

27 August 2021

Dear Vango Mining Shareholder,

General Meeting – Friday 8 October 2021

A General Meeting of shareholders of Vango Mining Limited ABN 68 108 737 711 (the "Company") will be held virtually at <https://web.lumiagm.com/342-175-551> at 11.00 AM (Sydney time) on Friday 8 October 2021 ("Meeting").

The Meeting will be held virtually due to circumstances arising from the COVID-19 pandemic, including government restrictions on gatherings.

The Notice of Meeting and accompanying explanatory memorandum are being made available to shareholders electronically and a hard copy will not be sent to Shareholders.

You will be able to access the Notice of Meeting and explanatory memorandum via the Company's website using the link below or the ASX market announcements platform using code "VAN".

To view the Notice of Meeting, please use the following link: <https://vangominig.com/investor-centre/2021-asx-announcements/>

Shareholders can participate in the Meeting via the Lumi platform through the following URL: <https://web.lumiagm.com/342-175-551>.

Participating in the Meeting virtually will enable shareholders to view the Meeting live, ask questions and cast votes in the real time poll during the Meeting. Shareholders will be able to log in to the online platform from 10.30 am (Sydney time) on the date of the Meeting.

You will need the following information to access the Meeting:

The meeting ID, which is 342-175-551.

Your username, which is your Voting Access Code (contained on the front of your proxy voting Form or in your notice of meeting email).

Your password, which is your Australian postcode (overseas Shareholders should refer to the Online Voting User Guide).

Further information on how to vote and participate in the virtual Meeting is contained in the Online Voting User Guide attached.

Alternatively, if you have been nominated as a third party proxy, or for any enquiries relating to virtual participation in the Meeting or accessing the Lumi platform, please contact the Company's Share Registry, Boardroom Pty Ltd, on 1300 737 760 or +61 02 9290 9600.

**Vango Mining Ltd**

ABN: 68 108 737 711  
ASX: VAN

**Issued Capital**

1,099,168,401 Shares  
115,864,406 Options

**Australian Registered Office**

Aurora Place, Building 1  
Level 29  
88 Phillip Street  
Sydney NSW 2000 AUSTRALIA

**Directors**

BRUCE MCINNES - Executive Chairman  
SEAN ZHOU - Deputy Chairman - Non-Executive Director  
HUNTER GUO - Non-Executive Director  
The Hon CRAIG WALLACE - Non-Executive Director  
Dr CAROL ZHANG - Non-Executive Director

[www.vangominig.com](http://www.vangominig.com)

**For further information, contact:**

Bruce McInnes  
Chairman

[info@vangomining.com](mailto:info@vangomining.com)

+61 418 183 466

James Moses  
Investor Relations

[james@mandatecorporate.com.au](mailto:james@mandatecorporate.com.au)

+61 420 991 574

For personal use only

27 August 2021

Vango Mining Limited  
ABN 68 108 737 711

# Notice of General Meeting

Dear Vango Mining Shareholder,

Notice is hereby given that a general meeting of Vango Mining Limited ABN 68 108 737 711 (**Company** or **Vango**) will be held commencing 11.00am Sydney time on Friday 8 October 2021. (**General Meeting**)

It is a pleasure to invite you, on behalf of the Board, to attend the Company's General Meeting.

In light of the recent COVID-19 outbreak and resulting guidance on travel and group gatherings, Vango has decided to hold the General Meeting entirely online.

As a result, the General Meeting will be held at the url address <https://web.lumiagm.com/342-175-551>.

The Notice of Meeting and accompanying explanatory statement as well as a user guide for Lumi, the online meeting portal (**Meeting Materials**) are being made available to Shareholders electronically.

The Meeting Materials provide more information on the process to participate in the General Meeting and provide information on Lumi, the on-line meeting portal.

This means that:

- You can access the Meeting Materials online at the Company's website on <https://vangomining.com/> or at our share registry's website [www.InvestorServe.com.au](http://www.InvestorServe.com.au) by logging in and selecting Company Announcements from the main menu.
- A complete copy of the Meeting Materials has also been posted to the Company's ASX Market announcements page today.
- If you have provided an email address and have elected to receive electronic communications from the Company, you will receive an email to your nominated email address with a link to an electronic copy of the Meeting Materials and the proxy form.

If you would like to receive electronic communications from the Company in the future, please update your communication elections online at [www.InvestorServe.com.au](http://www.InvestorServe.com.au). If you have not yet registered, you will need your Shareholder information including SRN/HIN details.

If you are unable to access the Meeting Materials online please contact our share registry, Boardroom Pty Limited, on [enquiries@boardroomlimited.com.au](mailto:enquiries@boardroomlimited.com.au) or 1300 737 760 (within Australia) or +61 2 9290 9600 (Outside Australia) between 8:30am and 5:30pm (AEST) Monday to Friday, to arrange a copy.

Attached with the Notice is your proxy form. As a result of the potential health risks and the Government's restrictions in response to the COVID-19 outbreak, the Company encourages all Shareholders to lodge a directed proxy form prior to the meeting.

## Important

Vango Mining Ltd  
ABN: 68 108 737 711  
ASX: VAN

Issued Capital  
1,099,168,401 Shares  
115,864,406 Options

Australian Registered Office  
Aurora Place, Building 1  
Level 29  
88 Phillip Street  
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**Directors**  
BRUCE MCINNES - Executive Chairman  
SEAN ZHOU - Deputy Chairman - Non-Executive Director  
HUNTER GUO - Non-Executive Director  
The Hon CRAIG WALLACE - Non-Executive Director  
Dr CAROL ZHANG - Non-Executive Director

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

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

The Directors have determined pursuant to Regulation 7.11.37 of the Corporations Regulations 2001 (Cth) that the persons eligible to vote at the Meeting are those who are registered Shareholders at 7:00pm (Sydney time) on Wednesday 6 October 2021.

**For further information, contact:**

Bruce McInnes  
Chairman

[info@vangominig.com](mailto:info@vangominig.com)

+61 418 183 466

James Moses  
Investor Relations

[james@mandatecorporate.com.au](mailto:james@mandatecorporate.com.au)

+61 420 991 574

## Business of the Meeting

### Agenda

#### 1. Resolution 1 – Enable the issue of Securities under an Employee Incentive Scheme – Vango Mining Limited Share Loan 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 ASX Listing Rule 7.2 (Exception 13) and section 259B(2) of the Corporations Act and for all other purposes, approval is given to enable the Company to issue equity securities under the employee incentive scheme titled “Vango Mining Limited Share Loan Plan”, on the terms and conditions set out in the Explanatory Statement.”*

**Voting Exclusion:** The Company will disregard any votes cast in favour of this Resolution by or on behalf of any person who is eligible to participate in the Vango Mining Limited Share Loan Plan, or an associate of those persons.

**Voting Prohibition Statement:** A person appointed as a proxy must not vote, on the basis of that appointment, on this Resolution if:

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

However, the above prohibition does not apply if:

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

#### 2. Resolution 2 – Approval to issue Shares and provide a loan under the Share Loan Plan to Bruce McInnes

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

*“That, for the purposes of ASX Listing Rule 10.14, sections 200B and 200E of the Corporations Act and for all other purposes, Shareholders approve the issue of 50,000,000 Shares for a price of \$0.09 per Share, and provision of a loan to acquire those Shares repayable during the period up to three (3) years commencing on the date the Shares are issued, to Bruce McInnes (or his nominee/s) under the Vango Mining Limited Share Loan Plan as follows:*

- (a) *25,000,000 Shares to be issued and vesting within one month of approval by Shareholders; and*
- (b) *25,000,000 Shares to be issued within one month of approval by Shareholders and vesting after the following conditions precedent:*
  - (i) *Bruce McInnes remains a Director until the date the Shares vest; and*
  - (ii) *whichever occurs first:*
    - A. *two years after the date the Shares are issued; and*
    - B. *the Company’s JORC 2012 resource determined by a Competent*

*Person independent to the Company increases to 1.8 million ounces of gold,*

*and otherwise on the terms and conditions set out in the Explanatory Statement.”*

**Voting Exclusion:** The Company will disregard any votes cast in favour of this Resolution by or on behalf of a person referred to in ASX Listing Rules 10.14.1, 10.14.2 or 10.14.3 who is eligible to participate in the Vango Mining Limited Share Loan Plan, or an associate of those persons.

**Voting Prohibition Statement:** In accordance with section 200E of the Corporations Act, a vote on this Resolution may not be cast (in any capacity) by or on behalf of the retiree or an associate of the retiree (**Restricted Party**). However, a Restricted Party may cast a vote on the Resolution as a proxy if they are appointed as a proxy by writing that specifies the way the proxy is to vote and the vote is not cast on behalf of any Restricted Party.

In addition, 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:
  - (i) a member of the Key Management Personnel; or
  - (ii) a Closely Related Party of such a member; and
- (b) the appointment does not specify the way the proxy is to vote on this Resolution.

However, provided the Chair is not a Restricted Party, the above prohibition does not apply if:

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

### **3. Resolution 3 – Approval to issue Shares and provide a loan under the Share Loan Plan to Shengqiang (Sean) Zhou**

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

*“That, for the purposes of ASX Listing Rule 10.14, sections 200B and 200E of the Corporations Act and for all other purposes, Shareholders approve the issue of 40,000,000 Shares for a price of \$0.09 per Share, and provision of a loan to acquire those Shares repayable during the period up to three (3) years commencing on the date the Shares are issued, to Shengqiang (Sean) Zhou (or his nominee/s) under the Vango Mining Limited Share Loan Plan as follows:*

- (a) *10,000,000 Shares to be issued and vesting within one month of approval by Shareholders;*
- (b) *10,000,000 Shares to be issued within one month of approval by Shareholders and vesting after the following conditions precedent:*
  - (i) *Shengqiang (Sean) Zhou remains a Director until the date the Shares vest; and*
  - (ii) *One year after the date the Shares are issued;*
- (c) *10,000,000 Shares to be issued within one month of approval by Shareholders and vesting after the following conditions precedent:*
  - (i) *Shengqiang (Sean) Zhou remains a Director until the date the Shares vest; and*
  - (ii) *Two years after the date the Shares are issued; and*
- (d) *10,000,000 Shares to be issued within one month of approval by Shareholders and vesting after the following conditions precedent:*

- (i) *Shengqiang (Sean) Zhou remains a Director until the date the Shares vest; and*
  - (ii) *Three years after the date the Shares are issued,*
- and otherwise on the terms and conditions set out in the Explanatory Statement."*

**Voting Exclusion:** The Company will disregard any votes cast in favour of this Resolution by or on behalf of a person referred to in ASX Listing Rules 10.14.1, 10.14.2 or 10.14.3 who is eligible to participate in the Vango Mining Limited Share Loan Plan, or an associate of those persons.

