# CYPRIUM METALS LIMITED
# ACN 002 678 640
# NOTICE OF GENERAL MEETING

Notice is given that the Meeting will be held at:

**TIME**: 11:00am (AWST)

**DATE**: 3 December 2020

**PLACE**: 110 Stirling Highway
Nedlands WA 6009

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

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

***The Directors have determined pursuant to Regulation 7.11.37 of the Corporations Regulations 2001 (Cth) that the persons eligible to vote at the Meeting are those who are registered Shareholders at 11:00am (AWST) on 1 December 2020.***

## BUSINESS OF THE MEETING

### AGENDA

**1. RESOLUTION 1 – RATIFICATION OF PRIOR ISSUE OF SHARES UNDER LISTING RULE 7.1 TO HORIZON**

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

> *"That, for the purposes of Listing Rule 7.4 and for all other purposes, Shareholders ratify the issue 2,509,750 Shares on the terms and conditions set out in the Explanatory Statement."*

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

**2. RESOLUTION 2 – RATIFICATION OF PRIOR ISSUE OF PLACEMENT SHARES UNDER LISTING RULE 7.1**

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

> *"That, for the purposes of Listing Rule 7.4 and for all other purposes, Shareholders ratify the issue of 5,899,172 Shares on the terms and conditions set out in the Explanatory Statement."*

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

**3. RESOLUTION 3 – RATIFICATION OF PRIOR ISSUE OF PLACEMENT SHARES UNDER LISTING RULE 7.1A**

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

> *"That, for the purposes of Listing Rule 7.4 and for all other purposes, Shareholders ratify the issue of 5,605,948 Shares on the terms and conditions set out in the Explanatory Statement."*

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

**4. RESOLUTION 4 – APPROVAL TO ISSUE PLACEMENT SHARES UNDER LISTING RULE 7.1**

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

> *"That, for the purposes of Listing Rule 7.1 and for all other purposes, approval is given for the Company to issue up to 21,828,213 Shares on the terms and conditions set out in the Explanatory Statement."*

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

**5. RESOLUTION 5 – APPROVAL TO ISSUE OPTIONS IN CONSIDERATION FOR SERVICES PROVIDED IN CONNECTION WITH THE PLACEMENT – LISTING RULE 7.1**

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

*"That, for the purposes of Listing Rule 7.1 and for all other purposes, approval is given for the Company to issue up to 6,000,000 unlisted Options exercisable at $0.30 each on or before the date which is two (2) years from the date of issue to the Lead Managers of the Placement on the terms and conditions set out in the Explanatory Statement."*

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

**Dated: 2 November 2020**

**By order of the Board**



**Wayne Apted**
**Company Secretary**

**Voting Exclusion Statements**

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

| | |
|---|---|
| **Resolution 1 – Ratification of prior issue of Shares to Horizon under Listing Rule 7.1** | A person who participated in the issue or is a counterparty to the agreement being approved (namely Horizon Minerals Limited) or an associate of that person or those persons. |
| **Resolution 2 – Ratification of prior issue of Placement Shares under Listing Rule 7.1** | A person who participated in the issue or is a counterparty to the agreement being approved (namely the Placement Participants) or an associate of that person or those persons. |
| **Resolution 3 – Ratification of prior issue of Placement Shares under Listing Rule 7.1A** | A person who participated in the issue or is a counterparty to the agreement being approved (namely the Placement Participants) or an associate of that person or those persons. |
| **Resolution 4 – Approval to issue Placement Shares under Listing Rule 7.1** | A person who is expected to participate in, or who will obtain a material benefit as a result of, the proposed issue (except a benefit solely by reason of being a holder of ordinary securities in the Company) (namely, the Placement Participants) or an associate of that person (or those persons). |
| **Resolution 5 – Approval to issue Options in consideration for services provided – Listing Rule 7.1** | A person who is expected to participate in, or who will obtain a material benefit as a result of, the proposed issue (except a benefit solely by reason of being a holder of ordinary securities in the Company) (namely, the Lead Managers) or an associate of that person (or those persons). |

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

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

(b) the Chair as proxy or attorney for a person who is entitled to vote on the Resolution, in accordance with a direction given to the Chair to vote on the Resolution as the Chair decides; or

(c) a holder acting solely in a nominee, trustee, custodial or other fiduciary capacity on behalf of a beneficiary provided the following conditions are met:

  (i) the beneficiary provides written confirmation to the holder that the beneficiary is not excluded from voting, and is not an associate of a person excluded from voting, on the resolution; and

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

**Voting by proxy**

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

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

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

Shareholders and their proxies should be aware that:

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

**Voting in person**

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

***Should you wish to discuss the matters in this Notice of Meeting please do not hesitate to contact the Company Secretary on +61 8 6169 3050.***

## EXPLANATORY STATEMENT

This Explanatory Statement has been prepared to provide information which the Directors believe to be material to Shareholders in deciding whether or not to pass the Resolutions.

