate on 15 April 2020, being US\$0.6384 per A\$1.
- (f) No funds will be raised from the issue of the RM Hunter Fund Shares as they are being issued for nil cash consideration but as part of the agreement between RM Hunter Fund and the Company (refer to Schedule 6 for a summary of the terms of the agreement).
- (g) A voting exclusion statement is included in the Notice for Resolution 20.

#### **14.4 Board Recommendation**

The Board recommends that Shareholders approve Resolution 20.

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## **15. Resolution 21 – Section 195 Approval**

### **15.1 General**

In accordance with section 195 of the Corporations Act, a director of a public company may not vote or be present during meetings of directors when matters in which that director holds a "material personal interest" are being considered.

The Directors may have a material personal interest in the outcome of Resolutions 6 to 9 (inclusive) and Resolutions 14 to 17 (inclusive).

In the absence of this Resolution 21, the Directors may not be able to form a quorum at directors meetings necessary to carry out the terms of Resolutions 6 to 9 (inclusive) and Resolutions 14 to 17 (inclusive).

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

Resolution 21 is an ordinary resolution.

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## **16. Resolution 22 – Modification of Constitution**

### **16.1 General**

It is proposed that the Constitution be updated to enable the Company to better function in accordance with its constituent documents. The modified Constitution has been notified to ASX as required under the Listing Rules.

Resolution 22 seeks Shareholder approval for the modification of the Constitution in accordance with section 136 of the Corporations Act.

A copy of the modified Constitution will be sent to any Shareholder on request.

The modified Constitution will be effective from the close of the Meeting.

Resolution 22 is a special resolution and therefore requires approval of 75% of the votes cast by Shareholders present and eligible to vote (in person, by proxy, by attorney or, in the case of a corporate Shareholder, by a corporate representative).

The Chairperson intends to exercise all available proxies in favour of Resolution 22.

### **16.2 Summary of proposed modifications**

Resolution 22 seeks the approval of Shareholders for the Company to modify its existing Constitution in relation to direct voting (in addition to exercising their existing rights to appoint a proxy).

Direct voting is a mechanism by which Shareholders can vote directly on resolutions which are to be determined by poll. Votes cast by direct vote by a Shareholder are taken to have been cast on the poll as if the Shareholder had cast the votes on the poll at the meeting.

In order for direct voting to be available, Directors must elect that votes can be cast via direct vote for all or any resolutions and determine the manner appropriate for the casting of direct votes. If such a determination is made by the Directors, the notice of meeting will include information on the application of direct voting.

### **16.3 Reasons for proposed modifications**

COVID-19 has impacted the Company's ability to conduct meetings of Shareholders as it would normally do and as such the Company has considered its Constitution in light of the *Corporations (Coronavirus Economic Response) Determination (No. 1) 2020*.

Direct voting is different to submitting a proxy because it can allow Shareholders to cast their vote themselves rather than through another person. The Company considers that direct voting (in combination with other technology) will better enable Shareholder participation at meetings and provide flexibility for holding virtual/hybrid meetings if required.

### **16.4 The proposed modifications**

By Resolution 22, the Company seeks Shareholder modify the Constitution to include the following,

(a) Proposed definitions:

**“Direct Vote”** means a notice of a Member’s voting intention delivered to the Company by post, fax, electronic or other means approved by the Board and otherwise in accordance with this Constitution and regulations, rules and procedures made by the Board in accordance with article 5.80.

**“Direct Voting”** means the form of voting approved by the Board and otherwise in accordance with this Constitution and regulation, rules and procedures made by the Board in accordance with article 5.80 that allows Members to cast their vote by post, fax, electronic or other means on resolutions of a meeting without having to attend the meeting in person and without needing to appoint a proxy to vote.

(b) Proposed articles:

**Direct Voting**

5.80 Board may determine Direct Voting to apply

5.80.1 The Board may determine that Members may cast votes to which they are entitled on any or all of the resolutions (including any special resolution) proposed to be considered at, and specified in the notice convening, a meeting of Members, by Direct Vote.

5.80.2 If the Board determines that votes may be cast by Direct Vote, the Board may make such regulations as it considers appropriate for the casting for Direct Votes, including regulations for:

5.80.2.1 the form, method and manner of voting by Direct Vote; and

5.80.2.2 the time by which the votes of Members to be cast by Direct Vote must be received by the Company in order to be effective.

5.80.3 If the Board determines to allow voting by Direct Vote on a resolution at a meeting, the notice of meeting must inform Members of their right to vote in respect of that resolution.

5.81 Direct Voting instrument – form, signature and deposit

5.81.1 If sent by post or fax, a Direct Vote must be signed by the Members or properly authorised attorney or, if the Member is a company, either under seal or by a duly authorised officer, attorney or representative.

5.81.2 If sent by electronic means, a Direct Vote is taken to have been signed if it has been signed or authorised by the Member in the manner approved by the Board or specified in the notice of meeting.

5.81.3 At least 48 hours before the time for holding the relevant meeting, an adjourned meeting or a poll at which a person proposes to vote, the Company must receive at its registered office or such other place as specified for that purpose in the notice of meeting, or be transmitted to a fax number or electronic address specified for that purpose in the notice of meeting:

5.81.3.1 the Direct Vote; and

5.81.3.2 if relevant, any authority or power under which the Direct Vote was signed or a certified copy of that power or authority if not already lodged with the Company.

5.81.4 A notice of intention of voting is valid if it contains the following information:

5.81.4.1 the Member’s name and address and any applicable identifying notations such as the holder identification number or similar approved by the Board or specified in the notice of meeting; and

8.81.4.2 the Member’s voting intention on any or all of the resolutions to be put before the meeting.

5.82 *Voting forms*

- 5.82.1 *If a single voting form contains instructions for both a Direct Vote and appointment of a proxy, the Member will be understood not to have appointed a proxy by exercising their right to Direct Vote pursuant to that voting form. The authority of any proxy will be revoked and only the Direct Vote(s) will be counted.*
- 5.82.2 *If a single voting form is received and neither the direct voting box nor the appointment of proxy box is selected, the Member will be taken to have appointed the person named in the form as proxy and if no person is named, the chair of the meeting as proxy.*
- 5.82.3 *The Member may include in their voting form the number of Shares to be voted on any resolution by inserting the percentage or number of Shares. Otherwise the instructions apply to all Shares held by the Member.*
- 5.82.4 *If more than one joint holder votes on a resolution, only the vote of the joint holder whose name appears first in the register of Members is counted.*

5.83 *Direct Votes count on a poll*

- 5.83.1 *Direct Votes are not counted if a resolution is decided on a show of hands.*
- 5.83.2 *Subject to articles 5.84 and 5.85, if a poll is held on a resolution a vote cast by Direct Vote by a Member entitled to vote on the resolution is taken to have been cast on the poll as if the Shareholder had cast the vote in the poll at the meeting.*
- 5.83.3 *Direct Votes abstained will not be counted in computing the required majority on a poll.*
- 5.83.4 *If the Direct Votes lodged (together with the proxies received) could result in a different outcome from a vote on a show of hands, the chair of the meeting should call for a poll.*
- 5.83.5 *A Direct Vote received by the Company on a resolution which is amended is taken to be a Direct Vote on that resolution as amended, unless the chair of the meeting determines that this is not appropriate.*
- 5.83.6 *Receipt of a Direct Vote from a Member has the effect of revoking (or, in the case of a standing appointment, suspending) the appointment of a proxy, attorney or representative made by the shareholder under an instrument received by the Company before the Direct Vote was received.*

5.84 *Withdrawal of a Direct Vote*

*A Direct Vote:*

- 5.84.1 *may be withdrawn by the Member by notice in writing received by the Company before the commencement of the meeting (or in the case of an adjournment, the resumption of the meeting);*
- 5.84.2 *is automatically withdrawn if:*
  - 5.84.2.1 *the Member attends the meeting in person and registers to vote at the meeting (including in the case of a body corporate, by representative);*
  - 5.84.2.2 *the Company receives from the Member a further Direct Vote or Direct Votes (in which case the most recent Direct Vote is, subject to the rules in articles 5.80 to 5.85, counted in lieu of the prior Direct Vote; and*
  - 5.84.2.3 *the Company receives, after the Direct Vote, an instrument under which a representative, proxy or attorney is appointed*

*to act for the Member at the meeting in accordance with articles 5.62 to 5.79.*

*A Direct Vote withdrawn under this article, 5.84, is not counted.*

5.85 *Validity of Direct Vote*

5.85.1 *A Direct Vote received by the Company is valid even if, before the meeting, the Member:*

5.85.1.1 *dies or becomes mentally incapacitated;*

5.85.1.2 *becomes bankrupt or an insolvent under administration or is wound up;*

5.85.1.3 *transfers the Shares in respect of which the Direct Vote was given; and*

5.85.1.4 *where the Direct Vote is given on behalf of the Member by an attorney, revokes the appointment of the attorney or the authority under which the appointment was made by a third party,*

*unless the Company has received written notice of the matter before the commencement or resumption of the meeting.*

5.85.2 *A decision by the chair of the meeting as to whether a Direct Vote is valid is conclusive.*

**16.5 Board Recommendation**

The Board recommends that Shareholders approve Resolution 22.

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**17. Resolution 23 – Approval for 10% Placement Facility**

**17.1 General**

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

Listing Rule 7.1A enables eligible entities to issue Equity Securities up to 10% of its issued share capital through placements over a 12-month period after the annual general meeting (**10% Placement Facility**). The 10% Placement Facility is in addition to the Company's 15% placement capacity under Listing Rule 7.1.

