
ERRAWARRA RESOURCES LTD

ACN 155 472 834

NOTICE OF ANNUAL GENERAL MEETING

Notice is given that the Meeting will be held at:

TIME: 10:00am (AWST)
DATE: Tuesday, 29 November 2022
PLACE: Karda Room, Ground Floor,
197 St Georges Tce,
Perth WA 6000

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

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

The Directors have determined pursuant to Regulation 7.11.37 of the Corporations Regulations 2001 (Cth) that the persons eligible to vote at the Meeting are those who are registered Shareholders at 10:00am (WST) on 27 November 2022.

BUSINESS OF THE MEETING

AGENDA

1. FINANCIAL STATEMENTS AND REPORTS

To receive and consider the annual financial report of the Company for the financial year ended 30 June 2022 together with the declaration of the Directors, the Director's report, the Remuneration Report and the auditor's report.

2. RESOLUTION 1 - ADOPTION OF REMUNERATION REPORT

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

"That, for the purposes of section 250R(2) of the Corporations Act and for all other purposes, approval is given for the adoption of the Remuneration Report as contained in the Company's annual financial report for the financial year ended 30 June 2022."

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

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

3. RESOLUTION 2 - ELECTION OF DIRECTOR - MR JONATHAN BATTERSHILL

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

"That, for the purpose of clause 14.3 of the Constitution, Listing Rule 14.4 and for all other purposes, Mr Jonathan Battershill, a Director who was appointed casually on 1 July 2022, retires, and being eligible, is elected as a Director."

4. RESOLUTION 3 - RE-ELECTION OF DIRECTOR - MR THOMAS REDDICLIFFE

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

"That, for the purpose of clause 14.2 of the Constitution, Listing Rule 14.5 and for all other purposes, Mr Thomas Reddicliffe, a Director, retires by rotation, and being eligible, is re-elected as a Director."

5. RESOLUTION 4 - RATIFICATION OF PRIOR ISSUE OF OPTIONS TO MR JONATHAN BATTERSHILL

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

"That, for the purposes of Listing Rule 7.4 and for all other purposes, Shareholders ratify the issue of 1,500,000 Options on the terms and conditions set out in the Explanatory Statement."

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

6. RESOLUTION 5 - APPROVAL OF 7.1A MANDATE

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

"That, for the purposes of Listing Rule 7.1A and for all other purposes, approval is given for the Company to issue up to that number of Equity Securities equal to 10% of the issued capital of the Company at the time of issue, calculated in accordance with the formula prescribed in Listing Rule 7.1A.2 and otherwise on the terms and conditions set out in the Explanatory Statement."

7. RESOLUTION 6 - ADOPTION OF EMPLOYEE INCENTIVE SECURITIES PLAN

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

"That, for the purposes of Listing Rule 7.2 (Exception 13(b)) and for all other purposes, approval is given for the Company to adopt an employee incentive scheme titled "Employee Incentive Securities Plan" and for the issue of a maximum of 3,024,662 Securities under that Plan, on the terms and conditions set out in the Explanatory Statement."

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

8. RESOLUTION 7 - ISSUE OF INCENTIVE OPTIONS TO MR JONATHAN MURRAY

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

"That, subject to the passing of Resolution 6, for the purposes of Listing Rule 10.14 and for all other purposes, approval is given for the Company to issue 500,000 Incentive Options to Mr Jonathan Murray (or his nominee) under the Employee Incentive Option Plan on the terms and conditions set out in the Explanatory Statement."

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

9. RESOLUTION 8 - ISSUE OF INCENTIVE OPTIONS TO MR THOMAS REDDICLIFFE

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

"That, subject to the passing of Resolution 6, for the purposes of Listing Rule 10.14 and for all other purposes, approval is given for the Company to issue 500,000 Incentive Options to Mr Thomas Reddicliffe (or his nominee) under the Employee Incentive Option Plan on the terms and conditions set out in the Explanatory Statement."

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

10. RESOLUTION 9 - ISSUE OF INCENTIVE OPTIONS TO MR JONATHAN BATTERSHILL

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

"That, subject to the passing of Resolution 6, for the purposes of Listing Rule 10.14 and for all other purposes, approval is given for the Company to issue 500,000 Incentive Options to Mr Jonathan Battershill (or his nominee) under the Employee Incentive Option Plan on the terms and conditions set out in the Explanatory Statement."

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

11. RESOLUTION 10 - AMENDMENT TO CONSTITUTION

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

"That, for the purposes of section 136(2) of the Corporations Act and for all other, approval is given for the Constitution of the Company to be amended on the terms set out in the Explanatory Statement."

Dated: 12 October 2022

By order of the Board



Mindy Ku
Company Secretary

Voting Prohibition Statements

Resolution 1 – Adoption of Remuneration Report	<p>A vote on this Resolution must not be cast (in any capacity) by or on behalf of either of the following persons:</p> <p>(a) a member of the Key Management Personnel, details of whose remuneration are included in the Remuneration Report; or</p> <p>(b) a Closely Related Party of such a member.</p> <p>However, a person (the voter) described above may cast a vote on this Resolution as a proxy if the vote is not cast on behalf of a person described above and either:</p> <p>(a) the voter is appointed as a proxy by writing that specifies the way the proxy is to vote on this Resolution; or</p> <p>(b) the voter is the Chair and the appointment of the Chair as proxy:</p> <p>(i) does not specify the way the proxy is to vote on this Resolution; and</p> <p>(ii) expressly authorises the Chair to exercise the proxy even though this Resolution is connected directly or indirectly with the remuneration of a member of the Key Management Personnel.</p>
Resolution 6 – Adoption of Employee Incentive Securities Plan	<p>A person appointed as a proxy must not vote, on the basis of that appointment, on Resolutions 6 – 9 if:</p> <p>(a) the proxy is either:</p> <p>(i) a member of the Key Management Personnel; or</p> <p>(ii) a Closely Related Party of such a member; and</p> <p>(b) the appointment does not specify the way the proxy is to vote on Resolutions 6 – 9.</p> <p>However, the above prohibition does not apply if:</p> <p>(a) the proxy is the Chair; and</p> <p>(b) the appointment expressly authorises the Chair to exercise the proxy even though Resolutions 6 – 9 is connected directly or indirectly with remuneration of a member of the Key Management Personnel.</p>
Resolutions 7 – 9 – Issue of Incentive Options to Directors	<p>(a) the proxy is the Chair; and</p> <p>(b) the appointment expressly authorises the Chair to exercise the proxy even though Resolutions 6 – 9 is connected directly or indirectly with remuneration of a member of the Key Management Personnel.</p>