**Voting Prohibition Statement:** In accordance with section 200E of the Corporations Act, a vote on this Resolution may not be cast (in any capacity) by or on behalf of the retiree or an associate of the retiree (**Restricted Party**). However, a Restricted Party may cast a vote on the Resolution as a proxy if they are appointed as a proxy by writing that specifies the way the proxy is to vote and the vote is not cast on behalf of any Restricted Party.

In addition, 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:
  - (i) a member of the Key Management Personnel; or
  - (ii) a Closely Related Party of such a member; and
- (b) the appointment does not specify the way the proxy is to vote on this Resolution.

However, provided the Chair is not a Restricted Party, the above prohibition does not apply if:

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

#### 4. **Resolution 4 – Approval to issue Shares and provide a loan under the Share Loan Plan to Zhenzhu (Carol) Zhang**

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

*"That, for the purposes of ASX Listing Rule 10.14, sections 200B and 200E of the Corporations Act and for all other purposes, Shareholders approve the issue of 40,000,000 Shares for a price of \$0.09 per Share, and provision of a loan to acquire those Shares repayable during the period up to three (3) years commencing on the date the Shares are issued, to Zhenzhu (Carol) Zhang (or her nominee/s) under the Vango Mining Limited Share Loan Plan as follows:*

- (a) 20,000,000 Shares to be issued and vesting within one month of approval by Shareholders; and
- (b) 20,000,000 Shares to be issued within one month of approval by Shareholders and vesting after the following conditions precedent:
  - (i) *Zhenzhu (Carol) Zhang remains a Director until the date the Shares vest; and*
  - (ii) *whichever occurs first:*
    - A. *two years after the date the Shares are issued; and*
    - B. *the Company's JORC 2012 resource determined by a Competent Person independent to the Company increases to 1.8 million ounces of gold,*

*and otherwise on the terms and conditions set out in the Explanatory Statement."*

**Voting Exclusion:** The Company will disregard any votes cast in favour of this Resolution by or on behalf of a person referred to in ASX Listing Rules 10.14.1, 10.14.2 or 10.14.3 who is eligible to participate in the Vango Mining Limited Share Loan Plan, or an associate of those persons.

**Voting Prohibition Statement:** In accordance with section 200E of the Corporations Act, a vote on this Resolution may not be cast (in any capacity) by or on behalf of the retiree or an associate of the retiree (**Restricted Party**). However, a Restricted Party may cast a vote on the Resolution as a proxy if they are appointed as a proxy by writing that specifies the way the proxy is to vote and the vote is not cast on behalf of any Restricted Party.

In addition, 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:
  - (i) a member of the Key Management Personnel; or
  - (ii) a Closely Related Party of such a member; and
- (b) the appointment does not specify the way the proxy is to vote on this Resolution.

However, provided the Chair is not a Restricted Party, the above prohibition does not apply if:

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

## 5. **Resolution 5 – Enable the issue of Securities under an Employee Incentive Scheme – Vango Mining Limited Employee Equity Incentive 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 ASX Listing Rule 7.2 (Exception 13) and for all other purposes, approval is given to enable the Company to issue equity securities under the employee incentive scheme titled “Vango Mining Limited Employee Equity Incentive Plan”, on the terms and conditions set out in the Explanatory Statement.”*

**Voting Exclusion:** The Company will disregard any votes cast in favour of this Resolution by or on behalf of any person who is eligible to participate in the Vango Mining Limited Employee Equity Incentive Plan, or an associate of those persons.

**Voting Prohibition Statement:** A person appointed as a proxy must not vote, on the basis of that appointment, on this Resolution if:

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

However, the above prohibition does not apply if:

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

## 6. **Resolution 6 – Ratification of prior issue of Shares under June 2021 Placement**

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

*“That, for the purposes of ASX Listing Rule 7.4 and for all other purposes, Shareholders ratify the issue of 62,769,230 Shares to various sophisticated and professional investors on 16 June 2021 under ASX Listing Rule 7.1A on the terms and conditions set out in the Explanatory Statement.”*



**Voting Exclusion:** The Company will disregard any votes cast in favour of this Resolution by or on behalf of any person who participated in the issue or is a counterparty of the agreement being approved, or any associate of those persons.

## **7. Resolution 7 – Approval to issue Shares to Gifted Force International Limited for participation in the June 2021 Placement**

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

*"That, for the purposes of ASX Listing Rule 10.11 and for all other purposes, Shareholders approve the issue of up to 30,769,231 Shares to Gifted Force International Limited (or its nominee/s) pursuant to participation in the June 2021 Placement, on the terms and conditions set out in the Explanatory Statement."*

**Voting Exclusion:** The Company will disregard any votes cast in favour of this Resolution by or on behalf of Gifted Force International Limited (or its nominee/s) and any other person who will obtain a material benefit as a result of the issue of the securities (except a benefit solely by reason of being a holder of Shares in the Company) or an associate of those persons.

## **8. Resolution 8 – Ratification of prior issue of Shares to a contractor (Mr James Moses) in lieu of amounts payable**

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

*"That, for the purposes of ASX Listing Rule 7.4 and for all other purposes, Shareholders ratify the issue of 738,462 Shares to Mr James Moses, an unrelated sophisticated and professional investor, on 13 July 2021 under ASX Listing Rule 7.1 on the terms and conditions set out in the Explanatory Statement."*

**Voting Exclusion:** The Company will disregard any votes cast in favour of this Resolution by or on behalf of any person who participated in the issue or is a counterparty of the agreement being approved, or any associate of those persons.

## **9. Resolution 9 – Ratification of prior issue of Shares to a contractor (Clynk Pty Ltd) in lieu of amounts payable**

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

*"That, for the purposes of ASX Listing Rule 7.4 and for all other purposes, Shareholders ratify the issue of 803,985 Shares to Clynk Pty Ltd, an unrelated sophisticated and professional investor, on 13 July 2021 under ASX Listing Rule 7.1 on the terms and conditions set out in the Explanatory Statement."*

**Voting Exclusion:** The Company will disregard any votes cast in favour of this Resolution by or on behalf of any person who participated in the issue or is a counterparty of the agreement being approved, or any associate of those persons.

## **10. Resolution 10 – Ratification of prior issue of Shares to a contractor (IHM Corporate Services Pty Ltd) in lieu of amounts payable**

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

*"That, for the purposes of ASX Listing Rule 7.4 and for all other purposes, Shareholders ratify the issue of 1,548,923 Shares to IHM Corporate Services Pty Ltd, and unrelated sophisticated and professional investor, on 13 July 2021 under ASX Listing Rule 7.1 on the terms and conditions set out in the Explanatory Statement."*

**Voting Exclusion:** The Company will disregard any votes cast in favour of this Resolution by or on behalf of any person who participated in the issue or is a counterparty of the agreement being approved, or any associate of those persons.

**Dated: 27 August 2021**

**By order of the Board**

*Ian Morgan*

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**Ian Morgan**  
**Company Secretary**

## Voting Exclusion Statements

Each Voting Exclusion Statement that applies to a Resolution as noted in the Agenda, does not apply to a vote cast in favour of that Resolution by:

- (a) a person as 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) provided the chair is not a Restricted Party in respect of the relevant Resolution (refer to Resolutions 2 to 4), the chair of the meeting as proxy or attorney for a person who is entitled to vote on the Resolution, in accordance with a direction given to the chair to vote on the Resolution as the chair decides; or
- (c) a holder acting solely in a nominee, trustee, custodial or other fiduciary capacity on behalf of a beneficiary provided the following conditions are met:
  - (i) the beneficiary provides written confirmation to the holder that the beneficiary is not excluded from voting, and is not an associate of a person excluded from voting, on the Resolution; and
  - (ii) the holder votes on the Resolution in accordance with directions given by the beneficiary to the holder to vote in that way.

## 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:

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

Shareholders and their proxies should be aware that changes to the Corporations Act made in 2011 mean that:

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

**Should you wish to discuss the matters in this Notice of Meeting please do not hesitate to contact the Company Secretary on +61 2 7208 9611.**

## Explanatory Statement

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

### 1. Resolution 1 – Enable the issue of Securities under an Employee Incentive Scheme – Vango Mining Limited Share Loan Plan

#### 1.1 General

The Company has operated a share loan plan since its listing on ASX in 2005 and most recently obtained Shareholder approval in 2013 for the issue of securities under such a plan to be in reliance on an exception to use of the Company's placement capacity under ASX Listing Rule 7.1.

Given the passage in time since the initial implementation and last approval by Shareholders, the Board considered it reasonable to review and update its share loan plan and accordingly the Board has resolved to implement a new share loan plan.

The main purpose of the Share Loan Plan is to enable the Company to offer an additional reward to Directors, employees and consultants for providing their dedicated and ongoing commitment and effort to the Company. The Share Loan Plan is a reward plan designed to increase the motivation of the Company's personnel and create a stronger link between increasing Shareholder value and personnel reward.

#### 1.2 Summary of material terms of the Share Loan Plan

A summary of the material terms of the Share Loan Plan is set out at Schedule 1.

#### 1.3 ASX Listing Rules 7.1 and 7.2 Exception 13

ASX Listing Rule 7.1 provides that a company must not, subject to specified exceptions, issue or agree to issue more equity securities during any 12-month period than that amount which represents 15% of the number of fully paid ordinary securities on issue at the commencement of that 12 month period (**Placement Capacity**).

Certain issues of equity securities are exempt from the restrictions of ASX Listing Rule 7.1, and are effectively disregarded for the purposes of determining the number of equity securities that a listed company has issued within a 12 month period.

