



**Aurumin Limited
ACN 639 427 099**

Notice of General Meeting

The Extraordinary General Meeting of the Company will be held as follows:

Time and date: 1.00pm (WST) on Tuesday 8 February 2022

Location: The Celtic Club at 48 Ord Street, West Perth, Western Australia

The Notice of General Meeting should be read in its entirety. If Shareholders are in doubt as to how to vote, they should seek advice from a suitably qualified professional advisor prior to voting.

Should you wish to discuss any matter, please do not hesitate to contact the Company Secretary by telephone on (08) 6555 2950.

Shareholders are urged to attend or vote by lodging the proxy form attached to the Notice

Aurumin Limited
ACN 639 427 099
(Company)

Notice of General Meeting

Notice is given that the extraordinary general meeting of Aurumin Limited will be held at The Celtic Club at 48 Ord Street, West Perth, Western Australia on Tuesday 8 February 2022 at 1.00pm (**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 the Notice.

Terms and abbreviations used in the Notice are defined in Schedule 1.

Agenda

Resolution 1 – Approval to issue Consideration Shares to Sellers

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 Proposed Acquisition, including the issue of 30,000,000 Consideration Shares to Middle Island as partial consideration to acquire 100% of the issued capital of Sandstone Operations, on the terms and conditions in the Explanatory Memorandum.'

Resolution 2 – Ratification of prior issue of Shares issued pursuant the Placement

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

'That, pursuant to and in accordance with Listing Rule 7.4 and for all other purposes, Shareholders ratify the issue of:

- (a) *3,825,958 Shares issued pursuant the Placement under Listing Rule 7.1; and*
- (b) *8,674,042 Shares issued pursuant the Placement under Listing Rule 7.1A,*

on the terms and conditions in the Explanatory Memorandum.'

Resolution 3 – Approval to issue Options to Lead Manager

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 Options to KG Capital (or its nominees) on the terms and conditions in the Explanatory Memorandum.'

Resolution 4 – Approval of issue of Convertible Securities

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 21,378,263 Convertible Notes (including 21,378,263 Shares on conversion of the Convertible Notes) and 10,000,000 Options on the terms and conditions set out in the Explanatory Memorandum.'

Resolution 5 – Approval to issue Options to Underwriter

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 2,500,000 Options to Lazarus (or its nominees) on the terms and conditions in the Explanatory Memorandum.'

Resolution 6 – Approval to issue Director Options

To consider and, if thought fit, to pass without or without amendment, each as a **separate** ordinary resolution the following:

'That pursuant to and in accordance with Listing Rule 10.14, sections 195(4) and 208 of the Corporations Act and for all other purposes, Shareholders approve the issue of the Director Options to the Directors (or their respective nominees) under the Plan as follows:

- (a) *up to 1,333,333 Director Options to Bradley Valiukas;*
- (b) *up to 100,000 Director Options to Piers Lewis;*
- (c) *up to 100,000 Director Options to Darren Holden; and*
- (d) *up to 100,000 Director Options to Shaun Day,*

on the terms and conditions in the Explanatory Memorandum.'

Voting exclusions

Pursuant to the Listing Rules, the Company will disregard any votes cast in favour of:

- (a) Resolution 1: by or on behalf of any 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 Shareholder), or any of their respective associates;
- (b) Resolution 2(a) and (b): by or on behalf of the Placement Participants or any of their respective associates;
- (c) Resolution 3: by or on behalf of KG Capital (or their nominee/s) or any person who will obtain a material benefit as a result of the proposed issue (except a benefit solely by reason of being a Shareholder), or any of their respective associates;
- (d) Resolution 4: by or on behalf of Collins St (or their nominee/s) or any person who is expected to participate in, or who will obtain a material benefit as a result of, the

proposed issue of the Convertible Securities (except a benefit solely by reason of being a Shareholder), or any of their respective associates;

- (e) Resolution 5: by or on behalf of Lazarus (or their nominee/s) or any person who will obtain a material benefit as a result of the proposed issue (except a benefit solely by reason of being a Shareholder), or any of their respective associates; and
- (f) Resolution 6(a), (b), (c) and (d): by or on behalf of a person referred to in Listing Rule 10.14.1, 10.14.2 or 10.14.3 who is eligible to participate in the Plan.

The above voting exclusions do not apply to a vote cast in favour of the relevant Resolution by:

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

Resolution 6(a), (b), (c) and (d): In accordance with section 250BD of the Corporations Act, a person appointed as a proxy must not vote, on the basis of that appointment, on this Resolution if:

- (a) the proxy is either a member of the Key Management Personnel or a Closely Related Party of such member; and
- (b) the appointment does not specify the way the proxy is to vote on the Resolution.

However, the above prohibition does not apply if:

- (c) the proxy is the Chair; and
- (d) the appointment expressly authorises the Chair to exercise the proxy even though the Resolution is connected directly or indirectly with remuneration of a member of the Key Management Personnel.

BY ORDER OF THE BOARD

Arron Canicais
Joint Company Secretary
Aurumin Limited
Dated: 7 January 2022

Aurumin Limited
ACN 639 427 099
(Company)

Explanatory Memorandum

1. Introduction

The Explanatory Memorandum has been prepared for the information of Shareholders in connection with the business to be conducted at the Meeting to be held at Celtic Club on Tuesday 8 February 2022 at 1.00pm (WST).

The Explanatory Memorandum forms part of the Notice which should be read in its entirety. The Explanatory Memorandum contains the terms and conditions on which the Resolutions will be voted.

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

Section 2	Action to be taken by Shareholders
Section 3	Background
Section 4	Resolution 1 – Approval to issue Consideration Shares
Section 5	Resolution 2(a) and (b) – Ratification of prior issue of Shares issued pursuant the Placement
Section 6	Resolution 3 – Approval to issue Options to Lead Manager
Section 7	Resolution 4 – Approval of issue of Convertible Securities
Section 8	Resolution 5 – Approval to issue Options to Underwriter
Section 9	Resolution 6(a), (b), (c) and (d) – Approval to issue Director Options
Schedule 1	Definitions
Schedule 2	Terms and conditions of Options
Schedule 3	Terms and conditions of Convertible Notes
Schedule 4	Terms and conditions of Director Options
Schedule 5	Valuation of Director Options
Schedule 6	Summary of Employee Securities Incentive Plan
Schedule 7	Summary of Underwriting Agreement termination events

A Proxy Form is located at the end of the Explanatory Memorandum.

2. Action to be taken by Shareholders

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

2.1 Impact of COVID-19 on the Meeting

The health and safety of members and personnel, and other stakeholders, is the highest priority and the Company is acutely aware of the current circumstances resulting from COVID-19.

Based on the best information available to the Board at the time of the Notice, the Board considers it will be in a position to hold an 'in-person' meeting to provide Shareholders with a reasonable opportunity to participate in and vote at the Meeting, while complying with the COVID-19 restrictions regarding gatherings. The Company, however, strongly encourages Shareholders to submit proxies prior to the Meeting.

If the situation in relation to COVID-19 were to change in a way that affected the position above, the Company will provide a further update ahead of the Meeting by releasing an ASX announcement.

2.2 Voting in person

Given the current COVID-19 circumstances and in the interests of public health and safety of our Shareholders, the Company will implement arrangements to allow Shareholders to physically attend the Meeting in accordance with COVID-19 protocols and government advice.

The Company will strictly comply with applicable limitations on indoor gatherings in force at the time of the Meeting. If you attend the Meeting in person, you will be required to adhere to COVID-19 protocols in place at the time of the Meeting.

2.3 Proxies

Shareholders are encouraged to vote by voting online or by lodging a Proxy Form.

Lodgement of a Proxy Form will not preclude a Shareholder from attending and voting at the Meeting in person.

Lodgement instructions (which include the ability to lodge proxies electronically) are set out in the Proxy Form provided with the Notice of Meeting.

2.4 Chair's voting intentions

Subject to the following paragraph, the Chair intends to exercise all available proxies in favour of all Resolutions, unless the Shareholder has expressly indicated a different voting intention.

2.5 Submitting questions

Shareholders may submit questions in advance of the Meeting to the Company. Questions must be submitted by emailing the Joint Company Secretary at arron@sccperth.com.au or Victor Goh at victor@sccperth.com.au by Monday 7 February 2022 at 5.00pm (WST).

Shareholders will also have the opportunity to submit questions during the Meeting in respect to the formal items of business. In order to ask a question during the Meeting, please follow the instructions from the Chair.

The Chair will attempt to respond to the questions during the Meeting. The Chair will request prior to a Shareholder asking a question that they identify themselves (including the entity name of their shareholding and the number of Shares they hold).

3. Background

On 16 December 2021, the Company announced that it had entered into a share purchase agreement with Middle Island Resources Limited (ASX: MDI) (**Middle Island**) and Sandstone Operations Pty Ltd (**Sandstone Operations**) (**SPA**) whereby the Company would acquire from Middle Island, 100% of the issued capital of Sandstone Operations, which in turn owns 100% of the Sandstone Operations Gold Project (**Sandstone Gold Project**) (**Proposed Acquisition**).

The Sandstone Gold Project is located near the township of Sandstone Operations approximately 400km northwest of Kalgoorlie in Western Australia (**Site**).

Completion of the Proposed Acquisition will be subject to the satisfaction or waiver of the following material conditions precedent:

- (a) Aurumin's Shareholders approving the Proposed Acquisition, the subject of Resolution 1, the issue of Consideration Shares and the Aurumin Capital Raising (as further described in Section 5.1 below);
- (b) Middle Island's shareholders approving the sale of the Sandstone Gold Project pursuant to the SPA; and
- (c) other necessary ASX and regulatory approvals and third-party consents being obtained by Aurumin and Middle Island, as needed.

The other material terms of the SPA are as follows:

- (g) the consideration for the Proposed Acquisition pursuant the SPA is \$12,000,000, comprised of a \$6,000,000 cash payment (**Completion Payment**) and 30,000,000 Consideration Shares;
- (h) the Consideration Shares will be subject to a voluntary escrow period of 12 months, subject to early release in the event of a takeover, scheme of arrangement or as permitted by ASX;
- (i) minor royalties payable to former holders of the Sandstone Gold Project tenements granted by Sandstone Operations will continue to subsist and, as such, will be payable by Sandstone Operations in respect of the relevant tenements within the Sandstone Gold Project;
- (j) completion is subject to, and conditional upon, Middle Island and Polymetals Mining Limited (**PMM**) entering into an option agreement (on terms reasonably satisfactory to Aurumin) which provides that Aurumin may pay \$200,000 (**Option Fee**) to PMM in order to terminate various encumbrances in respect of the Sandstone Gold Project, which Option Fee the Company must pay to PMM on completion of the SPA;
- (k) the SPA contains warranties, indemnities and other rights and obligations that are typical for a transaction of this nature; and
- (l) a break fee of \$100,000 will be payable by:

- (i) the Company, in the event that Shareholders do not approve the Proposed Acquisition, the issue of the Consideration Shares and the Aurumin Capital Raising on or before 4 February 2022; and
- (ii) Middle Island, in the event that Middle Island shareholders do not approve the sale of the Sandstone Gold Project pursuant to the SPA on or before 4 February 2022.

4. **Resolution 1 – Approval to issue Consideration Shares**

As set out above, it is a condition precedent to completion of the Proposed Acquisition that the Company obtain Shareholder approval to issue 30,000,000 Consideration Shares pursuant to Listing Rule 7.1.

Accordingly, Resolution 1 seeks Shareholder approval pursuant to and in accordance with Listing Rule 7.1 for the issue of 30,000,000 Consideration Shares to Middle Island (or its nominees) pursuant to the SPA as consideration to acquire the Sandstone Gold Project.

4.1 **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 shares it had on issue at the start of that period.

The issue of Consideration Shares do not fit within any of the exceptions to Listing Rule 7.1. While the issue does not exceed the 15% limit in Listing Rule 7.1 and can therefore be made without breaching that rule, the Company wishes to retain as much flexibility as possible to issue additional Equity Securities into the future without having to obtain shareholder approval under Listing Rule 7.1. To do this, the Company is asking shareholders to approve the issue under Listing Rule 7.1 so that it does not use up any of the 15% limit on issuing equity securities without shareholder approval set out in Listing Rule 7.1.

Accordingly, Resolution 1 seeks shareholder approval to the issue of the Consideration Shares under and for the purposes of Listing Rule 7.1.

If Resolution 1 is passed, the Company can proceed to issue the Consideration Shares without using up any of the Company's 15% limit on issuing Equity Securities without shareholder approval under Listing Rule 7.1 and the relevant conditions precedent pursuant to the SPA.

If Resolution 1 is not passed, the Company will be unable to proceed with the issue of the Consideration Shares, the SPA will not be satisfied and completion will not occur such that the Company will not acquire any interest in the Sandstone Gold Project.

4.2 **Specific information required under 7.3**

Pursuant to and in accordance with Listing Rule 7.3, the following information is provided in relation to the proposed issue of the Consideration Shares:

- (a) The Consideration Shares will be issued to Middle Island (or its nominees).
- (b) A maximum of 30,000,000 Shares are to be issued as Consideration Shares.

- (c) The Consideration Shares will be fully paid ordinary shares in the capital of the Company and will rank equally in all respects with the Company's existing Shares on issue.
- (d) The Consideration Shares are anticipated to be issued on completion of the SPA, and in any event, no later than three months after the date of the Meeting.
- (e) The Consideration Shares will be issued for nil cash consideration on the basis they are consideration for the Sandstone Gold Project pursuant the SPA. The Consideration Shares have a deemed issue price of \$0.20. Accordingly, no funds will be raised from the issue.
- (f) A summary of the material terms of the SPA is set out in Section 3 above.
- (g) A voting exclusion statement is included in the Notice.

4.3 **Additional information**

Resolution 1 is an ordinary Resolution.

The Board recommends Shareholders vote in favour of Resolution 1.

The Board intends to vote any Shares they hold or control in favour of Resolution 1.

5. **Resolution 2(a) and (b) – Ratification of prior issue of Shares issued pursuant the Placement**

5.1 **Background**

The background of the Proposed Acquisition and SPA is set out in Section 3 above.

On 16 December 2021, the Company announced a capital raising of a minimum of \$8,000,000 and maximum of \$12,500,000 (before costs) (**Aurumin Capital Raising**) which is comprised of three tranches, including a placement for the issue of up to 12,500,000 Shares to unrelated parties at an issue price of \$0.20 per Share to raise a total of \$2,500,000 (before costs) (**Placement**).

Pursuant to the Placement, on 15 December 2021, the Company issued:

- (a) 3,825,958 Shares using its 15% placement capacity under Listing Rule 7.1; and
- (b) 8,674,042 Shares using its 10% placement capacity under Listing Rule 7.1A.