Voting Exclusion Statements

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

Resolution 4 – Ratification of prior issue of Options to Mr Jonathan Battershill	<p>A person who participated in the issue or is a counterparty to the agreement being approved (namely Mr Battershill) or an associate of that person or those persons.</p>
Resolution 6 – Adoption of Incentive Securities Plan	<p>A person who is eligible to participate in the employee incentive scheme or an associate of that person or those persons.</p>
Resolution 7 – Issue of Incentive Options to Mr Jonathan Murray	<p>Any person referred to in Listing Rule 10.14.1, 10.14.2 or 10.14.3 who is eligible to participate in the employee incentive scheme in question (including Mr Murray) or an associate of that person or those persons.</p>
Resolution 8 – Issue of Incentive Options to Mr Thomas Redcliffe	<p>Any person referred to in Listing Rule 10.14.1, 10.14.2 or 10.14.3 who is eligible to participate in the employee incentive scheme in question (including Mr Redcliffe) or an associate of that person or those persons.</p>
Resolution 9 – Issue of Incentive Options to Mr Jonathan Battershill	<p>Any person referred to in Listing Rule 10.14.1, 10.14.2 or 10.14.3 who is eligible to participate in the employee incentive scheme in question (including Mr Battershill) or an associate of that person or those persons.</p>

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

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

Voting by proxy

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

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

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

Shareholders and their proxies should be aware that:

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

Voting in person

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

You may still attend the Meeting and vote in person even if you have appointed a proxy. If you have previously submitted a Proxy Form, your attendance will not revoke your proxy appointment unless you actually vote at the Meeting for which the proxy is proposed to be used, in which case, the proxy's appointment is deemed to be revoked with respect to voting on that Resolution.

Please bring your personalised Proxy Form with you as it will help you to register your attendance at the Meeting. If you do not bring your Proxy Form with you, you can still attend the Meeting but the Company will need to verify your identity.

Should you wish to discuss the matters in this Notice please do not hesitate to contact the Company Secretary by email on mku@corpbervices.com or +61 8 9322 3383.

EXPLANATORY STATEMENT

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

1. FINANCIAL STATEMENTS AND REPORTS

In accordance with the Corporations Act, the business of the Meeting will include receipt and consideration of the annual financial report of the Company for the financial year ended 30 June 2022 together with the declaration of the Directors, the Directors' report, the Remuneration Report and the auditor's report.

The Company will not provide a hard copy of the Company's annual financial report to Shareholders unless specifically requested to do so. The Company's annual financial report is available on its website at www.errawarra.com.

2. RESOLUTION 1 - ADOPTION OF REMUNERATION REPORT

2.1 General

The Corporations Act requires that at a listed company's annual general meeting, a resolution that the remuneration report be adopted must be put to the shareholders. However, such a resolution is advisory only and does not bind the company or the directors of the company.

The remuneration report sets out the company's remuneration arrangements for the directors and senior management of the company. The remuneration report is part of the directors' report contained in the annual financial report of the company for a financial year.

The chair of the meeting must allow a reasonable opportunity for its shareholders to ask questions about or make comments on the remuneration report at the annual general meeting.

2.2 Voting consequences

A company is required to put to its shareholders a resolution proposing the calling of another meeting of shareholders to consider the appointment of directors of the company (**Spill Resolution**) if, at consecutive annual general meetings, at least 25% of the votes cast on a remuneration report resolution are voted against adoption of the remuneration report and at the first of those annual general meetings a Spill Resolution was not put to vote. If required, the Spill Resolution must be put to vote at the second of those annual general meetings.

If more than 50% of votes cast are in favour of the Spill Resolution, the company must convene a shareholder meeting (**Spill Meeting**) within 90 days of the second annual general meeting.

All of the directors of the company who were in office when the directors' report (as included in the company's annual financial report for the most recent financial year) was approved, other than the managing director of the company, will cease to hold office immediately before the end of the Spill Meeting but may stand for re-election at the Spill Meeting.

Following the Spill Meeting those persons whose election or re-election as directors of the company is approved will be the directors of the company.

2.3 Previous voting results

At the Company's previous annual general meeting the votes cast against the remuneration report considered at that annual general meeting were less than 25%. Accordingly, the Spill Resolution is not relevant for this Meeting.

3. RESOLUTION 2 - ELECTION OF DIRECTOR - MR JONATHAN BATTERSHILL

3.1 General

The Constitution allows the Directors to appoint at any time a person to be a Director either to fill a casual vacancy or as an addition to the existing Directors, but only where the total number of Directors does not at any time exceed the maximum number specified by the Constitution.

Pursuant to the Constitution and Listing Rule 14.4, any Director so appointed holds office only until the next annual general meeting and is then eligible for election by Shareholders but shall not be taken into account in determining the Directors who are to retire by rotation (if any) at that meeting.

Mr Jonathan Battershill, having been appointed by other Directors on 1 July 2022 in accordance with the Constitution, will retire in accordance with the Constitution and Listing Rule 14.4 and being eligible, seeks election from Shareholders.

3.2 Qualifications and other material directorships

Mr Battershill has over 25 years in global mining, business development and finance-based roles across Australia, the UK, North America and the Caribbean. His industry experience includes senior operational and business development roles with WMC Resources as well as significant stockbroking and banking experience at Hartleys, Citigroup, UBS and Canaccord in Perth, Sydney, and London. Between UBS and Canaccord, Jo ran a private consulting business where he worked with both public and private corporates in the natural resources sector on strategy, M&A and capital raisings with transactions totalling over circa US\$300m.

Mr Battershill currently serves as the Chief Executive of AIM listed Anglesey Mining plc, Non-Executive Director of ASX listed Silver Mines Limited and as Non-Executive Director of AIM listed Alien Metals Limited.

3.3 Independence

Mr Battershill has no interests, position or relationship that might influence, or reasonably be perceived to influence, in a material respect his capacity to bring an independent judgement to bear on issues before the Board and to act in the best interest of the Company as a whole rather than in the interests of an individual security holder or other party.

If elected the Board considers Mr Battershill will be an independent Director.

3.4 Other material information

The Company conducts appropriate checks on the background and experience of candidates before their appointment to the Board. The Company undertook such checks prior to the appointment of Mr Battershill.

Mr Battershill has confirmed that he considers he will have sufficient time to fulfil his responsibilities as a Non-Executive Director of the Company and does not consider that any other commitment will interfere with his availability to perform his duties as a Non-Executive Director of the Company.

3.5 Board recommendation

The Board has reviewed Mr Battershill's performance since his appointment to the Board and considers that their skills and experience will continue to enhance the Board's ability to perform its role. Accordingly, the Board supports the election of Mr Battershill and recommends that Shareholders vote in favour of Resolution 2.

4. RESOLUTION 3 - RE-ELECTION OF DIRECTOR - MR THOMAS REDDICLIFFE

4.1 General

The Constitution sets out the requirements for determining which Directors are to retire by rotation at an annual general meeting.

Mr Thomas Reddicliffe, who has served as a Director since 2 November 2020, retires by rotation and seeks re-election.