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 of \$300 million or less. The Company is an eligible entity.

The Company is seeking Shareholder approval by way of a special resolution to have the ability to issue Equity Securities under the 10% Placement Facility. The number of Equity Securities to be issued under the 10% Placement Facility will be determined in accordance with the formula prescribed in Listing Rule 7.1A.

Resolution 23 is a special resolution and therefore requires approval of 75% of the votes cast by Shareholders present and eligible to vote (in person, by proxy, by attorney or, in the case of a corporate Shareholder, by a corporate representative).

If Resolution 23 is passed, the effect will be that the Company will be able to issue Equity Securities under the 10% Placement Facility in addition to the Company's 15% placement capacity under Listing Rule 7.1.

If Resolution 23 is not passed, the effect will be that the Company will not be able to issue any Equity Securities under the 10% Placement Facility and will have to rely upon its 15% placement capacity under Listing Rule 7.1 for the issue of Equity Securities.

The Chairperson intends to exercise all available proxies in favour of Resolution 23.



## 17.2 Listing Rule 7.1A

### (a) Shareholder approval

The ability to issue Equity Securities under the 10% Placement Facility is subject to Shareholder approval by way of a special resolution at an annual general meeting.

### (b) Equity Securities

Any Equity Securities issued under the 10% Placement Facility must be in the same class as an existing quoted class of Equity Securities of the company.

The Company, as at the date of the Notice, has on issue one quoted class of Equity Securities, being Shares.

### (c) Formula for calculating 10% Placement Facility

Listing Rule 7.1A.2 provides that eligible entities that have obtained Shareholder approval at an annual general meeting may issue or agree to issue, during the 12 month period after the date of the annual general meeting, a number of Equity Securities calculated in accordance with the following formula:

#### **(A x D) – E**

**A** is the number of shares on issue 12 months before the date of issue or agreement:

(i) plus the number of fully paid ordinary securities issued in the 12 months under an exception in Listing Rule 7.2 (other than exception 9, 16 or 17),

(ii) plus the number of fully paid ordinary securities issued in the 12 months on the conversion of convertible securities within rule 7.2 (exception 9) where:

(A) the convertible securities were issued or agreed to be issued before the commencement of the 12 months; or

(B) the issue of, or agreement to issue, the convertible securities was approved, or taken under these Listing Rules to have been approved, under Listing Rule 7.1 or Listing Rule 7.4,

(iii) plus the number of fully paid ordinary securities in the 12 months under an agreement to issue securities within Listing Rule 7.2 (exception 16) where:

(A) the agreement was entered into before the commencement of the relevant period; or

(B) the agreement or issue was approved or taken under these rules to have been approved under Listing Rule 7.1 or Listing Rule 7.4,

(iv) plus the number of any other fully paid ordinary securities issued in the 12 months with approval under Listing Rule 7.1 or Listing Rule 7.4 (noting that this may include fully paid ordinary securities issued in the 12 months under an agreement to issue securities within Listing Rule 7.2 (exception 17) where the issue is subsequently approved under Listing Rule 7.1),

(v) plus the number of partly paid ordinary securities that became fully paid in the 12 months;

(vi) less the number of fully paid ordinary securities cancelled in the 12 months.

Note that A is has the same meaning in Listing Rule 7.1 when calculating an entity's 15% placement capacity.

**D** is 10%

**E** is the number of Equity Securities issued or agreed to be issued under Listing Rule 7.1A.2 in the 12 months where the issue or agreement to issue has not been subsequently approved by Shareholders under Listing Rule 7.4.

**(d) Listing Rule 7.1 and Listing Rule 7.1A**

The ability of an entity to issue Equity Securities under Listing Rule 7.1A is in addition to the entity's 15% placement capacity under Listing Rule 7.1.

At the date of the Notice, the Company has on issue 992,766,020 Shares and therefore has a capacity to issue:

- (i) 148,914,903 Equity Securities under Listing Rule 7.1; and
- (ii) subject to Shareholder approval being sought under Resolution 23, 99,276,602 Equity Securities under Listing Rule 7.1A.

The actual number of Equity Securities that the Company will have capacity to issue under Listing Rule 7.1A will be calculated at the date of issue of the Equity Securities in accordance with the formula prescribed in Listing Rule 7.1A.2 (refer to Section 13.2(c)).

**(e) Minimum Issue Price**

The issue price of Equity Securities issued under Listing Rule 7.1A must be not less than 75% of the VWAP of Equity Securities in the same class calculated over the 15 trading days immediately before:

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

**(f) 10% Placement Period**

(i) Shareholder approval of the 10% Placement Facility under Listing Rule 7.1A is valid from 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 that 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.
- (C) The time and date of Shareholder approval of a transaction under
- (D) Listing Rules 11.1.2 (a significant change to the nature or scale of activities) or 11.2 (disposal of main undertaking),

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

**17.3 Effect of Resolution**

The effect of Resolution 23 will be to allow the Directors to issue the Equity Securities under Listing Rule 7.1A during the 10% Placement Period without using the Company's 15% placement capacity under Listing Rule 7.1.

**17.4 Specific information required by Listing Rule 7.3A**

In accordance with Listing Rule 7.3A, information is provided as follows:

- (a) Shareholder approval will be valid during the 10% Placement Period as detailed in Section 13.2(f).
- (b) The Equity Securities will be issued at an issue price of not less than 75% of the VWAP for the Company's Equity Securities over the 15 trading Days on which trades in that class were recorded immediately before:
  - (i) the date on which the price at which the Equity Securities are to be issued is agreed; or
  - (ii) if the Equity Securities are not issued within 10 trading Days of the date in paragraph (i) above, the date on which the Equity Securities are issued.

- (c) If Resolution 23 is approved by Shareholders and the Company issues Equity Securities under the 10% Placement Facility, the existing Shareholders' voting power in the Company will be diluted as shown in the below table. There is a risk that:
- (i) the market price for the Company's Equity Securities may be significantly lower on the date of the issue of the Equity Securities than on the date of the Meeting; and
  - (ii) the Equity Securities may be issued at a price that is at a discount to the market price for the Company's Equity Securities on the issue date or the Equity Securities are issued as part of consideration for the acquisition of a new asset,
- which may have an effect on the amount of funds raised by the issue of the Equity Securities.
- (d) The below table shows the dilution of existing Shareholders on the basis of the current market price of Shares and the current number of ordinary securities for variable 'A' calculated in accordance with the formula in Listing Rule 7.1A(2) as at the date of the Notice.
- (e) The table also shows:
- (i) two examples where variable 'A' has increased, by 50% and 100%. Variable 'A' is based on the number of ordinary securities the Company has on issue. The number of ordinary securities on issue may increase as a result of issues of ordinary securities that do not require Shareholder approval (for example, a pro rata entitlements issue or scrip issued under a takeover offer) or future specific placements under Listing Rule 7.1 that are approved at a future Shareholders' meeting; and
  - (ii) two examples of where the issue price of ordinary securities has decreased by 50% and increased by 100% as against the current market price.

Variable 'A' in Listing Rule 7.1A.2		Dilution		
		A\$0.035 50% decrease in Issue Price	A\$0.07 Issue Price	A\$0.14 100% increase in Issue Price
Current Variable A (992,766,020 Shares)	10% Voting Dilution	99,276,602 Shares	99,276,602 Shares	99,276,602 Shares
	Funds Raised	A\$3,474,681	A\$6,949,362	A\$13,898,724
50% increase in current Variable A (1,489,149,030 Shares)	10% Voting Dilution	148,914,903 Shares	148,914,903 Shares	148,914,903 Shares
	Funds Raised	A\$5,212,021	A\$10,424,043	A\$20,848,086
100% increase in current Variable A (1,985,532,040 Shares)	10% Voting Dilution	198,553,204 Shares	198,553,204 Shares	198,553,204 Shares
	Funds Raised	A\$6,949,362	A\$13,898,724	A\$27,797,448

The table has been prepared on the following assumptions:

- (iii) The Company issues the maximum number of Equity Securities available under the 10% Placement Facility.