### 1. RESOLUTION 1 – RATIFICATION OF PRIOR ISSUE OF SHARES TO HORIZON – LISTING RULE 7.1

#### 1.1 Background to the Acquisition

On 14 July 2020, Cyprium Metals Limited (ACN 002 678 640) (**Cyprium** or the **Company**) entered into a sale and purchase agreement with Horizon Minerals Limited (ACN 007 761 186) (**Horizon**) (the **Sale and Purchase Agreement**), pursuant to which Horizon agreed to sell, and the Company agreed to purchase, 100% of the legal and beneficial interest in exploration licence E51/1040 and mining licence M51/887 (considered together, the **Tenements**) (the **Acquisition**).

Pursuant to the Sale and Purchase Agreement, in consideration for the Acquisition, the Company agreed to, at completion, issue/pay to Horizon the following up-front consideration:

(a) $250,000 cash payment; and

(b) $400,000 of fully ordinary paid shares in the Company based on a 20-day VWAP (**Up-Front Consideration Shares**).

Refer to Schedule 1 for the material terms and conditions of the Sale and Purchase Agreement.

#### 1.2 General

Completion of the Acquisition occurred on 11 September 2020, at which time the Company issued a total of 2,509,750 Up-Front Consideration Shares to Horizon. For further details, refer to the announcement titled "Nanadie Well Copper Project Acquisition Completion" released by the Company on the ASX on 15 September 2020 (**Announcement**). As stated in the Announcement, the Company will be required to also make the Deferred Consideration, as set out in the summary of the Sale and Purchase Agreement contained in Schedule 1.

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

Under Listing Rule 7.1A, an eligible entity can seek approval from its members, by way of a special resolution passed at its annual general meeting, to increase this 15% limit by an extra 10% to 25%.

The Company obtained approval to increase its limit to 25% at the annual general meeting held on 28 May 2020.

The issue of the Up-Front Consideration Shares does not fit within any of the exceptions set out in Listing Rule 7.2 and, as it has not yet been approved by Shareholders, it effectively uses up part of the 15% limit in Listing Rule 7.1, reducing the Company's capacity to issue further equity securities without

Shareholder approval under Listing Rule 7.1 for the 12 month period following the date of issue of the Up-Front Consideration Shares.

Listing Rule 7.4 allows the shareholders of a listed company to approve an issue of equity securities after it has been made or agreed to be made. If they do, the issue is taken to have been approved under Listing Rule 7.1 and so does not reduce the company's capacity to issue further equity securities without shareholder approval under that rule.

The Company wishes to retain as much flexibility as possible to issue additional equity securities in the future without having to obtain Shareholder approval for such issues under Listing Rule 7.1. Accordingly, the Company is seeking Shareholder ratification pursuant to Listing Rule 7.4 for the issue of the Up-Front Consideration Shares.

Resolution 1 seeks Shareholder ratification pursuant to Listing Rule 7.4 for the issue of the Up-Front Consideration Shares.

### 1.3 Technical information required by Listing Rule 14.1A

If Resolution 1 is passed, the Up-Front Consideration Shares will be excluded in calculating the Company's 15% limit in Listing Rule 7.1/ combined 25% limit in Listing Rules 7.1 and 7.1A, effectively increasing the number of equity securities the Company can issue without Shareholder approval over the 12 month period following the date of issue of the Up-Front Consideration Shares.

If Resolution 1 is not passed, the Up-Front Consideration Shares will be included in calculating the Company's 15% limit in Listing Rule 7.1/ combined 25% limit in Listing Rules 7.1 and 7.1A, effectively decreasing the number of equity securities that the Company can issue without Shareholder approval over the 12 month period following the date of issue of the Up-Front Consideration Shares.