4.2 Qualifications and other material directorships

Mr Reddicliffe was previously employed by Ashton Mining Ltd as Australian Exploration Manager, Striker Resources Ltd as Technical Director, North Australian Diamonds Ltd as CEO and TopEnd Uranium Ltd as CEO. Mr Reddicliffe is currently the Executive Director of Sorrento Resources Pty Ltd. Sorrento Resources Pty Ltd is the Company's largest shareholder and co-owner of both the Fraser Range Nickel-Copper Project and Andover West Project. Mr Reddicliffe has more than 40 years of experience in Australian focused exploration, evaluation, trial mining, feasibility studies and company management.

Mr Reddicliffe holds a Bachelor of Science (Honours) Geology from the University of Queensland and a Master of Science in Ore Deposit Geology from the University of Western Australia. He is also a Fellow of the Australian Institute of Mining and Metallurgy.

During the past 4 years Mr Reddicliffe has also served as a director of the following other listed companies:

- (a) Gibbs River Diamond Ltd (appointed 24 March 2020); and
- (b) GreenTech Metals Ltd (appointed 24 March 2021).

4.3 Independence

If re-elected the Board does not consider Mr Reddicliffe will be an independent Director.

4.4 Board recommendation

The Board has reviewed Mr Reddicliffe's performance since his appointment to the Board and considers that his skills and experience will continue to enhance the Board's ability to perform its role. Accordingly, the Board supports the re-election of Mr Reddicliffe and recommends that Shareholders vote in favour of Resolution 3.

5. RESOLUTION 4 - RATIFICATION OF PRIOR ISSUE OF OPTIONS TO MR JONATHAN BATTERSHILL

5.1 General

On 29 June 2022, the Company issued 1,500,000 Options to Mr Jonathan Battershill prior to Mr Battershill commencing as a Director on 1 July 2022 under the Company's Listing Rule 7.1 capacity and under exception 12 of Listing Rule 10.12 (**Battershill Options**).

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

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

The Company's ability to utilise the additional 10% capacity provided for in Listing Rule 7.1A for issues of equity securities following this Meeting remains conditional on Resolution 5 being passed at this Meeting.

The issue of the Battershill Options does not fit within any of the exceptions set out in Listing Rule 7.2 and, as it has not yet been approved by Shareholders, it effectively uses up part of the 15% limit in Listing Rule 7.1, reducing the Company's capacity to issue further equity securities without Shareholder approval under Listing Rule 7.1 for the 12 month period following the date of issue of the Battershill Options.

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

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

Resolution 4 seeks Shareholder ratification pursuant to Listing Rule 7.4 for the issue of the Battershill Options.

5.2 Technical information required by Listing Rule 14.1A

If Resolution 4 is passed, the Battershill Options will be excluded in calculating the Company's combined 25% limit in Listing Rules 7.1 and 7.1A, effectively increasing the number of equity securities the Company can issue without Shareholder approval over the 12 month period following the date of issue of the Battershill Options.

If Resolution 4 is not passed, the Battershill Options will be included in calculating the Company's 25% limit in Listing Rules 7.1 and 7.1A, effectively decreasing the number of equity securities that the Company can issue without Shareholder approval over the 12 month period following the date of issue of the Battershill Options.

It is noted that the Company's ability to utilise the additional 10% capacity provided for in Listing Rule 7.1A for issues of equity securities following this Meeting remains conditional on Resolution 5 being passed at this Meeting.

5.3 Technical information required by Listing Rule 7.5

Pursuant to and in accordance with Listing Rule 7.5, the following information is provided in relation to Resolution 4:

- (a) the Battershill Options were issued to JJB Advisory Limited, the nominee of Mr Jonathan Battershill
- (b) the Battershill Options were issued under the Company's Listing Rule 7.1 capacity and under exception 12 of ASX Listing Rule 10.12
- (c) in accordance with paragraph 7.4 of ASX Guidance Note 21, the Company confirms that, at the time of issue, Mr Battershill was not:
 - (i) a related party of the Company, a member of the Company's Key Management Personnel, substantial holders of the Company, advisers of the Company or an associate of any of these parties; and
 - (ii) issued more than 1% of the issued capital of the Company;
- (d) 1,500,000 Battershill Options were issued and the Battershill Options were issued on the terms and conditions set out in Schedule 1;
- (e) the Battershill Options were issued on 29 June 2022;
- (f) the Battershill Options were issued at a nil issue price. The Company has not and will not receive any other consideration for the issue of the Battershill Options (other than in respect of funds received on exercise of the Battershill Options);
- (g) the purpose of the issue of the Battershill Options was to grant Mr Battershill Options prior to his commencement as a Director to align his interests with those of the Company; and
- (h) the Battershill Options were issued under Mr Battershill's appointment letter with the Company, and Mr Battershill's total remuneration package is set out at Section 8.5(f) below. Mr Battershill's appointment letter otherwise contains standard terms for an agreement of this nature.

6. RESOLUTION 5 - APPROVAL OF 7.1A MANDATE

6.1 General

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

However, under Listing Rule 7.1A, an eligible entity may seek shareholder approval by way of a special resolution passed at its annual general meeting to increase this 15% limit by an extra 10% to 25% (**7.1A Mandate**).

An 'eligible entity' means an entity which is not included in the S&P/ASX 300 Index and has a market capitalisation of \$300,000,000 or less. The Company is an eligible entity for these purposes.

As at the date of this Notice, the Company is an eligible entity as it is not included in the S&P/ASX 300 Index and has a current market capitalisation of \$12,402,125 (based on the number of Shares on issue and the closing price of Shares on the ASX on 21 September 2022).

Resolution 5 seeks Shareholder approval by way of special resolution for the Company to have the additional 10% placement capacity provided for in Listing Rule 7.1A to issue Equity Securities without Shareholder approval.

If Resolution 5 is passed, the Company will be able to issue Equity Securities up to the combined 25% limit in Listing Rules 7.1 and 7.1A without any further Shareholder approval.

If Resolution 5 is not passed, the Company will not be able to access the additional 10% capacity to issue Equity Securities without Shareholder approval under Listing Rule 7.1A, and will remain subject to the 15% limit on issuing Equity Securities without Shareholder approval set out in Listing Rule 7.1.

6.2 Technical information required by Listing Rule 7.1A

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

(a) Period for which the 7.1A Mandate is valid

The 7.1A Mandate will commence on the date of the Meeting and expire on the first to occur of the following:

- (i) the date that is 12 months after the date of this Meeting;
- (ii) the time and date of the Company's next annual general meeting; and
- (iii) the time and date of approval by Shareholders of any transaction under Listing Rule 11.1.2 (a significant change in the nature or scale of activities) or Listing Rule 11.2 (disposal of the main undertaking).