- (iv) No Performance Rights or Options are exercised or converted into Shares before the date of the issue of the Equity Securities.
  - (v) The 10% voting dilution reflects the aggregate percentage dilution against the issued share capital at the time of issue. This is why the voting dilution is shown in each example as 10%.
  - (vi) The table does not show an example of dilution that may be caused to a particular Shareholder by reason of placements under the 10% Placement Facility, based on that Shareholder's holding at the date of the Meeting.
  - (vii) The table shows only the effect of issues of Equity Securities under Listing Rule 7.1A, not under the 15% placement capacity under Listing Rule 7.1.
  - (viii) The issue of Equity Securities under the 10% Placement Facility consists only of Shares. If the issue of Equity Securities includes Listed Options, it is assumed that those Listed Options are exercised into Shares for the purpose of calculating the voting dilution effect on existing Shareholders.
  - (ix) The issue price is A\$0.07, being the closing price of the Shares on ASX on 8 June 2020. The Company will only issue the Equity Securities during the 10% Placement Period.
- (f) The Company may seek to issue the Equity Securities for cash consideration for the acquisition of the new resources assets. In such circumstances, the Company intends to use the funds raised towards an acquisition of new assets or investments (including expense associated with such acquisition), continued exploration and operation of the Company's current assets and/or general working capital. In such circumstances the Company will provide a valuation of the cash consideration as required by Listing Rule 7.1A.3.
- (g) The Company will only issue the Listing Rule 7.1A Shares during the 10% Placement Period. The approval under Resolution 21 will cease to be valid in the event that Shareholders approve a transaction under Listing Rule 11.1.2 or Listing Rule 11.2.
- (h) The Company will comply with the disclosure obligations under Listing Rules 7.1A(4) and 3.10.3 upon issue of any Equity Securities.
- (i) The Company's allocation policy is dependent on the prevailing market conditions at the time of any proposed issue pursuant to the 10% Placement Facility. The identity of the subscribers of Equity Securities will be determined on a case-by-case basis having regard to the factors including but not limited to the following:
- (i) the methods of raising funds that are available to the Company, including but not limited to, rights issue or other issue in which existing security holders can participate;
  - (ii) the effect of the issue of the Equity Securities on the control of the Company;
  - (iii) the financial situation and solvency of the Company; and
  - (iv) advice from corporate, financial and broking advisers (if applicable).
- (j) The subscribers under the 10% Placement Facility have not been determined as at the date of the Notice but may include existing substantial Shareholders and/or new Shareholders who are not a related party or an associate of a related party of the Company and are likely to be sophisticated and professional investors.
- (k) Further, if the Company is successful in acquiring new resources assets or investments, it is likely that the subscribers under the 10% Placement Facility will be the vendors of the new resources assets or investments.
- (l) In the 12 months preceding the date of the Meeting, the Company has issued 80,719,301 Equity Securities pursuant to Listing Rule 7.1A.2 which represent 8.08% of the total number of Equity Securities on issue as at the date of this Notice and . The Equity Securities issued represents approximately 30% of the total number of Equity Securities on issue 12 months before the issue of these Equity Securities (on a pre-consolidation basis). The Equity Securities issued in the preceding 12 months under Listing Rule 7.1A.2 are detailed in Schedule 7.
- (m) A voting exclusion statement is included in the Notice for Resolution 23. However as at the

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

**17.5 Board Recommendation**

The Board recommends that Shareholders vote in favour of Resolution 23.

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## Schedule 1 – Definitions

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In this Notice and Explanatory Memorandum, words importing the singular include the plural and vice versa.

**\$** or **A\$** means Australian dollars.

**10% Placement Facility** has the meaning given in Section 17.1.

**Au** is the symbol for gold.

**Annual Report** means the Directors' Report, the Financial Report and the Auditor's Report in respect of the financial year ended year ended 31 December 2019.

**Article** means an article of the Constitution.

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

**ASX** means ASX Limited (ACN 008 624 691) and, where the context permits, the Australian Securities Exchange operated by ASX.

**ASX Market Announcements Platform** refers to the various information technology systems used by ASX to electronically process, release and store announcements by or about listed entities and the issuers of other ASX quoted products.

**Auditor's Report** means the auditor's report on the Financial Report.

**Automic** means the Company's share registry, Automic Group.

**Block Capital** means Block Capital Group Limited (ARBN 146 539 200).

**Board** means the board of Directors.

**Chairperson** means the person appointed to Chairperson the Meeting, or any part of the Meeting, convened by the Notice.

**Closely Related Party** means:

- (a) a spouse or child of the member; or
- (b) has the meaning given in section 9 of the Corporations Act.

**Company** means Titan Minerals Limited (ACN 117 790 897).

**Constitution** means the constitution of the Company as at the commencement of the Meeting.

**Core** has the meaning given in Section 2.2.

**Core Placement** has the meaning given in Section 2.2

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

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

**Director Placement** has the meaning given in Section 2.1.

**Director Shares** has the meaning given in Section 2.1.

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

**Director Recipients** has the meaning given in Section 12.1.

**Director Shares** has the meaning given in Section 2.1.

**Equity Raising** has the meaning given in Section 9.1.

**Equity Security** has the same meaning as in the Listing Rules.

**Explanatory Memorandum** means the explanatory memorandum that forms part of the Notice.

**Financial Report** means the annual financial report prepared under chapter 2M of the Corporations Act of the Company and its controlled entities.

**Incentive Options** means the Options issued to the Director Recipients and Management Recipients to incentivise continued performance.

**JORC** or **Joint Ore Reserves Committee** is the the committee is responsible for the development and ongoing update of the JORC Code.

**JORC Code** is the Australasian code of practice that sets minimum standards for public reporting of exploration results, mineral resources and ore reserves.

**Key Management Personnel** means persons having authority and responsibility for planning, directing and controlling the activities of the Company, directly or indirectly, including any Director (whether executive or otherwise) of the Company.

**Lenders** means:

- (a) New Azilian (and/or its nominee);
- (b) Ms Reena Modha (and/or her nominee); and
- (c) Block Capital (and/or its nominee).

**Lender Shares** has the meaning given in Section 11.2.

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

**Managing Director** means the managing director of the Company.

**Management Recipients** has the meaning given in Section 13.1.

**Meeting** has the meaning in the introductory paragraph of the Notice.

**New Azilian** means New Azilian Pty Ltd (ACN 618 141 236).

**Notice** means the notice of meeting, which comprises of the notice, agenda, Explanatory Memorandum and Proxy Form.

**Office** means office as a Director.

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

**Placement** has the meaning given in Section 2.1.

**Placement Shares** has the meaning given in Section 2.1.

**Proxy Form** means the proxy form attached to the Notice.

**Remuneration Report** means the remuneration report of the Company contained in the Directors' Report.

**Reserve Bank of Australian** means Australian central bank and banknote issuing authority, which sets the monetary policy for Australia.

**Resolution** means a resolution contained in the Notice.

**RM Hunter Fund** has the meaning given in Section 2.3.

**RM Hunter Fund Shares** has the meaning given in Section 2.3.

**Schedule** means a schedule to this Explanatory Memorandum.

**Section** means a section of this Explanatory Memorandum.

**Secured Facilities** has the meaning given in Section 2.2.

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

**Shareholder** means a shareholder of the Company.

**SPP** has the meaning given in Section 2.1.

**SPP Share** has the meaning given in Section 2.1.

**SPP Securities** has the meaning given in Section 10.1.

**Strike** has the meaning given in Section 4.

**Trading Day** means a day determined by ASX to be a trading day in accordance with the Listing Rules.

**USD** or **US\$** means United States dollars.

**Unsecured Facility** has the meaning given in Section 2.3.

**VWAP** has the meaning given in Section 8.2.

**WST** means Australian Western Standard Time, being the time in Perth, Western Australia.

## Schedule 2 – Terms of the Loan Facility Agreement with New Azilian Pty Ltd

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### 1. Loan Facility Amount

The total amount available for draw down under the agreement is the Australian dollar equivalent of US\$500,000 (**Loan Facility Amount**). The Loan Facility Amount was drawn down in full on 20 March 2019.

### 2. Interest

The Company will pay interest on the Loan Facility Amount at the rate of 15% per annum (**Interest**) calculated on a pro rata basis from the draw down date to, and including, the date on which the Loan Facility Amount is repaid (**Total Interest Amount**).

### 3. Repayment

The Company must repay the drawn down Loan Facility Amount together with the Total Interest Amount (both in Australian dollars) to New Azilian on 30 November 2020 (**Repayment Date**).

The Company may repay all monies due to New Azilian prior to the Repayment Date, but must give New Azilian at least 10 business days prior notice in writing before making any such prepayment. If, after giving prior written notice of an intended prepayment, the Company receives an Election Notice from New Azilian (refer to paragraph 5) the Company must reduce the amount that it was going to prepay by the Conversion Amount specified in that Election Notice.

### 4. Extension Fee

As consideration for New Azilian agreeing not to require the repayment of all monies due to it under the agreement by 20 December 2019 (which was a previously agreed repayment date), the Company must pay to New Azilian a non-refundable fee equal to the Australian dollar equivalent of US\$25,000 (**Extension Fee**). This fee is to be paid to New Azilian on the Repayment Date.

### 5. Conversion

Subject to Shareholder Approval (refer to paragraph 7), New Azilian may elect, by giving notice to the Company in writing (**Election Notice**) at any time prior to the Repayment Date, that any one or more of the following amounts are to be satisfied through the issue of Shares to New Azilian or its nominee rather than through the Company paying those amounts to New Azilian in immediately available funds:

- (a) the whole or any portion of the outstanding Loan Facility Amount;
- (b) the whole or any portion of the Interest that accrues under the agreement which has not been paid; and
- (c) the whole or any portion of the Extension Fee which has not been paid.

New Azilian may only give one Election Notice and the amount or amounts that New Azilian elects in the Election Notice to be satisfied through the issue of Shares is the **Conversion Amount**.

If New Azilian gives an Election Notice, the Company must, within 5 Trading Days of the date on which the Election Notice is received by the Company, issue to New Azilian or its nominee the number of Shares calculated by dividing the Australian dollar equivalent of the Conversion Amount by A\$0.06 (being 6 Australian cents).



For the avoidance of doubt, on the Shares required to be issued under this paragraph 5 (**Conversion Shares**) being issued to New Azilian or its nominee in accordance with this paragraph 5 and the Share Issue Requirements (refer to paragraph 6), the Conversion Amount will be taken to be paid in full.