Resolution 2(a) and (b) seek the approval of Shareholders pursuant to Listing Rule 7.4 to ratify the issue of the Shares pursuant the Placement.

5.2 **Listing Rules 7.1 and 7.1A**

A summary of Listing Rule 7.1 is in Section 4.1 above.

Listing Rule 7.1A provides that an eligible entity may seek shareholder approval at its annual general meeting to allow it to issue Equity Securities comprising up to 10% of its issued capital. The Company obtained this approval at its annual general meeting held on 19 November 2021.

The issue of the Shares issued pursuant the Placement does not fit within any of the exceptions to Listing Rules 7.1 and 7.1A and, as it has not yet been approved by Shareholders, effectively uses up part of the Company's placement capacity under each of Listing Rules 7.1 and 7.1A. This reduces the Company's capacity to issue further Equity Securities without Shareholder approval under those Listing Rules for the 12 month period following the issue of the Shares issued pursuant the Placement.

5.3 **Listing Rule 7.4**

Listing Rule 7.4 provides an exception to Listing Rules 7.1 and 7.1A. It provides that where a company in a general meeting ratifies the previous issue of securities made pursuant to Listing Rules 7.1 and 7.1A (and provided that the previous issue did not breach Listing Rules 7.1 and 7.1A), those securities will be deemed to have been made with shareholder approval for the purpose of Listing Rules 7.1 and 7.1A, as applicable.

The effect of Shareholders passing Resolution 2(a) and (b) will be to allow the Company to retain the flexibility to issue Equity Securities in the future up to the 15% annual placement capacity under Listing Rule 7.1 and the additional 10% annual placement capacity under Listing Rule 7.1A without the requirement to obtain prior Shareholder approval.

To this end, Resolution 2(a) and (b) seeks Shareholder approval to ratify the issue of Shares issued pursuant the Placement under and for the purposes of Listing Rule 7.4.

If Resolution 2(a) is passed, 3,825,958 Shares issued pursuant the Placement 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 date.

If Resolution 2(b) is passed, 8,674,042 Shares issued pursuant the Placement will be excluded in calculating the Company's 10% limit in Listing Rule 7.1A, effectively increasing the number of Equity Securities it can issue without Shareholder approval over the 12 month period following the issue date (assuming the Company's approval under Listing Rule 7.1A remains in force for this period).

If Resolution 2(a) is not passed, 3,825,958 Shares issued pursuant the Placement will continue to be included in the Company's 15% limit in Listing Rule 7.1, effectively decreasing the number of Equity Securities the Company can issue or agree to issue without obtaining prior Shareholder approval, to the extent of 3,825,958 Equity Securities for the 12 month period following the issue of the Shares issued pursuant the Placement.

If Resolution 2(b) is not passed, 8,674,042 Shares issued pursuant the Placement will continue to be included in the Company's 10% limit in Listing Rule 7.1A, effectively decreasing the number of Equity Securities the Company can issue or agree to issue without obtaining prior Shareholder approval, to the extent of 8,674,042 Equity Securities for the 12 month period following the issue of the Shares issued pursuant the Placement (assuming the Company's approval under Listing Rule 7.1A remains in force for this period).

5.4 **Specific 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 the ratification of the issue of the Shares issued pursuant the Placement:

- (a) The Shares to be issued pursuant the Placement were issued to sophisticated and professional investors, none of whom are considered to be a Material Investor for the purposes of section 7.4 of ASX Guidance Note 21 (**Placement Participants**).

- (b) Resolution 2 relates to the issue of 12,500,000 Shares, comprising
 - (i) Resolution 2(a): 3,825,958 Shares issued pursuant the Placement, being fully paid ordinary shares issued under Listing Rule 7.1.
 - (ii) Resolution 2(b): 8,674,042 Shares issued pursuant the Placement, being fully paid ordinary shares issued under Listing Rule 7.1A.
- (c) The Shares issued pursuant the Placement were issued on 15 December 2021.
- (d) The issue price of the Shares issued pursuant the Placement was \$0.20 per Share.
- (e) The Shares issued pursuant the Placement 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.
- (f) The proceeds from the issue of the Shares issued pursuant the Placement are intended to be used :
 - (i) to satisfy in part the \$6,000,000 Completion Payment pursuant the SPA;
 - (ii) to fund exploration on the Company's projects; and
 - (iii) for general working capital.
- (g) A voting exclusion statement is included in the Notice.

5.5 Additional Information

Resolution 2(a) and (b) are ordinary resolutions.

The Board recommends that Shareholders vote in favour of Resolution 2(a) and (b).

The Board intends to vote any Shares they hold or control in favour of Resolution 2(a) and (b).

6. Resolution 3 – Approval to issue Options to Lead Manager

6.1 Background

On 15 November 2021, the Company and KG Capital Partners Pty Ltd (**KG Capital**) entered into a lead manager mandate, pursuant to which KG Capital acted as lead manager to the Placement (**Lead Manager Mandate**). In consideration for these services, the Company has agreed to pay and issue the following:

- (a) a capital raising fee of 6% of the gross proceeds of the Placement (before costs); and
- (b) 2,000,000 Options exercisable at \$0.30 each with an expiry date 36 months from the date of issue.

The issue of Options pursuant to paragraph (b) above is subject to the approval of Shareholders under this Resolution 3.

6.2 Listing Rule 7.1

A summary of Listing Rule 7.1 is in Section 4.1 above.

The issue of the Options does not fit within any of the exceptions to Listing Rule 7.1 and exceeds the 15% limit in Listing Rule 7.1. It therefore requires the approval of Shareholders under Listing Rule 7.1.

Resolution 3 seeks Shareholder approval pursuant to and in accordance with Listing Rule 7.1 for the issue of up to 2,000,000 Options.

If Resolution 3 is passed, the Company can proceed with the issue of the Options. If Resolution 3 is not passed, the Company will not be able to proceed with the issue of Options and the Company will not be able to satisfy its payment obligations under the Lead Manager Mandate. This in turn may require the Company to negotiate alternative forms of remuneration to be paid to KG Capital as consideration for services under the Lead Manager Mandate, which may include the payment of cash in lieu of the Options.

6.3 **Specific 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 3:

- (a) The Options will be issued to KG Capital (or its nominees) in consideration for lead manager services.
- (b) A maximum of 2,000,000 Options will be issued.
- (c) The Options will be exercisable at \$0.30 each with any expiry date 36 months from the date of issue and will otherwise be issued on the terms and conditions in Schedule 2.
- (d) The Options will be issued occur no later than three months after the date of the Meeting.
- (e) Nil funds will be raised as the Options are being issued as part consideration for lead manager services.
- (f) A summary of the material terms of the Lead Manager Mandate is set out in Section 6.1 above.
- (g) A voting exclusion statement is included in the Notice.

6.4 **Additional Information**

Resolution 3 is an ordinary resolution.

The Board recommends that Shareholders vote in favour of Resolution 3.

The Board intends to vote any Shares they hold or control in favour of Resolution 3.

7. **Resolution 4 – Approval of issue of Convertible Securities**

7.1 **Background**

On 15 December 2021, the Company announced it had entered into a convertible note agreement with Collins St Asset Management Pty Ltd (as trustee for the Collins St Value Fund) (**Collins St**) (**Convertible Note Agreement**).

As part of the Aurumin Capital Raising (further details in respect of which are set out above in Section 5.1), the Company will issue 21,378,263 Convertible Notes with a face value of \$6,413,479 (**Convertible Notes**) to raise \$5,000,000 (before costs). In the event of default of payment of any amounts owing pursuant the Convertible Note Agreement, the Convertible Notes accrue interest at a rate of 15% per annum, however no interest is payable if the Convertible Notes are converted into Shares or redeemed.

The issue of the Convertible Notes is subject to, and conditional upon Aurumin having obtained ASX and Aurumin shareholder approval for the issue of the Convertible Notes (including Shares to be issued on conversion) and the issue of 10,000,000 free attaching Options (**Attaching Options**).

Resolution 4 seeks Shareholder approval pursuant to Listing Rule 7.1 and for all other purposes for the issue of the Convertible Notes and Attaching Options (together, **Convertible Securities**).

A summary of the Convertible Note Agreement is set out in Section 7.2 below.

7.2 Summary of Convertible Note Agreement

The other material terms of the Convertible Notes are as follows:

- (a) the maturity date is 30 months after the date of issue (**Maturity Date**);
- (b) the Convertible Notes will be convertible into Shares, at the Noteholder's election, at any time up the Maturity Date;
- (c) the Convertible Notes will be redeemable in cash:
 - (i) at the Company's election, on or before the Maturity Date, subject to redeeming a minimum of \$1,000,000 and issuing the Noteholder such number of additional options (on the same terms as the Attaching Options) as is equal to the repayment amount divided by the \$0.30 per Share conversion price (**Conversion Price**); and
 - (ii) to the extent the Convertible Notes have not been fully converted or redeemed by the Maturity Date, on the Maturity Date, provided that the Company must also issue the Noteholder such number of additional options (on the same terms as the Attaching Options) as is equal to the outstanding face value divided by the Conversion Price; and
 - (iii) in the event that the Company undertakes a further capital raising in the period after 15 December 2022 and before the Maturity Date, and the Company's market capitalisation in the 30 day period before the further capital raising is less than \$40 million, the Noteholder may redeem the Convertible Notes in an amount of up to half of the quantum of the further capital raising.

The Company will be required to grant Collins St a first ranking security over all of its assets to secure the funds advanced pursuant to the Convertible Notes;

The Company will be required until the outstanding face value has been unconditionally repaid in full or has been fully converted into Shares to maintain a cash balance at all times of no less than \$1,500,000.

The Convertible Notes are non-interest bearing, however will accrue interest at the rate of 15% per annum in the event of default of payment of any amounts owing.

The subscription amount of \$5,000,000 will only be able to be utilised by the Company for the sole purpose of contributing to the \$6,000,000 Completion Payment pursuant the SPA and financing the Company's existing mining exploration activities.

The Convertible Notes otherwise contain representations and warranties, events of defaults, covenants, indemnities and other terms considered standard for an agreement of this nature.

The terms and conditions of the Convertible Notes are set out in Schedule 3.

The Conversion Price represents a 50% premium to the Shares issued under the Placement.

7.3 **Listing Rule 7.1**

A summary of Listing Rule 7.1 is in Section 4.1 above.

If Resolution 4 is passed, the Convertible Notes and Attaching Options will be issued.

If Resolution 4 is not passed, then:

- (a) the Convertible Notes and Attaching Options will not be issued;
- (b) the Company must repay the subscription amount of \$5,000,000 plus accrued interest to the relevant subscriber, in accordance with the terms and conditions summarised in Schedule 3; and
- (c) the Aurumin Capital Raising will not be completed and the Company will not acquire the Sandstone Gold Project.

7.4 **Specific 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 the issue of the Convertible Securities:

- (a) The Convertible Notes and Attaching Options will be issued to Collins St, an unrelated party to the Company.
- (b) A maximum of 21,378,263 Convertible Notes and Attaching Options will be issued. On conversion of the Convertible Notes, a maximum of 21,378,263 Shares will be issued.
- (c) A summary of the material terms of the Convertible Notes was first disclosed in the Company's announcement dated 15 December 2021 and is in Schedule 3. The Shares issued on conversion of the Convertible Notes and exercise of the Attaching Options will be fully paid ordinary shares in the capital of the Company and rank equally in all respects with the Company's existing Shares. The Options will be exercisable at \$0.30 each and expire 36 months from the date of issue, and otherwise be on the terms and conditions in Schedule 2.
- (d) The Convertible Securities will be issued within 10 business days after Shareholder approval is obtained in respect of this Resolution 4, and in any event no later than 3 months after the date of this Meeting.

- (e) The Convertible Notes were issued with a total face value of \$6,413,479. The relevant conversion price of the Convertible Notes into Shares is \$0.30 each. The Options will be issued for nil additional consideration as they are free-attaching to the Convertible Notes.
- (f) The Convertible Notes \$5,000,000 subscription amount will be used for the sole purpose of contributing to the \$6,000,000 Completion Payment pursuant the SPA and financing the Company's existing mining exploration activities.
- (g) The Convertible Notes were issued under an agreement between the Company and Collins St pursuant to which Collins St provided a binding commitment to subscribe for the Convertible Notes on the material terms first disclosed in the Company's announcement dated 15 December 2021 and summarised in this Notice (refer to Schedule 3) and otherwise on terms considered standard for agreements of this nature.
- (h) A voting exclusion statement is included in the Notice.

7.5 Additional information

Resolution 4 is an ordinary resolution.

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

The Board intends to vote any Shares they hold or control in favour of Resolution 4.

8. Resolution 5 – Approval to issue Options to Underwriter

8.1 Background

On 15 December 2021, the Company and Lazarus Corporate Finance Pty Ltd (**Lazarus**) entered into an underwriting agreement pursuant to which Lazarus agreed to act as underwriter and partially underwrite the Company's offer to eligible shareholders to participate in a non-renounceable pro rata entitlement offer of 1 new Shares for every 4 Shares held as at the record date, at an issue price of \$0.20 per Share to raise a minimum of \$2,000,000 and maximum of \$4,962,022 (before costs) (**Entitlement Offer**) (**Underwriting Agreement**).

The issue of the Options to Lazarus is subject to the approval of Shareholders under this Resolution 5.

A summary of the Underwriting Agreement is set out in Section 8.2 below.

8.2 Summary of Underwriting Agreement

Pursuant the Underwriting Agreement, Lazarus has agreed to:

- (a) partially underwrite the Entitlement Offer to the extent of \$2,000,000; and
- (b) the Company has granted Lazarus the right to place any shortfall Shares under the Entitlement Offer in consultation with the Company.

The obligations of Lazarus pursuant to the Underwriting Agreement are subject to various conditions precedent, which materially include obtaining shareholder approval pursuant to

Listing Rule 7.1 to the issue of options to Lazarus pursuant to the Underwriting Agreement.

Pursuant to the Underwriting Agreement, Lazarus will receive the following aggregate consideration (in addition to reimbursement for expenses properly incurred by Lazarus in performing its obligations thereunder):

- (a) an underwriting fee of 6% of the of the underwritten amount to the Entitlement Offer;
- (b) a selling fee of 6% of the gross proceeds received from the sale of any Shortfall Shares offered pursuant to the Entitlement Offer and not underwritten pursuant to the Underwriting Agreement and which are placed by Lazarus; and
- (c) 2,500,000 Options exercisable at \$0.30 each with an expiry date 36 months from the date of issue.