(b) Minimum price

Any Equity Securities issued under the 7.1A Mandate must be in an existing quoted class of Equity Securities and be issued for cash consideration at a minimum price of 75% of the volume weighted average price of Equity Securities in that class, calculated over the 15 trading days on which trades in that class were recorded immediately before:

- (i) the date on which the price at which the Equity Securities are to be issued is agreed by the entity and the recipient of the Equity Securities; or
- (ii) if the Equity Securities are not issued within 10 trading days of the date in Section 6.2(b)(i), the date on which the Equity Securities are issued.

(c) Use of funds raised under the 7.1A Mandate

The Company intends to use funds raised from issues of Equity Securities under the 7.1A Mandate for the following purposes:

- (i) continued exploration expenditure on the Company's current Projects;
- (ii) consideration and acquisition of new projects (including expenses associated with such an acquisition);
- (iii) administration; and
- (iv) general working capital.

(d) Risk of Economic and Voting Dilution

Any issue of Equity Securities under the 7.1A Mandate will dilute the interests of Shareholders who do not receive any Shares under the issue.

If Resolution 5 is approved by Shareholders and the Company issues the maximum number of Equity Securities available under the 7.1A Mandate, the economic and voting dilution of existing Shares would be as shown in the table below.

The table below shows the dilution of existing Shareholders calculated in accordance with the formula outlined in Listing Rule 7.1A.2, on the basis of the closing market price of Shares and the number of Equity Securities on issue or proposed to be issued as at 21 September 2022.

The table also shows the voting dilution impact where the number of Shares on issue (Variable A in the formula) changes and the economic dilution where there are changes in the issue price of Shares issued under the 7.1A Mandate.

Number of Shares on Issue (Variable A in Listing Rule 7.1A.2)		Shares issued - 10% voting dilution	Dilution		
			Issue Price		
			\$0.103	\$0.205	\$0.310
			50% decrease	Issue Price	50% increase
		Funds Raised			
Current	60,498,171 Shares	6,049,817 Shares	\$627,251	\$1,248,412	\$1,875,663
50% increase	90,747,257 Shares	9,074,725 Shares	\$940,876	\$1,872,618	\$2,813,495
100% increase	120,996,342 Shares	12,099,634 Shares	\$1,254,502	\$2,496,824	\$3,751,327

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

The table above uses the following assumptions:

1. There are currently 60,498,171 Shares on issue:
2. The issue price set out above is the closing market price of the Shares on the ASX on 21 September 2022 (being \$0.205).
3. The Company issues the maximum possible number of Equity Securities under the 7.1A Mandate.
4. The Company has not issued any Equity Securities in the 12 months prior to the Meeting that were not issued under an exception in Listing Rule 7.2 or with approval under Listing Rule 7.1.
5. The issue of Equity Securities under the 7.1A Mandate consists only of Shares. It is assumed that no Options are exercised into Shares before the date of issue of the Equity Securities. If the issue of Equity Securities includes quoted Options, it is assumed that those quoted Options are exercised into Shares for the purpose of calculating the voting dilution effect on existing Shareholders.
6. The calculations above do not show the dilution that any one particular Shareholder will be subject to. All Shareholders should consider the dilution caused to their own shareholding depending on their specific circumstances.
7. This table does not set out any dilution pursuant to approvals under Listing Rule 7.1 unless otherwise disclosed.
8. The 10% voting dilution reflects the aggregate percentage dilution against the issued share capital at the time of issue. This is why the voting dilution is shown in each example as 10%.
9. The table does not show an example of dilution that may be caused to a particular Shareholder by reason of placements under the 7.1A Mandate, based on that Shareholder's holding at the date of the Meeting.

Shareholders should note that there is a risk that:

- (i) the market price for the Company's Shares may be significantly lower on the issue date than on the date of the Meeting; and
- (ii) the Shares may be issued at a price that is at a discount to the market price for those Shares on the date of issue.

(e) **Allocation policy under the 7.1A Mandate**

The recipients of the Equity Securities to be issued under the 7.1A Mandate have not yet been determined. However, the recipients of Equity Securities could consist of current Shareholders or new investors (or both), none of whom will be related parties of the Company.

The Company will determine the recipients at the time of the issue under the 7.1A Mandate, having regard to the following factors:

- (i) the purpose of the issue;

- (ii) alternative methods for raising funds available to the Company at that time, including, but not limited to, an entitlement issue, share purchase plan, placement or other offer where existing Shareholders may participate;
 - (iii) the effect of the issue of the Equity Securities on the control of the Company;
 - (iv) the circumstances of the Company, including, but not limited to, the financial position and solvency of the Company;
 - (v) prevailing market conditions; and
 - (vi) advice from corporate, financial and broking advisers (if applicable).
- (f) **Previous approval under Listing Rule 7.1A**

The Company previously obtained approval from its Shareholders pursuant to Listing Rule 7.1A at its annual general meeting held on 30 November 2021 (**Previous Approval**).

During the 12 month period preceding the date of the Meeting, being on and from 30 November 2021, the Company has not issued any Equity Securities pursuant to the Previous Approval.

6.3 Voting Exclusion Statement

As at the date of this Notice, the Company is not proposing to make an issue of Equity Securities under Listing Rule 7.1A. Accordingly, a voting exclusion statement is not included in this Notice.

7. RESOLUTION 6 - ADOPTION OF EMPLOYEE INCENTIVE SECURITIES PLAN

7.1 General

Resolution 6 seeks Shareholder approval for the adoption of the employee incentive scheme titled "Employee Incentive Securities Plan" (**Plan**) and for the issue of up to a maximum of 3,024,662 Securities under the Plan in accordance with Listing Rule 7.2 (Exception 13(b)).

The objective of the Plan is to attract, motivate and retain key employees and the Company considers that the adoption of the Plan and the future issue of Securities under the Plan will provide selected employees with the opportunity to participate in the future growth of the Company.

As summarised in Section 5.1 above, and subject to a number of exceptions set out in Listing Rule 7.2, 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.

Listing Rule 7.2 (Exception 13(b)) provides that Listing Rule 7.1 does not apply to an issue of securities under an employee incentive scheme if, within three years before the date of issue of the securities, the holders of the entity's ordinary securities have approved the issue of equity securities under the scheme as exception to Listing Rule 7.1.

Exception 13(b) is only available if and to the extent that the number of equity securities issued under the scheme does not exceed the maximum number set out in the entity's notice of meeting dispatched to shareholders in respect of the meeting at which shareholder approval was obtained pursuant to Listing Rule 7.2 (Exception 13(b)). Exception 13(b) also ceases to be available if there is a material change to the terms of the scheme from those set out in the notice of meeting.

If Resolution 6 is passed, the Company will be able to issue Securities under the Plan to eligible participants over a period of 3 years. The issue of any Securities to eligible participants under the Plan (up to the maximum number of securities stated in Section 7.2(d) below) will be excluded from the calculation of the number of equity securities that the Company can issue without Shareholder approval under Listing Rule 7.1.

For the avoidance of doubt, the Company must seek Shareholder approval under Listing Rule 10.14 in respect of any future issues of Securities under the Plan to a related party or a person whose relationship with the company or the related party is, in ASX's opinion, such that approval should be obtained.