ASX Listing Rule 7.2 Exception 13 creates an exception from Listing Rule 7.1 for the issue of equity securities pursuant to an employee incentive scheme for a period of 3 years after either:

- (a) in the case of a scheme established before the entity was listed — a summary of the terms of the scheme and the maximum number of equity securities proposed to be issued under the scheme were set out in the prospectus, PDS or information memorandum lodged with ASX under rule 1.1 condition 3; or
- (b) the holders of the entity's ordinary securities have approved the issue of equity securities under the scheme as an exception to this rule. The notice of meeting must have included:
  - a summary of the terms of the scheme.
  - the number of securities issued under the scheme since the entity was listed or the date of the last approval under this rule;
  - the maximum number of equity securities proposed to be issued under the scheme following the approval; and
  - a voting exclusion statement.

Exception 13 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 prospectus, PDS or information memorandum (in the case of (a) above) or in the notice of meeting (in the case of (b) above).

Exception 13 ceases to be available if there is a material change to the terms of the scheme from those set out in the entity's prospectus, PDS or information memorandum (in the case of (a) above) or in the notice of meeting (in the case of (b) above).

#### **1.4 Section 259B(2) of the Corporations Act**

Section 259B of the Corporations Act prohibits a company taking security over shares in itself or in a company it controls, subject to specific exceptions.

One such exception is where a company takes security over share in itself under an employee share scheme that has been approved by a resolution passed at a general meeting of the company.

The Share Loan Plan provides that the Company shall have a lien over Shares issued under the Share Loan Plan (**Loan Plan Shares**) in respect of which a loan amount is outstanding and the Company shall be entitled to sell those Loan Plan Shares in accordance with the terms of the Share Loan Plan.

#### **1.5 Effect of the Resolution**

Resolution 1 seeks Shareholder approval to enable the Company to issue securities under the Share Loan Plan in reliance on ASX Listing Rule 7.2 Exception 13 and to permit the Company to take security over Shares in itself under the Share Loan Plan.

If Shareholders approve this Resolution, any issue of Loan Plan Shares over the 3 years after the date of the Meeting (up to the maximum number calculated as set out in Section 1.7(c)) will not use up a portion of the Company's Placement Capacity when that issue is made. This means that the Company will preserve its flexibility to issue equity securities without seeking Shareholder approval if and when it issues Plan Securities under the Share Loan Plan. It will also permit the Company to take security over Loan Plan Shares.

It should be noted that if the Resolution is passed, the Company will only be able issue Loan Plan Shares under the Share Loan Plan to eligible participants who are unrelated parties without seeking prior Shareholder approval. Any proposed issue of Loan Plan Shares to a Director or related party, or any of their associates, under the Share Loan Plan will require prior Shareholder approval under ASX Listing Rule 10.14.

If Shareholders do not approve this Resolution, the Company may still decide in future to issue Loan Plan Shares to eligible employees and consultants who are unrelated parties under the Share Loan Plan, but each such issue will not be exempt from Listing Rule 7.1 and will use up a portion of the Company's Placement Capacity at the relevant time made (unless another exemption from Listing Rule 7.1 is applicable) and the Company would not be permitted to take security over the Loan Plan Shares. The issue of Loan Plan Shares under the Share Loan Plan in those circumstances would therefore reduce the Company's ability to issue equity securities without seeking Shareholder approval and without being permitted to take security over the Loan Plan Shares the Company would have an unsecured position while a loan amount was outstanding in respect of those Shares.

#### **1.6 Directors' recommendation**

Directors are eligible to be offered Loan Plan Shares under the Share Loan Plan, however, any proposed issue of Loan Plan Shares to a Director or their associates, such as those contemplated by Resolutions 2, 3 and 4, requires prior Shareholder approval under Listing Rule 10.14 before it can be made, and the passing of this Resolution will not enable the Company to issue any equity securities

to a Director or their associates. The Directors recommend that Shareholders vote in favour of this Resolution.

## 1.7 Technical information required by Listing Rule 7.2 Exception 13

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

- (a) a summary of the Share Loan Plan is set out at Schedule 1;
- (b) the Share Loan Plan has not previously been approved by Shareholders. The Company's former employee incentive schemes have been approved by Shareholders as follows:
  - "Ord Share Plan" (renamed "Vango Mining Limited Employee Loan Share Plan") approved 20 December 2013 and 27 August 2018; and
  - "Vango Mining Limited Employee Equity Incentive Plan" approved 30 November 2017 and 25 November 2020.

The total number of Equity Securities granted under those employee incentive schemes since 20 December 2013 is as follows:

Table 1

Date Approved by Shareholders	Date Equity Securities Issued	ASX Listing Rule	Issue Price per Share	Number of Shares	Number of Performance Options
20/12/2013	2/01/2014	10.14 and 10.19	\$0.16	5,250,000	-
20/12/2013	19/12/2014	7.2 Exception 13	\$0.20	3,000,000	-
28/11/2014	19/12/2014	10.14 and 10.19	\$0.20	9,000,000	-
31/05/2019	18/06/2019	10.14	\$0.18	30,000,000	100,000,000
				47,250,000	100,000,000
30/11/2017	26/02/2020	7.2 Exception 13	\$0.15	2,835,000	-
30/11/2017	26/02/2020	7.2 Exception 13	\$0.11	140,000	-
30/11/2017	16/04/2020	7.2 Exception 13	\$0.05	10,000,000	-
30/11/2017	16/04/2020	7.2 Exception 13	\$0.11	1,000,000	-
				<b>61,225,000</b>	<b>100,000,000</b>

- (c) the maximum number of Loan Plan Shares to be issued under the Share Loan Plan (other than issues approved by Shareholders under ASX Listing Rule 10.14) following approval under this Resolution is equal to 54,958,420, being 5% of the total number of Shares on issue at the date of the Notice.

## 2. Resolutions 2, 3 and 4 – Approval to issue Shares and provides loans under the Share Loan Plan to related parties

### 2.1 General

Resolutions 2 to 4 seek Shareholder approval for the issue of a total of 130,000,000 Loan Plan Shares and provide loans to acquire those Loan Plan Shares to Bruce McInnes, Shengqiang (Sean) Zhou and Zhenzhu (Carol) Zhang (or their respective nominees) (together the **Loan Plan Participants**).

## 2.2 Impact of Resolutions 2 to 4 Inclusive and Resolution 7 on Capital Structure

Resolutions 2 to 4 Inclusive and Resolution 7 all seek Shareholder approval for the issue of securities in the Company. If passed, these Resolutions will have an impact on the capital structure of the Company. This impact is summarised in the table below and assumes that each of Resolutions 2 to 4 inclusive and Resolution 7 are passed by Shareholders.

Table 2

	Date of Shareholders' general meeting to approve issue of Equity Securities	Shareholders' Resolution	Shares Number	Unquoted Options Number	Equity Securities Number	Percentage of Shares on an undiluted basis	Percentage of Shares on an fully diluted basis
Equity Securities on issue 12 months prior to the Notice			831,394,506	125,477,420	956,871,926		
Equity Securities issued and expired during 12 months prior to the Notice					-		
Unquoted options expired			-	(15,613,014)	(15,613,014)		
Issue of unquoted options to Blue Ocean Equities Pty Ltd	13 August 2020		-	6,000,000	6,000,000		
Issue of Shares under cash placement (Tranche 2)	13 August 2020		131,910,748	-	131,910,748		
Issue Shares to Kongwell Management Limited	13 August 2020		27,787,500	-	27,787,500		
Issue Shares to Dongjie Zhang	13 August 2020		2,500,000	-	2,500,000		
Issue Shares to Dongjie Zhang	25 November 2020		705,349	-	705,349		
Issue Shares to Zhenzhu (Carol) Zhang in lieu of Director fees	25 November 2020		427,972	-	427,972		
Issue Shares to Shengqiang (Sean) Zhou in lieu of Director fees	25 November 2020		1,833,330	-	1,833,330		
Issue Shares to Bruce McInnes in lieu of Director fees	25 November 2020		1,895,455	-	1,895,455		
Issue Shares to Yan Chao (Hunter) Guo	25 November 2020		32,500,000	-	32,500,000		
Issue Shares to Lodestar Minerals Limited (ASX: LSR)	Used the Company's 15% Capacity (Listing Rule 7.1)		2,352,941	-	2,352,941		

	Date of Shareholders' general meeting to approve issue of Equity Securities	Shareholders' Resolution	Shares Number	Unquoted Options Number	Equity Securities Number	Percentage of Shares on an undiluted basis	Percentage of Shares on an fully diluted basis
Ratification of prior issue of Shares under June 2021 Placement		6	62,769,230	-	62,769,230		
issue of Shares to a contractor (Mr James Moses) in lieu of amounts payable		8	738,462	-	738,462		
issue of Shares to a contractor (Clynk Pty Ltd) in lieu of amounts payable		9	803,985	-	803,985		
issue of Shares to a contractor (IHM Corporate Services Pty Ltd) in lieu of amounts payable		10	1,548,923	-	1,548,923		
<b>Equity Securities on issue at the date of the Notice</b>			<b>1,099,168,401</b>	<b>115,864,406</b>	<b>1,215,032,807</b>	<b>87.2%</b>	<b>88.4%</b>
Equity Securities proposed to be issued:							
Issue Shares under the Share Loan Plan to Bruce McInnes		2	50,000,000	-	50,000,000	4.0%	3.6%
Issue Shares under the Share Loan Plan to Shengqiang (Sean) Zhou		3	40,000,000	-	40,000,000	3.2%	2.9%
Issue Shares under the Share Loan Plan to Zhenzhu (Carol) Zhang		4	40,000,000	-	40,000,000	3.2%	2.9%
Issue Shares to Gifted Force International Limited for participation in the June 2021 Placement		7	30,769,231	-	30,769,231	2.4%	2.2%
<b>Equity Securities to be on issue assuming all Resolutions are approved</b>			<b>1,259,937,632</b>	<b>115,864,406</b>	<b>1,375,802,038</b>	<b>100.0%</b>	<b>100.0%</b>



## 2.3 Effect of Resolutions 2 to 4 Inclusive

If Resolutions 2 to 4 inclusive and Resolution 7 are passed, then the Company will be able to proceed with the issue of Equity Securities to Zhenzhu (Carol) Zhang, Bruce McInness and Shengqiang (Sean) Zhou or their respective nominees.