## 6. Share Issue Requirements

All Conversion Shares:

- (a) are to be issued by the Company to New Azilian or its nominee within the time required under paragraph 5; and
- (b) will be issued by the Company as fully paid and free from any charge, mortgage, security interest, encumbrance, pledge, right of first refusal, pre-emptive right, title retention, trust arrangement, contractual right, right of call or set off or any other security arrangement (**Security Interest**) and will rank equally in all respects with the other ordinary shares on issue in the capital of the Company as at the date on which the Conversion Shares are issued.

Promptly after the Conversion Shares are issued, the Company must:

- (c) either give a notice to the ASX which, when given, complies with the requirements of section 708A(6) of the Corporations Act or lodge a prospectus with the Australian Securities and Investments Commission and ASX and do all other things necessary to satisfy section 708A(11) of the Corporations Act to ensure that an offer for sale of the Conversion Shares does not require disclosure to investors;
- (d) use its best endeavours to procure the grant of official quotation of the Conversion Shares on the ASX as soon as practicable after allotment; and
- (e) deliver a holding statement for the Conversion Shares to New Azilian.

## 7. Shareholder Approval

New Azilian must not give an Election Notice under the Conversion paragraph (refer to paragraph 5) unless the Company has obtained shareholder approval pursuant to Listing Rule 7.1 for the issue of Shares under that paragraph (**Shareholder Approval**).

The Company will:

- (a) by no later than 31 July 2020, dispatch a notice of meeting to seek Shareholder Approval;
- (b) procure that its board of directors make a recommendation to Shareholders of the Company in the notice of meeting referred to in paragraph (a) above to vote in favour of the resolutions to permit the issue of Shares to New Azilian or its nominee under the Conversion paragraph (refer to paragraph 5); and
- (c) seek a waiver from the ASX to extend the dates on which the Company must issue Shares pursuant to the Conversion paragraph (refer to paragraph 5) under Listing Rule 7.3.4 (**Waiver**) or, if the Company does not obtain the Waiver, the Company will convene further general meetings to refresh the Shareholder Approval (as required).

## 8. Security

All amounts owing by the Company to New Azilian under the agreement are secured against certain of the Company's assets, including all of the Shares held by the Company in Core.

## 9. Representations

The Company gives representations and warranties to New Azilian that are customary for an agreement of this kind, including (among other representations) that:

- (a) the agreement constitutes legal, valid and binding obligations of the Company and is enforceable in accordance with its terms; and
- (b) the Company has the requisite power and authority to enter into and perform its obligations under the agreement.

#### **10. Covenants**

The Company is required to comply with covenants that are customary for an agreement of this kind, including (among other covenants) to ensure that its subsidiary, Vista Gold S.A.C:

- (a) conducts its business in the ordinary and usual course of business; and
- (b) does not directly or indirectly without New Azilian's written approval:
  - (i) grant any Security Interest over any of its assets or undertaking;
  - (ii) incur indebtedness in excess of US\$750,000 (in aggregate); or
  - (iii) dispose of or procure, approach or enter into any discussions or negotiations with any third party to dispose of its processing plant.

#### **11. Default**

Notwithstanding the Company's repayment obligations (refer to paragraph 3), the Company must pay or repay (as applicable) to New Azilian the outstanding Loan Facility Amount together with the Total Interest Amount and all other amounts owing by the Company to New Azilian under the agreement on demand in the following circumstances:

- (a) a "controller" (as defined in section 9 of the Corporations Act), manager, trustee, administrator or similar officer is appointed in respect of the Company or any of its "subsidiaries" or any of its assets or undertaking;
- (b) a liquidator or provisional liquidator is appointed in respect of the Company or any of its subsidiaries;
- (c) any application (not being an application withdrawn or dismissed within 7 days) is made to a court for an order, or an order is made, or a meeting is convened, or a resolution is passed, for the purpose of:
  - (i) appointing a person referred to in paragraphs (a) or (b) above; or
  - (ii) winding up the Company or any of its subsidiaries;
- (d) any warranty or representation by the Company contained in the agreement is or becomes untrue;
- (e) a material breach of the agreement by the Company which is not remedied within 10 business days of the Company receiving written notice of such breach from New Azilian; or
- (f) Shareholder Approval (refer to paragraph 7) is not received by the earlier of 31 August 2020 and the date on which the Company holds a meeting of its Shareholders at which resolutions relating to Shareholder Approval are considered."

## **Schedule 3 – Summary of the Terms of the Loan Facility Agreement with Ms Reena Modha**

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### **1. Loan Facility Amount**

The total amount available for draw down under the agreement is US\$500,000 (**Loan Facility Agreement**). The Loan Facility Amount was drawn down in full on 25 March 2019.

### **2. Interest**

The Company will pay interest on the Loan Facility Amount at the rate of 15% per annum (**Interest**), calculated on a pro rata basis from the draw down date to, and including, the date on which the Loan Facility Amount is repaid (**Total Interest Amount**).

### **3. Repayment**

The Company must repay the drawn-down Loan Facility Amount together with the Total Interest Amount to Ms Reena Modha on 30 November 2020 (**Repayment Date**).

The Company may repay all monies due to Ms Modha prior to the Repayment Date, but must give Ms Modha at least 10 business days prior notice in writing before making any such prepayment. If, after giving prior written notice of an intended prepayment, the Company receives an Election Notice from Ms Modha (refer to paragraph 5) the Company must reduce the amount that it was going to prepay by the Conversion Amount specified in that Election Notice.

### **4. Extension Fee**

As consideration for Ms Modha agreeing not to require the repayment of all monies due to her under the agreement by 20 December 2019 (which was a previously agreed repayment date) , the Company must pay to Ms Modha a non-refundable fee of US\$25,000 (**Extension Fee**). This fee is to be paid to Ms Modha on the Repayment Date."

### **5. Conversion**

Subject to Shareholder Approval (refer to paragraph 7), Ms Modha may elect, by giving notice to the Company in writing (**Election Notice**) at any time prior to the Repayment Date, that any one or more of the following amounts are to be satisfied through the issue of Shares to Ms Modha or her nominee rather than through the Company paying those amounts to Ms Modha in immediately available funds:

- (a) the whole or any portion of the Interest that accrues under the agreement which has not been paid; and
- (b) the whole or any portion of the Extension Fee which has not been paid.

Ms Modha may only give one Election Notice and the amount or amounts that Ms Modha elects in the Election Notice to be satisfied through the issue of Shares is the **Conversion Amount**.

If Ms Modha gives an Election Notice, the Company must, within 5 Trading Days of the date on which the Election Notice is received by the Company, issue to Ms Modha or her nominee the number of Shares calculated by dividing the Australian dollar equivalent of the Conversion Amount by A\$0.06 (being 6 Australian cents).

For the avoidance of doubt, on the Shares required to be issued under this paragraph 5 (**Conversion Shares**) being issued to Ms Modha or her nominee in accordance with this paragraph 5 and the Share Issue Requirements paragraph (refer to paragraph 6) the Conversion Amount will be taken to be paid in full.

### **6. Share Issue Requirements**

All Conversion Shares:

- (a) are to be issued by the Company to Ms Modha or her nominee within the time required under paragraph 5; and
- (b) will be issued by the Company as fully paid and free from any charge, mortgage, security interest, encumbrance, pledge, right of first refusal, pre-emptive right, title retention, trust arrangement, contractual right, right of call or set off or any other security arrangement (**Security Interest**) and will rank equally in all respects with the other ordinary shares on issue in the capital of the Company as at the date on which the Conversion Shares are issued.

Promptly after the Conversion Shares are issued, the Company must:

- (c) either give a notice to the ASX which, when given, complies with the requirements of section 708A(6) of the Corporations Act or lodge a prospectus with ASIC and ASX and do all other things necessary to satisfy section 708A(11) of the Corporations Act to ensure that an offer for sale of the Conversion Shares does not require disclosure to investors;
- (d) use its best endeavours to procure the grant of official quotation of the Conversion Shares on the ASX as soon as practicable after allotment; and
- (e) deliver a holding statement for the Conversion Shares to Ms Modha.

## 7. Shareholder Approval

Ms Modha must not give an Election Notice under the Conversion paragraph (refer to paragraph 5) unless the Company has obtained shareholder approval pursuant to Listing Rule 7.1 for the issue of Shares under that paragraph (**Shareholder Approval**).

The Company will:

- (a) by no later than 31 July 2020, dispatch a notice of meeting to seek Shareholder Approval;
- (b) procure that its board of directors make a recommendation to Shareholders of the Company in the notice of meeting referred to in paragraph (a) above to vote in favour of the resolutions to permit the issue of Shares to Ms Modha or her nominee under the Conversion paragraph (refer to paragraph 5); and
- (c) seek a waiver from the ASX to extend the dates on which the Company must issue Shares pursuant to the Conversion paragraph (refer to paragraph 5) under Listing Rule 7.3.4 (**Waiver**) or, if the Company does not obtain the Waiver, the Company will convene further general meetings to refresh the Shareholder Approval (as required)."

## 8. Security

All amounts owing by the Company to Ms Modha under the agreement are secured against certain of the Company's assets, including all of the Shares held by the Company in Core.

## 9. Representations

The Company gives representations and warranties to Ms Modha that are customary for an agreement of this kind, including (among other representations) that:

- (a) the agreement constitutes legal, valid and binding obligations of the Company and is enforceable in accordance with its terms; and
- (b) the Company has the requisite power and authority to enter into and perform its obligations under the agreement.