If Resolution 6 is not passed, the Company will be able to proceed with the issue of Securities under the Plan to eligible participants, but any issues of Securities will reduce, to that extent, the Company's capacity to issue equity securities without Shareholder approval under Listing Rule 7.1 for the 12 month period following the issue of the Securities.

7.2 Technical information required by Listing Rule 7.2 (Exception 13)

Pursuant to and in accordance with Listing Rule 7.2 (Exception 13), the following information is provided in relation to Resolution 6:

- (a) a summary of the key terms and conditions of the Plan is set out in Schedule 2;
- (b) the Company issued 1,500,000 Options under its previous employee option plan titled "Incentive Option Plan," which was approved by Shareholders on 27 November 2020;
- (c) the Company is seeking shareholder approval to adopt the Plan to include the new terms and conditions required by Division 1A of Part 7.12 of the Corporations Act, which replaced the previous relief provided by ASIC Class Order 14/1000 (Employee Incentive Scheme).
- (d) the maximum number of securities proposed to be issued under the Plan, following Shareholder approval, is 3,024,662 Securities (which includes the Options proposed to be issued under Resolutions 7 - 9). It is not envisaged that the maximum number of securities for which approval is sought will be issued immediately.

8. RESOLUTIONS 7 - 9 - ISSUE OF INCENTIVE OPTIONS TO DIRECTORS

8.1 General

The Company has agreed, subject to obtaining Shareholder approval and to the adoption of the Plan (the subject of Resolution 5), to issue 1,500,000 Options to Messrs Jonathan Murray, Thomas Reddicliffe and Jonathan Battershill (or their nominees) (together, the **Related Parties**) pursuant to the Plan as follows:

- (a) 500,000 Incentive Options to Mr Murray (or his nominee(s)) (the subject of Resolution 7);
 - (b) 500,000 Incentive Options to Mr Reddicliffe (or his nominee(s)) (the subject of Resolution 8); and
 - (c) 500,000 Incentive Options to Mr Battershill (or his nominee(s)) (the subject of Resolution 9),
- (together, the **Incentive Options**).

Consequently, Resolutions 7 to 9 seek Shareholder approval for the issue of the Incentive Options to the Directors.

8.2 Chapter 2E of the Corporations Act

Chapter 2E of the Corporations Act requires that for a public company, or an entity that the public company controls, to give a financial benefit to a related party of the public company, the public company or entity must:

- (a) obtain the approval of the public company's members in the manner set out in sections 217 to 227 of the Corporations Act; and
- (b) give the benefit within 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 issue of the Incentive Options to the Related Parties constitutes giving a financial benefit and each of the Related Parties is a related party of the Company by virtue of being a Director.

As the Incentive Options are proposed to be issued to all of the Directors, the Directors are unable to form a quorum to consider whether one of the exceptions set out in sections 210 to 216 of the Corporations Act applies to the issue of the Incentive Options. Accordingly, Shareholder approval for the issue of Incentive Options to the Related Parties is sought in accordance with Chapter 2E of the Corporations Act.

8.3 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 the holders of its ordinary securities:

- 10.14.1 a director of the entity;
- 10.14.2 an associate of a director of the entity; or

- 10.14.3 a person whose relationship with the entity or a person referred to in Listing Rules 10.14.1 to 10.14.2 is such that, in ASX's opinion, the acquisition should be approved by security holders.

The issue of Incentive Options to the Related Parties falls within Listing Rule 10.14.1 and therefore requires the approval of Shareholders under Listing Rule 10.14.

Resolutions 7 to 9 seek the required Shareholder approval for the issue of the Incentive Options under and for the purposes of Chapter 2E of the Corporations Act and Listing Rule 10.14.

8.4 Technical information required by Listing Rule 14.1A

If Resolutions 7 to 9 are passed, the Company will be able to proceed with the issue of the Incentive Options to the Related Parties under the Option Plan within three years after the date of the Meeting (or such later date as permitted by any ASX waiver or modification of the Listing Rules). As approval pursuant to Listing Rule 7.1 is not required for the issue of the Incentive Options (because approval is being obtained under Listing Rule 10.14), the issue of the Incentive Options will not use up any of the Company's 15% annual placement capacity.

If Resolution 7 to 9 are not passed, the Company will not be able to proceed with the issue of the Incentive Options to the Related Parties under the Option Plan and will need to seek alternate routes to adequately incentivise the Related Parties.

8.5 Technical information required by Listing Rule 10.15 and section 219 of the Corporations Act

Pursuant to and in accordance with the requirements of Listing Rule 10.15 and section 219 of the Corporations Act, the following information is provided in relation to Resolutions 7 to 9:

- (a) the Incentive Options will be issued to the Related Parties (being the nature of the financial benefit proposed to be given) as follows:
- (i) 500,000 Incentive Options to Mr Murray (or his nominee(s)) (the subject of Resolution 7);
 - (ii) 500,000 Incentive Options to Mr Reddcliffe (or his nominee(s)) (the subject of Resolution 8); and
 - (iii) 500,000 Incentive Options to Mr Battershill (or his nominee(s)) (the subject of Resolution 9),
- each of whom falls within the category set out in Listing Rule 10.14.1 by virtue of being a Director;
- (b) as this is the first time that the Shareholder approval is being sought for the adoption of the Plan, no Options have been previously issued under the Plan;
- (c) a summary of the material terms and conditions of the Incentive Options is set out in Schedule 1;
- (d) the Incentive Options are unquoted Options. The Company has chosen to issue Incentive Options to the Related Parties for the following reasons:
- (i) the Incentive Options are unquoted; therefore, the issue of the Incentive Options has no immediate dilutionary impact on Shareholders;
 - (ii) the deferred taxation benefit which is available to the Related Parties (if applicable) in respect of an issue of Options is also beneficial to the Company as it means the Related Parties are not required to immediately sell the Incentive Options to fund a tax liability (as would be the case in an issue of Shares where the tax liability arises upon issue of the Shares) and will instead, continue to hold an interest in the Company; and
 - (iii) it is not considered that there are any significant opportunity costs to the Company or benefits foregone by the Company in issuing the Incentive Options on the terms proposed;
- (e) the number of Incentive Options to be issued to each of the Related Parties has been determined based upon a consideration of:
- (i) current market standards and/or practices of other ASX listed companies of a similar size and stage of development to the Company;

- (ii) the remuneration of the Related Parties; and
- (iii) incentives to attract and ensure continuity of service of the Related Parties who have appropriate knowledge and expertise, while maintaining the Company's cash reserves.