(a) Voting power on an undiluted basis<sup>1</sup>

Table 3

	Resolution	Shares held at the date of the Notice	% of total Shares on an undiluted basis	Shares subject to approval by Shareholders	New total Shares	% of total new Shares on an undiluted basis
Zhenzhu (Carol) Zhang Gifted Force International Limited, a related party to Zhenzhu (Carol) Zhang	4			40,000,000		
	7			30,769,231		
		89,987,795	8.2%	70,769,231	160,757,026	12.8%
Bruce McInnes	2	19,371,373	1.8%	50,000,000	69,371,373	5.5%
Shengqiang (Sean) Zhou	3	56,123,203	5.1%	40,000,000	96,123,203	7.6%
<b>Total Shares</b>		<b>1,099,168,401</b>	<b>100.0%</b>	<b>160,769,231</b>	<b>1,259,937,632</b>	<b>100.0%</b>

(b) Voting power on a fully diluted basis (i.e. assuming conversion of all Options)<sup>2</sup>

Table 4

	Resolution	Equity Securities held at the date of the Notice	% of total Shares on a fully diluted basis	Equity Securities subject to approval by Shareholders	New total Equity Securities	% of total Shares on a fully diluted basis
Zhenzhu (Carol) Zhang Gifted Force International	4			40,000,000		
	7			30,769,231		

<sup>1</sup> Based on a total issued capital of the Company of 1,099,168,401 Shares (Before) and 1,259,937,632 Shares (After). Table 3 has been prepared on the following hypothetical assumptions. The Company does not represent they will necessarily occur:

- (a) Resolutions 2 to 4 inclusive and Resolution 7 are passed by Shareholders and all Shares the subject of those Resolutions have been issued as contemplated by those Resolutions.
- (b) No unlisted Options have been exercised.

<sup>2</sup> Based on a total issued capital of the Company of 1,215,032,807 Shares (Before) and 1,375,802,038 Shares (After). Table 4 has been prepared on the following hypothetical assumptions. The Company does not represent they will necessarily occur:

- (a) Resolutions 2 to 4 inclusive and Resolution 7 are passed by Shareholders and all Equity Securities the subject of those Resolutions have been issued as contemplated by those Resolutions.
- (b) All Quoted Options and unlisted Options have been exercised.

	Resolution	Equity Securities held at the date of the Notice	% of total Shares on a fully diluted basis	Equity Securities subject to approval by Shareholders	New total Equity Securities	% of total Shares on a fully diluted basis
Limited, a related party to Zhenzhu (Carol) Zhang						
		109,987,795	9.1%	70,769,231	180,757,026	13.1%
Bruce McInnes	2	59,371,373	4.9%	50,000,000	109,371,373	7.9%
Shengqiang (Sean) Zhou	3	96,123,203	7.9%	40,000,000	136,123,203	9.9%
<b>Total Equity Securities</b>		<b>1,215,032,807</b>	<b>100.0%</b>	<b>160,769,231</b>	<b>1,375,802,038</b>	<b>100.0%</b>

## 2.4 Chapter 2E of the Corporations Act

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:

- obtain the approval of the public company's members in the manner set out in sections 217 to 227 of the Corporations Act; and
- 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 Loan Plan Shares and the provision of a loan to acquire the Loan Plan Shares each constitutes giving a financial benefit. Each of Bruce McInnes, Shengqiang (Sean) Zhou and Zhenzhu (Carol) Zhang are a related party of the Company by reason of being a Director.

Section 211 of the Corporations Act provides that shareholder approval under section 208 is not required if the financial benefit to be provided to the related party is remuneration as an officer or employee of the company and to give remuneration would be reasonable given the circumstances of the company giving the remuneration and the related party's circumstances (including responsibilities involved in the office or employment).

### Independent Remuneration Consultant

The Company engaged Godfrey Remuneration Group Pty Limited (**GRG**) as an independent remuneration consultant to review the Company's remuneration of its executive Directors, benchmarking actual historical Directors' salaries against market.

GRG reported that the starting point for any remuneration recommendations or decision making, must be an appropriate policy. An executive remuneration policy and procedure should be documented and published as part of the Company's KMP Remuneration Governance Framework. It is important for companies to have remuneration strategies that are appropriate to their company circumstances and may be communicated to shareholders as being so. Therefore, GRG recommended the following approach to executive remuneration market positioning and benchmarking policy for the Company:

- Fixed Pay (**FP**) should be set by reference to the P50 range of market practice using a +/- 20% (80% to 120% of the benchmark) range to recognise role scope, individual competence in fulfilling the role responsibilities and the impact of at-risk remuneration;

- (b) Target Total Remuneration Packages (**TTRP**) inclusive of variable pay at the Target level (as opposed to maximum/stretch remuneration) should be pitched between the P50 and P75 of market practice in order to achieve a competitive position, while ensuring the reasonableness of remuneration (P62.5 is often considered a defensible reference point – proxy advisors tend to prefer P50 TTRP market positions, and can view P75 as an excessive position, despite the fact that the market data is understated; therefore P62.5 may be used as a position that represents a balance for internal and external stakeholders); and
- (c) The gap between the Fixed Pay and TTRP market positions should be composed of variable pay, both short and long term, as appropriate to the level of the role and the degree of control over/focus on short and long term outcomes. This is intended to create appropriate downside for under-performance, such that if at-risk remuneration is not awarded, the total reward (and cost to the Company) will fall below P50 of the market. Appropriate upside for exceeding expectations such that at stretch/maximum performance remuneration will typically fall at or above P75 of the market TRP benchmarks.

GRG reported that the relative variable remuneration mix of the total variable remuneration opportunity between **STVR** (Short-Term Variable Remuneration) and **LTVR** (Long-Term Variable Remuneration) tends to vary widely between companies; and it is more often a reflection/result of historical practices rather than by strategic design.

GRG believes that the relative mix and weighting between STVR and LTVR should be deliberately structured to reflect a company's circumstances/context and to support its strategic initiatives/direction. A typically heavier weighting on LTVR for Chief Executive Officers (**CEO**) is driven by the need to keep their focus on the longer-term interest of the company and its shareholders. Moreover, GRG's discussions with proxy advisors seem to indicate that their preference for deferred STVR is in part driven by the lack of sufficient LTVR quantum.

GRG emphasized that the relative variable remuneration mix should be structured to support a company's strategy, and equally important it should be regularly calibrated as a company's circumstances/needs evolve.

The following table presents GRG's Fixed Pay recommendations to the Company:

Table 5

Role	Incumbent	Role Sample	Fixed Pay (FP)				Target Total Remuneration Package (TTRP)					
			Current	P50	Advised	Change	Current	P50	P62.5	P75	Advised	Change
			\$000	\$000	<b>\$000</b>	%	\$000	\$000	\$000	\$000	<b>\$000</b>	%
Executive Chairman	Mr B McInnes	CEO	396	298	<b>298</b>	(25%)	396	368	402	543	<b>536</b>	35%
Executive Director	Mr S Zhou	ED	132	195	<b>195</b>	48%	132	247	269	303	<b>293</b>	122%

GRG reported that it generally does not recommend reductions in Fixed Pay where this is likely to result in loss of required talent. Their benchmarking should be considered an indication of what external stakeholders would consider reasonable and appropriate.

The following table prepared by GRG outlines the Company's current Total Target Remuneration Packages (**TTRP**) and market uplifts from Fixed Pay (**FP**) P50 to Total Remuneration Package (**TRP**) market data positions that could be considered, derived from the benchmarking analysis presented by GRG:

Table 6

Role	Current Incumbent TargetVariable Remuneration Total % Fixed Pay	VAN Market Capitalisation Comparator Group		Supplementary Data			
		Gap Between P50 FP and TRP		Gap Between P50 FP and TRP			
		P50 TRP	P62.5 TRP	P75 TRP	P50 TRP	P62.5 TRP	P75 TRP
Executive Chairman	0%	23%	35%	82%	n/a	n/a	n/a
Executive Director	0%	41%	n/a	n/a	27%	38%	55%

With reference to the foregoing data, GRG concluded that a benchmark of P75 is appropriate for VAN. It should be noted that the **MD** (Managing Director) / **CEO** (Chief Executive Officer) usually receives significantly more variable remuneration than any other role, usually with the greatest component or weighting being LTVR, since this is the role that is considered to carry greatest responsibility for creating long-term value for shareholders.

The following Table 7 indicates the prevalence of the practice of deferring part or all of STVR awards amongst the constituents of the Comparator Group (STVR deferral appears to be a minority practice among peers). It should be noted that where STVR deferral does occur, typical practice is for 30% - 50% of STVR awards to be deferred into equity, and for the deferral to apply for one to two years, often in separate tranches.

The following presents GRG's recommended remuneration mix profile, based on market data and assuming a policy of P50 Fixed Pay and P75 for Target TRP, by GRG applying a degree of judgement to the wide range of practices evident in the various samples. While the Company is not generating revenue, GRG recommended that STVR be provided in equity to conserve cash:

Table 7

Remuneration Components	MD/CEO		Direct Reports	
	Current	Advised	Current	Advised
Fixed Pay	100%	100%	n/a	100%
Variable Remuneration	-	80%	n/a	50%
<b>TTRP</b>	<b>100%</b>	<b>180%</b>	<b>n/a</b>	<b>150%</b>

GRG advised that consideration should be given to a transition strategy that will smooth the process of moving towards the recommended structures. While the P50 Fixed Pay figures deduced from the market data are what would be considered reasonable by proxy advisors and shareholders, it may be undesirable or impractical to reduce the Fixed Pay of any incumbents. Therefore, GRG produced two options for the Company to consider when determining appropriate quantum and mix for its executives.