The obligation of Lazarus to underwrite the Entitlement Offer is subject to certain absolute rights of termination, a summary of which is contained in Schedule 7 (including the Company ceasing to be listed and certain market, commodity and share price falls) and qualified rights of termination on giving written notice to the Company (including where the Company suffers an insolvency event, the Company breaches the Underwriting Agreement or the Company suffers a material adverse change).

The Underwriting Agreement otherwise contains terms and conditions considered standard for an agreement of this nature.

8.3 **Listing Rule 7.1**

A summary of Listing Rule 7.1 is in Section 4.1 above.

The issue of the Options to Lazarus does not fit within any of the exceptions to Listing Rule 7.1 and exceeds the 15% limit in Listing Rule 7.1. It therefore requires the approval of Shareholders under Listing Rule 7.1.

Resolution 5 seeks Shareholder approval pursuant to and in accordance with Listing Rule 7.1 for the issue of up to 2,500,000 Options to Lazarus (or its nominees).

If Resolution 5 is passed, the Company can proceed with the issue of the 2,500,000 Options to Lazarus (or its nominees).

If Resolution 5 is not passed, the Company will not be able to proceed with the issue of Options to Lazarus (or its nominees) and the Company will not be able to satisfy its payment obligations under the Underwriting Agreement and the Entitlement Offer will not be partially underwritten such that there may be a shortfall in the total amount to be raised under the Entitlement Offer. In addition, if Resolution 5 is not passed this may require the Company to negotiate alternative forms of remuneration to be paid to Lazarus as consideration for partial underwriting services under the Underwriting Agreement, which may include the payment of cash in lieu of the Options the subject of this Resolution 5.

8.4 **Specific 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 Options the subject of this Resolution 5 will be issued to Lazarus in consideration for underwriting services.

- (b) A maximum of 2,500,000 Options will be issued.
- (c) The Options to be issued to Lazarus will be exercisable at \$0.30 each with any expiry date 36 months from the date of issue and will otherwise be issued on the terms and conditions in Schedule 2.
- (d) The Options to be issued to Lazarus will be issued no later than three months after the date of the Meeting.
- (e) Nil funds will be raised as the Options the subject of this Resolution 5 are being issued as consideration for underwriting services.
- (f) A summary of the material terms of the Underwriting Agreement is set out in Section 8.2 above.
- (g) A voting exclusion statement is included in the Notice.

8.5 Additional Information

Resolution 5 is an ordinary resolution.

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

The Board intends to vote any Shares they hold or control in favour of Resolution 5.

9. Resolution 6(a), (b), (c) and (d) – Approval to issue Director Options

9.1 Background

The Company is proposing, subject to obtaining Shareholder approval, to issue up to a total of 1,633,333 Options (**Director Options**) to the Messrs Bradley Valiukas, Piers Lewis, Darren Holden and Shaun Day (together, the **Directors**) (or their respective nominees) as follows:

Directors	Director Options
Bradley Valiukas	1,333,333
Piers Lewis	100,000
Darren Holden	100,000
Shaun Day	100,000
TOTAL	1,633,333

The Company is in an important stage of development with significant opportunities in both the near and long-term, and the proposed issue of the Director Options seeks to align the efforts of the Directors in seeking to achieve growth of the Share price and in the creation of Shareholder value. In addition, the Board believes that incentivising with Options is a prudent means of conserving the Company's available cash reserves. The Board believes it is important to offer these Director Options to continue to attract and maintain highly experienced and qualified Board members in a competitive market.

Resolution 6(a), (b), (c) and (d) seeks Shareholder approval pursuant to Listing Rule 10.14 and section 195(4) of the Corporations Act for the issue of the Director Options to the Directors (or their respective nominees) under the Plan, the terms of which are summarised in Schedule 6.

9.2 **Listing Rule 10.14**

Listing Rule 10.14 provides that an entity must not permit any of the following persons to acquire Equity Securities under an employee incentive scheme without the approval of its Shareholders:

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

unless it obtains the approval of its shareholders.

The proposed issue of the Director Options falls within Listing Rule 10.14.1 (or Listing Rule 10.14.2 if a Director elects for the Director Options to be granted to their nominee) and therefore requires the approval of Shareholders under Listing Rule 10.14.

As Shareholder approval is sought under Listing Rule 10.14, approval under Listing Rule 7.1 or 10.11 is not required.

If Resolution 6(a), (b), (c) and (d) are passed the Company will be able to proceed with the issue of the Director Options to the Directors (or their respective nominees) and the Directors will be remunerated accordingly.

If Resolution 6(a), (b), (c) and (d) are not passed, the Company will not be able to proceed with the issue of the Director Options to the Directors (or their respective nominees) and the Company may need to consider other forms of performance-based remuneration, including by the payment of cash.

9.3 **Specific information required by Listing Rule 10.15**

Under and for the purposes of Listing Rule 10.15, the following information is provided in relation to the proposed issue of the Director Options:

- (a) the Director Options will be issued under the Plan to Messrs:
 - (i) Bradley Valiukas pursuant to Resolution 6(a);
 - (ii) Piers Lewis pursuant to Resolution 6(b);
 - (iii) Darren Holden pursuant to Resolution 6(c); and
 - (iv) Shaun Day pursuant to Resolution 6(d),
- (or their respective nominees);

- (b) each of the Directors is a related party of the Company by virtue of being a Director and falls into the category stipulated by Listing Rule 10.14.1. In the event the Director Options are issued to a nominee of a Director, that nominee will fall into the category stipulated by Listing Rule 10.14.2;
- (c) the maximum number of Director Options to be issued to the Directors (or their respective nominees) under the Plan is 1,633,333, in the proportions set out in Section 9.1 above;
- (d) the current total remuneration package for each of the Directors as at the date of this Notice are set out below:

Directors	Salary and fees	Superannuation
Bradley Valiukas	\$220,000	20,900
Piers Lewis	26,968	-
Darren Holden	18,471	1,755
Shaun Day	20,008	-

- (e) The following securities have previously been issued to the Directors under the Plan:

Related Party	Type of Security	Number	Date of issue	Consideration
Bradley Valiukas	Options	4,000,000	16 Sep 2020	Nil
Piers Lewis	Options	500,000	16 Sep 2020	Nil
Darren Holden	Option	400,000	16 Sep 2020	Nil
Shaun Day	Option	400,000	16 Sep 2020	Nil

- (f) The Director Options have an exercise price of \$0.40 per Director Option and expire on 31 July 2025, and will otherwise be issued on the terms and conditions in Schedule 4:
- (g) The Board considers that Director Options, rather than Shares, are an appropriate form of incentive on the basis that the issue of the Options:
- (i) results in no immediate dilution to the existing Shareholders;
 - (ii) aligns the Directors' interests with long term Shareholder value; and
 - (iii) encourages the retention of the Directors;
- (h) A valuation of the Director Options is in Schedule 5, with a summary for each Director below:

Director	Value of Director Options
	<i>Total</i>
Bradley Valiukas	<i>\$132,017</i>

Director	Value of Director Options
	<i>Total</i>
Piers Lewis	\$9,901
Darren Holden	\$9,901
Shaun Day	\$9,901

The Company has used the Black-Scholes model to determine the fair value of the Director Options, based on share price of \$0.19 per share on 23 December 2021, to determine the number of Director Options to be issued.

The Director Options equate to the following percentages of the Directors' remuneration as follows:

- (i) in the case of Mr Valiukas, 53% of his fixed remuneration;
 - (ii) in the case of Mr Lewis, 37% of his fixed remuneration;
 - (iii) in the case of Mr Holden, 49% of his fixed remuneration; and
 - (iv) in the case of Mr Day, 49% of his fixed remuneration;
- (i) the Director Options will be issued no later than three years after the date of the Meeting (or such later date as permitted by any ASX waiver or modification of the Listing Rules);
 - (j) the Director Options will have an issue price of nil as they will be issued as part of each Director's remuneration package;
 - (k) a summary of the material terms of the Plan is set out in Schedule 6;
 - (l) no loan will be provided to the Directors in relation to the issue of the Director Options;
 - (m) details of any Securities issued under the Plan will be published in the annual report of the Company relating to a period in which they were issued, along with a statement that approval for the issue was obtained under Listing Rule 10.14. Any additional persons covered by Listing Rule 10.14 who become entitled to participate in the Plan after any or all of Resolution 6(a), (b), (c) and (d) are approved and who were not named in the Notice will not participate until approval is obtained under that rule; and
 - (n) a voting exclusion statement is included in the Notice.

9.4 Chapter 2E of the Corporations Act

In accordance with Chapter 2E of the Corporations Act, in order to give a financial benefit to a related party, the Company must:

- (a) obtain Shareholder approval in the manner set out in section 217 to 227 of the Corporations Act; and

(b) give the benefit within 15 months following such approval,

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

The grant of the Director Options constitutes giving a financial benefit to the Directors, who are related parties of the Company by virtue of being Directors.

The Board, other than:

- (a) Mr Valiukas in respect of Resolution 6(a);
- (b) Mr Lewis in respect of Resolution 6(b);
- (c) Mr Holden in respect of Resolution 6(c); and
- (d) Mr Day in respect of Resolution 6(d),

has resolved that the issue of Director Options pursuant to Resolution 6(a), (b), (c) and (d) constitutes 'reasonable remuneration' in the circumstances, and therefore falls within the scope of the exception in section 211 of the Corporations Act.

9.5 **Board Recommendation**

Resolution 6(a), (b), (c) and (d) are ordinary resolutions.

The Board, other than:

- (a) Mr Valiukas in respect of Resolution 6(a);
- (b) Mr Lewis in respect of Resolution 6(b);
- (c) Mr Holden in respect of Resolution 6(c); and
- (d) Mr Day in respect of Resolution 6(d),

recommends that Shareholders vote in favour of Resolution 6(a), (b), (c) and (d).

Schedule 1 Definitions

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

\$ or A\$	means Australian Dollars.
ASX	means the ASX Limited (ABN 98 008 624 691) and, where the context permits, the Australian Securities Exchange operated by ASX Limited.
Board	means the board of Directors.
Chair	means the person appointed to chair the Meeting of the Company 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.
Collins St	means Collins St Asset Management Pty Ltd (ACN 601 897 974).
Company or Aurumin	means Aurumin Limited (ACN 639 427 099).
Consideration Shares	means up to 30,000,000 Shares to be issued to the Middle Island (or its nominees) pursuant to the SPA, which are the subject of Resolution 1.
Constitution	means the constitution of the Company as at the date of the Meeting.
Convertible Notes	has the meaning in given in Section 7.1.
Convertible Securities	means the Convertible Notes and Options, the subject of Resolution 4.
Corporations Act	means the <i>Corporations Act 2001</i> (Cth).
Director	means a director of the Company.
Director Options	has the meaning in given in Section 9.1.
Entitlement Offer	has the meaning in given in Section 8.1.
Equity Security	has the same meaning as in the Listing Rules.
Explanatory Memorandum	means the explanatory memorandum which forms part of the Notice.
Key Management Personnel	has the same meaning as in the accounting standards issued by the Australian Accounting Standards Board and means those persons having authority and responsibility for planning, directing and controlling the activities of the Company, or if the Company is part of a consolidated entity, of the consolidated entity, directly or indirectly, including any Director (whether executive or otherwise) of the Company, or if the Company is part of a consolidated entity, of an entity within the consolidated group.
KG Capital	means KG Capital Partners Pty Ltd (ACN 638 926 959).
Lazarus	means Lazarus Corporate Finance Pty Ltd (ACN 149 263 543).

Lead Manager Mandate	has the meaning given in Section 6.1
Listing Rules	means the listing rules of ASX.
Material Investor	means, in relation to the Company: <ul style="list-style-type: none"> (a) a related party; (b) Key Management Personnel; (c) a substantial Shareholder; (d) an advisor; or (e) an associate of the above, who received or will receive Securities in the Company which constitute more than 1% of the Company's anticipated capital structure at the time of issue.
Meeting	has the meaning given in the introductory paragraph of the Notice.
Middle Island	means Middle Island Resources Limited (ACN 142 361 608) (ASX:MDI).
Notice	means this notice of general meeting.
Option	means an option to acquire a Share.
Placement	has the meaning given in Section 5, the subject of Resolution 2.
Placement Participants	means the sophisticated and professional investors described in Section 5.4.
Plan	means the Company's Employee Securities Incentive Plan, the terms of which are summarised in the Company's prospectus dated 8 December 2020 and Schedule 6.
Proposed Acquisition	has the meaning given in Section 3.
Proxy Form	means the proxy form attached to the Notice.
Resolution	means a resolution referred to in the Notice.
Sandstone Gold Project	means the Sandstone Operations Gold Project located at the Site.
Sandstone Operations	means Sandstone Operations Pty Ltd (ACN 611 811 280).
Schedule	means a schedule to the Notice.
Section	means a section of the Explanatory Memorandum.
Securities	means any Equity Securities of the Company (including Shares, Options and/or performance rights).
Share	means a fully paid ordinary share in the capital of the Company.
Shareholder	means the holder of a Share.
Share Purchase Agreement	has the meaning given in Section 3.

Site	has the meaning given in Section 3.
SPA	has the meaning given in Section 3.
Trading Day	has the meaning given in the Listing Rules.
Underwriting Agreement	has the meaning in given in Section 8.1.
VWAP	means volume weighted average market price.
WST	means Western Standard Time, being the time in Perth, Western Australia.

Schedule 2 Terms and conditions of Options

The terms of the Options are as follows:

1. **(Entitlement)**: Each Option entitles the holder to subscribe for one Share upon exercise of the Option.
2. **(Issue Price)**: No cash consideration is payable for the issue of the Options.
3. **(Exercise Price)**: The Options have an exercise price of \$0.30 per Option (**Exercise Price**).
4. **(Expiry Date)**: The Options expire at 5.00 pm (WST on the date is 36 months from issue, being 15 February 2025 (**Expiry Date**)). An Option not exercised before the Expiry Date will automatically lapse on the Expiry Date.
5. **(Exercise Period)**: The Options are exercisable at any time and from time to time on or prior to the Expiry Date.
6. **(Quotation of the Options)**: The Company will not apply for quotation of the Options on ASX.
7. **(Transferability of the Options)**: The Options are not transferable, except with the prior written approval of the Company.
8. **(Notice of Exercise)**: The Options may be exercised 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.