The Company does not consider that there are any significant opportunity costs to the Company or benefits foregone by the Company in issuing the Incentive Options upon the terms proposed;

- (f) the total remuneration package for each of the Related Parties for the previous financial year and the proposed total remuneration package for the current financial year are set out below:

Related Party	Proposed 2023 Financial Year	Actual 2022 Financial Year
Mr Jonathan Murray	\$62,668 ¹	\$33,929
Mr Thomas Reddicliffe	\$98,668 ²	\$69,929
Mr Jonathan Battershill	\$62,668 ³	Nil ⁴

Notes:

1. Comprising Directors' fees of \$24,000, D&O insurance of \$10,000 and share-based payments of \$28,668 (including an increase of \$28,668, being the value of the Incentive Options).
2. Comprising Directors' fees of \$60,000, D&O insurance of \$10,000 and share-based payments of \$28,668 (including an increase of \$28,668, being the value of the Incentive Options).
3. Comprising Directors' fees of \$24,000, D&O insurance of \$10,000 and share-based payments of \$28,668 (including an increase of \$28,668, being the value of the Incentive Options).
4. Appointed on 1 July 2022.

- (g) the value of the Incentive Options and the pricing methodology is set out in Schedule 3;
- (h) the Incentive Options will be issued to the Related Parties no later than 3 years after the date of the Meeting (or such later date as permitted by any ASX waiver or modification of the Listing Rules) and it is anticipated the Incentive Options will be issued on one date;
- (i) the issue price of the Incentive Options will be nil, as such no funds will be raised from the issue of the Incentive Options (other than in respect of funds received on exercise of the Incentive Options);
- (j) the purpose of the issue of the Incentive Options is to provide a performance linked incentive component in the remuneration package for the Related Parties to align the interests of the Related Parties with those of Shareholders, to motivate and reward the performance of the Related Parties in their roles as Directors and to provide a cost effective way from the Company to remunerate the Related Parties, which will allow the Company to spend a greater proportion of its cash reserves on its operations than it would if alternative cash forms of remuneration were given to the Related Parties;
- (k) a summary of the material terms and conditions of the Plan is set out in Schedule 2;
- (l) no loans are being made to the Related Parties in connection with the acquisition of the Incentive Options;
- (m) details of any Options issued under the Plan will be published in the annual report of the Company relating to the period in which they were issued, along with a statement that approval for the issue was obtained under Listing Rule 10.14;
- (n) any additional persons covered by Listing Rule 10.14 who become entitled to participate in an issue of Options under the Plan after Resolution 6 is approved and who were not named in this Notice will not participate until approval is obtained under Listing Rule 10.14;
- (o) the relevant interests of the Related Parties in securities of the Company as at the date of this Notice are set out below:

As at the date of this Notice

Related Party	Shares ¹	Options	Performance Rights
Mr Jonathan Murray	1,138,939	819,470	Nil
Mr Thomas Reddicliffe	11,173,234	5,886,617	2,500,000
Mr Jonathan Battershill	100,000	1,775,000	Nil

Post-completion of issue of Options to Related Parties

Related Party	Shares ¹	Options	Performance Rights
Mr Jonathan Murray	1,138,939	1,319,470	Nil
Mr Thomas Reddicliffe	11,173,234	6,386,617	2,500,000
Mr Jonathan Battershill	100,000	2,275,000	Nil

Notes:

1. Fully paid ordinary shares in the capital of the Company (ASX: ERW).
- (p) if the Incentive Options issued to the Related Parties are exercised, a total of 1,500,000 Shares would be issued. This will increase the number of Shares on issue from 60,498,171 (being the total number of Shares on issue as at the date of this Notice) to 61,998,171 (assuming that no Shares are issued and no convertible securities vest or are exercised) with the effect that the shareholding of existing Shareholders would be diluted by an aggregate of 2.42%, comprising 0.81% by each related party;
- (q) the trading history of the Shares on ASX in the 12 months before the date of this Notice is set out below:

	Price	Date
Highest	\$0.325	22 and 19 November 2021
Lowest	\$0.155	7 and 8 July 2022
Last	\$0.205	21 September 2022

- (r) each Director has a material personal interest in the outcome of Resolutions 7 to 9 on the basis that all of the Directors (or their nominees) are to be issued Incentive Options should Resolutions 7 to 9 be passed. For this reason, the Directors do not believe that it is appropriate to make a recommendation on Resolutions 7 to 9 of this Notice; and
- (s) the Board is not aware of any other information that is reasonably required by Shareholders to allow them to decide whether it is in the best interests of the Company to pass Resolutions 7 to 9.

9. RESOLUTION 10 - AMENDMENT TO CONSTITUTION

A company may modify or repeal its constitution or a provision of its constitution by special resolution of Shareholders.

Resolution 10 is a special resolution which will enable the Company to amend its existing Constitution (**Amended Constitution**) by amending the wording of clause 12 and inserting new clause 12.3A to now permit the use wholly virtual meetings, to the extent permitted under the Corporations Act, Listing Rules and applicable law as follows:

12.3 Convening of General Meetings of Shareholders by a Director or requisition

- (a) *Any Director may, whenever he or she thinks fit, convene a general meeting of Shareholders, and a general meeting shall also be convened on requisition as is provided for by the Corporations Act, or in default, may be convened by such requisitions as empowered to do so by the Corporations Act. If there are no Directors for the time being, a Secretary may convene a general meeting of Shareholders for the purpose of enabling the election of Directors but for no other purpose.*
- (b) *To the extent permitted under the Corporations Act, Listing Rules and any other applicable law, a general meeting may be convened using virtual technology only, or at two or more venues,*

provided that the form of technology used provides all shareholders entitled to attend the meeting, as a whole, a reasonable opportunity to participate in the meeting without being physically present in the same place.

- (c) *The provisions of this Constitution relating to general meetings apply, so far as they can and with any necessary changes to ensure compliance with the Corporations Act, Listing Rules and any other applicable law, to general meetings held using that technology.*
- (d) *Where a general meeting is held using virtual technology only or at two or more venues using any form of technology:*
 - (i) *a Shareholder participating in the meeting is taken to be present in person at the meeting;*
 - (ii) *any documents required or permitted to be tabled at the meeting will be taken to have been tabled at the meeting if the document is given, or made available, to the persons entitled to attend the meeting (whether physically or using technology) before or during the meeting; and*
 - (iii) *the meeting is taken to be held at the physical venue set out in the notice of meeting, or at the registered office of the Company if the meeting is held using virtual technology only.*

12.3A Communication of meeting documents

To the extent permitted under the Corporations Act, Listing Rules and any other applicable law, any document that is required or permitted to be given to a Shareholder that relates to a Shareholders' meeting (including, but not limited to, the notice of meeting) may be distributed:

- (a) *by means of electronic communication; or*
- (b) *by giving the Shareholder (by means of an electronic communication or otherwise) sufficient information to allow the person to access the document electronically,*

in accordance with the Corporations Act.

The Directors believe that it is preferable in the circumstances to amend the existing Constitution with the Amended Constitution rather than replace the existing Constitution entirely to insert this specific provision.