- (a) The first option is to reduce the Fixed Pay to be consistent with the P50 of the market, and the addition of variable remuneration should adequately supplement this decrease. The following table presents the outcomes of this recommendation:

Table 8

Position Title	Proposed or Current (Higher) Fixed Pay (FP)	Advised Total VR	Advised Total VR% FP	Advised TRP at Target	Current TRP	P62.5	P75
						TRP	TRP
	\$000	\$000		\$000	\$000	\$000	\$000
Executive Chairman	298	238	80%	536	396	402	543
Executive Director	195	98	50%	293	n/a	289	366

- (b) The second option is to reduce the % of Variable Remuneration, so that the TRP is approximately in line with the P75 of the market and increase this percentage over time to move towards market practice. This translates to approximately a 45% reduction in Variable Remuneration. The following table presents the outcomes of this recommendation:

Table 9

Position Title	Proposed or Current (Higher) Fixed Pay (FP)	Advised Total VR	Advised Total VR% FP	Advised TRP at Target	Current TRP	P62.5	P75
						TRP	TRP
	\$000	\$000		\$000	\$000	\$000	\$000
Executive Chairman	396	140	35%	536	396	402	543
Executive Director	195	98	50%	293	n/a	289	366

GRG reviewed and valued the grant of Loan Plan Shares which is being proposed for approval under Resolutions 2 to 4 inclusive. The Loan Plan Shares are valued at \$0.0302 each being, for 130,000,000 Loan Plan Shares, a total of \$3,926,000. Further details are included in Section 2.11(h) below.

In assessing if the proposed grant of Loan Plan Shares is reasonable, GRG viewed an annual Total Remuneration Package (TRP) of up to P90 of the market data as reasonable, however at the top end of the market. The following table shows GRG's understanding of Bruce McInnes', Shengqiang (Sean) Zhou's and Zhenzhu (Carol) Zhang's remuneration while performing executive roles and comparing this to the recent benchmarking data. GRG notes that the market capitalisation of the Company has decreased over the past 5 years, therefore it is conservative to use the current benchmarking data for the following assessment.

If the remuneration for work that has been completed is above the presented figures in "Difference between P90 and Paid", GRG reported it would see this as unreasonable.

Table 10 Role: Executive Chairman Incumbent Bruce McInnes (Actual/P90)

Year	Total Fixed Pay Paid	P90 TRP Market Data	Difference between P90 and Paid
FY14	\$78,440	\$657,000	\$578,560
FY15	\$144,670	\$657,000	\$512,330
FY16	\$144,540	\$657,000	\$512,460
FY17	\$144,540	\$657,000	\$512,460
FY18	\$190,300	\$657,000	\$466,700
FY19	\$371,980	\$657,000	\$285,020
FY20	\$439,500	\$657,000	\$217,500
FY21	\$439,500	\$657,000	\$217,500
<b>Total:</b>			<b>\$3,302,530</b>

On 18 June 2019 and as approved by Shareholders at a general meeting held on 31 May 2019, Mr McInnes received a grant of 40,000,000 Performance Options for no cash consideration with a total value of \$1,257,000. The new grant of 50,000,000 Loan Plan Shares, which is subject to approval under Resolution 2, has a value of \$1,509,320 giving a total value for equity granted of \$2,766,320.

GRG advised that the new grant of 50,000,000 Loan Plan Shares is considered reasonable for the role and time period Mr McInnes has completed as Executive Chairman.

Table 11 Executive Director / Managing Director Incumbent Shengqiang (Sean) Zhou (Actual/P90)

Year	Total Fixed Pay Paid	P90 TRP Market Data	Difference between P90 and Paid
FY14	n/a	n/a	n/a
FY15	\$37,000	\$409,000	\$372,000
FY16	\$43,800	\$409,000	\$365,200
FY17	\$43,800	\$409,000	\$365,200
FY18	\$150,333	\$409,000	\$258,667
FY19	\$455,000	\$657,000	\$202,000
FY20	\$237,499	\$657,000	\$419,501
FY21	\$195,000	\$409,000	\$214,000
<b>Total:</b>			<b>\$2,196,568</b>

On 18 June 2019 and as approved by Shareholders at a general meeting held on 31 May 2019, Mr Zhou received grants of:

- (a) 30,000,000 Plan Shares for a price of \$0.18 each with a total value of \$936,000; and
- (b) 40,000,000 Performance Options for no cash consideration with a total value of \$1,257,000.

Mr Zhou received the grants totalling \$2,193,000, which is considered to be in line with the P90 of the market data to date.

GRG considers that any additional grant for past work is not considered to be reasonable for the role and time period Mr Zhou completed as Executive Director.

The new grant of 40,000,000 Loan Plan Shares, which is subject to approval under Resolution 3, has a value of \$1,207,456.

The following table presents the P90 remuneration for FY22, FY23, FY24 and FY25, based on a Fixed Pay of \$100,000:

Table 12 Executive Director / Managing Director Incumbent Shengqiang (Sean) Zhou (Forecast/P90)

Year	Total Fixed Pay Paid	P90 TRP Market Data	Difference between P90 and Paid
FY22	\$100,000	\$409,000	\$309,000
FY23	\$100,000	\$409,000	\$309,000
FY24	\$100,000	\$409,000	\$309,000
FY25	\$100,000	\$409,000	\$309,000
<b>Total:</b>			<b>\$1,236,000</b>

GRG concluded that, if Mr Zhou's fixed pay is reduced to \$100,000 per year and the grant is made as remuneration for the current financial year and the three following financial years (which is market practice), the grant subject to approval under Resolution 3 would be considered reasonable. Therefore, it is the Company's intention to amend Mr Zhou's fixed pay to \$100,000 subject to Shareholder approval of Resolution 3 and the issue of the 40,000,000 Loan Plan Shares to Mr Zhou (or his nominee).

Table 13 Executive Director Zhenzhu (Carol) Zhang (Actual/P90)

Year	Total Fixed Pay Paid	P90 TRP Market Data	Difference between P90 and Paid
FY16	\$40,000	\$409,000	\$369,000
FY17	\$40,000	\$409,000	\$369,000
FY18	\$40,000	\$409,000	\$369,000
FY19	\$40,000	\$409,000	\$369,000
FY20	\$40,000	\$409,000	\$369,000
FY21	\$40,000	\$409,000	\$369,000
<b>Total:</b>			<b>\$2,214,000</b>

On 18 June 2019 and as approved by Shareholders at a general meeting held on 31 May 2019, Ms Zhang received a grant of 20,000,000 Performance Options for no cash consideration with a total value of \$628,500. The new grant of 40,000,000 Loan Plan Shares, which is subject to approval under Resolution 4, has a value of \$1,207,456 giving a total value for equity granted of \$1,835,956.

GRG concluded that the grant subject to approval under Resolution 4 is considered reasonable for the role and time period Ms Zhang has completed as Executive Director.

The following table presents the valuation of the Loan Plan Shares:

Table 14

Incumbent	Position Title	Number of Loan Plan Shares	Grant Value
Bruce McInnes	Executive Chairman	50,000,000	\$1,509,320
Mr. S Zhou	Executive Director	40,000,000	\$1,207,456
Ms. Z Zhang	Non-Executive Director (former Executive Director)	40,000,000	\$1,207,456

Based on the valuations of grant of Loan Plan Shares, GRG concluded it would be reasonable back pay for work undertaken for Mr McInnes and Ms Zhang and reasonable incentive remuneration for Mr Zhou for future work to be performed for the current financial year and subsequent three financial years.

In the circumstances, the Directors (other than each of Bruce McInnes, Shengqiang (Sean) Zhou and Zhenzhu (Carol) Zhang, who did not participate in the decision due to their respective material

personal interest in Resolutions 2 to 4) have determined that the exception in section 211 of the Corporations Act applies in relation to the proposed issue of Loan Plan Shares and the provision of a loan to acquire the Loan Plan Shares under Resolutions 2 to 4.

## **2.5 Listing Rule 10.14**

ASX Listing Rule 10.14 provides that a listed company must not permit any of the following persons to acquire equity securities under an employee incentive scheme:

- (a) a director;
- (b) an associate of a director; or
- (c) a person whose relationship with the company, or with a director or associate of a director, is such that, in ASX's opinion, the issue or agreement should be approved by its shareholders,

unless it obtains the approval of its shareholders.

As the issue of the Loan Plan Shares constitutes the issue of equity securities to Directors of the Company under the Share Loan Plan, Shareholder approval pursuant to ASX Listing Rule 10.14 is required unless an exception applies. It is the view of the Directors that the exceptions set out in ASX Listing Rule 10.16 do not apply in the current circumstances.

The Company therefore seeks the required Shareholder approval for the issue of the Loan Plan Shares to the Loan Plan Participants under and for the purposes of Listing Rule 10.14.

## **2.6 Listing Rule 7.1**

Approval pursuant to ASX Listing Rule 7.1 is not required for the issue of the Loan Plan Shares to the Loan Plan Participants if approval is obtained under ASX Listing Rule 10.14, pursuant to Listing Rule 7.2 exception 14. Accordingly, the issue of the Loan Plan Shares to the Loan Plan Participants, if approved, will not be included in the use of the Company's Placement Capacity.

## **2.7 Effect of the Resolutions**

The effect of Resolutions 2 to 4 will be to allow the Company to issue the Loan Plan Shares and provide the loans to acquire the Loan Plan Shares to the Loan Plan Participants during the period of 3 years after the Meeting (or a longer period, if allowed by ASX), without using the Company's Placement Capacity.

If any or all of Resolutions 2 to 4 are not passed, the Company will not be able to proceed with the issue of Loan Plan Shares or provision of the loans for those Shares to any Loan Plan Participant in respect of whom the relevant Resolution has not been passed. In that case, the Company may have to consider alternatives in respect of the long term incentive component of the relevant Loan Plan Participant's remuneration, which may include increasing their cash remuneration.

## **2.8 Sections 200B and 200E of the Corporations Act**

The Corporations Act restricts the benefits which can be given to certain persons (those who hold a managerial or executive office, as defined in the Corporations Act) on leaving their employment with the Company or a related body corporate of the Company (**Group**).

Under section 200B of the Corporations Act, a company may only give a person a benefit in connection with their ceasing to hold a managerial or executive office (as defined in the Corporations Act) in the Group if it is approved by shareholders or an exemption applies.

The provisions of the Corporations Act relating to termination benefits apply to the Loan Plan Participants.



Additionally, persons subject to restrictions remain subject to them for at least three years after they cease to be a managerial or executive officer.