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 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**).
9. **(Timing of issue of Shares on exercise)**: Within 5 Business Days after the Exercise Date the Company will:
 - (a) 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;
 - (b) if required, give ASX a notice that complies with section 708A(5)(e) of the Corporations Act; and
 - (c) 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.
10. **(Restrictions on transfer of Shares)**: If the Company is required but unable to give ASX a notice under paragraph 9(b), or such a notice for any reason is not effective to ensure that an offer for sale of the Shares does not require disclosure to investors, Shares issued on exercise of Options may not be traded and will be subject to a holding lock until 12 months after their issue unless the Company, at its sole discretion, elects to issue a prospectus pursuant to section 708A(11) of the Corporations Act.
11. **(Shares issued on exercise)**: Shares issued on exercise of the Options will rank equally with the then Shares of the Company.

12. **(Reconstruction of capital)**: If at any time the issued capital of the Company is reconstructed, all rights of an Option holder are to be changed in a manner consistent with the Corporations Act and the Listing Rules at the time of the reconstruction.
13. **(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.
14. **(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 Option holder would have received if the Option holder had exercised the Option before the record date for the bonus issue; and
 - (b) no change will be made to the Exercise Price.

Schedule 3 Terms and conditions of Convertible Notes

1 Definitions and Interpretations

1.1 Definitions

In the Agreement:

Agreement means:

- (a) this secured Convertible Note Agreement;
- (b) each Note;
- (c) each Option; and
- (d) each document, agreement or instrument entered into under, pursuant to or for the purposes of anything in paragraphs (a), (b) or (c) of this definition;

Allotment Date means the date on which Ordinary Shares are issued in respect of a Conversion;

ASX means ASX Limited or the Australian Securities Exchange, as the context requires;

Authorisation means:

- (a) any consent, registration, filing, agreement, notice of non objection, notarisation, certificate, licence, approval, permit, authority or exemption from, by or with a Governmental Agency or the ASX; or
- (b) in relation to anything which a Governmental Agency or the ASX may prohibit or restrict within a specific period, the expiry of that period without intervention or action or notice of intended intervention or action;

Bonus Entitlement Date means a date, occurring before the Repayment Date, on which entitlements to participate in a bonus issue are ascertained for the holders of the Ordinary Shares by way of capitalisation of profits or otherwise (but for the avoidance of any doubt does not relate to a date for determining entitlements to any issue which is not a bonus issue);

Business Day means a day on which banks are open for business in Melbourne excluding a Saturday, Sunday or public holiday;

Cleansing Notice means a written notice by the Company to ASX pursuant to section 708A(12)(C) of the Corporations Act, in a form and containing the information required by *ASIC Corporations (Sale Offers: Securities Issued on Conversion of Convertible Notes) Instrument 2016/82*, that is sufficient to permit secondary trading on the ASX of the Ordinary Shares to which it relates on Conversion of the Note;

Completion Date means the day which is 5 Business Days after satisfaction of the Conditions Precedent;

Compulsory Acquisition means an actual or proposed compulsory acquisition, resumption, appropriation or confiscation of, or freezing, restraining or forfeiture order in connection with, assets under legislation or otherwise, including a restriction or order under which compensation is payable in connection with assets;

Conversion means the conversion of all or any portion of the Outstanding Face Value into Ordinary Shares in accordance with the Agreement;

Conversion Date means, in respect of a Note, the date on which a Conversion Notice is given to the Company;

Conversion Notice means a notice given by the Subscriber substantially in the form set out in the Agreement;

Conversion Price means \$0.30 per Ordinary Share as adjusted in accordance with clause 10;

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

Deadline means 26 February 2022;

Default means a Liquidity Event or an Event of Default;

Encumbrance means an interest or power:

- (a) reserved in or over an interest in any asset including, but not limited to, any retention of title; or
- (b) created or otherwise arising in or over any interest in any asset under a security agreement, bill of sale, mortgage, charge, lien, pledge, trust or power or any other agreement having similar effect,

by way of, or having similar commercial effect to, security for the payment of a debt, any other monetary obligation or the performance of any other obligation, and includes, but is not limited to, any agreement to grant or create any of the above and includes a security interest within the meaning of section 12(1) of the *Personal Property Security Act 2009* (Cth);

Event of Default means any of the events or circumstances described in clause 16.1;

Face Value means \$6,413,479;

Financial Indebtedness means any indebtedness, present or future, actual or contingent, in respect of moneys borrowed or raised in any financial accommodation whatever including, without limitation, under or in respect of any overdraft facility, bill, bond, note, certificate or deposit, transferable or negotiable instrument, acceptance, Guarantee, redeemable or repurchasable share or stock, discounting arrangement, finance lease, swap, option, futures contract or analogues transaction, put option, hire purchase, deferred purchase price (for more than 90 days) of any asset or service, or any obligation to deliver goods or provide services paid for in advance by any financier or in connection with any other financing transaction provided that, in all cases, financial indebtedness shall not include trade creditors incurred in the ordinary course of the Company's business ;

Financial Report means in relation to an entity, the following financial statements and information in relation to the entity, prepared for its financial half year or financial year:

- (a) a statement of financial performance;
- (b) a statement of financial position; and
- (c) a statement of cashflows,

together with any notes to those documents and any accompanying reports, statements, declarations and other documents or information;

Governmental Agency means any government or government department, any governmental, semi-governmental or judicial authority or person, any statutory body exercising any administrative or legislative function;

Group in relation to a body corporate means that body corporate and each of its related bodies corporate;

Guarantee means guarantee, indemnity, letter of credit or letter of comfort which gives rise to legal liabilities, whether of suretyship or otherwise, or any other obligation (whatever called and of whatever nature):

- (c) to pay, to purchase, to provide funds (whether by way of advance of money, the purchase of or subscription for, shares or other securities the purchase of assets, rights or services or otherwise) for the payment or discharge of;
- (d) to indemnify against the consequences of default in the payment of; or
- (e) otherwise to be responsible for,

any obligation or indebtedness, any dividend, capital or premium on shares or stock, or the insolvency or financial condition of any other person;

Immediately Available Funds means cash or bank cheque or any other payment that the relevant parties agree in writing;

Issue Date means the date of issue of the Note in accordance with the Agreement;

Liquidity Event means the happening of one or more of the following events in respect of the Company:

- (a) except for the purpose of a solvent reconstruction or amalgamation which has the prior written consent of the parties, process is filed in a court seeking an order that it be wound up or that a controller be appointed to it or any of its assets, unless the application is withdrawn, struck out or dismissed within 21 days of it being filed;
- (b) an order is made that it would be wound up or that a controller be appointed to it or any of its assets;
- (c) a resolution that it be wound up is passed or proposed;
- (d) a liquidator, provisional liquidator, controller or any similar official is appointed to, or takes possession or control of, all or any of its assets or undertaking;
- (e) an administrator is appointed to it, a resolution that an administrator be appointed to it is passed or proposed, or any other steps are taken to appoint an administrator to it;
- (f) it enters into, or resolves to enter into, an arrangement, compromise or composition with any of, or any class of, its creditors or members, or an assignment for the benefit of any of, or any class of, its creditors, or process is filed in a court seeking approval of any such arrangement, compromise or composition;
- (g) a reorganisation, moratorium, deed of company arrangement or other administration involving one or more of its creditors is proposed or effected;
- (h) any action is taken by the Australian Securities & Investments Commission or any other Governmental Agency with a view to cancelling its registration or to dissolving it, or an application is made to the Australian Securities & Investments Commission or any other Governmental Agency that any such action be taken;
- (i) it is insolvent:
 - (i) within the meaning of Section 95A of the Corporations Act;
 - (ii) as disclosed in its accounts or otherwise;
 - (iii) as it is unable to pay its debts;
 - (iv) as it is presumed to be insolvent under any applicable law;
 - (v) as a result of the operation of section 459F(1) of the Corporations Act, it is taken to have failed to comply with a statutory demand;
 - (vi) as it stops or suspends or threatens to stop or suspend:
 - (A) the payment of all or a class of its debts; or
 - (B) the conduct of all or a substantial part of its business or threatens to do so;
- (j) completion of any consolidation or merger of the Company with or into, or acquisition of, any other corporation or other entity or person, or any other corporate reorganisation, which would result in the current holders of all voting securities of the Company owning less than 50% of the outstanding voting power of the surviving entity (or its parent) immediately following such consolidation, merger, acquisition or reorganisation, or any transaction or series of related transactions;
- (k) completion of a sale, lease or other disposition of all or substantially all of the assets of the Company; or
- (l) anything having a substantially similar effect to any of the events specified in the preceding paragraphs happens to it under the law of any jurisdiction;

Listing Rules means the listing rules of the ASX;

Loss includes any damage, loss, cost, liability or expense of any kind and however arising (including as a result of any claim), including penalties, fines and interest and including any that are prospective or contingent and the amount of which for the time being are not ascertained or ascertainable;

Material Adverse Effect means a material adverse effect on the Company's ability to perform and comply with its obligations under the Note or on the Noteholder's rights under the Agreement provided that, for the avoidance of doubt, an event or circumstances which is general in nature is not a Material Adverse Effect;

Note means any note issued under and in accordance with the Agreement;

Noteholder means the person who is or, if more than one, the several persons who are, for the time being the holder or holders of a Note;

Note Certificate means a certificate in the form set out in the Agreement and issued to a Subscriber in respect of a Note held by it for the time being;

Option means an option to purchase an Ordinary Share at the Conversion Price at any time before the 36 month anniversary of the Issue Date and otherwise on the terms set out in the Agreement;

Option Certificate means a certificate in the form set out in the Agreement and issued to the Subscriber in respect of each Option held by it for the time being;

Optionholder means the person who is or, if more than one, the several persons who are, for the time being the holder or holders of an Option;

Ordinary Share means a fully paid ordinary share in the capital of the Company;

Outstanding Face Value means, in respect of the Note

- (a) an amount in dollars equal to the difference between the Face Value and the portion or those portions of that Note that have been previously repaid, redeemed and or converted (if at all and as the case may be) in accordance with these terms; and
- (b) which amount is evidenced in the Note Certificate;

Permitted Encumbrance means a Security Interest which:

- (a) is a possessory lien arising by operation of law in the ordinary course of business and in the absence of default;
- (b) is a banker's lien arising by operation of law or practice over moneys deposited with a banker in the ordinary course of ordinary business;
- (c) constituted by title retention in connection with the acquisition of goods in the ordinary course of ordinary business provided there is no default in the obligation to pay for the goods when due and payable; and
- (d) is created by statute in favour of a governmental agency securing the payment of taxes except as created because of any failure to duly pay any taxes;
- (e) is permitted under a Security Document; or
- (f) is entered into with the prior written consent of the Subscriber;

Power means any right, power, authority, discretion or remedy conferred on the Subscriber by any Transaction Document or any applicable law;

PPSA means the *Personal Property Securities Act 2009* (Cth);

Relevant Jurisdiction means the laws of the Commonwealth of Australia and, where applicable, Western Australia;

Register of Noteholders means the register of Noteholders maintained by the Company in accordance with clause 13.1(a);

Register of Optionholders means the register of Optionholders maintained by the Company in accordance with clause 13.1(a);

Repayment Date means, in respect of the Note, the earlier of:

- (a) 30 months from the Issue Date;
- (b) the happening of an Event of Default; and
- (c) any other date as agreed between the Company and the Noteholder;

Repayment Notice means a notice delivered by the Company to the Subscriber in accordance with clause 6.1;

Sandstone Gold Project means the project known as the Sandstone Gold Project in Western Australia;

Secured Property means the security intended to be granted under the

- (a) Security Documents; and
- (b) any Transaction Document;

Security means any security created or expressed to be created in favour of the Subscriber by a Security Document;

Security Documents means documents pursuant to which the Subscriber is granted first ranking security over the assets of the Company and each Subsidiary of the Company which documents may include, without limitation, general security deeds, specific security deeds and mining mortgages and which documents will be on terms required by the Subscriber in its absolute discretion;

Security Interest means a mortgage, pledge, lien, charge, assignment, hypothecation, secured interest, title retention arrangement, preferential right or other arrangement (including a conditionally repayable deposit or "flawed asset" arrangement), trust or power, in each case having the same or a similar commercial effect as a grant of security, and any agreement to create or give any such arrangements and, to the extent not covered above, includes a security interest within the meaning of the Personal Property Securities Act 2009 (Cth);

Subsidiary of a body corporate means a subsidiary as defined in Part 1.2, Division 6 of the Corporations Act and includes any subsidiary formed or acquired after the date of the Agreement;

Tax means:

- (a) any tax, including goods and services tax, levy, charge, impost, duty, fee, deduction, compulsory loan or withholding; or
- (b) any income, stamp or transaction duty, tax or charge,

which is assessed, levied, imposed or collected by any Governmental Agency and includes, but is not limited to, any interest, fine, penalty, charge, fee or other amount imposed on or in respect of any of the above;

Tax Act means the Income Tax Assessment Act 1936 (Cth) or the Income Tax Assessment Act 1997 (Cth), as the context requires;

Tax Consolidated Group means a consolidated group (as defined in the Tax Act);

Title Document means any original, duplicate or counterpart certificate or document of title including any real property certificate of title, a certificate of units in a unit trust, share certificate or certificate evidencing an investment instrument or negotiable instrument (each as defined in the PPSA);

Transaction Documents means:

- (a) the Agreement;
- (b) each Note;
- (c) each Security Document;

- (d) any other document that the parties agree is a Transaction Document ;
- (e) each document, agreement or instrument entered into under, pursuant to or for the purposes of anything in paragraph (a) to (d).

2 Use of funds

The Company must use the Subscription Monies solely to:

- (a) pay the purchase price of the Sandstone Gold Project; and
- (b) financing the mining exploration activities of the Company which are operational as at the date of the Agreement.

3 Security Documents

3.1 Subscriber to prepare Security Documents

After execution of the Agreement, the parties must work together in good faith, which includes providing all requested information, to facilitate the Subscriber procuring the drafting of the Security Documents.

3.2 Subscriber to deliver Security to the Company

The Subscriber must deliver the Security Documents to the Company no later than 10 Business Days before the Completion Date.

4 Convertible Note

4.1 General

The Note:

- (a) is governed by the Agreement;
- (b) is paid for in full on issue by the Subscriber; and
- (c) may be converted into Ordinary Shares in accordance with the terms of the Note and the Agreement.

4.2 Acknowledgement of indebtedness

The Company acknowledges that, on and from the Issue Date and at all times before the Repayment Date or the Conversion of the full amount of the Outstanding Face Value (as the case may be), it will be indebted to the Subscriber to the extent of the Outstanding Face Value in respect of the Note.

5 Interest

5.1 Ordinary interest

Other than as set out in this clause 5, interest is not payable on the Note.

5.2 Default Interest

- (a) The Company must pay interest on:
 - (i) any amount of the Outstanding Face Value that is due and payable, but unpaid; and
 - (ii) any interest payable but unpaid under this clause 5.2.
- (b) The rate of interest payable under this clause is 15% per annum.