A copy of the Amended Constitution is available for review by Shareholders at the office of the Company. A copy of the Amended Constitution can also be sent to Shareholders upon request to the Company Secretary. Shareholders are invited to contact the Company if they have any queries or concerns.

GLOSSARY

\$ means Australian dollars.

7.1A Mandate has the meaning given in Section 6.1.

ASIC means the Australian Securities & Investments Commission.

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

Board means the current board of directors of the Company.

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

Chair means the chair of the Meeting.

Closely Related Party of a member of the Key Management Personnel means:

- (a) a spouse or child of the member;
- (b) a child of the member's spouse;
- (c) a dependent of the member or the member's spouse;
- (d) anyone else who is one of the member's family and may be expected to influence the member, or be influenced by the member, in the member's dealing with the entity;
- (e) a company the member controls; or
- (f) a person prescribed by the Corporations Regulations 2001 (Cth) for the purposes of the definition of 'closely related party' in the Corporations Act.

Company means Errawarra Resources Ltd (ACN 155 472 834).

Constitution means the Company's constitution.

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

Directors means the current directors of the Company.

Equity Securities includes a Share, a right to a Share or Option, an Option, a convertible security and any security that ASX decides to classify as an Equity Security.

Explanatory Statement means the explanatory statement accompanying 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.

Listing Rules means the Listing Rules of ASX.

Meeting means the meeting convened by the Notice.

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

Option means an option to acquire a Share.

Proxy Form means the proxy form accompanying the Notice.

Remuneration Report means the remuneration report set out in the Director's report section of the Company's annual financial report for the year ended 30 June 2022.

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

Section means a section of the Explanatory Statement.

Security means a Share, Option or Performance Right.

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

Shareholder means a registered holder of a Share.

Variable A means "A" as set out in the formula in Listing Rule 7.1A.2.

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

SCHEDULE 1 - TERMS AND CONDITIONS OPTIONS

The terms and conditions of the Options the subject of Resolutions 4 and 6 to 9 are as follows:

(a) **Entitlement**

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

(b) **Exercise Price**

Subject to paragraph (j), the amount payable upon exercise of each Option will be \$0.25 (**Exercise Price**).

(c) **Expiry Dates**

Each Option will expire at 5:00pm (WST) on:

(i) for the Options the subject of Resolution 4 - 29 June 2025; and

(ii) for the Options the subject of Resolutions 6 to 9 - 25 September 2025,

(together, the **Expiry Dates**). An Option not exercised before the Expiry Dates will automatically lapse on the Expiry Dates.

(d) **Vesting Conditions - Battershill Options**

The Battershill Options are exercisable as follows:

(i) 500,000 Battershill Options exercisable at any time on or prior to the Expiry Date;

(ii) 500,000 Battershill Options exercisable at any time on or prior to the Expiry Date subject to the holder serving 12 months of continuous service with the Company from Mr Battershill's commencement as a Director; and

(iii) 500,000 Battershill Options exercisable at any time on or prior to the Expiry Date subject to the holder serving 24 months of continuous service with the Company from Mr Battershill's commencement as a Director,

(together, the **Battershill Vesting Conditions**). The Options subject to Resolutions 6 to 9 are not subject to vesting conditions.

(e) **Exercise Period**

The Options are exercisable as follows:

(i) once the Battershill Vesting Conditions (if applicable) have been satisfied, the Battershill Options will vest and will be exercisable at any time on or prior to the Expiry Date; and

(ii) The Options subject to Resolutions 6 to 9 are exercisable at any time on or prior to the Expiry Dates, (together, the **Exercise Period**).

(f) **Notice of Exercise**

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

(g) **Exercise Date**

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

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

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

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

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

(i) **Shares issued on exercise**

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

(j) **Reconstruction of capital**

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

(k) **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.

(l) **Change in exercise price**

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

(m) **Transferability**

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

SCHEDULE 2 - TERMS AND CONDITIONS OF EMPLOYEE INCENTIVE OPTION PLAN

A summary of the material terms of the Company's Employee Incentive Securities Plan (**Plan**) is set out below.

Eligible Participant	Eligible Participant means a person that is a 'primary participant' (as that term is defined in Division 1A of Part 7.12 of the Corporations Act) in relation to the Company or an Associated Body Corporate (as defined in the Corporations Act) and has been determined by the Board to be eligible to participate in the Plan from time to time.
Purpose	The purpose of the Plan is to: <ul style="list-style-type: none">(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 Shares, Options and Performance Rights (Securities).
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 (except to the extent that it prevents the Company relying on the deferred tax concessions under Subdivision 83A-C of the <i>Income Tax Assessment Act 1997</i> (Cth)). The Board may delegate its powers and discretion.
Eligibility, invitation and application	<p>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 any (or any combination of) the Securities provided under the Plan on such terms and conditions as the Board decides.</p> <p>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.</p> <p>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.</p>
Grant of Securities	The Company will, to the extent that it has accepted a duly completed application, grant the Participant the relevant number and type of Securities, subject to the terms and conditions set out in the invitation, the Plan rules and any ancillary documentation required.
Rights attaching to Convertible Securities	<p>A Convertible Security represents a right to acquire one or more Plan Shares in accordance with the Plan (for example, an Option or a Performance Right).</p> <p>Prior to a Convertible Security being exercised, the holder:</p> <ul style="list-style-type: none">(a) does not have any interest (legal, equitable or otherwise) in any Share the subject of the Convertible Security other than as expressly set out in the Plan;(a) is not entitled to receive notice of, vote at or attend a meeting of the shareholders of the Company;(b) is not entitled to receive any dividends declared by the Company; and(c) is not entitled to participate in any new issue of Shares (see Adjustment of Convertible Securities section below).

Vesting of Convertible Securities	<p>Any vesting conditions which must be satisfied before Convertible Securities can be exercised and converted to Shares 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.</p>
Exercise of Convertible Securities and cashless exercise	<p>To exercise a Convertible Security, the Participant must deliver a signed notice of exercise and, subject to a cashless exercise of Convertible Securities (see next paragraph below), pay the exercise price (if any) to or as directed by the Company, at any time following vesting of the Convertible Security (if subject to vesting conditions) and prior to the expiry date as set out in the invitation or vesting notice.</p> <p>An invitation may specify that 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.</p> <p>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.</p> <p>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.</p>
Timing of issue of Shares and quotation of Shares on exercise	<p>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.</p>
Restrictions on dealing with Convertible Securities	<p>A holder may not sell, assign, transfer, grant a security interest over or otherwise deal with a Convertible Security that has been granted to them unless otherwise determined by the Board. A holder must not enter into any arrangement for the purpose of hedging their economic exposure to a Convertible Security that has been granted to them.</p> <p>However, in Special Circumstances as defined under the Plan (including in the case of death, total or permanent disability, retirement, redundancy or severe financial hardship of the Participant) a Participant may deal with Convertible Securities granted to them under the Plan with the consent of the Board (which may be withheld in its absolute discretion).</p>
Listing of Convertible Securities	<p>A Convertible Security granted under the Plan will not be quoted on the ASX or any other recognised exchange. The Board reserves the right in its absolute discretion to apply for quotation of an Option granted under the Plan on the ASX or any other recognised exchange.</p>
Forfeiture of Convertible Securities	<p>Convertible Securities will be forfeited in the following circumstances:</p> <p>(a) where a Participant who holds Convertible Securities ceases to be an Eligible Participant (e.g. is no longer employed or their office or engagement is discontinued with the Group), 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;</p>