## 10. Covenants

The Company is required to comply with covenants that are customary for an agreement of this kind including (among other covenants) to ensure that its subsidiary, Vista Gold S.A.C,:

- (a) conducts its business in the ordinary and usual course of business; and
- (b) does not directly or indirectly without Ms Modha's written approval:
  - (i) grant any Security Interest over any of its assets or undertaking of Vista Gold S.A.C;
  - (ii) incur indebtedness in excess of US\$750,000 (in aggregate); or
  - (iii) dispose of, or procure, approach or enter into any discussions or negotiations with any third party to dispose of, its processing plant.

## 11. Default

Notwithstanding the Company's repayment obligations (refer to paragraph 3), the Company must pay or repay (as applicable) to Ms Modha the outstanding Loan Facility Amount together with the Total Interest Amount and all other amounts owing by the Company to Ms Modha under the agreement on demand in the following circumstances:

- (a) a "controller" (as defined in section 9 of the Corporations Act), manager, trustee, administrator or similar officer is appointed in respect of the Company or any of its "subsidiaries" or any of its assets or undertaking;
- (b) a liquidator or provisional liquidator is appointed in respect of the Company or any of its subsidiaries;
- (c) any application (not being an application withdrawn or dismissed within 7 days) is made to a court for an order, or an order is made, or a meeting is convened, or a resolution is passed, for the purpose of:
  - (i) appointing a person referred to in paragraphs (a) or (b) above; or
  - (ii) winding up the Company or any of its subsidiaries;
- (d) any warranty or representation by the Company contained in the agreement is or becomes untrue;
- (e) a material breach of the agreement by the Company which is not remedied within 10 business days of the Company receiving written notice of such breach from Ms Modha; or
- (f) Shareholder Approval (refer to paragraph 7) is not received by the earlier of 31 August 2020 and the date on which the Company holds a meeting of its Shareholders at which resolutions relating to Shareholder Approval are considered."

## 1. Loan Facility Amount

The principal amount owing by the Company to Block Capital under the agreement as at the date of this Notice of annual general meeting is US\$2,217,260 (**Loan Facility Amount**). This includes:

- (a) the amount of US\$1,000,000 that was made available by Block Capital for draw down under the agreement, and was drawn down in full on 22 March 2019; and
- (b) the amount of US\$1,217,260, which is equal to the amount that was owing by the Company to another lender and was assigned by that other lender to Block Capital on 18 May 2020.

## 2. Interest

The Company will pay interest on the Loan Facility Amount, at the rate of 15% per annum (**Interest**), calculated on a pro rata basis from:

- (a) in respect of US\$1,000,000 of the Loan Facility Amount, 22 March 2019; and
- (b) in respect of the balance of the Loan Facility Amount (being US\$1,217,260), 1 May 2020, to, and including, the date on which the Loan Facility Amount is repaid (**Total Interest Amount**).

## 3. Repayment

The Company must repay the drawn down Loan Facility Amount together with the Total Interest Amount to Block Capital on 30 November 2020 (**Repayment Date**).

The Company may repay the drawn down Loan Facility Amount prior to the Repayment Date, but must give Block Capital at least 10 business days prior notice in writing before making any such repayment.

The Company must not repay the Total Interest Amount prior to the Repayment Date without Block Capital's prior written consent.

## 4. First Extension Fee

As consideration for Block Capital agreeing not to require the repayment of all monies due to Block Capital under the agreement by 20 December 2019 (which was a previously agreed repayment date), the Company must pay to Block Capital a non-refundable fee of US\$50,000 (**First Extension Fee**). This fee is to be paid to Block Capital on the Repayment Date.

## 5. Second Extension Fee

As consideration for Block Capital agreeing not to require the repayment of all monies due to Block Capital under the agreement by 30 April 2020 (which was a previously agreed repayment date), the Company must pay to Block Capital a non-refundable fee of US\$200,000 (**Second Extension Fee**). This fee is to be paid to Block Capital on the Repayment Date.

## 6. Early Repayment Fee

If any of the drawn down Loan Facility Amount is repaid prior to the Repayment Date, the Company will be required to pay to Block Capital on the Repayment Date an amount equivalent to the Interest that would have accrued on the amount prepaid for the period from the date on which that prepayment is made up to the Repayment Date (**Early Repayment Date**).

## 7. Conversion

Subject to the Shareholder Approval (refer to paragraph 9) Block Capital may elect, by giving notice to the Company in writing (**Election Notice**) at any time prior to the Repayment Date, that any one or more of the following amounts are to be satisfied through the issue of Shares to Block Capital or its nominee rather than through the Company paying those amounts to Block Capital in immediately available funds:

- (a) the whole or any portion of the Interest that accrues under the agreement which has not been paid;
- (b) any Early Repayment Fee, which has not been paid;
- (c) the whole or any portion of the First Extension Fee which has not been paid; and
- (d) the whole or any portion of the Second Extension Fee which has not been paid.

Block Capital may only give one Election Notice and the amount or amounts that Block Capital elects in the Election Notice to be satisfied through the issue of Shares is the **Conversion Amount**.

If Block Capital gives an Election Notice, the Company must, within 5 Trading Days of the date on which the Election Notice is received by the Company, issue to Block Capital or its nominee the number of Shares calculated by dividing the Australian dollar equivalent of the Conversion Amount by A\$0.04 (being 4 Australian cents). When determining the Australian dollar equivalent of the Conversion Amount, if the relevant rate of exchange is more than US\$0.0645 for each A\$1 then the rate of exchange will be US\$0.645 for each A\$1.

For the avoidance of doubt, on the Shares required to be issued under this paragraph 7 (**Conversion Shares**) being issued to Block Capital or its nominee in accordance with this paragraph 7 and the Share Issue Requirements paragraph (refer to paragraph 8) the Conversion Amount will be taken to be paid in full.

## 8. Share Issue Requirements

All Conversion Shares (refer to paragraph 7) and all Shares required to be issued under the Deferral of Certain Amounts (refer to paragraph 11) (**Extended Conversion Shares**).

- (a) are to be issued by the Company to Block Capital or its nominee within the time required under paragraph 7 or paragraph 11 (as applicable); and
- (b) will be issued by the Company as fully paid and free from any charge, mortgage, security interest, encumbrance, pledge, right of first refusal, pre-emptive right, title retention, trust arrangement, contractual right, right of call or set off or any other security arrangement (**Security Interest**) and will rank equally in all respect with the other ordinary shares on issue in the capital of the Company as at the date on which the Conversion Shares or the Extended Conversion Shares (as applicable) are issued.

Promptly after the Conversion Shares or the Extended Conversion Shares (as applicable) are issued, the Company must:

- (c) either give a notice to the ASX which, when given, complies with the requirements of section 708A(6) of the Corporations Act or lodge a prospectus with ASIC and ASX and do all other things necessary to satisfy section 708A(11) of the Corporations Act to ensure that an offer for sale of the Conversion Shares or the Extended Conversion Shares (as applicable) does not require disclosure to investors;
- (d) use its best endeavours to procure the grant of official quotation of the Conversion Shares or the Extended Conversion Shares (as applicable) on the ASX as soon as practicable after allotment; and

- (e) deliver a holding statement for the Conversion Shares or the Extended Conversion Shares (as applicable) to Block Capital.

## 9. Shareholder Approval

Block Capital must not give an Election Notice under the Conversion paragraph (refer to paragraph 7) or an Extended Conversion Notice under the Deferral of Certain Amounts paragraph (refer to paragraph 11) unless the Company has obtained shareholder approval pursuant to Listing Rule 7.1 for the issue of Shares under those paragraphs (**Shareholder Approval**).

The Company will:

- (a) by no later than 31 July 2020, dispatch a notice of meeting to seek Shareholder Approval;
- (b) procure that its board of directors make a recommendation to Shareholders of the Company in the notice of meeting referred to in paragraph (a) above to vote in favour of the resolutions to permit the issue of Shares to Block Capital or its nominee under the Conversion paragraph (refer to paragraph 7) and the Deferral of Certain Amounts paragraph (refer to paragraph 11); and
- (c) seek a waiver from the ASX to extend the dates on which the Company must issue Shares pursuant to the Conversion paragraph (refer to paragraph 7) and the Deferral of Certain Amounts paragraph (refer to paragraph 11) under Listing Rule 7.3.4 (**Waiver**) or, if the Company does not obtain the Waiver, the Company will convene further general meetings to refresh the Shareholders Approval (as required).

## 10. Exchange Rate Fee

If, on any date on which the Company pays or repays any of the amounts owed by the Company to Block Capital under the agreement (other than any amounts that are taken to be repaid through the issue of Shares) the relevant exchange rate would result in more than US\$0.645 being converted from one Australian dollar, then the Company must pay to Block Capital a fee calculated as follows:

$$(A - \text{US\$}0.645) \times B = C$$

where:

**A** is the amount of United States dollars that can be converted from one Australian dollar using the exchange rate for those currencies published by the Reserve Bank of Australia on the date on which the relevant payment is made;

**B** is the amount (in United States dollars) of the relevant payment or repayment made or to be made on the relevant date;

and

**C** is the fee to be paid to Block Capital, expressed in United States dollars.

## 11. Deferral of Certain Amounts

Block Capital may, by giving written notice to the Company prior to the Repayment Date (**Deferral Notice**), extend the date by which the Total Interest Amount, the Early Repayment Fee, the First Extension Fee and the Second Extension Fee are required to be paid to a date not later than 30 November 2021 (**Extended Repayment Date**). The total amount the payment of which has been extended under this paragraph is the **Extended Amount**.