5.3 Accrual of Interest

The interest payable under clause 5.2:

- (a) accrues from day to day from and including the due date for payment up to the actual date of payment, before and, as an additional and independent obligation, after any judgment or other thing into which the liability to pay the Outstanding Face Value becomes merged; and
- (b) may be capitalised by the Subscriber at monthly intervals.

5.4 **Exercise of conversion right**

The issue and allotment of Ordinary Shares on Conversion does not operate to discharge the Company in any way from its obligations to make any payment of interest owing under this clause 5.

6 Repayment and redemption

6.1 **Company may issue Repayment Notice**

The Company may, on or before the Repayment Date:

- (a) deliver to the Subscriber one or more notices of its intention to redeem some or all of the Outstanding Face Value of the Note by paying the redemption amount set out in the notice to the Subscriber (**Repayment Notice**). Each Repayment Notice must:
 - (i) be dated; and
 - (ii) state the amount of the Outstanding Face Value it will redeem (**Repayment Amount**), which must be for a minimum of \$1,000,000 of the Outstanding Face Value (unless the Outstanding Face Value is less than \$1,000,000, in which case the notice must be for the full balance of the Outstanding Face Value); and
 - (iii) specify:
 - (A) the Outstanding Face Value of the Note that will remain immediately following the redemption (which is the Outstanding Face Value immediately following the redemption less the Repayment Amount); and
 - (B) the date the Note (or any portion of the Note) is to be redeemed and the Repayment Amount paid to the Company, which must not be less than 3 Business Days and not more than 5 Business Days after the date of the Repayment Notice.
- (b) The Subscriber may (at its sole discretion) reject any Repayment Notice that does not materially meet the requirements of clause 6.1(a).
- (c) Subject to clause 6.1(f), the Company must pay the Repayment Amount to the Subscriber in Immediately Available Funds, as directed by the Subscriber, on the date for payment set out in the Repayment Notice.
- (d) The Company need not (but may at its election) make a payment to the Subscriber pursuant to this clause unless the Subscriber surrenders to the Company the Note Certificate for the Note.
- (e) If less than the entire Outstanding Face Value of the Note is to be redeemed pursuant to clause 6.1(a), the Company must issue to the Subscriber a new Note Certificate for the Outstanding Face Value immediately following that redemption and the parties agree that the old Note Certificate will, upon issue of the new Note Certificate, be deemed cancelled regardless of whether or not it has been surrendered under clause 6.1(d).
- (f) Contemporaneously with the Company redeeming the Note pursuant to this clause 6.1, the Company must issue to the Subscriber the number of Options determined in accordance with the below formula:

Number of additional Options to be issued = Repayment Amount redeemed / the Conversion Price.

6.2 Maturity

If the Note has not been fully converted or redeemed pursuant to the Agreement by the Repayment Date, then the Company must:

- (a) redeem the Outstanding Face Value of the Note by paying that amount to the Subscriber in Immediately Available Funds within 5 Business Days after the Repayment Date; and
- (b) issue to the Subscriber contemporaneously with the redemption of the Outstanding Face Value of the Note in clause 6.2(a), the number of additional Options in accordance with the below formula:

Number of additional Options to be issued = Outstanding Face Value of the Notes to be redeemed / the Conversion Price.

6.3 Payments in gross

The Company must make all payments due to the Subscriber without any set off counterclaim or condition or any deduction or withholding for any Tax or any other reason, unless the required to make a deduction or withholding by applicable law.

6.4 Additional payments

If The Company is required to make a deduction or withholding in respect of Tax from any payment to be made to the Subscriber,

the Company:

- (a) indemnifies the Subscriber against that Tax; and
- (b) must pay to the Subscriber an additional amount which the Subscriber determines to be necessary to ensure that the Subscriber receives when due a net amount (after payment of any Tax in respect of each additional amount) that is equal to the full amount it would have received if a deduction or withholding or payment of Tax had not been made.

6.5 Obligations cease

Upon the payment of all amounts owing to a Subscriber in respect of the Note, the obligations in connection with the Note are extinguished.

7 Capital raise

If the Company issues any Ordinary Shares or rights convertible into Ordinary Shares for the purposes of raising capital:

- (a) after the 12 month anniversary of the date of the Agreement and before the Repayment Date; and
- (b) at any time during the 30 day period before the capital raise is announced to the ASX the market capitalisation of the Company is less than \$40 million (to be determined at the price Ordinary Shares trade on the ASX during that 30 day period multiplied by the number of Ordinary Shares on issue in the Company),

then the Subscriber may, within 30 days after funds are received by the Company in respect of the fundraise, redeem Notes up to half the value of the fundraise. For the avoidance of doubt, such redemption will not require the Company to issue the Subscriber additional Options in the manner contemplated in clauses 6.1(f) or 6.2(b).

8 Conversion

- (a) At any time prior to the Repayment Date, the Subscriber may deliver one or more Conversion Notices (in any number of tranches) to the Company in respect of the some or all of the Outstanding Face Value.

- (b) If the Subscriber issues a Conversion Notice pursuant to clause 8(a) the amount of the Outstanding Face Value of the Note set out in the Conversion Notice must be converted into Ordinary Shares at the Conversion Price subject to clause 8.1(c).

9 Conversion Notice

- (a) A Conversion Notice requires the Company to convert the Note (or a portion of the Note) specified in the Conversion Notice:
 - (i) as at the relevant Conversion Date; and
 - (ii) to the extent specified in the Conversion Notice.
- (b) A Conversion Notice must specify the amount (or portion) of the Outstanding Face Value to be converted.
- (c) A Conversion Notice must be accompanied by the Note Certificate. Where:
 - (i) the Conversion Notice is not accompanied by the Note Certificate because it is lost or destroyed; and
 - (ii) the Company would be obliged to issue a replacement Note Certificate, then the Conversion Notice will be deemed to have been properly given on the date that is received by the Company in accordance with the Agreement.

9.2 New Note Certificate

If less than the Outstanding Face Value of the Note immediately before the Conversion Date is to be converted the Company must issue to the Subscriber a new Note Certificate for the Outstanding Face Value immediately following the Conversion Date and must update the Register of Noteholders accordingly.

9.3 Allotment and ranking of shares

- (a) Each Ordinary Share issued upon Conversion must:
 - (i) be allotted within five Business Days after the Conversion Date or within five Business Days;
 - (ii) be issued in accordance with the constitutional documents of the Company and the relevant provisions of the Corporations Act and Listing Rules; and
 - (iii) rank equally with, and have all rights, benefits and obligations identical with, the existing Ordinary Shares.
- (b) The Ordinary Shares issued on Conversion will participate in full in any dividend payment or other entitlement in respect of Ordinary Shares where the Subscriber gives a Conversion Notice on or before the entitlement date (including a Bonus Entitlement Date) for the dividend payment or other entitlement.
- (c) The issue of the Ordinary Shares calculated in accordance with the Agreement will be treated for all purposes as full repayment of the Outstanding Face Value converted and the obligation of the Company to the Subscriber in relation to the Note (or portion of the Note) will cease except in respect of any obligation or liability which has accrued on or before the Conversion Date.
- (d) If required for any Ordinary Shares issued on Conversion to be freely tradable, the Company must on or within 5 Business Days after the Allotment Date lodge with the ASX a notice in accordance with section 708A of the Corporations Act in relation to those Ordinary Shares, or if the Company is unable to do so, the Company must lodge a disclosure document with ASIC within 10 Business Days of the Allotment Date provided that the Subscriber will not dispose of the Ordinary Shares, or grant any interest in the Ordinary Shares, until such time as a disclosure document is lodged with ASIC.
- (e) The Company must make an application for official quotation by the ASX of all Ordinary Shares issued and allotted on Conversion as soon as reasonably

practicable after such issue and allotment and in any event within the time stipulated by the Listing Rules.

- (f) Within 5 Business Days an Allotment Date, the Subscriber must be issued with a holding statement from the registry of the Company for the Ordinary Shares.
- (g) Unless otherwise directed by the Subscriber, any issue and allotment of Ordinary Shares to the Subscriber under the terms of the Agreement is to be settled electronically with the Subscriber to the account notified by the Subscriber to the Company for the purposes of this clause.

10 Anti-Dilution

10.1 Bonus issues

If the Company conducts a bonus issue of Ordinary Shares at any time prior to the full repayment or conversion of the full Outstanding Face Value of the Note, the basis for Conversion of the Note as at the record date of the bonus issue will be adjusted by the number of bonus Ordinary Shares that the Subscriber would have received if the Notes it then holds had been converted at the Conversion Price prior to the record date for the bonus issue.

10.2 Reconstructions

If there is a reconstruction of the issued capital of the Company, including without limitation any:

- (a) reduction, repayment by way of reduction, consolidation or reclassification or division of the issued capital of the Company;
- (b) an issue of shares in the Company by way of capitalisation of profits or reserves; or
- (c) an issue of shares the Company in lieu of dividends or distributions,

then the basis for conversion of the Note will be reconstructed in the same proportion and manner as the reconstruction of the issued capital of the Company or otherwise in a manner that would eliminate any disadvantage to the Subscriber and subject to the same provisions (if any) with respect to the rounding of entitlements as are sanctioned by the meeting of shareholders of the Company which approves that reconstruction. Such reconstruction must not result in the Subscriber receiving a benefit that holders of Ordinary Shares do not receive.

11 20% Cap

If the Company is required to issue Ordinary Shares to the Subscriber and the issue of the Ordinary Shares would cause the Subscriber to hold a relevant interest (which term has the meaning given in the Corporations Act) in more than 20% of the Company, then the Company must, in satisfaction of the requirement to issue Ordinary Shares, immediately pay to the Subscriber, as directed by the Subscriber, in Immediately Available Funds, the value of the Ordinary Shares that were required to be issued to the Subscriber.

12 Transfer of Notes

12.1 Transfer of Notes

Other than in respect of a transfer of the Note by the Subscriber to a member of its Group, the Subscriber may only transfer the Note with the approval of the Company, such approval not to be unreasonably withheld, by an instrument in writing in common form or in such other form as the Company may approve (acting reasonably).

12.2 Procedure on transfer

- (a) Every instrument of transfer must be signed by the transferor and transferee unless complying with the provision of any law whereby such instrument is deemed to be signed in the event of such compliance.
- (b) Every instrument of transfer must be sent to the Company and must be accompanied by the Note Certificate and evidence of the payment of any applicable stamp duty.
- (c) Where:

- (i) an instrument of transfer is not accompanied by a Note Certificate because it is lost or destroyed; and
- (ii) the Company would be obliged to issue a replacement Note Certificate in accordance with the Agreement,

the instrument of transfer will be deemed to have been properly given on the date that it is received by the Company in accordance with the Agreement.

12.3 Restrictions on transfer

- (a) No transfer will be effected during the five Business Days (or such shorter period as the Company may decide) immediately preceding the Repayment Date of the Note.
- (b) Unless otherwise directed by the Noteholder in writing, the Company will retain the Outstanding Face Value of the Note which is the subject of any transfer notice given to the Company within the period specified in clause 12.3(a) until the specified transferee is registered as the holder of the Note and payment can be made to the specified transferee.

12.4 Recognition of transferees

A Noteholder registered pursuant to a transfer will be recognised by the Company as entitled to the Note free from any equity, set off or cross claim on the part of the Company against the original or any intermediate holder of the Note.

13 Registers

13.1 Register of Noteholders and Optionholders

- (a) The Company must establish and maintain a register of Noteholders (**Register of Noteholders**) and a register of Optionholders (**Register of Optionholders**) at its registered office or at such other place permitted by the Corporations Act as the Company may determine.
- (b) The Register of Noteholders must set out the name and address of the Noteholder and the Outstanding Face Value on the Note from time to time.
- (c) The Register of Optionholders must set out the name and address of the Optionholder, the number of Options issued to the Optionholder, the exercise price and expiry date of each Option.
- (d) The Subscriber must promptly notify the Company of any change of its name or registered address accompanied, in the case of change of name, by such evidence as the Company may reasonably require and the Company must promptly update the Register of Noteholders or the Register of Optionholders accordingly (as applicable).

13.2 Note Certificates

Where the portion of the Outstanding Face Value specified in any Note Certificate that is cancelled in connection with the Conversion of any Note is less than the entire Outstanding Face Value in respect of that Note, the Company must issue to the Noteholder a Note Certificate in respect of the difference within 10 Business Days from the date when the conversion is recorded in the Register of Noteholders. The amount equal to the difference will comprise the new Outstanding Face Value in respect of that Note.

13.3 Option Certificates

Where a portion of the options specified in any Option Certificate that is cancelled in connection with the exercise of any option is less than the entire number of options in respect of that Option Certificate, the Company must issue to the Optionholder an Option Certificate in respect of the difference within 10 Business Days from the date when the exercise is recorded in the Register of Optionholders. The amount equal to the difference will comprise the new option.

14 Negative covenants

The Company undertakes to the Subscriber that it will not without the Subscriber's prior written approval (which may not be unreasonably withheld):

- (a) **no Security Interests:** create or permit to subsist any Security Interest over all or any part of its assets other than a Permitted Encumbrance;
- (b) **no dividends or distributions:** pay, make or declare any dividend or other distribution);
- (c) **capital restructuring:** purchase its own shares, reduce its share capital, return capital to shareholders or in any other way restructure its capital, if in each case to do so would be likely to have a material adverse effect on the Company's ability to perform and comply with its obligations under the Note or on the Noteholder's rights under the Agreement;
- (d) **mergers:** enter into any merger or consolidation or make any acquisition of any other entity, company or business or do anything which would have the effect that the Company or any member of its Group was operating business or activity which was not within the course of, or directly connected with, a business carried on by it as the date of the Agreement;
- (e) **investments:** deposit or invest in or with any person except in the ordinary course of the Company's business and on ordinary commercial terms;
- (f) **alteration of constitution:** cause or permit its constitution to be amended or replaced without the prior written approval of the Subscriber;
- (g) **change in business:** take any action which constitutes or results in any material alteration to the nature of its business; or
- (h) **significant outgoings:** make or incur any aggregate payment or outgoing exceeding \$250,000 other than in the ordinary course of business.

14.2 General notices to Subscriber

The Company will send to the Subscriber a copy of all reports, accounts, statements, notices and circulars issued to its members or any class thereof at the same time as the same are dispatched to the members.

14.3 Attendance at members' meetings

Without prejudice to the rights of the Subscriber in its capacity as a shareholder of the Company, the Company will permit the Subscriber to attend but not to vote at any general meeting of its members.