	<p>(b) where a Participant acts fraudulently or dishonestly, negligently, in contravention of any Group policy or wilfully breaches their duties to the Group;</p> <p>(c) where there is a failure to satisfy the vesting conditions in accordance with the Plan;</p> <p>(d) on the date the Participant becomes insolvent; or</p> <p>(e) on the Expiry Date,</p> <p>unless the Board otherwise determines.</p>
Change of control	<p>If a change of control event occurs, 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 holder's Convertible Securities will be dealt with, including, without limitation, in a manner that allows the holder to participate in and/or benefit from any transaction arising from or in connection with the change of control event.</p>
Adjustment of Convertible Securities	<p>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.</p> <p>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 issue 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.</p> <p>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.</p>
Plan Shares	<p>The Board may, from time to time, make an invitation to an Eligible Participant to acquire Plan Shares under the Plan. The Board will determine in its sole absolute discretion the acquisition price (if any) for each Plan Share which may be nil. The Plan Shares may be subject to performance hurdles and/or vesting conditions as determined by the Board.</p> <p>Where Plan Shares granted to a Participant are subject to performance hurdles and/or vesting conditions, the Participant's Plan Shares will be subject to certain restrictions until the applicable performance hurdles and/or vesting conditions (if any) have been satisfied, waived by the Board or are deemed to have been satisfied under the Rules.</p>
Rights attaching to Plan Shares	<p>All Shares issued or transferred under the Plan or issued or transferred to a Participant upon the valid exercise of a Convertible Security, (Plan Shares) will rank equally in all respects with the Shares of the same class for the time being on issue except for any rights attaching to the Shares by reference to a record date prior to the date of the allotment or transfer of the Plan Shares. 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.</p>
Disposal restrictions on Plan Shares	<p>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.</p> <p>For so long as a Plan Share is subject to any disposal restrictions under the Plan, the Participant will not:</p> <p>(a) transfer, encumber or otherwise dispose of, or have a security interest granted over that Plan Share; or</p> <p>(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.</p>

General Restrictions on Transfer of Plan Shares	<p>If the Company is required but is unable to give ASX a notice that complies with section 708A(5)(e) of the Corporations Act, Plan Shares issued under the Plan (including on exercise of Convertible Securities) 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 Act.</p> <p>Restrictions are imposed by Applicable Law on dealing in Shares by persons who possess material information likely to affect the value of the Shares and which is not generally available. These laws may restrict the acquisition or disposal of Shares by you during the time the holder has such information.</p> <p>Any Plan Shares issued to a holder under the Plan (including upon exercise of Convertible Securities) shall be subject to the terms of the Company's Securities Trading Policy.</p>
Buy-Back	<p>Subject to applicable law, the Company may at any time buy-back Securities in accordance with the terms of the Plan.</p>
Employee Share Trust	<p>The Board may in its sole and absolute discretion use an employee share trust or other mechanism for the purposes of holding Convertible Securities for holders under the Plan and delivering Shares on behalf of holders upon exercise of Convertible Securities.</p>
Maximum number of Securities	<p>The Company will not make an invitation under the Plan which involves monetary consideration if the number of Plan Shares that may be issued, or acquired upon exercise of Convertible Securities offered under an invitation, when aggregated with the number of Shares issued or that may be issued as a result of all invitations under the Plan during the 3 year period ending on the day of the invitation, will exceed 5% of the total number of issued Shares at the date of the invitation (unless the Constitution specifies a different percentage and subject to any limits approved by Shareholders under Listing Rule 7.2 Exception 13(b)).</p>
Amendment of Plan	<p>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.</p> <p>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.</p>
Plan duration	<p>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.</p> <p>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.</p>
Income Tax Assessment Act	<p>The Plan is a plan to which Subdivision 83A-C of the <i>Income Tax Assessment Act 1997</i> (Cth) applies (subject to the conditions in that Act) except to the extent an invitation provides otherwise.</p>

SCHEDULE 3 - VALUATION OF INCENTIVE OPTIONS

The Incentive Options to be issued to the Related Parties pursuant to Resolution 7 to 9 have been independently valued.

Using the Black & Scholes model and based on the assumptions set out below, the Incentive Options were ascribed the following value:

Item	
Valuation Date	15 September 2022
Market price of Shares at Valuation Date	\$0.20
Exercise price	\$0.25
Vesting date ¹	Nil
Expiry date	25 September 2025
Expiry date (length of time from issue)	2 years 9 months
Risk-free interest rate ²	3.37%
Volatility ³ (discount ⁴)	100%
Indicative value per Incentive Option	\$0.057
Total Value of Incentive Performance Rights	\$86,004
- Issue to Jonathan Murray (Resolution 7)	\$28,668
- Issue to Thomas Reddicliffe (Resolution 8)	\$28,668
- Issue to Jonathan Battershill (Resolution 9)	\$28,668

Note: The valuation noted above is not necessarily the market price that the Incentive Performance Rights could be traded at and is not automatically the market price for taxation purposes.

1. The Options terms and conditions are set out in Schedule 1.
2. A risk-free rate used for the purpose of the analysis is the three year Australian Government bond rate as at 15 September 2022 being 3.37%;
3. The expected volatility reflects the actual volatility since listing on ASX. This may not necessarily be the actual outcome.
4. The options to be issued have restricted marketability as they cannot be traded on an active market. Therefore, a 50% discount has been applied to the valuation to reflect the value of the options and the non-marketable nature of the options.

If you are attending the meeting
in person, please bring this with you
for Securityholder registration.

Holder Number:

Your proxy voting instruction must be received by **10:00am (AWST) on Sunday, 27 November**, being **not later than 48 hours** before the commencement of the Meeting. Any Proxy Voting instructions received after that time will not be valid for the scheduled Meeting.

SUBMIT YOUR PROXY VOTE ONLINE

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

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

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



SUBMIT YOUR PROXY VOTE BY PAPER

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

YOUR NAME AND ADDRESS

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

STEP 1 – APPOINT A PROXY

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

DEFAULT TO THE CHAIR OF THE MEETING

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

STEP 2 - VOTES ON ITEMS OF BUSINESS

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

APPOINTMENT OF SECOND PROXY

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

SIGNING INSTRUCTIONS

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

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

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

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

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

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

CORPORATE REPRESENTATIVES

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