Interest will accrue on any of the Extended Amount which remains unpaid on and from the Repayment Date until those amounts are paid (or taken to be paid through the issue of



Shares) at the rate of 10% per annum, calculated on daily balances of the unpaid amounts for the actual number of days elapsed.

Subject to Shareholder Approval (refer to paragraph 9), Block Capital may, by giving written notice to the Company (**Extended Conversion Notice**) at any time prior to the Extended Repayment Date, elect that any or all of the outstanding Extended Amount and any interest accrued on the Extended Amount in accordance with this paragraph 11 is to be satisfied through the issue of Shares to Block Capital or its nominee rather than through the Company paying the relevant amounts to Block Capital in immediately available funds.

Block Capital may only give one Extended Conversion Notice and the amount or amounts that Block Capital elects in the Extended Conversion Notice to be satisfied through the issue of Shares is the **Extended Conversion Amount**.

If Block Capital gives an Extended Conversion Notice, the Company must, within 5 Trading Days of the date on which the Extended Conversion Notice is received by the Company, issue to Block Capital or its nominee the number of Shares calculated by dividing the Australian dollar equivalent of the Extended Conversion Amount by A\$0.04 (being 4 Australian cents). When determining the Australian dollar equivalent of the Extended Conversion Amount, if the relevant rate of exchange is more than US\$0.645 for each A\$1 then the rate of exchange will be US\$0.645 for each A\$1.

For the avoidance of doubt, on the Shares required to be issued under this paragraph 11 being issued to Block Capital or its nominee in accordance with this paragraph 11 and the Share Issue Requirements paragraph (refer to paragraph 8) the Extended Conversion Amount will be taken to be paid in full.

## 12. Security

All amounts owing by the Company to Block Capital under the agreement are secured against certain of the Company's assets, including all of the shares held by the Company in Core.

## 13. Representations

The Company gives representations and warranties to Block Capital that are customary for an agreement of this kind, including (among other representations) that:

- (a) the agreement constitutes legal, valid and binding obligations of the Company and is enforceable in accordance with its terms; and
- (b) the Company has the requisite power and authority to enter into and perform its obligations under the agreement.

## 14. Covenants

The Company is required to comply with covenants that are customary for an agreement of this kind including (among other covenants) to ensure that its subsidiary, Vista Gold S.A.C:

- (a) conducts its business in the ordinary and usual course of business; and
- (b) does not directly or indirectly without Block Capital's written approval:
  - (i) grant any Security Interest over any of its assets or undertaking of Vista Gold S.A.C;
  - (ii) incur indebtedness in excess of US\$750,000 (in aggregate); or
  - (iii) dispose of or procure, approach or enter into any discussions or negotiations with any third party to dispose of its processing plant.

## 15. Default

Notwithstanding, the Company's repayment obligations (refer to paragraph 3), the Company must pay or repay (as applicable) to Block Capital the outstanding Loan Facility Amount together with the Total Interest Amount and all other amounts owing by the Company to Block Capital under the agreement on demand in the following circumstances:

- (a) a "controller" (as defined in section 9 of the Corporations Act), manager, trustee, administrator or similar officer is appointed in respect of the Company or any of its "subsidiaries" or any of its assets or undertaking;
- (b) a liquidator or provisional liquidator is appointed in respect of the Company or any of its subsidiaries;
- (c) any application (not being an application withdrawn or dismissed within 7 days) is made to a court for an order, or an order is made, or a meeting is convened, or a resolution is passed, for the purpose of:
  - (i) appointing a person referred to in paragraphs (a) or (b) above; or
  - (ii) winding up the Company or any of its subsidiaries;
- (d) any warranty or representation by the Company contained in the agreement is or becomes untrue;
- (e) a material breach of the agreement by the Company which is not remedied within 10 business days of the Company receiving written notice of such breach from Block Capital; or
- (f) Shareholder Approval (refer to paragraph 9) is not received by the earlier of 31 August 2020 and the date on which the Company holds a meeting of its Shareholders at which resolutions relating to Shareholder Approval are considered.

## Schedule 5 – Terms and Conditions of the Options

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The terms and conditions of the Options are as follows:

### 1. Entitlement

Each Option entitles the holder (**Holder**) to subscribe for a Share upon exercise.

### 2. Exercise Price and Expiry Date

The exercise price of each Option is \$0.0001 (**Exercise Price**).

Each Option will expire four years from the date of issue (**Expiry Date**).

### 3. Exercise Period and Vesting Conditions

Each Option is exercisable at any time prior to the Expiry Date (**Exercise Period**) upon the achievement of the following conditions (**Vesting Conditions**):

Options	Vesting Condition
8,000,000	The Company announcing on its ASX Market Announcements Platform a minimum 2,000,000 ounces of gold (Au) or gold equivalent (in accordance with clause 50 of the JORC code) at the Dynasty Gold Project in Ecuador.
8,000,000	The Company announcing on its ASX Market Announcements Platform a minimum 2,500,000 ounces of gold (Au) or gold equivalent (in accordance with clause 50 of the JORC code) at the Dynasty Gold Project in Ecuador.
8,000,000	The VWAP of Company Shares is at least \$0.15 for 10 consecutive trading days
8,000,000	The VWAP of Company Shares is at least \$0.30 for 10 consecutive trading days or at 24 months after the issue of the Options.

After this time, any unexercised Options will automatically lapse.

### 4. Lapsing of Options

The Options will lapse, and be cancelled, if:

- (a) the Vesting Conditions are not satisfied prior to the Expiry Date;
- (b) the holder ceases to be a Director or employee (as applicable) prior to the Expiry Date.

### 5. Notice of Exercise

The Options may be exercised by notice in writing to the Company (**Notice of Exercise**) and payment of the applicable Exercise Price for each Option being exercised. Any Notice of Exercise of an Option received by the Company will be deemed to be a notice of the exercise of that Option as at the date of receipt.

### 6. Shares Issued on Exercise

Shares issued on exercise of the Options rank equally with the then Shares of the Company and are free of all encumbrances, liens and third party interests.

## **7. Quotation of Shares**

The Company will apply to ASX for official quotation of the Shares issued upon the exercise of the Options.

## **8. Timing of Issue of Shares and Quotation of Shares on Exercise**

Within 5 business days after the later of the following:

- (a) receipt of a Notice of Exercise given in accordance with these terms and conditions and payment of the applicable Exercise Price for each Option being exercised; and
- (b) when excluded information in respect to the Company (as defined in section 708A(7) of the Corporations Act) (if any) ceases to be excluded information. If there is no such information the relevant date will be the date of receipt of a Notice of Exercise as set out in paragraph 5 above,

the Company will:

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

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

## **9. Participation in New Issues**

There are no participation rights or entitlements inherent in the Options and Holders will not be entitled to participate in new issues of capital offered to Shareholders during the currency of the Options.

## **10. Adjustment for Bonus Issues of Shares**

If the Company makes a bonus issue of Shares or other securities to existing Shareholders (other than an issue in lieu or in satisfaction, of dividends or by way of dividend reinvestment):

- (a) the number of Shares which must be issued on the exercise of an Option will be increased by the number of Shares which the Holder would have received if the Holder of an Option had exercised the Option before the record date for the bonus issue; and
- (b) no change will be made to the Exercise Price.

## **11. Adjustment for Rights Issue**

If the Company makes an issue of Shares pro rata to existing Shareholders (other than an issue in lieu of in satisfaction of dividends or by way of dividend reinvestment) the Exercise Price of an Option will be reduced according to the following formula:

$$O' = O - \frac{E[P - (S + D)]}{N + 1}$$

where:

O' = the new Exercise Price of the Option.

O = the old Exercise Price of the Option.

E = the number of underlying Shares into which one Option is exercisable.

P = average market price per Share weighted by reference to volume of the underlying Shares during the 5 trading days ending on the day before the ex rights date or ex entitlement date.

S = the subscription price of a Share under the pro rata issue.

D = the dividend due but not yet paid on the existing underlying Shares (except those to be issued under the pro rata issue).

N = the number of Shares with rights or entitlements that must be held to receive a right to one new Share.

## 12. Adjustments for Reorganisation

If there is any reconstruction of the issued share capital of the Company, the rights of the Holder may be varied to comply with the ASX Listing Rules that apply to the reconstruction at the time of the reconstruction.

## 13. Quotation of Options

The Company will make no application for quotation of the Options.

## 14. Options Transferable

Unless otherwise determined by the Board, the Options are transferable.

## 15. Lodgement Requirements

Cheques shall be in Australian currency made payable to the Company and crossed 'Not Negotiable'. The application for Shares on the exercise of the Options with the appropriate remittance must be lodged at the Company's registry.

## 16. Change of Control

All the Options on issue shall automatically convert into Shares up to a maximum number that is equal to 10% of the Company's issued capital (as at the date of any of the following events) upon the occurrence of either of the following events:

- (a) the Company announces that its Shareholders have at a court convened meeting of Shareholders voted in favour, by the necessary majority, of a proposed scheme of arrangement (excluding a merger by way of scheme of arrangement for the purposes of a

corporate restructure (including change of domicile, consolidation, sub-division, reduction or return) of the issued capital of the Company) and the Court, by order, approves the scheme of arrangement;

- (b) a takeover bid:
  - (i) is announced;
  - (ii) has become unconditional; and
  - (iii) the person making the takeover bid has a relevant interest in 50% or more of the Shares;
- (c) any person acquires a relevant interest in 50.1% or more of the Shares by any other means;  
or
- (d) the Company announces that the sale or transfer of its main business undertaking or the principal assets (in one transaction or a series of transactions) of the Company has been completed.