14.4 Term of covenants and obligations

Unless the Subscriber otherwise agrees in writing, the Company must, at its own cost, comply with the negative covenants and its obligations in clauses 14, 14.2 and 14.3 until the Outstanding Face Value has been unconditionally repaid in full or has been fully converted into Ordinary Shares.

15 Undertakings

15.1 Information: miscellaneous

The Company must supply to the Subscriber:

- (a) copies of all documents dispatched by the Company to its shareholders (or any class of them) or its creditors generally (or any class of them) at the same time as they are dispatched to the extent such document and information is not available on the ASX website;
- (b) promptly upon becoming aware of them, the details of any litigation, arbitration or administrative proceedings which are current, threatened or pending against the Company and which might, if adversely determined, have a Material Adverse Effect;

- (c) promptly after receipt, copies of any notices of default or claims of breach received or sent relating to any contract to which it is a party which might, if adversely determined, have a Material Adverse Effect;
- (d) any other information which the Subscriber reasonably requests in relation to the Company or any Subsidiary or any of their assets.

15.2 **Notification of default**

- (a) The Company must notify the Subscriber of any Event of Default (and the steps, if any, being taken to remedy it) promptly upon becoming aware of its occurrence.
- (b) At the request of the Subscriber, the Company must provide to the Subscriber a certificate signed by at least 2 directors of the Company stating:
 - (i) if an Event of Default has occurred; and
 - (ii) if so, full details of the relevant Event of Default and the remedial action being taken or proposed.

15.3 **Proper accounts**

The Company must keep accounting records which give a true and fair view of its financial condition and state of affairs and which are prepared in accordance with the Corporations Act and the Listing Rules.

15.4 **Negative pledge and disposal of assets**

- (a) The Company must not create or allow to exist or agree to any Encumbrance over any of its assets unless expressly permitted to do so by a Transaction Document.
- (b) The Company must not acquire an asset which is, or upon its acquisition will be, subject to an Encumbrance other than a Permitted Encumbrance without the prior consent of the Subscriber not to be unreasonably withheld.
- (c) The Company must not sell, assign, transfer or otherwise dispose of or part with possession of any material assets or allow any interest in them to arise or be varied (or agree, attempt or take any step to do so) whether in one or more voluntary transactions or not, except in the ordinary course of its business or with the consent of the Subscriber not to be unreasonably withheld.
- (d) The Company must not enter into any arrangement which, if complied with, would prevent any member of the Group from complying with its obligations under the Transaction Documents.

15.5 **Financial obligations**

The Company must not incur any Financial Indebtedness other than under as permitted by the Transaction Documents or with the approval of the Subscriber not to be unreasonably withheld.

15.6 **No change to business**

The Company must not engage in any business other than, or do anything which would result in substantial changes to, its existing core businesses and operations without the approval of the Subscriber not to be unreasonably withheld.

15.7 **Financial accommodation**

The Company must not provide any financial accommodation or give any Guarantee in respect of any financial accommodation, to or for the benefit of any person other than as permitted by a Transaction Document.

15.8 **Restrictions on dealings**

The Company must not:

- (a) enter into an agreement;
- (b) acquire or dispose of an asset;
- (c) obtain or provide a service;

- (d) obtain a right or incur an obligation; or
- (e) implement any other transaction,

with any person unless it does so on terms which are no less favourable to it than arm's length terms.

15.9 **Inspection**

- (a) The Company must permit any representatives of the Subscriber from time to time to visit and inspect the property, projects and operations of the Company, and inspect and take copies of the Company's associated books and records, at reasonable times and at those times to discuss the affairs, finances, accounts and condition of the Company with the officers and employees of the Subscriber and the advisers of the Subscriber (including independent accountants) appointed by the Subscriber.
- (b) Without limiting the preceding Clause, at any time following the occurrence of an Event of Default, the Company must permit any representatives designated by the Subscriber to visit and inspect the financial records and the property of the Company, at reasonable times and as often as reasonably requested and to make extracts from and copies of the financial records, and permit any representatives of the Company to discuss the affairs, finances, accounts and condition of the Company with the officers and employees of the Subscriber exercising the rights under this clause (including independent accountants) and the advisers of the Subscriber (including independent accountants) appointed by the Subscriber.
- (c) The Company shall pay or reimburse the Subscriber for all reasonable costs and expenses of the Subscriber incurred in connection with the exercise of the rights:
 - (i) under Clause 15.9(a) for up to two visits by the Subscriber or its representatives per calendar year; and
 - (ii) under Clause 15.9(b) at any time while an Event of Default is continuing.

15.10 **Taxes**

The Company must:

- (a) pay all rates and Taxes due and payable by it, except those which it is contesting in good faith;
- (b) pay all rates and Taxes contested in good faith which remain due and payable by it after final determination or settlement of the contest; and
- (c) if it is not a member of a Tax Consolidated Group as at the date of this document, only become a member of one with the consent of the Subscriber.

15.11 **Insurance**

The Company must insure and keep insured with reputable insurers its assets and those of its Subsidiaries which are of an insurable nature in a manner and to an extent which is reasonable and customary for a business enterprise engaged in a similar business and in a similar locality and for property of a similar nature.

15.12 **Term of undertakings**

Unless the Subscriber otherwise agrees in writing, the Company must, at its own cost, comply with its undertakings in this Clause 15 until the Outstanding Face Value has been unconditionally repaid in full or has been fully converted into Ordinary Shares.

15.13 **Cash balance**

The Company undertakes to maintain at all times a cash balance of no less than \$1,500,000 until the Outstanding Face Value has been unconditionally repaid in full or has been fully converted into Ordinary Shares.

15.14 **Maintenance of Secured Property**

The Company must:

- (a) maintain and protect its Secured Property;

- (b) remedy every defect in its title to any part of its Secured Property;
- (c) take or defend all legal proceedings to protect or recover any of its Secured Property; and
- (d) keep its Secured Property valid and subsisting and free from liability to forfeiture, cancellation, avoidance or Loss.

15.15 Perfection, registration and protection of security

- (a) The Company must ensure that:
 - (i) each Secured Document is perfected in relation to all the Secured Property in all jurisdictions; and
 - (ii) each Security Document is registered and filed in all registers in all jurisdictions,

in which it must be perfected, registered and filed to ensure the enforceability, validity, perfection and priority of the Secured Property against all persons and to be effective as a security.
- (b) Whenever the Subscriber requires that the Secured Property be perfected in a particular way in relation to any part of the Secured Property, the Company must, ensure that the Secured Property is perfected in that way.

16 Events of Default

16.1 Events of Default

Each of the following is an Event of Default:

- (a) **Non-payment:** the Company fails to pay within three Business Days of its due date any amount payable under any of the Transaction Documents;
- (b) **Other obligations:** the Company fails to perform any other undertaking or obligation required of it under any Transaction Document, unless the failure:
 - (i) is capable of remedy; and
 - (ii) is remedied within ten Business Days of the receipt by the Company of a notice from the Subscriber specifying the failure;
- (c) **Authorisations:** the Company fails to obtain any Authorisation necessary to enable it comply with its obligations under any Transaction Document or any Authorisation of that kind ceases to be in full force and effect;
- (d) **Misrepresentation:** a representation, warranty or statement made, or taken to be made, by or on behalf of the Company in a Transaction Document (or any document given by or on behalf of the Company in connection with a Transaction Document) is incorrect or misleading when made or taken to be made and the error is reasonably likely to have a Material Adverse Effect and, if the circumstances giving rise to the misrepresentation can be remedied, the Company does not remedy them within 10 Business Days of the Subscriber notifying the Company, or the Company becoming aware of the relevant circumstances (whichever is the earlier);
- (e) **Winding-up:** an application or order is made for the winding-up or dissolution of the Company or any member of the Group or a resolution is passed or any steps are taken to pass a resolution for the winding-up or dissolution of the Company or any member of the Group otherwise than for the purpose of an amalgamation or reconstruction which has the prior written consent of the Subscriber not to be unreasonably withheld;
- (f) **Receiver:** a receiver, controller (within the meaning of section 9 of the Corporations Act) or analogous person is appointed to, or the holder of a Security Interest takes possession of all or any part of the assets of the Company;
- (g) **Statutory demand:** the Company or any member of the Group is taken to have failed to comply with a statutory demand pursuant to section 459F of the Corporations Act;

- (h) **Compromise or arrangement:** the Company or any member of the Group takes any step for the purpose of entering into a compromise or arrangement with any of its members or creditors except for the purpose of reconstruction, amalgamation, merger or consolidation on terms approved by the Subscriber;
- (i) **Insolvency:** the Company or any member of the Group is or becomes unable to pay its debts when they are due or is or becomes unable to pay its debts within the meaning of the Corporations Act or is presumed to be insolvent under the Corporations Act;
- (j) **Ceasing business:** the Company or any member of the Group ceases or threatens to cease to carry on business;
- (k) **Administrator:** an administrator is appointed or a resolution is passed or any steps are taken to appoint, or to pass a resolution to appoint, an administrator to the Company or any member of the Group;
- (l) **Analogous event:** anything analogous to or having a substantially similar effect to any of the events specified in Clauses 16.1(e) to 16.1(k) happens in relation to the Company or any member of the Group under the laws of any jurisdiction;
- (m) **Distress or other execution:** the process of any court of authority is invoked against the Company or a material part of the property of the Company to enforce any judgement or order for any amount;
- (n) **Encumbrance:** any Encumbrance is or becomes enforceable against any asset of the Company or any member of the Group for amounts totalling more than \$100,000;
- (o) **Cross-default:** any of the following occurs in each case provided that the event would be reasonably likely to have a Material Adverse Effect on the Company's ability to perform and comply with its obligations under the Note or on the Noteholder's rights under the Agreement:
 - (i) any Financial Indebtedness of the Company or any member of the Group becomes due (other than at the option of the Company or member of the Group) prior to its stated maturity by reason of the occurrence of an event of default or analogous occurrence (however described);
 - (ii) any Financial Indebtedness of the Company or any member of the Group is not paid when due (having regard to any applicable grace period);
 - (iii) any Security Interest granted by the Company or any member of the Group is enforced or becomes capable of enforcement by reason of the occurrence of an event of default or analogous occurrence (however described);
 - (iv) any stock, share, debenture, bond or similar instrument issued by the Company is required or becomes capable of being required to be redeemed or repurchased prior to its stated maturity by reason of the occurrence of an event of default or analogous occurrence (however described);
- (p) **Termination:** any termination or failure, or threatened termination of any material licenses, permits and consents necessary for the operation of the business of the Company or the Group.
- (q) **Judgment:** a judgment in an amount exceeding \$50,000 is obtained against the Company or any member of the Group and is not set aside or satisfied within 7 days or has not been stayed pending the outcome of an appeal to any higher court;
- (r) **Vitiation of Transaction Documents:**
 - (i) all or any part of any provision of any Transaction Document is or becomes illegal, void, voidable, unenforceable or otherwise of limited force or effect;
 - (ii) any person becomes entitled to terminate, rescind or avoid all or any material part or material provision of any Transaction Document;

- (iii) the execution, delivery or performance of any Transaction Document by the Company violates, breaches or results in a contravention of any law, regulation or Authorisation; and
- (iv) an Encumbrance created by or purportedly created by a Security Document does not have or ceases to have the priority it is expressed to have under the relevant Security Document or becomes ineffective to secure the payment of the money or compliance with the obligations which it purports to secure, otherwise than solely due to the fraud, negligence or misconduct of the Subscriber;
- (s) **Delisting:** any securities of the Company are removed from the official list of ASX or suspended from trading on the ASX for 10 consecutive trading days;
- (t) **Deregistration:** the Company is deregistered;
- (u) **Prior claims:** a person asserts in writing that they have a better claim than the Subscriber in respect of any property subject to an Encumbrance granted by the Company under the Transaction Documents unless that claim:
 - (i) is under a Permitted Encumbrance which is expressly permitted to rank ahead;
 - (ii) would not reasonably be likely to have a Material Adverse Effect; or
 - (iii) is withdrawn or waived in writing within 30 days;
- (v) **Reduction of capital:** without the prior written consent of the Subscriber, the Company takes any action to reduce its capital, buy back any of its shares or make any of its shares capable of being called up only in certain circumstances (such as by passing a resolution or calling a meeting to consider such a resolution);
- (w) **Compulsory acquisition:**
 - (i) all or a material part of the Company's property is compulsorily acquired by any Governmental Agency; or
 - (ii) the Company sells or divests itself of all or a material part of its property pursuant to a binding order from a Governmental Agency;
- (x) **Failure to comply with waiver:** if any Event of Default (or occurrence which would otherwise have been or become an Event of Default) is conditionally waived by the Subscriber and the Company does not comply with those conditions, or those conditions are not fulfilled (whether by the Company or any other person) or are or become incapable of fulfilment;
- (y) **Investigations:** a person is appointed under any legislation to investigate or manage any part of the affairs of the Company or any member of the Group;
- (z) **Material adverse change:** an event with a Material Adverse Effect occurs; or
- (aa) **Inability to perform:** the Company ceases for any reason to be able to lawfully carry out all the transactions contemplated in any of the Transaction Documents.

16.2 Consequences of default

- (a) If an Event of Default occurs, the Subscriber may then or at any time subsequently by notice to the Company:
 - (i) convert the Notes into Ordinary Shares at the Conversion Price;
 - (ii) declare all money owing under any of the Transaction Documents (including the Outstanding Face Value) to be immediately due and payable, and the Company must immediately pay that money (including accrued interest and fees) and provide cash cover for the full amount of any money contingently owing under any of the Transaction Documents; and/or
 - (iii) cancel its obligations (if any) under any of the Transaction Documents.

- (b) For the avoidance of doubt, if the Subscriber does not exercise its rights under clause 16.2 the Agreement will remain on-foot and both parties shall comply with their respective obligations under the Agreement and any Transaction Document.

17 Costs and Indemnity

17.1 Costs

The Company must pay all reasonable costs and expenses of the Subscriber and any employee, officer, agent or contractor of the Subscriber in relation to:

- (a) the enforcement, protection or waiver, or attempted or contemplated enforcement or protection, of any rights under any Transaction Document;
- (b) the consent or approval of the Subscriber given under any Transaction Document; and
- (c) any enquiry by any Government Agency involving the Company insofar as it relates to any Transaction Document or transactions contemplated by any Transaction Document,

including, but not limited to, any administration costs of the Subscriber in connection with the matters referred to in Clauses 17.1(a) and 17.1(c) and any professional consultant's fees and any legal costs and expenses on a full indemnity basis. The Company must pay its own costs and expenses in relation to the negotiation, preparation, execution, delivery, stamping, registration, completion, variation and discharge of any Transaction Document.