Under the termination benefits laws, the term “benefit” has a wide operation and is likely to include:

- (a) the adjustment to or variation to the terms of repayment of the loan relating to the Loan Plan Shares; and
- (b) the waiver of any restriction on the assignment, transfer, sale, grant of an encumbrance over or dealing with any Loan Plan Shares by a holder,

in circumstances where the relevant Loan Participant ceases to be a director of the Company (each a **Benefit**).

Shareholder approval is therefore being sought under sections 200B and 200E of the Corporations Act in relation to the issue of the Loan Plan Shares and provision of a loan in relation to the Loan Plan Shares to each of the Loan Plan Participants so that the value of the Benefit will be disregarded when calculating the cap for the purposes of calculating the permissible termination benefits payable under the Corporations Act.

## 2.9 Information required by section 200E of the Corporations Act

Section 200E of the Corporations Act requires the following information to be provided to Shareholders in approving a termination benefit:

- (a) Details of the termination benefits

The Share Loan Plan contains a rule whereby the Board may at any time waive or amend the application of any of the Plan rules in relation to a participant in the Plan, including waiver of the ‘Restrictive Period’, during which the participant is prohibited from assigning, transferring, selling, granting an encumbrance over or otherwise dealing in any Loan Plan Shares.

Accordingly, for example, notwithstanding that a Loan Plan Participant may have ceased to be an employee because their employment was terminated for cause and ordinarily this would constitute a ‘Repayment Event’, the Board may waive or amend this provision such that that Loan Plan Participant continues to have the benefit of the interest fee loan associated with the Loan Plan Shares for a period after they cease to be a Director.

- (b) Value of the termination benefits

The value of the potential termination benefits cannot be quantified at this point, as the manner in which the value is calculated depends on various matters, events and circumstances that will, or are likely to, affect the calculation of the value.

Specifically, the value of a particular benefit will depend on factors such as the Share price at the time, and the number and value of Loan Plan Shares held by the relevant Loan Plan Participant at the time.

- (c) Voting exclusion

A vote on the resolution must not be cast (in any capacity) by or on behalf of the retiree (i.e. the relevant Loan Plan Participant) or an associate of the retiree.

A voting exclusion statement is included for Resolutions 2 to 4.

## 2.10 Board Recommendation

The Directors (other than each of the Loan Plan Participants, who have either a material personal interest in the outcome of Resolutions 2 to 4 or in the interests of good corporate practice consistent

with ASIC Regulatory Guide 76 (Table 2) which recommends directors avoid making a recommendation on resolutions about each other's remuneration (as there may be a conflict of interest)) recommend that Shareholders vote in favour of each of Resolutions 2 to 4.

## 2.11 Technical information required by ASX Listing Rule 10.15

Pursuant to and in accordance with ASX Listing Rule 10.15, the following information is provided in relation to the issue of the Loan Plan Shares to the Loan Plan Participants the subject of Resolutions 2 to 4:

- (a) the Loan Plan Shares will be issued to the Loan Plan Participants (or their respective nominee(s)) as follows:
  - (i) Bruce McInnes – 50,000,000 Loan Plan Shares;
  - (ii) Shengqiang (Sean) Zhou – 40,000,000 Loan Plan Shares; and
  - (iii) Zhenzhu (Carol) Zhang – 40,000,000 Loan Plan Shares;
- (b) each of the Loan Plan Participants is a Director of the Company, and therefore is a related party of the Company;
- (c) the maximum number of Loan Plan Shares to be issued to each of the Loan Plan Participants is as set out in Section 2.11(a);
- (d) the current total remuneration package of each of the Loan Plan Participants is as follows:

Bruce McInnes

Table 15

Salary	\$399,545 per annum
Superannuation	\$39,955 per annum
<b>Total</b>	<b>\$439,500</b> <b>50,000,000 Loan Plan Shares (the value is set out in Section 2.11(h))</b> <i>As disclosed in Section 2.4, Bruce McInnes was issued Performance Options in FY19, the value of which for accounting purposes is amortised over five financial years.</i>

Shengqiang (Sean) Zhou

Table 16

Salary	\$90,909 per annum
Superannuation	\$9,091 per annum
<b>Total</b>	<b>\$100,000</b> <b>40,000,000 Loan Plan Shares (the value is set out in Section 2.11(h))</b> <i>As disclosed in Section 2.4, Shengqiang (Sean) Zhou was issued Shares under the Company's former share loan plan and Performance Options in FY19, the value of which for accounting purposes is amortised over five financial years.</i>

Zhenzhu (Carol) Zhang

Table 17

Salary	\$36,364 per annum
--------	--------------------

Superannuation	\$3,636 per annum
<b>Total</b>	<b>\$40,000</b> <b>40,000,000 Loan Plan Shares (the value is set out in Section 2.11(h))</b> <i>As disclosed in Section 2.4, Zhenzhu (Carol) Zhang was issued Performance Options in FY19, the value of which for accounting purposes is amortised over five financial years.</i>

- (e) no Loan Plan Shares have previously been issued to the Loan Plan Participants. However, 30,000,000 Shares and 100,000,000 Options have previously been issued to the Loan Plan Participants pursuant to former employee incentive schemes (refer to Section 2.4 for further details), as well as a further 4,225,000 Shares and 2,000,000 Shares for no cash consideration and an attaching loan to Bruce McInnes and Shengqiang (Sean) Zhou respectively in 2013 and 2014, approved on 20 December 2013 and 28 November 2014 under a former share loan plan as follows:

Table 18

Director	Post 1 for 20 Share consolidation	
	Share Price	Number of Shares
Bruce McInnes	\$0.008	1,225,000
Bruce McInnes	\$0.20	3,000,000
Shengqiang (Sean) Zhou	\$0.20	2,000,000

- (f) the Loan Plan Shares issued will be fully paid ordinary shares in the capital of the Company issued on the same terms and conditions as the Company's existing Shares other than restrictions in dealings in those Shares as governed by the rules of the Loan Plan Shares;
- (g) the Loan Plan Shares are being offered as an incentive-based component of the remuneration package of each of the Loan Plan Participants. The Company has chosen to issue Loan Plan Shares as it considers that a performance-linked incentive component to their remuneration will motivate and reward their performance. This is also considered a cost-effective remuneration practice, and is considered reasonable given the issue of the Loan Plan Shares will align the interests of each of the Loan Plan Participants with those of Shareholders;
- (h) the value of the Loan Plan Shares and provision of the loan to acquire the Loan Plan Shares are set out in the table below. The valuation has been completed by internal management of the Company using the Black-Scholes valuation method and applying assumptions made by GRG:

Table 19

Assumption	Bruce McInnes	Shengqiang (Sean) Zhou	Zhenzhu (Carol) Zhang	Total
Number of Loan Plan Shares	50,000,000	40,000,000	40,000,000	<b>130,000,000</b>
Cost of Loan Plan Share	-	-	-	-

<b>Assumption</b>	<b>Bruce McInnes</b>	<b>Shengqiang (Sean) Zhou</b>	<b>Zhenzhu (Carol) Zhang</b>	<b>Total</b>
Share Price	\$0.07	\$0.07	\$0.07	<b>\$0.07</b>
Exercise (Issue) Price	\$0.09	\$0.09	\$0.09	<b>\$0.09</b>
Period to Exercise (Loan Repayment) (years)	3.00	3.00	3.00	<b>3.00</b>
Risk free rate of return	1.564%	1.564%	1.564%	<b>1.564%</b>
Volatility	75.00%	75.00%	75.00%	<b>75.00%</b>
Dividend per annum per Share	-	-	-	-
Dividend yield	0.00%	0.00%	0.00%	<b>0.00%</b>
Value per Loan Plan Share(\$)	0.0302	0.0302	0.0302	<b>0.0302</b>
Total value (\$)	1,509,320	1,207,456	1,207,456	<b>3,924,232</b>

- (i) the Loan Shares will be issued as soon as practicable after the date of the Meeting but in any case no later than 3 years after the date of the Meeting, and it is intended that the Loan Shares will all be issued on the same date:

Table 20

<b>Number of Loan Shares</b>	<b>Bruce McInnes</b>	<b>Shengqiang (Sean) Zhou</b>	<b>Zhenzhu (Carol) Zhang</b>	<b>Total</b>
Issued and vesting within one month of approval by Shareholders	25,000,000	10,000,000	20,000,000	<b>55,000,000</b>
Issued within one month of approval by Shareholders and vesting after the following conditions precedent:				
a. Director remains a Director until the date the Shares vest; and				
b. whichever occurs first:				
i. two years after the date the Shares are issued; and				
ii. the Company's JORC 2012 resource determined by a Competent Person independent to the Company increases to 1.8 million ounces of gold.	25,000,000	-	20,000,000	<b>45,000,000</b>

Number of Loan Shares	Bruce McInnes	Shengqiang (Sean) Zhou	Zhenzhu (Carol) Zhang	Total
iii. One year after the date the Shares are issued; and	-	10,000,000	-	10,000,000
iv. Two years after the date the Shares are issued; and	-	10,000,000	-	10,000,000
v. Three years after the date the Shares are issued.	-	10,000,000	-	10,000,000
<b>Total</b>	<b>50,000,000</b>	<b>40,000,000</b>	<b>40,000,000</b>	<b>130,000,000</b>

- (j) the issue price of each Loan Share is \$0.09;
- (k) the terms and conditions of the Share Loan Plan are summarised at Schedule 1;
- (l) a loan will be provided to each of the Loan Plan Participants in respect of the issue of the Loan Shares on the following material terms:
  - (i) *Interest free*: no interest will be charged on the loan;
  - (ii) *Limited recourse*: the loan is limited recourse meaning if the Loan Plan Shares are sold for less than the amount of the loan the Loan Plan Participant is only required to repay up to the amount of the sale proceeds with the balance of the loan amount forgiven;
  - (iii) *Repayment term*: Three (3) years after the date of issue of the Loan Shares
  - (iv) *Security and holding lock*: The Company shall have a lien over the Loan Plan Shares in respect of which a loan amount is outstanding and the Company shall be entitled to sell those Loan Plan Shares in accordance with the terms of this Share Loan Plan. The Company may impose a holding lock in respect of the Loan Plan Shares to enforce these restrictions;
- (m) Details of any securities issued under the Share Loan Plan will be published in the Company's annual report relating to the period in which they are issued, along with a statement that approval for the issue was obtained under Listing Rule 10.14; and
- (n) any additional persons covered by Listing Rule 10.14 who become entitled to participate in an issue of securities under the Share Loan Plan after Resolutions 2 to 4 are approved and who were not named in the Notice will not participate until approval is obtained under that Rule.