### 1.4 Technical information required by Listing Rule 7.5

Pursuant to and in accordance with Listing Rule 7.5, the following information is provided in relation to Resolution 1:

(a) 2,509,750 Up-Front Consideration Shares were issued to Horizon, who is not a related party of the Company;

(b) the Up-Front Consideration Shares issued were all fully paid ordinary shares in the capital of the Company issued on the same terms and conditions as the Company's existing Shares;

(c) the Up-Front Consideration Shares were issued on 11 September 2020;

(d) the Up-Front Consideration Shares were issued at a nil issue price, in consideration for the acquisition by the Company of the Tenements from Horizon. The Company has not and will not receive any other consideration for the issue of the Up-Front Consideration Shares;

(b) the purpose of the issue of the Up-Front Consideration Shares was to satisfy the Company's obligations under the Horizon Agreement; and

(c) the Up-Front Consideration Shares were issued to Horizon under the Horizon Agreement. A summary of the material terms of the Horizon Agreement is set out in Schedule 1.

## 2. RESOLUTIONS 2 AND 3 – RATIFICATION OF PRIOR ISSUE OF PLACEMENT SHARES UNDER LISTING RULES 7.1 AND 7.1A

### 2.1 Placement

As announced on 26 October 2020, the Company is currently completing a placement to raise up to an aggregate $5,000,000 before costs (**Placement**) pursuant to which the Company:

(a) issued, on 30 October 2020, 11,505,120 Shares at an issue price of $0.15 per Share to raise $1,725,768, comprising:

(i) 5,899,172 Shares issued pursuant to Listing Rule 7.1 (the subject of Resolution 2); and

(ii) 5,605,948 Shares issued pursuant to Listing Rule 7.1A (the subject of Resolution 3),

(together, the **Tranche 1 Placement Shares**); and

(b) proposes to issue, subject to Shareholder approval, a further 21,828,213 Shares at an issue price of $0.15 per Share to raise a further $3,274,232 (the subject of Resolution 4) (the **Tranche 2 Placement Shares**).

### 2.2 General

As set out above, under the Placement, 5,899,172 Shares were issued pursuant to the Company's capacity under Listing Rule 7.1 (being, the subject of Resolution 2) and 5,605,948 Shares were issued pursuant to the Company's 7.1A mandate (being, the subject of Resolution 3) which was approved by Shareholders at the annual general meeting held on 28 May 2020.

As summarised in Section 1.2 above, Listing Rule 7.1 limits the amount of equity securities that a listed company can issue without the approval of its shareholders over any 12 month period to 15% of the fully paid ordinary securities it had on issue at the start of that 12 month period.

The issue of the Tranche 1 Placement Shares does not fit within any of the exceptions set out in Listing Rule 7.2 and, as it has not yet been approved by Shareholders, it effectively uses up the combined 25% limit in Listing Rules 7.1 and 7.1A, reducing the Company's capacity to issue further equity securities without Shareholder approval under Listing Rule 7.1 and 7.1A for the 12 month period following the date of issue of the Tranche 1 Placement Shares.

### 2.3 Listing Rule 7.4

Listing Rule 7.4 allows the shareholders of a listed company to approve an issue of equity securities after it has been made or agreed to be made. If they do, the issue is taken to have been approved under Listing Rule 7.1 and so does not reduce the company's capacity to issue further equity securities without shareholder approval under that rule.

The Company wishes to retain as much flexibility as possible to issue additional equity securities in the future without having to obtain Shareholder approval for such issues under Listing Rule 7.1. Accordingly, the Company is seeking Shareholder ratification pursuant to Listing Rule 7.4 for the issue of the Tranche 1 Placement Shares.

Resolutions 2 and 3 seek Shareholder ratification pursuant to Listing Rule 7.4 for the issue of the Tranche 1 Placement Shares.

### 2.4 Technical information required by Listing Rule 14.1A

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

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

### 2.5 Technical information required by Listing Rule 7.5

Pursuant to and in accordance with Listing Rule 7.5, the following information is provided in relation to Resolutions 2 and 3:

(a) the Tranche 1 Placement Shares were issued to professional and sophisticated investors who were identified by the Lead Managers and approved by the Company. The recipients were identified through a bookbuild process, which involved the Lead Managers seeking expressions of interest to participate in the Placement;

(b) in accordance with paragraph 7.4 of ASX Guidance Note 21, the Company confirms that none of the recipients were:

(i) related parties of the Company, members of the Company's Key Management Personnel, substantial holders of the Company, advisers of the Company or an associate of any of these parties; and

(ii) issued more than 1% of the issued capital of the Company;

(c) 11,505,120 Tranche 1 Placement Shares were issued on the following basis:

(i) 5,899,172 Tranche 1 Shares issued pursuant to Listing Rule 7.1 (ratification of which is sought under Resolution 2); and