## Schedule 6 – Terms of the Unsecured Facility with RM Hunter Fund Pty Ltd

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### 1. Definitions

**Control** has the meaning given in section 50AA of the Corporations Act.

**Existing Secured Lenders** means the lenders referred to in Schedules 3, 4 and 5 of this Notice of annual general meeting.

**Facility** means the term loan facility made available under the agreement as described below at paragraph 2.

**Lender(s)** means any bank, financial institution, trust, fund or other entity which has become a lender under the agreement. As at the date of this Notice of annual general meeting, the only Lender is RM Hunter Fund Pty Ltd.

**Loan** means a loan made or to be made under the Facility or the principal amount outstanding for the time being of that loan.

**Material Adverse Effect** means a material adverse effect on:

- (a) the business, operation, property or condition (financial or otherwise) of the Company;
- (b) the ability of the Company to perform its obligations under the agreement; or
- (c) the validity or enforceability of the whole or any material part of the agreement or any material rights or remedies of any Lender under the agreement.

**Permitted Disposal** means any sale, lease, licence, transfer or other disposal which is on arm's length terms:

- (a) of trading stock or cash in the ordinary course of trading (and, for this purpose, includes any repayment or prepayment of the financial indebtedness owing by the Company to the Existing Secured Lenders);
- (b) of assets (other than shares, businesses and real property) in exchange for other assets comparable or superior as to type, value and quality (other than an exchange of a non-cash asset for cash);
- (c) of obsolete or redundant vehicles, plant and equipment for cash;
- (d) arising as a result of any Permitted Security; and
- (e) of assets where the higher of the market value and net consideration receivable for those assets (when aggregated with the higher of the market value and net consideration receivable for any other sale, lease, licence, transfer or other disposal not allowed under the preceding paragraphs) in any 12 month period does not exceed US\$3,000,000 (or its equivalent in any other currency).

**Permitted Financial Indebtedness** means financial indebtedness:

- (a) incurred under the agreement;
- (b) incurred under the finance documents entered into before the Company and the Existing Secured Lenders up to a maximum aggregate amount at any time which does not exceed US\$5,000,000;

- (c) arising under a foreign exchange transaction for spot or forward delivery entered into in connection with protection against fluctuation in currency rates where that foreign exchange exposure arises in the ordinary course of trade, but not a foreign exchange transaction for investment of speculative purposes;
- (d) under leases and hire purchase contracts constituting financial indebtedness relating to vehicles, plant, equipment or computers, provided that the aggregate amount of all such items so leased under outstanding leases by the Company does not exceed US\$3,000,000 (or its equivalent in any other currency) at any time; and
- (e) not permitted by the preceding paragraphs and the outstanding amount of which does not exceed US\$3,000,000 (or its equivalent in any other currency) at any time.

**Permitted Security** means:

- (a) any Security created or arising under the agreement;
- (b) any Security granted by the Company to, or for the benefit of, the Existing Secured Lenders;
- (c) any lien arising by operation of law and in the ordinary course of trading, so long as the debt it secures is paid when due or contested in good faith and appropriately provisioned;
- (d) any netting or set-off arrangement entered into by the Company in the ordinary course of its banking arrangements for the purpose of netting debit and credit balances;
- (e) any payment or close out netting or set-off arrangement pursuant to any foreign exchange transaction entered into by the Company which constitutes Permitted Financial Indebtedness, excluding any Security under a credit support arrangement;
- (f) any Security over or affecting any asset acquired by the Company (before or after the date of the agreement) if:
  - (i) the Security was not created in contemplation of the acquisition of that asset by the Company;
  - (ii) the principal amount secured has not been increased in contemplation of or since the acquisition of that asset by the Company; and
  - (iii) the Security is removed or discharged within 6 months of the date of acquisition of such asset;
- (g) any Security arising under any retention of title, hire purchase or conditional sale arrangement or arrangements having similar effect in respect of goods supplied to the Company in the ordinary course of trading and on the supplier's standard or usual terms (or on terms more favourable to the Company) so long as the debt it secures is paid when due or contested in good faith and sufficient reserves of liquid assets have been set aside to pay the debt if the contest is unsuccessful;
- (h) any Security arising as a result of a Permitted Disposal; and
- (i) any Security arising as a consequence of any finance or capital lease permitted pursuant to paragraph (d) of the definition of Permitted Financial Indebtedness and only over the asset being financed.

**Security** means a mortgage, charge, pledge, lien or other security interest securing any obligation of any person or any other agreement or arrangement having a similar effect, including any "security interest" as defined in sections 12(1) or (2) of the *Personal Property Securities Act 2009* (Cth).



**Termination Date** means the date that is 12 months after the date of the agreement, being 31 December 2020, or such later date as the parties may agree in writing. As at the date of the Notice of annual general meeting, the Termination Date is 31 December 2021.

## **2. Facility**

Subject to the terms of the agreement, the Lenders make available to the Company a term loan Facility in an aggregate amount equal to US\$10,000,000. As at the date of this Notice of annual general meeting, the Company has drawn down A\$785,000.

## **3. Purpose**

All amounts borrowed by the Company under the agreement shall be applied at the discretion of the Company.

## **4. Delivery of a Utilisation Request**

The Company may utilise the Facility by delivering a utilisation request to the Lenders not later than 11:00 am three business days before the proposed Loan. The Company may give a utilisation request up to 10 business days prior to the Termination Date.

## **5. Repayment**

The Company must repay each Loan it has drawn and all other amounts accrued or outstanding under the agreement in full on the Termination Date.

## **6. Prepayment**

The Company may, if it gives the Lenders not less than 5 business days' prior notice, prepay the whole or any part of any Loan (but, if in part, by a minimum amount of US\$100,000).

Any part of the Facility which is prepaid or repaid may be reborrowed in accordance with the terms of the agreement.

## **7. Calculation of Interest**

The rate of interest on each outstanding Loan is 12% per annum.

## **8. Payment of Interest**

The Company must pay accrued interest on each outstanding Loan to the Lenders on each quarterly date, being 31 March, 30 June, 30 September and 31 December each year.

## **9. Default Interest**

If the Company fails to pay any amount payable by it under the agreement on its due date, interest accrues on the unpaid sum from the due date up to the date of actual payment (both before and after judgement) at the rate of 12% per annum.

Any interest accruing under this paragraph 9 is immediately payable by the Company on demand by the majority Lenders.

Default interest (if unpaid) arising on an unpaid sum will be compounded with the unpaid sum at one month intervals but will remain immediately due and payable.

## **10. Review Event**

A "Review Event" will occur if:

- (a) any of the directors of the Company as at the date of the agreement ceases to be a director of the Company (other than through death) without the prior written consent of the majority Lenders; or
- (b) there is a change in Control of the Company (other than due to the issue by the Company of shares in the Company following a successful bid by it for the acquisition of Core or as consequence of the Company issuing additional shares pursuant to any capital raising conducted by it).

If a Review Event occurs:

- (a) the Company shall promptly notify the Lenders upon becoming aware of that event;
- (b) a Lender shall not be obliged to fund its participation in any Loan; and
- (c) if the majority Lenders so require, they may, by giving notice to the Company within 30 days of the Company notifying the Lenders of the Review Event, cancel the Facility and declare all outstanding Loans, together with accrued interest, and all other amounts accrued under the agreement due and payable on a date (**Early Repayment Date**) no earlier than 60 days after the date on which the majority Lenders give notice to the Company, whereupon the Facility will be cancelled and all such outstanding Loans and amounts will become immediately due and payable on the Early Repayment Date.

## 11. Consideration Shares

- (a) In consideration for RM Hunter Fund agreeing to provide the Facility on the terms and conditions set out in the agreement, the Company agrees, subject to (d) and (e) below, to issue to RM Hunter Fund or its nominee Shares with an aggregate value equal to the Australian dollar equivalent of US\$500,000 (**Consideration Shares**).
- (b) The Consideration Shares issued under (a) above:
  - (i) will be issued as fully paid and free from any Security; and
  - (ii) will rank equally in all respects with other Shares then on issue.
- (c) Promptly after any Consideration Shares are issued under (a) above, the Company must:
  - (i) either give a notice to ASX which, when given complies with the requirements of section 708A(6) of the Corporations Act or lodge a prospectus with the Australian Securities and Investments Commission and ASX and do all other things necessary to satisfy section 708A(11) of the Corporations Act to ensure that an offer for sale of any Consideration Shares does not require disclosure to investors;
  - (ii) use its best endeavours to procure the grant of official quotation of Consideration Shares on the ASX as soon as practicable after allotment; and
  - (iii) deliver to RM Hunter Fund a holding statement for the Consideration Shares to be issued to it or its nominee.
- (d) The Company's obligations under (a) above are subject to, and conditional on, the Company obtaining all required shareholder approvals in relation to the issue of the Consideration Shares, and the Company agrees to use its best endeavours to obtain any such shareholder approval required as soon as reasonably practicable after the date of the agreement.

- (e) In the event that any shareholder approval required for the purposes of paragraph (d) above is not obtained, the Company's obligations under paragraph (a) above will cease to apply and the Company must pay to RM Hunter Fund a fee equal to US\$500,000.