### 3. Resolution 5 – Enable the issue of Securities under an Employee Incentive Scheme – Vango Mining Limited Employee Equity Incentive Plan

#### 3.1 General

The Company most recently obtained shareholder approval for its Employee Equity Incentive Plan (EIP) at its annual general meeting held on 25 November 2020.

Notwithstanding the EIP approved at the Company's annual general meeting held on 25 November 2020 is compliant at the date of the Notice, for the purposes of ASX Listing Rule 7.2 (Exception 13) and for all other purposes, the Company is seeking approval so that for any future issues under the EIP, any vesting conditions would be automatically waived where a change of control event occurs.

The EIP being proposed for approval under Resolution 5 provides that, where a change of control event occurs, any vesting conditions that have not yet been satisfied are deemed to be automatically waived.

The EIP approved on 25 November 2020 states that, where a change of control event occurs, the Board has discretion to determine whether any unvested Equity Securities should ultimately vest, lapse or be treated otherwise in its absolute discretion.

Resolution 5 seeks Shareholder approval to enable the Company to continue to issue securities under the EIP in reliance on ASX Listing Rule 7.2 Exception 13.

The main purpose of the EIP is to enable the Company to offer an additional reward to Directors, employees and consultants for providing their dedicated and ongoing commitment and effort to the Company. The EIP is a reward plan designed to increase the motivation of the Company's personnel and create a stronger link between increasing Shareholder value and personnel reward.

### **3.2 Summary of terms of Employee Equity Incentive Plan**

A summary of the material terms of the EIP is set out at Schedule 2.

### **3.3 ASX Listing Rules 7.1 and 7.2 Exception 13**

A summary of ASX Listing Rules 7.1 and 7.2 Exception 13 is set out at Section 1.3.

### **3.4 Effect of the Resolution**

Resolution 5 seeks Shareholder approval for the issue of securities under the EIP to be an exception from Listing Rule 7.1 for a period of 3 years.

If Shareholders approve this Resolution, any issue of Shares, Options or Performance Rights under the EIP (**Plan Securities**) over the 3 years after the date of the Meeting (up to the maximum number calculated as set out in Section 3.6(c)) will not use up a portion of the Company's Placement Capacity when that issue is made. This means that the Company will preserve its flexibility to issue equity securities without seeking Shareholder approval if and when it grants Plan Securities under the EIP.

It should be noted that if the Resolution is passed, the Company will only be able issue Plan Securities under the EIP to eligible participants who are unrelated parties without seeking prior Shareholder approval. Any proposed issue of Plan Securities to a Director or related party, or any of their associates, under the EIP will require prior Shareholder approval under ASX Listing Rule 10.14

If Shareholders do not approve this Resolution, the Company may still decide in future to grant Plan Securities to eligible employees and consultants who are unrelated parties under the EIP, but each such issue will not be exempt from Listing Rule 7.1 and will use up a portion of the Company's Placement Capacity at the relevant time made (unless another exemption from Listing Rule 7.1 is applicable). The issue of Plan Securities under the EIP in those circumstances would therefore reduce the Company's ability to issue equity securities without seeking Shareholder approval.

### **3.5 Directors' recommendation**

Directors are eligible to be offered Plan Securities under the EIP, however, any proposed grant of Plan Securities to a Director or their associates requires prior Shareholder approval under Listing Rule 10.14 before it can be made, and the passing of this Resolution will not enable the Company to issue

any equity securities to a Director or their associates. The Directors recommend that Shareholders vote in favour of this Resolution.

### 3.6 Technical information required by Listing Rule 7.2 Exception 13

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

- (a) a summary of the EIP is set out at Schedule 2;
- (b) no Equity Securities have been granted under the EIP since it was last approved by Shareholders at its annual general meeting held on 25 November 2020; and
- (c) the maximum number of Plan Securities to be issued under the EIP (other than issues approved by Shareholders under ASX Listing Rule 10.14) following approval under this Resolution is equal to 54,948,420, being 5% of the total number of Shares on issue at the date of the Notice.

## 4. Resolution 6 – Ratification of prior issue of Shares under June 2021 Placement

### 4.1 General

On 15 June 2021, the Company announced that it had received commitments to raise approximately \$ 6.1 million cash by the issue of 93,538,461 Shares,, at an issue price of \$0.065 each to sophisticated and professional investors (**June 2021 Placement**).

The June 2021 Placement is being completed in two tranches:

- (a) 62,769,230 Shares were issued on 16 June 2021 to unrelated investors, without Shareholder approval under the Company's placement capacity in Listing Rule 7.1A and are the subject of Shareholder ratification of Resolution 6; and
- (b) a further 30,769,231 Shares are proposed to be issued to a related party of the Company, subject to Shareholder approval of Resolution 7.

The June 2021 Placement was managed by Blue Ocean Equities Pty Ltd (**BOE**) as Lead Manager. Notwithstanding the Lead Manager was entitled to a management fee equivalent to 3% of any amount BOE raised under the June 2021 Placement and a selling fee of 2% of any amount BOE raised under the June 2021 Placement, no fee became payable.

### 4.2 Listing Rule 7.1A

ASX Listing Rule 7.1A provides that in addition to issues permitted without prior shareholder approval under ASX Listing Rule 7.1, an entity that is eligible and obtains shareholder approval under ASX Listing Rule 7.1A may issue or agree to issue during the period for which the approval is valid a number of quoted equity securities which represents 10% of the number of fully paid ordinary securities on issue at the commencement of that 12 month period as adjusted in accordance with the formula in ASX Listing Rule 7.1 (**Additional Issuance Capacity**).

The Company obtained the required Shareholder approval at its Annual General Meeting on 25 November 2020 and thus has the Additional Issuance Capacity until its 2021 Annual General Meeting (or such earlier date as determined by the ASX Listing Rules), and it used part of its Additional Issuance Capacity for the June 2021 Placement.

### 4.3 Listing Rule 7.4

ASX Listing Rule 7.4 sets out an exception to ASX Listing Rule 7.1. It provides that where a company in general meeting ratifies a previous issue of securities made pursuant to ASX Listing Rule 7.1 (and

provided that the previous issue did not breach ASX Listing Rule 7.1) those securities will be deemed to have been made with shareholder approval for the purpose of ASX Listing Rule 7.1.

#### **4.4 Effect of the Resolution**

This Resolution seeks Shareholder ratification pursuant to ASX Listing Rule 7.4 for the issue of the Shares under the June 2021 Placement to unrelated investors.

If Shareholders approve this Resolution, those Shares will no longer use up a portion of the Company's Additional Issuance Capacity, and the base figure (i.e. variable "A") in which the Company's 15% and 10% annual placement capacities are calculated will be a higher number which in turn will allow a proportionately higher number of securities to be issued without prior Shareholder approval.

If Shareholders do not approve this Resolution, the issue of these Shares will continue to use up a portion of the Company's current Additional Issuance Capacity until that date that is 12 months from their date of issue, and the Company will therefore have a reduced ability to issue equity securities without seeking Shareholder approval until that time.

#### **4.5 Technical information required by ASX Listing Rule 7.4**

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

- (a) the Shares were issued to unrelated sophisticated and professional investors Through their networks, and by identifying Shareholders interested in investing further in the Company, Directors identified the unrelated sophisticated and professional investors. Based on notices provided to the Company by the investors as required under the Corporations Act, and the Company's review of its Share register, none of the investors under the June 2021 Placement were a related party of the Company, a member of the Key Management Personnel, a substantial shareholder of the Company, an adviser to the entity or any of their associates;
- (b) 62,769,230 Shares were issued;
- (c) the Shares issued were all fully paid ordinary shares in the capital of the Company issued on the same terms and conditions as the Company's existing Shares;
- (d) the Shares were issued on 16 June 2021;
- (e) the Shares were issued for cash consideration at an issue price of \$0.065 per Share;
- (f) the purpose of the issue of the Shares was to provide funds for planned exploration and development of the Company's Marymia Gold Project, and for working capital; and
- (g) the Shares were issued to unrelated subscribers to the June 2021 Placement. Blue Ocean Equities Pty Ltd was appointed Lead Manager in respect of the June 2021 Placement and the material terms of the remuneration it received are set out at Section 4.1.

### **5. Resolution 7 – Approval to issue Shares to a related party for participation in the June 2021 Placement**

#### **5.1 General**

Resolution 7 seeks Shareholder approval for the issue of a total of up to 30,769,231 Shares to Gifted Force International Limited (or its nominee/s), an entity controlled by a Director, Zhenzhu (Carol)



Zhang, which wishes to participate in the June 2021 Placement (this entity is referred to as the **Related Party Subscriber**).

It is proposed that the Related Party Subscriber will subscribe for and be issued up to 30,769,231 Shares

Resolution 7 is an ordinary resolution.

## 5.2

### **Chapter 2E of the Corporations Act**

A summary of Chapter 2E of the Corporations Act is set out at Section 2.3.

The issue of the Shares to the Related Party Subscriber constitutes giving a financial benefit to related parties. Gifted Force International Limited is a related party of the Company by reason of being an entity controlled by a Director, Ms Zhenzhu (Carol) Zhang.

Section 210 of the Corporations Act provides that shareholder approval under section 208 is not required if the financial benefit to be provided to the related party is on terms that would be reasonable in the circumstances if the company and the related party were dealing at arm's length, or are less favourable than those terms.

The Directors consider that Shareholder approval pursuant to Chapter 2E of the Corporations Act is not required in respect of the issue of the Shares to the Related Party Subscriber because these Shares are to be issued to them at the same price and on the same terms and conditions as to all other subscribers to the June 2021 Placement, and are being issued on arm's length terms.

## 5.3

### **ASX Listing Rule 10.11**

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

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

unless it obtains the approval of its shareholders.