17.2 Indemnity

The Company indemnifies the Subscriber against any claim, action, damage, Loss, liability, cost, charge, expense (including legal expenses on a full indemnity basis), outgoing or payment which the Subscriber pays, suffers, incurs or is liable for, in respect of any of the following:

- (a) the occurrence of any Default; and
- (b) the Subscriber exercising its Powers consequent upon or arising out of the occurrence of any Default.

Schedule 4 Terms and conditions of Director Options

1. (**Entitlement**): Subject to the terms and conditions set out below, each Option entitles the holder, on exercise, to the issue of one fully paid ordinary share in the Company (**Share**).
2. (**Plan**): The Options are granted under the Company's Employee Securities Incentive Plan (**Plan**) for nil cash consideration. In the event of any inconsistency between the Plan and these terms and conditions, these terms and conditions will apply to the extent of the inconsistency.
3. (**Exercise Price**): Subject to the terms and conditions set out below, the amount payable upon exercise of each Option will be \$0.40 (**Exercise Price**).
4. (**Expiry Date**): Each Option will expire on the earlier to occur of:
 - (a) 5:00pm WST on 31 July 2025 and
 - (b) the Option lapsing and being forfeited under the Plan or these terms and conditions,

(**Expiry Date**). For the avoidance of doubt any unexercised Option will automatically lapse on the Expiry Date.
5. (**Exercise**): The holder may exercise their Options in whole or in part (and if exercised in part, in multiples of 1,000 on each occasion) by lodging with the Company, on or prior to the Expiry Date:
 - (a) a written notice of exercise of Options in the form provided by the Company specifying the number of Options being exercised (**Notice of Exercise**); and
 - (b) a cheque or electronic funds transfer, or other means of payment acceptable to the Company, including cashless exercise as described in paragraph 6, for the Exercise Price for the number of Options being exercised. Cheques shall be in Australian currency made payable to the Company and crossed "Not Negotiable".

An Notice of Exercise is only effective when the Company has received the full amount of the Exercise Price in cleared funds.
6. (**Cashless exercise of Options**): Subject to Board approval at the time of exercise, the holder may elect not to be required to provide payment of the Exercise Price for the number of Options specified in a Notice of Exercise but that on exercise of those Options the Company will transfer or allot to the holder that number of Shares equal in value to the positive difference between the then Market Value of the Shares at the time of exercise and the Exercise Price that would otherwise be payable to exercise those Options (with the number of Shares rounded down to the nearest whole Share).

Where **Market Value** means, at any given date, the volume weighted average price of Shares traded on the ASX over the five (5) trading days immediately preceding that given date.
7. (**Timing of issue of Shares and quotation of Shares on exercise**): As soon as practicable after the valid exercise of an Option, the Company will:
 - (a) issue, allocate or cause to be transferred to the Participant the number of Shares to which the Participant is entitled under the Plan;
 - (b) issue a substitute Certificate for any remaining unexercised Options held by the Participant;

- (c) if required and subject to paragraph 8, give ASX a notice that complies with section 708A(5)(e) of the Corporations Act; and
 - (d) do all such acts, matters and things to obtain the grant of quotation of the Shares by ASX in accordance with the Listing Rules and subject to the expiry of any restriction period that applies to the Shares under the Corporations Act or the Listing Rules.
8. **(Restrictions on transfer of Shares):** If the Company is unable to give ASX a notice that complies with section 708A(5)(e) of the Corporations Act, Shares issued on exercise of the Options may not be traded until 12 months after their issue unless the Company, at its sole discretion, elects to issue a prospectus pursuant to section 708A(11) of the Corporations Act. The Company may place a holding lock on those Shares until the end of the 12 month period.
 9. **(Shares issued on exercise):** All Shares issued upon the exercise of Options will upon issue rank *pari passu* in all respects with the then Shares of the Company.
 10. **(Transfer):** The Options are not transferable except in accordance with the Plan and subject to compliance with the Corporations Act and the Listing Rules.
 11. **(Quotation):** No application for quotation of the Options will be made by the Company.
 12. **(Dividend and voting rights):** The Options do not confer on the holder an entitlement to vote at general meetings of the Company or to receive dividends.
 13. **(Participation in new issues):** Subject always to the rights under items 15 and 16, there are no participation rights or entitlements inherent in the Options and holders of Options will not be entitled to participate in new issues of capital offered to holders of Shares, such as bonus issues and entitlement issues.
 14. **(Change in exercise price):** Subject always to the rights under items 15 and 16, there will be no change to the exercise price of the Options or the number of Shares over which the Options are exercisable in the event of the Company making a pro-rata issue of Shares or other securities to the holders of Shares in the Company.
 15. **(Adjustment for bonus issue):** If securities are issued pro-rata to shareholders generally by way of bonus issue (other than an issue in lieu of dividends by way of dividend reinvestment), the number of Options to which the holder is entitled will be increased by that number of securities which the holder would have been entitled if the Options held by the holder were exercised immediately prior to the record date of the bonus issue, and in any event in a manner consistent with the Listing Rules at the time of the bonus issue.
 16. **(Reorganisation of capital):** In the event that the issued capital of the Company is reconstructed (including consolidation, subdivision, reduction or return), all the holder's rights as a holder of Options will be changed to the extent necessary to comply with the Listing Rules at the time of reorganisation provided that, subject to compliance with the Listing Rules, following such reorganisation the holder's economic and other rights are not diminished or terminated.
 17. **(Leavers):** The Options will not lapse where the holder of the Options (or in the case of Options held by a Nominated Party, the person in respect of the provision of whose services the Options were granted) is no longer employed, or their engagement or office is discontinued with the Company, unless the Board determines otherwise in its discretion in accordance with the Plan.

Schedule 5 Valuation of Director Options

The key inputs used in the Black-Scholes valuation of the Director Options described in Resolution 6 are as follows:

	Director Options
Underlying share price (\$)	0.19
Exercise price (\$)	0.40
Expected volatility	100%
Life of the options (years)	3.5
Expected dividends	Nil
Risk free rate	1.29%

Schedule 6 Summary of Employee Securities Incentive Plan

1. **(Eligible Participant):** Eligible Participant means a person that:
 - (a) is an “eligible participant” (as that term is defined in ASIC Class Order 14/1000) in relation to the Company or an Associated Body Corporate (as that term is defined in ASIC Class Order 14/1000). For the avoidance of doubt, this term includes Directors; and
 - (b) has been determined by the Board to be eligible to participate in the Plan from time to time.
2. **(Purpose):** The purpose of the Plan is to:
 - (a) assist in the reward, retention and motivation of Eligible Participants;
 - (b) link the reward of Eligible Participants to Shareholder value creation; and
 - (c) align the interests of Eligible Participants with shareholders of the Group (being the Company and each of its Associated Bodies Corporate), by providing an opportunity to Eligible Participants to receive an equity interest in the Company in the form of Securities.
3. **(Plan administration):** The Plan will be administered by the Board. The Board may exercise any power or discretion conferred on it by the Plan rules in its sole and absolute discretion. The Board may delegate its powers and discretion.
4. **(Eligibility, invitation and application):** The Board may from time to time determine that an Eligible Participant may participate in the Plan and make an invitation to that Eligible Participant to apply for Securities on such terms and conditions as the Board decides.

On receipt of an Invitation, an Eligible Participant may apply for the Securities the subject of the invitation by sending a completed application form to the Company. The Board may accept an application from an Eligible Participant in whole or in part. If an Eligible Participant is permitted in the invitation, the Eligible Participant may, by notice in writing to the Board, nominate a party in whose favour the Eligible Participant wishes to renounce the invitation.
5. **(Grant of Securities):** The Company will, to the extent that it has accepted a duly completed application, grant the Participant the relevant number of Securities, subject to the terms and conditions set out in the invitation, the Plan rules and any ancillary documentation required.
6. **(Terms of Convertible Securities):** Each ‘Convertible Security’ represents a right to acquire one or more Shares (for example, under an option or performance right), subject to the terms and conditions of the Plan.

Prior to a Convertible Security being exercised a Participant does not have any interest (legal, equitable or otherwise) in any Share the subject of the Convertible Security by virtue of holding the Convertible Security. A Participant may not sell, assign, transfer, grant a security interest over, collateralise a margin loan against, utilise for the purposes of short selling, enter into a derivative with reference to, or otherwise deal with a Convertible Security that has been granted to them. A Participant must not enter into any arrangement for the purpose of hedging their economic exposure to a Convertible Security that has been granted to them.

7. **(Vesting of Convertible Securities):** Any vesting conditions applicable to the grant of Convertible Securities will be described in the invitation. If all the vesting conditions are satisfied and/or otherwise waived by the Board, a vesting notice will be sent to the Participant by the Company informing them that the relevant Convertible Securities have vested. Unless and until the vesting notice is issued by the Company, the Convertible Securities will not be considered to have vested. For the avoidance of doubt, if the vesting conditions relevant to a Convertible Security are not satisfied and/or otherwise waived by the Board, that Convertible Security will lapse.
8. **(Exercise of Convertible Securities and cashless exercise):** To exercise a Convertible Security, the Participant must deliver a signed notice of exercise and, subject to a cashless exercise of Convertible Securities (see below), pay the exercise price (if any) to or as directed by the Company, at any time prior to the earlier of any date specified in the vesting notice and the expiry date as set out in the invitation.

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

“Market Value” means, at any given date, the volume weighted average price per Share traded on the ASX over the 5 trading days immediately preceding that given date, unless otherwise specified in an invitation.

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

9. **(Delivery of Shares on exercise of Convertible Securities):** As soon as practicable after the valid exercise of a Convertible Security by a Participant, the Company will issue or cause to be transferred to that Participant the number of Shares to which the Participant is entitled under the Plan rules and issue a substitute certificate for any remaining unexercised Convertible Securities held by that Participant.
10. **(Forfeiture of Convertible Securities):** Where a Participant who holds Convertible Securities ceases to be an Eligible Participant or becomes insolvent, all unvested Convertible Securities will automatically be forfeited by the Participant, unless the Board otherwise determines in its discretion to permit some or all of the Convertible Securities to vest.

Where the Board determines that a Participant has acted fraudulently, dishonestly, negligently, or in contravention of a Group policy, or has wilfully breached his or her duties to the Group, the Board may in its discretion deem all unvested Convertible Securities held by that Participant to have been forfeited.

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

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

11. **(Change of control):** If a change of control event occurs in relation to the Company, or the Board determines that such an event is likely to occur, the Board may in its discretion determine the manner in which any or all of the Participant's Convertible Securities will be dealt with, including, without limitation, in a manner that allows the Participant to participate in and/or benefit from any transaction arising from or in connection with the change of control event.
12. **(Rights attaching to Plan Shares):** All Shares issued under the Plan, or issued or transferred to a Participant upon the valid exercise of a Convertible Security, (Plan Shares) will rank pari passu in all respects with the Shares of the same class. A Participant will be entitled to any dividends declared and distributed by the Company on the Plan Shares and may participate in any dividend reinvestment plan operated by the Company in respect of Plan Shares. A Participant may exercise any voting rights attaching to Plan Shares.
13. **(Disposal restrictions on Plan Shares):** If the invitation provides that any Plan Shares are subject to any restrictions as to the disposal or other dealing by a Participant for a period, the Board may implement any procedure it deems appropriate to ensure the compliance by the Participant with this restriction.

For so long as a Plan Share is subject to any disposal restrictions under the Plan, the Participant will not:

- (a) transfer, encumber or otherwise dispose of, or have a security interest granted over that Plan Share; or
 - (b) take any action or permit another person to take any action to remove or circumvent the disposal restrictions without the express written consent of the Company.
14. **(Adjustment of Convertible Securities):** If there is a reorganisation of the issued share capital of the Company (including any subdivision, consolidation, reduction, return or cancellation of such issued capital of the Company), the rights of each Participant holding Convertible Securities will be changed to the extent necessary to comply with the Listing Rules applicable to a reorganisation of capital at the time of the reorganisation.

If Shares are issued by the Company by way of bonus issue (other than an issue in lieu of dividends or by way of dividend reinvestment), the holder of Convertible Securities is entitled, upon exercise of the Convertible Securities, to receive an allotment of as many additional Shares as would have been issued to the holder if the holder held Shares equal in number to the Shares in respect of which the Convertible Securities are exercised.

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

15. **(Participation in new issues):** There are no participation rights or entitlements inherent in the Convertible Securities and holders are not entitled to participate in any new issue of Shares of the Company during the currency of the Convertible Securities without exercising the Convertible Securities.
16. **(Amendment of Plan):** Subject to the following paragraph, the Board may at any time amend any provisions of the Plan rules, including (without limitation) the terms and conditions upon which any Securities have been granted under the Plan and determine that any amendments to the Plan rules be given retrospective effect, immediate effect or future effect.