## 12. Covenants

The Company is required to comply with covenants that are customary for an agreement of this kind, including (amongst other things) to:

- (a) not create, or permit to subsist, any Security over any of its assets other than any Permitted Security;
- (b) not incur or allow to remain outstanding any financial indebtedness other than Permitted Financial Indebtedness; and
- (c) not sell, lease, transfer or otherwise dispose of any asset, other than a Permitted Disposal.

## 13. Events of Default

Each of the events or circumstance set out below is an Event of Default (except for paragraph p which specifies the right of the Lender while an Event of Default is occurring)

### (a) Non-Payment

The Company does not pay on the due date any amount payable by it pursuant to the agreement at the place and in the currency in which it is expressed to be payable unless:

- (i) its failure to pay is caused by administrative or technical error; and
- (ii) payment is made within two business days of its due date.

### (b) Other Obligations

- (i) Subject to paragraph (b)(ii) below, the Company does not comply with any provision of the agreement (other than those referred to above in Non-Payment) or with any condition of any waiver or consent by a Lender under or in connection with the agreement which the Company has accepted as a condition.
- (ii) No Event of Default under paragraph (b)(i) above will occur if the failure to comply is capable of remedy and is remedied within 10 business days of the earlier of the majority Lenders giving notice to the Company and the Company becoming aware of the failure to comply.

### (c) Misrepresentation

- (i) Subject to paragraph (c)(ii) any representation or statement made or deemed to be made by the Company in the agreement or any other document delivered by or on behalf of the Company under or in connection with the agreement is or proves to have been incorrect or misleading in any material respect when made or deemed to be made.
- (ii) No Event of Default under paragraph (c)(i) will occur if the circumstances giving rise to the misrepresentation are capable of remedy and are remedied within 10 business days of the earlier of the majority Lenders giving notice to the Company and the Company becoming aware of the misrepresentation.

### (d) Cross Default

- (i) Subject to paragraph 12(d)(ii):
  - (A) any financial indebtedness of the Company is not paid when due nor within any originally applicable grace period;
  - (B) any financial indebtedness of the Company is declared to be, or otherwise becomes, due and payable prior to its specified maturity as a result of an event of default or review event (however described);
  - (C) any commitment for any financial indebtedness of the Company is cancelled or suspended by a creditor of the Company as a result of an event of default or review event (however described); or
  - (D) any creditor of the Company becomes entitled to declare any financial indebtedness of the Company due and payable prior to its specified maturity as a result of an event of default or review event (however described).
- (ii) No Event of Default will occur under paragraph 12(d)(i) if the aggregate amount of financial indebtedness or commitment for financial indebtedness falling within paragraph 12(d)(i)(A) to 12(d)(i)(D) is less than US\$1,000,000 (or its equivalent in any other currency or currencies).
- (e) Insolvency
  - (i) the Company is or is presumed or deemed to be unable or admits inability to pay its debts as they fall due;
  - (ii) the Company suspends making payments on any of its debts;
  - (iii) the Company by reason of actual or anticipated financial difficulties, commences negotiations with one or more of its creditors (excluding any Lender in its capacity as such or the Existing Secured Lenders) with a view to rescheduling any of its indebtedness; or
  - (iv) is "deregistered" (as defined in the Corporations Act).
- (f) A moratorium is declared in respect of any indebtedness of the Company.
- (g) Insolvency Proceedings

Any corporate action, legal proceedings or other procedure or step is taken in relation to:

- (i) the suspension of payments, a moratorium of any indebtedness, winding up, dissolution, administration or reorganisation (by way of voluntary arrangement, scheme of arrangement or otherwise) of the Company except an application made to a court for the purpose of winding up the Company which is disputed by the Company acting diligently and in good faith and dismissed within 20 business days;
- (ii) a composition, compromise, assignment or arrangement with any creditor of the Company;
- (iii) the appointment of a liquidator, receiver, administrative receiver, administrator, compulsory manager or other similar officer in respect of the Company or any of its assets except an application made to a court for the purpose of appointing such a person which is disputed by the Company acting diligently and in good faith and dismissed within 20 business days; or

(iv) enforcement of any Security over any assets of the Company,  
or any analogous procedure or step is taken in any jurisdiction.

(h) Creditors Process

Any expropriation, attachment, sequestration, distress or execution affects any asset or assets of the Company having an aggregate value greater than US \$1,000,000 (or its equivalent in any other currency or currencies) and is not discharged within 20 business days.

(i) Cessation of Business

The Company suspends or ceases to carry on (or threatens to suspend or cease to carry on) all or a material part of its business as conducted on the date of the agreement except as a result of a Permitted Disposal or with the prior written consent of the majority Lenders.

(j) Unlawfulness

It is or becomes unlawful for the Company to perform any of its obligations under the agreement.

(k) Repudiation

The Company repudiates the agreement or evidences an intention to repudiate the agreement.

(l) Material Adverse Effect

An event or series of events occurs in relation to the Company which has or is reasonably likely to have a Material Adverse Effect.

(m) Vitiating of Agreement

A provision of the agreement is or becomes or is claimed by the Company to be wholly or partly invalid, void, voidable or unenforceable in any material respect.

(n) Directors of the Company

The majority of the directors of the Company were not directors of the Company as at the date of the agreement.

(o) Effect of an Event of Default

While an Event of Default is continuing, the majority Lenders may by notice to the Company do any one or more of the following:

(i) cancel the Facility;

(ii) declare that all or part of the Loans, together with accrued interest and all other amounts accrued or outstanding under the agreement, be immediately due and payable, whereupon they shall become immediately due and payable; and/or

(iii) declare that all or part of the Loans be payable on demand, whereupon they shall immediately become payable on demand by the majority Lenders.

**Schedule 7 – Requirements under Listing Rule 7.3A.6**

No.	Date of issue	Number of securities issued or agreed to be issued	Percentage of total number of securities on issue <sup>1</sup>	Class	Persons to whom the securities were issued and on what basis <sup>2</sup>	Issue price <sup>3</sup>	Consideration, current value and use of funds as at the date of this Notice. <sup>4</sup>
1.	5/06/2020	80,719,301	30.9% <sup>1</sup>	Fully paid ordinary shares	Professional and sophisticated investors identified by Canaccord Genuity (Australia) Limited as set out in section 7.3 of this Notice	\$0.065 per Share	Total consideration and value: \$5,246,754  Use of funds: Funds raised by the issue of the Placement Shares will be applied to fund near term exploration activities at the Dynasty Gold and Copper Duke Projects and for general working capital as set out in section 7.3 of this Notice

<sup>1</sup> The percentage that the issue represented of the total number of Equity Securities on issue at the commencement of that 12 month period. Note that subsequent to the relevant period, the Company announced that it intended to make a formal offer to purchase all of the shares of Core Gold Inc. Accordingly, the percentage of total number of securities on issue does not include the consideration securities issued in consideration for the acquisition of Core Gold Inc. As of 16 June 2020, the Company has on issue 998,766,020 Equity Securities and the issue of shares on 5 June 2020 set out above represents approximately 8% of these securities.

<sup>2</sup> The names of the persons to whom the entity issued or agreed to issue the Equity Securities or the basis on which those persons were identified or selected.

<sup>3</sup> The price at which the Equity Securities were issued or agreed to be issued and the discount (if any) that the issue price represented to the closing market price on the date of the issue or agreement.

<sup>4</sup> The total cash consideration received or to be received by the entity, the amount of that cash that has been spent, what it was spent on and what is the intended use for the remaining amount of that cash (if any).



Holder Number:

## Vote by Proxy: TTM

Your proxy voting instruction must be received by **3.00pm (WST) on Wednesday, 29 July 2020**, being **not later than 48 hours** before the commencement of the Meeting. Any Proxy Voting instructions received after that time will not be valid for the scheduled Meeting.

### SUBMIT YOUR PROXY VOTE ONLINE

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



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

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

### SUBMIT YOUR PROXY VOTE BY PAPER

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

#### YOUR NAME AND ADDRESS

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

#### VOTING UNDER STEP 1 - APPOINTING A PROXY

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

#### DEFAULT TO THE CHAIR OF THE MEETING

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

#### VOTES ON ITEMS OF BUSINESS – PROXY APPOINTMENT

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

#### APPOINTMENT OF SECOND PROXY

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

#### SIGNING INSTRUCTIONS

You must sign this form as follows in the spaces provided

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

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

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

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

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

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

#### CORPORATE REPRESENTATIVES

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

#### ATTENDING THE VIRTUAL MEETING

Completion of a Proxy Voting Form will not prevent individual Shareholders from attending the virtual Meeting in person if they wish. Where a Shareholder completes and lodges a valid Proxy Voting Form and attends the virtual Meeting online, then the proxy's authority to speak and vote for that Shareholder is suspended while the Shareholder is present at the virtual Meeting.

#### POWER OF ATTORNEY

If a representative as power of attorney of a Shareholder of the Company is to attend the Meeting, a certified copy of the Power of Attorney, or the original Power of Attorney, must be received by the Company in the same manner, and by the same time as outlined for proxy forms.

#### Return your completed proxy form



##### BY MAIL

Automic  
 GPO Box 5193  
 Sydney NSW 2001



##### IN PERSON

Automic  
 Level 5, 126 Phillip Street  
 Sydney NSW 2000



##### BY EMAIL

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

#### All enquiries to Automic



##### WEBCHAT

<https://automic.com.au/>



##### PHONE

1300 288 664 (Within Australia)  
 +61 2 9698 5414 (Overseas)