(ii) 5,605,948 Tranche 1 Shares issued pursuant to Listing Rule 7.1A (ratification of which is sought under Resolution 3);

(d) the Tranche 1 Placement Shares issued were all fully paid ordinary shares in the capital of the Company issued on the same terms and conditions as the Company's existing Shares;

(e) the Tranche 1 Placement Shares were issued on 30 October 2020;

(f) the issue price was $0.15 per Tranche 1 Placement Share under both the issue of Shares pursuant to Listing Rule 7.1 and Listing Rule 7.1A. The Company has not and will not receive any other consideration for the issue of the Tranche 1 Placement Shares;

(g) the Placement Shares were issued at an issue price of $0.15, being a price that is not less than 75% of the volume weighted average market price for securities in the relevant class of securities (fully paid ordinary shares in the capital of the Company), calculated over 15 trading days on which trades in that class were recorded immediately prior to the date on which the securities were issued;

(h) the purpose of the issue of the Tranche 1 Placement Shares was to raise $1,725,768, which will be applied towards funding exploration, resource drilling, metallurgical test-work and scoping study at the Company's Murchison Copper-Gold Projects, for general working capital purposes and to pay the expenses of the capital raising; and

(i) the Tranche 1 Placement Shares were not issued under an agreement.

## 3. RESOLUTION 4 – APPROVAL TO ISSUE PLACEMENT SHARES UNDER LISTING RULE 7.1

### 3.1 General

Refer above to Section 2.1 for an overview of the Placement. As set out in that Section, the Company is proposing, subject to Shareholder approval, to issue up to an additional 21,828,213 Shares under the Placement at an issue price of $0.15 per Share (**Tranche 2 Placement Shares**) to raise up to $3,274,232, such that the Placement may raise up to a total of $5,000,000.

As summarised in Section 1.2 above, Listing Rule 7.1 limits the amount of equity securities that a listed company can issue without the approval of its shareholders over any 12 month period to 15% of the fully paid ordinary shares it had on issue at the start of that period.

The proposed issue of the Tranche 2 Placement Shares does not fall within any of the exceptions set out in Listing Rule 7.2 and exceeds the 15% limit in Listing Rule 7.1. It therefore requires the approval of Shareholders under Listing Rule 7.1.

### 3.2 Technical information required by Listing Rule 14.1A

If Resolution 4 is passed, the Company will be able to proceed with the issue of the Tranche 2 Placement Shares. In addition, the issue of the Tranche 2 Placement Shares will be excluded from the calculation of the number of equity securities that the Company can issue without Shareholder approval under Listing Rule 7.1.

If Resolution 4 is not passed, the Company will not be able to proceed with the issue of the Tranche 2 Placement Shares.

Resolution 4 seeks Shareholder approval for the purposes of Listing Rule 7.1 for the issue of the Tranche 2 Placement Shares.

### 3.3 Technical information required by Listing Rule 7.3

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

(a) the Tranche 2 Placement Shares will be issued to professional and sophisticated investors identified by the Lead Managers and approved by the Company. The recipients were identified through a bookbuild process, which involved the Lead Managers seeking expressions of interest to participate in the Placement;

(b) in accordance with paragraph 7.2 of ASX Guidance Note 21, the Company confirms that none of the recipients will be:

(i) related parties of the Company, members of the Company's Key Management Personnel, substantial holders of the Company, advisers of the Company or an associate of any of these parties; and

(ii) issued more than 1% of the issued capital of the Company;

(c) the maximum number of Tranche 2 Placement Shares to be issued is 21,828,213. The Tranche 2 Placement Shares issued will be fully paid ordinary shares in the capital of the Company issued on the same terms and conditions as the Company's existing Shares;

(d) the Tranche 2 Placement Shares will be issued no later than 3 months after the date of the Meeting (or such later date to the extent permitted by any ASX waiver or modification of the Listing Rules) and it is intended that issue of the Tranche 2 Placement Shares will occur on the same date;

(e) the issue price of the Tranche 2 Placement Shares will be $0.15 per Tranche 2 Placement Shares. The Company will not receive any other consideration for the issue of the Tranche 2 Placement Share;

(f) the purpose of the issue of the Tranche 2 Placement Shares is to raise capital, which the Company intends to apply towards funding exploration, resource drilling, metallurgical test-work and scoping study at the Company's Murchison Copper-Gold Projects, for general working capital purposes and to pay the expenses of the capital raising; and

(g) the Tranche 2 Placement Shares are not being issued under an agreement.