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

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

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

Schedule 7 Summary of Underwriting Agreement termination events

Lazarus may terminate its obligations under the Underwriting Agreement if:

1. **(Company default):** the Company fails to perform an obligation under the Underwriting Agreement;
2. **(Indices fall):** the S&P ASX 200 Index closes on any business day from the date of the Underwriting Agreement at a level that is 8% or more below the level of the Index at the close of trading on the business day before the date of the Underwriting Agreement;
3. **(Gold Price Fall):** spot A\$ gold price referenced on Bloomberg under reference "XAUAUD Curncy", is at any time after the date of the Underwriting Agreement at a level that is 8% or more below its respective level as at the close of business on the business day prior to the date of the Underwriting Agreement; or
4. **(Share Price Fall):** the share price of Aurumin on ASX under reference "ASX:AUN", is at any time after the date of the Underwriting Agreement below \$0.15; or
5. **(Entitlement Offer Document):** the Company does not lodge the prospectus with ASIC on the Lodgement Date or the prospectus or the Entitlement Offer is withdrawn by the Company;
6. **(Supplementary Entitlement Offer Document):**
 - (a) Lazarus, having elected not to exercise its right to terminate its obligations under the Underwriting Agreement as a result of an adverse change, forms the view on reasonable grounds that a Supplementary Entitlement Offer Document should be lodged with ASIC for any of the reasons referred to in section 719 of the Corporations Act and the Company fails to lodge a Supplementary Entitlement Offer Document in such form and content and within such time as Lazarus may reasonably require; or
 - (b) the Company lodges a Supplementary Entitlement Offer Document without the prior written agreement of Lazarus;
7. **(Non-compliance with disclosure requirements):** it transpires that the prospectus does not contain all the information that investors and their professional advisers would reasonably require to make an informed assessment of:
 - (a) the assets and liabilities, financial position and performance, profits and losses and prospects of the Company; and
 - (b) the rights and liabilities attaching to the Shares underwritten by the Underwriter **(Underwritten Shares)**;
8. **(Misleading Entitlement Offer Document):** it transpires that there is a material statement in the prospectus that is misleading or deceptive or likely to mislead or deceive, or that there is an omission from the prospectus (having regard to the provisions of sections 711, 713 and 716 of the Corporations Act) or if any statement in the prospectus becomes misleading or deceptive or likely to mislead or deceive or if the issue of the prospectus is or becomes misleading or deceptive or likely to mislead or deceive;

9. **(Error in Due Diligence Results):** it transpires that any of the due diligence results or any part of the verification material was materially false, misleading or deceptive or that there was a material omission from them;
10. **(proceedings)** ASIC or any other person conducts any enquiry, investigation or proceedings, or takes any regulatory action or seeks any remedy, in connection with the Entitlement Offer, the Entitlement Offer prospectus or the Company's ASX announcements, or publicly foreshadows that it may do so;
11. **(Unable to issue Securities)** the Company is prevented from allotting and issuing the Underwritten Shares within the time required by the timetable, Listing Rules, applicable laws, an order of a court of competent jurisdiction or a government authority;
12. **(future matters)** Any statement or estimate in the Entitlement Offer prospectus or the Company's ASX announcements which relates to a future matter is or becomes incapable of being met or, in the reasonable opinion of Lazarus, unlikely to be met in the projected timeframe;
13. **(No Quotation Approval):** the Company fails to lodge an Appendix 2A and/or Appendix 3B in relation to the Underwritten Shares with ASX by the time required by the Corporations Act, the Listing Rules or any other regulation;
14. **(ASIC application):** an order is made under Section 1324B or any other provision of the Corporations Act in relation to the prospectus, the shortfall notice deadline date has arrived, and that application has not been dismissed or withdrawn;
15. **(Takeovers Panel):** the Takeovers Panel makes a declaration that circumstances in relation to the affairs of the Company are unacceptable circumstances under Pt 6.10 of the Corporations Act, which in Lazarus' reasonable opinion has a material adverse effect on the Company's ability to perform and comply with its obligations under any note issued under and in accordance with the Underwriting Agreement or on Lazarus' rights pursuant the Underwriting Agreement (**Material Adverse Effect**) provided that, for the avoidance of doubt, an event or circumstances which is general in nature is not a Material Adverse Effect;
16. **(Authorisation):** any authorisation which is material to anything referred to in the prospectus is repealed, revoked or terminated or expires, or is modified or amended in a manner unacceptable to Lazarus acting reasonably;
17. **(Indictable offence):** a director of the Company is charged with an indictable offence; or
18. **(Termination events):** unless, in the reasonable opinion of Lazarus reached in good faith, it has or is likely to have, or those events together have, or could reasonably be expected to have, a material adverse effect or could give rise to a liability of Lazarus under the Corporations Act, any of the following events occurs:
19. **(Hostilities):** there is an outbreak of hostilities or a material escalation of hostilities (whether or not war has been declared) after the date of the Underwriting Agreement involving one or more of Australia, New Zealand, Indonesia, Japan, Russia, the United Kingdom, the United States of America, India, Pakistan, the Democratic People's Republic of Korea, or the Peoples Republic of China or any member of the European Union;
20. **(Default):** default or breach by the Company under the Underwriting Agreement of any terms, condition, covenant or undertaking;

21. **(Incorrect or untrue representation):** any representation, warranty or undertaking given by the Company in the Underwriting Agreement is or becomes untrue or incorrect in a material respect;
22. **(Contravention of constitution or Act):** a contravention by a relevant company of any provision of its constitution, the Corporations Act, the Listing Rules or any other applicable legislation or any policy or requirement of ASIC or ASX;
23. **(Adverse change):** an event occurs which gives rise to a Material Adverse Effect or any adverse change or any development including a prospective adverse change after the date of the Underwriting Agreement in the assets, liabilities, financial position, trading results, profits, forecasts, losses, prospects, business or operations of any relevant company;
24. **(Error in Due Diligence Results):** it transpires that any of the due diligence results or any part of the verification material was materially false, misleading or deceptive or that there was a material omission from them;
25. **(Significant change):** a "new circumstance" as referred to in Section 719(1) of the Corporations Act arises that is materially adverse from the point of view of an investor;
26. **(Public statements):** without the prior approval of Lazarus a public statement is made by the Company in relation to the Entitlement Offer or the prospectus, other than a statement the Company is required to make in order to ensure its disclosure obligations under the Listing Rules and the Corporations Act;
27. **(Misleading information):** any information supplied at any time by the Company or any person on its behalf to Lazarus in respect of any aspect of the Entitlement Offer or the affairs of any relevant company is or becomes misleading or deceptive or likely to mislead or deceive;
28. **(Official Quotation qualified):** the official quotation is qualified or conditional other than conditional approval, provided such condition would not, in the reasonable opinion of Lazarus, have a material adverse effect;
29. **(Change in Act or policy):** there is introduced, or there is a public announcement of a proposal to introduce, into the Parliament of Australia or any of its States or Territories any Act or prospective Act or budget or the Reserve Bank of Australia or any Commonwealth or State authority adopts or announces a proposal to adopt any new, or any major change in, existing, monetary, taxation, exchange or fiscal policy;
30. **(Prescribed Occurrence):** a Prescribed Occurrence occurs, other than as disclosed in the prospectus. A 'Prescribed Occurrence' means:
 - (a) the Company or a related corporation converting all or any of its Shares into a larger or smaller number of Shares;
 - (b) the Company or a related corporation resolving to reduce its Share capital in any way;
 - (c) the Company or a related corporation:
 - (d) entering into a buy-back agreement; or
 - (e) resolving to approve the terms of a buy-back agreement under section 257C or 257D of the Corporations Act;

- (f) the Company or a related corporation making an issue of, or granting an option to subscribe for, any of its Shares, or agreeing to make such an issue or grant such an option;
 - (g) the Company or a related corporation issuing, or agreeing to issue, convertible notes;
 - (h) the Company or a related corporation disposing, or agreeing to dispose, of the whole, or a substantial part, of its business or property;
 - (i) the Company or a related corporation charging, agreeing to charge, the whole, or a substantial part, of its business or property;
 - (j) the Company or a related corporation resolving that it be wound up;
 - (k) the appointment of a liquidator or provisional liquidator to the Company or a related corporation;
 - (l) the making of an order by a court for the winding up of the Company or a related corporation;
 - (m) an administrator of the Company or a related corporation, being appointed under section 436A, 436B or 436C of the Corporations Act;
 - (n) the Company or a related corporation executing a deed of company arrangement; or
 - (o) the appointment of a receiver, or a receiver and manager, in relation to the whole, or a substantial part, of the property of the Company or a related corporation.
31. **(Suspension of debt payments):** the Company suspends payment of its debts generally;
 32. **(Event of Insolvency):** an insolvency event occurs in respect of a relevant company;
 33. **(Judgment against a relevant company):** a judgment in an amount exceeding \$500,000 is obtained against a relevant company and is not set aside or satisfied within 14 days;
 34. **(Litigation):** litigation, arbitration, administrative or industrial proceedings are after the date of the Underwriting Agreement commenced against any relevant company, except as disclosed in the prospectus;
 35. **(Board and senior management composition):** there is a change in the composition of the Board or a change in the senior management of the Company before the date of issue of the Underwritten Shares without the prior written consent of Lazarus (such consent not to be unreasonably withheld);
 36. **(Change in shareholdings):** there is a material change in the major or controlling shareholdings of a relevant company (other than as a result of the Entitlement Offer, a matter disclosed in the prospectus) or a takeover offer or scheme of arrangement pursuant to Chapter 5 or 6 of the Corporations Act is publicly announced in relation to a relevant company;
 37. **(Timetable):** there is a delay in any specified date in the proposed timetable which is greater than 3 business days;
 38. **(Force Majeure):** a force majeure affecting the Company's business or any obligation under the Underwriting Agreement lasting in excess of 7 days occurs;

39. **(Certain resolutions passed)**: a relevant company passes or takes any steps to pass a resolution under Section 254N, Section 257A or Section 260B of the Corporations Act or a resolution to amend its constitution without the prior written consent of Lazarus;
40. **(Capital structure)**: any relevant company alters its capital structure in any manner not contemplated by the prospectus or the Acquisition;
41. **(Breach of Contracts)**: any of the Contracts are terminated or substantially modified; or
42. **(Market conditions)**: a suspension or material limitation in trading generally on ASX occurs or any material adverse change or disruption occurs in the existing financial markets, political or economic conditions of Australia, Japan, the United Kingdom, the United States of America or other international financial markets.



ABN 64 639 427 099

AUN

MR SAM SAMPLE
FLAT 123
123 SAMPLE STREET
THE SAMPLE HILL
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SAMPLEVILLE VIC 3030



Need assistance?



Phone:

1300 850 505 (within Australia)
+61 3 9415 4000 (outside Australia)



Online:

www.investorcentre.com/contact



YOUR VOTE IS IMPORTANT

For your proxy appointment to be effective it must be received by 1:00pm (AWST) on **Sunday 6 February 2022.**

Proxy Form

How to Vote on Items of Business

All your securities will be voted in accordance with your directions.

APPOINTMENT OF PROXY

Voting 100% of your holding: Direct your proxy how to vote by marking one of the boxes opposite each item of business. If you do not mark a box your proxy may vote or abstain as they choose (to the extent permitted by law). If you mark more than one box on an item your vote will be invalid on that item.

Voting a portion of your holding: Indicate a portion of your voting rights by inserting the percentage or number of securities you wish to vote in the For, Against or Abstain box or boxes. The sum of the votes cast must not exceed your voting entitlement or 100%.

Appointing a second proxy: You are entitled to appoint up to two proxies to attend the meeting and vote on a poll. If you appoint two proxies you must specify the percentage of votes or number of securities for each proxy, otherwise each proxy may exercise half of the votes. When appointing a second proxy write both names and the percentage of votes or number of securities for each in Step 1 overleaf.

A proxy need not be a securityholder of the Company.

SIGNING INSTRUCTIONS FOR POSTAL FORMS

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

Joint Holding: Where the holding is in more than one name, all of the securityholders 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 form when you return it.

Companies: Where the company has a Sole Director who is also the Sole Company Secretary, this form must be signed by that person. If the company (pursuant to section 204A of the Corporations Act 2001) does not have a Company Secretary, a Sole Director can also sign alone. Otherwise this form must be signed by a Director jointly with either another Director or a Company Secretary. Please sign in the appropriate place to indicate the office held. Delete titles as applicable.

PARTICIPATING IN THE MEETING

Corporate Representative

If a representative of a corporate securityholder or proxy is to participate in the meeting you will need to provide the appropriate "Appointment of Corporate Representative". A form may be obtained from Computershare or online at www.investorcentre.com/au and select "Printable Forms".

Lodge your Proxy Form:

XX

Online:

Lodge your vote online at www.investorvote.com.au using your secure access information or use your mobile device to scan the personalised QR code.

Your secure access information is



Control Number: 999999

SRN/HIN: I9999999999

PIN: 99999

For Intermediary Online subscribers (custodians) go to www.intermediaryonline.com

By Mail:

Computershare Investor Services Pty Limited
GPO Box 242
Melbourne VIC 3001
Australia

By Fax:

1800 783 447 within Australia or
+61 3 9473 2555 outside Australia



PLEASE NOTE: For security reasons it is important that you keep your SRN/HIN confidential.

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Change of address. If incorrect, mark this box and make the correction in the space to the left. Securityholders sponsored by a broker (reference number commences with 'X') should advise your broker of any changes.



I 9999999999

I ND

Proxy Form

Please mark to indicate your directions

Step 1 Appoint a Proxy to Vote on Your Behalf

XX

I/We being a member/s of Aurumin Limited hereby appoint

the Chairman of the Meeting **OR**

PLEASE NOTE: Leave this box blank if you have selected the Chairman of the Meeting. Do not insert your own name(s).

or failing the individual or body corporate named, or if no individual or body corporate is named, the Chairman of the Meeting, as my/our proxy to act generally at the meeting on my/our behalf and to vote in accordance with the following directions (or if no directions have been given, and to the extent permitted by law, as the proxy sees fit) at the General Meeting of Aurumin Limited to be held at the Celtic Club, 48 Ord Street, West Perth, WA 6005 on Tuesday 8 February 2022 at 1:00pm (AWST) and at any adjournment or postponement of that meeting.

Chairman authorised to exercise undirected proxies on remuneration related resolutions: Where I/we have appointed the Chairman of the Meeting as my/our proxy (or the Chairman becomes my/our proxy by default), I/we expressly authorise the Chairman to exercise my/our proxy on Resolutions 6a, 6b, 6c and 6d (except where I/we have indicated a different voting intention in step 2) even though Resolutions 6a, 6b, 6c and 6d are connected directly or indirectly with the remuneration of a member of key management personnel, which includes the Chairman.

Important Note: If the Chairman of the Meeting is (or becomes) your proxy you can direct the Chairman to vote for or against or abstain from voting on Resolutions 6a, 6b, 6c and 6d by marking the appropriate box in step 2.

Step 2 Items of Business

PLEASE NOTE: If you mark the **Abstain** box for an item, you are directing your proxy not to vote on your behalf on a show of hands or a poll and your votes will not be counted in computing the required majority.

		For	Against	Abstain			For	Against	Abstain
Resolution 1	Approval to issue Consideration Shares to Sellers	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	Resolution 5	Approval to issue Options to Underwriter	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Resolution 2a	Ratification of prior issue of Shares issued pursuant the Placement under Listing Rule 7.1	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	Resolution 6a	Approval to issue Director Options - Bradley Valiukas	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Resolution 2b	Ratification of prior issue of Shares issued pursuant the Placement under Listing Rule 7.1A	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	Resolution 6b	Approval to issue Director Options - Piers Lewis	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Resolution 3	Approval to issue Options to Lead Manager	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	Resolution 6c	Approval to issue Director Options - Darren Holden	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Resolution 4	Approval of issue of Convertible Securities	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	Resolution 6d	Approval to issue Director Options - Shaun Day	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>

The Chairman of the Meeting intends to vote undirected proxies in favour of each item of business. In exceptional circumstances, the Chairman of the Meeting may change his/her voting intention on any resolution, in which case an ASX announcement will be made.

Step 3 Signature of Securityholder(s) *This section must be completed.*

Individual or Securityholder 1 Securityholder 2 Securityholder 3 / /
 Sole Director & Sole Company Secretary Director Director/Company Secretary Date

Update your communication details (Optional)

Mobile Number Email Address By providing your email address, you consent to receive future Notice of Meeting & Proxy communications electronically