## 4. RESOLUTION 5 – APPROVAL TO ISSUE OPTIONS IN CONSIDERATION FOR SERVICES PROVIDED – LISTING RULE 7.1

### 4.1 General

On 21 October 2020, the Company entered into a mandate appointing Westar Capital and Foster Stockbroking as joint lead managers to the Placement (**Lead Managers Mandate**). Under the Lead Managers Mandate, the Company has agreed to pay/issue to the Lead Managers (or their nominee) the following fees:

(a) a placement fee of 6% (plus GST) of gross funds raised via the Placement, to be paid in the proportions agreed between the Lead Managers; and

(b) 6,000,000 unlisted Options, to be issued in the proportions agreed between the Lead Managers (the **Lead Manager Options**).

The material terms and conditions of the Lead Managers Mandate are summarised in Schedule 2 to this Notice.

As summarised in Section 1.2 above, Listing Rule 7.1 limits the amount of equity securities that a listed company can issue without the approval of its shareholders over any 12 month period to 15% of the fully paid ordinary shares it had on issue at the start of that period.

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

### 4.2 Technical information required by Listing Rule 14.1A

If Resolution 5 is passed, the Company will be able to proceed with the issue of the Lead Manager Options. In addition, the issue of the Lead Manager Options will be excluded from the calculation of the number of equity securities that the Company can issue without Shareholder approval under Listing Rule 7.1.

If Resolution 5 is not passed, the Company will not be able to proceed with the issue of the Lead Manager Options, unless and until it has sufficient capacity to issue such Options (including following approval of the various other Resolutions mentioned in this Notice).

Resolution 5 seeks Shareholder approval for the purposes of Listing Rule 7.1 for the issue of the Lead Manager Options.

### 4.3 Technical information required by Listing Rule 7.3

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

(a) the Lead Manager Options will be issued to the Lead Managers, being Westar Capital and Foster Stockbroking;

(b) the maximum number of Lead Manager Options to be issued is 6,000,000. The terms and conditions of the Lead Manager Options are set out in Schedule 3;

(c) the Lead Manager Options will be issued no later than 3 months after the date of the Meeting (or such later date to the extent permitted by any ASX waiver or modification of the Listing Rules) and it is intended that issue of the Lead Manager Options will occur on the same date;

(d) the Lead Manager Options will be issued at a nil issue price, in consideration for lead manager services provided by the Lead Managers;

(e) the purpose of the issue of the Lead Manager Options is to is to satisfy the Company's obligations under the Lead Managers Mandate; and

(f) the Lead Manager Options are being issued to the Lead Managers (in the proportions to be agreed between them) under the Lead Managers Mandate. A summary of the material terms of the Lead Managers Mandate is set out in Schedule 2.

## GLOSSARY

**$** means Australian dollars.

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

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

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

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

**Chair** means the chair of the Meeting.

**Company** means Cyprium Metals Limited (ACN 002 678 640).

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

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

**Deferred Consideration** has the meaning given in paragraph (a)(b)(ii) of Schedule 1 of this Notice.

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

**Explanatory Statement** means the explanatory statement accompanying the Notice.

**Foster Stockbroking** means Foster Stockbroking Pty Ltd (ACN 088 747 148) (AFSL 223687).

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

**Horizon** means Horizon Minerals Limited (ACN 007 761 186).

**Lead Managers** means Westar Capital and Foster Stockbroking.

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

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

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

**Optionholder** means a holder of an Option.

**Placement Participants** means subscribers under the Placement as detailed in Section 2.1.

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

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

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

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

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

**Westar Capital** means Westar Capital Limited (ACN 009 372 838) (AFSL 255789).

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

## SCHEDULE 1- SALE PURCHASE AGREEMENT

As announced on 14 July 2020, the Company and Horizon Minerals Limited (ACN 007 761 186) (**Horizon**) entered into a sale and purchase agreement for the acquisition of two tenements exploration licence 51/1040 and mining licence 51/887 (**Tenements**) (**Sale and Purchase Agreement**).

A summary of the material terms of the Sale and Purchase Agreement is set out below:

(a) **Acquisition**

Horizon agrees to sell, and the Company agrees to purchase the Tenements, all mining information and the benefit of any third-party agreements (**Acquisition**).

(b) **Consideration**

In consideration for the Acquisition, the Company is required to pay a total of $1,500,000 comprising:

(i) (**Initial Consideration**): to be issued at completion of the acquisition (**Completion**) of:

(A) $250,000 cash; and

(B) $400,000 in Shares (based on a 20-day volume weighted average (**VWAP**)).

(ii) (**Deferred Consideration**) comprising:

(A) $350,000 in Shares (based on a 20-day VWAP) and issued on the date that is 12 months from Completion;

(B) $300,000 in Shares (based on a 20-day VWAP) and issued on the date that is 24 months from Completion; and

(C) $200,000 in Shares (based on a 20-day VWAP) and issued on the date that is 7 days of any decision to mine being a decision at the sole discretion of the Company to mine any economic deposit located on the Tenements.

(c) **Conditions**

The conditions precedent to Completion include:

(i) The Company conducting due diligence;

(ii) Horizon procuring the removal of caveat 451662 lodged against exploration licence 51/1040;

(iii) Horizon obtaining all necessary third party consents; and

(iv) the Company, Horizon and any relevant third party executing a deed of assignment in relation to any relevant third party agreement.

(d) **Termination**

If a party fails to complete when required to do so (other than as a result of default by the other party)(**Defaulting Party**), and the default continues for 10 business days after the receipt of notice from the other party (**Non-Defaulting**

**Party**), the Non-Defaulting Party may seek specific performance or terminate the agreement. Further the Non-Defaulting Party may seek damages for the default.

The Sale and Purchase Agreement also contains such other terms as are considered standard for an agreement of this nature (including representations and warranties, indemnities, and confidentiality provisions).

## SCHEDULE 2- SUMMARY OF LEAD MANAGERS MANDATE

On 21 October 2020, the entered into a lead manager mandate with Westar Capital Limited (ACN 009 372 838) (**Westar**) and Foster Stockbroking (ACN 088 747 148) (**Foster**), pursuant to which the Company engaged the services of Westar and Foster as joint lead managers of the Placement (**Joint Lead Managers**) on the following terms:

(a) **Engagement**: The Company has agreed to engage Westar to assist the Company to meet its capital objectives through the Placement, to be jointly managed with Foster.

(b) **Fees**: The Company has agreed to pay/issue to the Joint Lead Managers:

(i) a placement fee of 6% of the gross amount raised by the Placement Shares, such fee to be paid in proportion as agreed with the Joint Lead Managers and

(ii) 6,000,000 options, exercisable at $0.30 each on or before the date which is two (2) years from the date of issue.

(c) **Exclusivity**: The Company has agreed to engage the Joint Lead Managers exclusively and to not engage any person other than the Joint Lead Managers to manage or arrange the issue of any shares or securities in the Company.

(d) **Expenses**: Westar is entitled to be reimbursed for all out-of-pocket expenses incurred during its engagement in connection with services provided. Westar will obtain the Company's approval in advance for any expense item above $2,000.

The mandate otherwise contains terms and conditions typical for a mandate of its nature, including confidentiality, intellectual property protection and indemnities.

## SCHEDULE 3- TERMS OF LEAD MANAGER OPTIONS

(a) **Entitlement**

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

(b) **Exercise Price**

Subject to paragraph (i), the amount payable upon exercise of each Option will be $0.30 (**Exercise Price**)

(c) **Expiry Date**

Each Option will expire at 5:00 pm (WST) on the date which is two (2) years from the date of issue of each Option (**Expiry Date**). An Option not exercised before the Expiry Date will automatically lapse on the Expiry Date.

(d) **Exercise Period**

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

(e) **Notice of Exercise**

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

(f) **Exercise Date**

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

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

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

(i) issue the number of Shares required under these terms and conditions in respect of the number of Options specified in the Notice of Exercise and for which cleared funds have been received by the Company;

(ii) if required, give ASX a notice that complies with section 708A(5)(e) of the Corporations Act, or, if the Company is unable to issue such a notice, lodge with ASIC a prospectus prepared in accordance with the Corporations Act and do all such things necessary to satisfy section 708A(11) of the Corporations Act to ensure that an offer for sale of the Shares does not require disclosure to investors; and

(iii) if admitted to the official list of ASX at the time, apply for official quotation on ASX of Shares issued pursuant to the exercise of the Options.

If a notice delivered under (g)(ii) for any reason is not effective to ensure that an offer for sale of the Shares does not require disclosure to investors, the Company

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

(h) **Shares issued on exercise**

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

(i) **Reconstruction of capital**

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

(j) **Participation in new issues**

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

(k) **Change in exercise price**

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

(l) **Transferability**

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