The issue of the Shares to the Related Party Subscriber, the subject of Resolution 7, falls within ASX Listing Rule 10.11.1 (as set out in (a) or (d) above) and does not fall within any of the exceptions in ASX Listing Rule 10.12. It therefore requires the approval of the Company's Shareholders under ASX Listing Rule 10.11.

## 5.4

### **Effect of the Resolutions**

The effect of Resolution 7 will be to allow the Company to issue the Shares to the Related Party Subscriber during the period of 1 month after the Meeting (or a longer period, if allowed by ASX).

If Resolution 7 is not passed, the Company will not be able to proceed with the issue of the Shares to the Related Party Subscriber for whom Shareholder approval has not been obtained, and will not receive the benefit of the funds proposed to be raised from the issue of those Shares.

## **5.5 Directors' recommendation**

Ms Zhenzhu (Carol) Zhang has a material personal interest in Resolution 7. The Directors (other than Ms Zhenzhu (Carol) Zhang) recommend that Shareholders vote in favour of Resolution 7.

## **5.6 Technical information required by ASX Listing Rule 10.11**

Pursuant to and in accordance with ASX Listing Rule 10.13, the following information is provided in relation to the issue of the Shares to the Related Party Subscriber:

- (a) up to 30,769,231 Shares will be issued to Gifted Force International Limited (or its nominee/s),
- (b) the Related Party Subscriber is a related party of the Company by reason of Ms Zhenzhu (Carol) Zhang being a Director, and falls within ASX Listing Rule 10.11.1. Each of its nominees (if any) would be an associate of a related party, and fall within ASX Listing Rule 10.11.4;
- (c) the maximum number of Shares to be issued at Completion to each of the Related Party Subscribers is set out in paragraph (a);
- (d) the Shares to be issued to the Related Party Subscriber will be issued on the same terms and conditions as existing Shares in the capital of the Company;
- (e) the Shares will be issued to the Related Party Subscriber no later than 1 month after the date of the Meeting (or such later date to the extent permitted by any ASX waiver or modification of the ASX Listing Rules);
- (f) the Shares will be issued to the Related Party Subscriber at the same issue price as all Shares issued under the June 2021 Placement to unrelated investors, i.e. \$0.065 per Share;
- (g) a total of \$2,000,000 will be raised by the issue of the Shares to the Related Party Subscribers;
- (h) the funds raised by the issue of the Shares to the Related Party Subscribers will form part of the total amount of funds raised by the June 2021 Placement, which will be used as described in Section 4.5(f); and
- (i) the June 2021 Placement Shares to be issued to the Related Party Subscriber are to be issued pursuant to their participation in the June 2021 Placement on the same terms as other applicants, and the issue of these securities does not form part of the remuneration of the Related Party Subscribers.

## **6. Resolutions 8, 9 and 10 – Ratification of prior issue of Shares**

### **6.1 General**

On 15 June 2021, the Company announced that it had received agreement from unrelated contractors to convert approximately \$0.2 million payable to those contractors for services provided to the Company by the issue of 3,091,370 Shares at a deemed issue price of \$0.065 per Share, being equal to the issue price of Shares issued under the June 2021 Placement, without Shareholder approval under the Company's Placement Capacity on 16 June 2021.

## 6.2 Listing Rules 7.1 and 7.4

A summary of ASX Listing Rule 7.1 is set out at Section 1.3 and a summary of ASX Listing Rule 7.4 is set out at Section 4.3.

## 6.3 Effect of the Resolutions

Each of Resolution 8, 9 and 10 seeks Shareholder ratification pursuant to ASX Listing Rule 7.4 for the issue of the Shares to the unrelated contractors.

If Shareholders approve these Resolutions, they will have ratified the issue of those Shares, and the issue of those Shares will no longer use up a portion of the Company's Placement Capacity, meaning the Company will have an increased ability to issue Equity Securities without seeking Shareholder approval.

If Shareholders do not approve these Resolutions, the issue of those Shares will continue to use up a portion of the Company's current Placement Capacity until that date that is 12 months from their date of issue, and the Company will therefore have a reduced ability to issue Equity Securities without seeking Shareholder approval until that time.

## 6.4 Technical information required by ASX Listing Rule 7.4

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

- (a) the Shares were issued as follows.

Table 21

Name	Number of Shares	Value of Shares	Reason
		\$	
Mr James Owen Moses	738,462	48,000	Payment of fees for investor relations and corporate communications services to the Company, during the period 1 January 2021 to 31 December 2021.
Clynk Pty Ltd	803,985	52,259	Repayment of fees for assistance with strategic planning, board advisory, contract negotiation and technical team leadership services to the Company.
IHM Corporate Services Pty Ltd	1,548,923	100,680	Repayment of fees for Company Secretarial services to the Company, during the period 4 January 2019 to 31 Mar 2021.
<b>Total</b>	<b>3,091,370</b>	<b>200,939</b>	

None of these parties are a related party or a substantial shareholder of the Company, or any of their associates.

Clynk Pty Ltd and IHM Corporate Services Pty Ltd are respectively entities associated with Messrs Stephen Clynk and Ian Morgan, respectively the Company's former adviser and incumbent Company Secretary (a Key Management Person).

- (b) 3,091,370 Shares were issued as disclosed in paragraph (a).

- For personal use only
- (c) the capital of the Company issued on the same terms and conditions as the Company's existing Shares;
  - (d) the Shares were issued on 13 July 2021;
  - (e) the Shares were issued for nil cash consideration;
  - (f) the purpose of the issue of the Shares was to convert \$200,939 payable to those contractors for services provided to the Company at a deemed issue price of \$0.065 per Share; and
  - (g) the Shares were issued to unrelated contractors engaged by the Company pursuant to agreements, the material terms of which are set out in paragraph (a).

## Glossary

\$ means Australian dollars.

**Additional Issuance Capacity** has the meaning given in Section 4.2.

**AEDT** means Australian Eastern Daylight Savings Time as observed in Sydney, NSW.

**AEST** means Australian Eastern Standard Time as observed in Sydney, NSW

**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.

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

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

**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) 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 Vango Mining Limited (ACN 108 737 711).

**Constitution** means the constitution of the Company.

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

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

**Employee Equity Incentive Plan** or **EIP** means the employee incentive scheme the subject of Resolution 5 as summarised in Schedule 2.

**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.

**General Meeting** or **Meeting** means the annual general meeting of the Company convened by this Notice.

**June 2021 Placement** has the meaning given in Section 4.1.

**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.

**Loan Plan Participants** has the meaning given in Section 2.1.

**Loan Plan Shares** means Shares issued pursuant to the Share Loan Plan.

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

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

**PDS** means a Product Disclosure Statement (as defined in Chapter 7 of the Corporations Act) and includes a supplementary or replacement Product Disclosure Statement.

**Performance Options** means:

- (a) 12,500,000 Category A Performance Options with an exercise price of \$0.25 each Share and a three (3) year exercise period;
- (b) 12,500,000 Category B Performance Options with an exercise price of \$0.25 each Share and a three (3) year exercise period;
- (c) 25,000,000 Category C Performance Options with an exercise price of \$0.30 each Share and a five (5) year exercise period;
- (d) 12,500,000 Category D Performance Options with an exercise price of \$0.35 each Share and a five (5) year exercise period;
- (e) 12,500,000 Category E Performance Options with an exercise price of \$0.50 each Share and a five (5) year exercise period; and
- (f) 25,000,000 Category F Performance Options with an exercise price of \$0.60 each Share and a five (5) year exercise period

totalling 100,000,000 Performance Options approved on 31 May 2019 by Shareholders and granted pro-rata to Bruce McInnes (40,000,000 Performance Options), Shengqiang (Sean) Zhou (40,000,000 Performance Options) and Zhenzhu (Carol) Zhang (20,000,000 Performance Options) (or their respective nominees).

**Placement Capacity** has the meaning given in Section 1.3.

**Plan Securities** means Equity Securities issued pursuant to the EIP.

**Plan Shares** means Shares issued in accordance with the Company's means the Vango Mining Limited Employee Loan Share Plan, formerly known as the Ord River Resources Employee Loan Share Plan, as approved on 27 August 2018 by Shareholders.

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

**Related Party Subscribers** has the meaning given in Section 5.1.

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

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

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

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

**Share Loan Plan** means the the employee incentive scheme the subject of Resolution 1 as summarised in Schedule 1.

For personal use only

## Schedule 1 – Summary of key terms of the Share Loan Plan

- (a) **Eligibility:** Participants in the Share Loan Plan may be:
- (i) a Director (whether executive or non-executive) of the Company and any Associated Body Corporate of the Company (each a **Group Company**);
  - (ii) a full or part time employee of any Group Company;
  - (iii) a casual employee or contractor of a Group Company to the extent permitted by ASIC Class Order 14/1000 as amended or replaced (**Class Order**); or
  - (iv) a prospective participant, being a person to whom the offer is made but who can only accept the offer if an arrangement has been entered into that will result in the person becoming a participant under subparagraphs (i), (ii), or (iii) above,
- who is declared by the Board to be eligible to receive an issue of Loan Plan Shares under the Share Loan Plan (**Eligible Participants**).
- (b) **Offer:** The Board may, from time to time, in its absolute discretion, make a written offer to any Eligible Participant (including an Eligible Participant who has previously received an offer) to apply for up to a specified number of Loan Plan Shares, upon the terms set out in the Share Loan Plan and upon such additional terms and conditions as the Board determines.
- (c) **Limit:** The Company must have reasonable grounds to believe, when making an offer, that the number of Shares to be received on issue of Loan Plan Shares offered under an offer, when aggregated with the number of Shares issued or that may be issued as a result of offers made in reliance on the Class Order at any time during the previous 3 year period under an employee incentive scheme covered by the Class Order or an ASIC exempt arrangement of a similar kind to an employee incentive scheme, will not exceed 5% of the total number of Shares on issue at the date of the offer.
- (d) **Issue price:** Loan Plan Shares issued under the Share Loan Plan will be issued for an amount determined by the Board in its sole discretion which may be a nominal or nil amount.
- (e) **Loan:** The Company may, in its absolute discretion, grant a limited recourse interest free loan to a Participant (the Eligible Participant or the nominee of the Eligible Participant) for the purpose of purchasing Loan Plan Shares under an Offer.
- A Participant is deemed to have irrevocably directed the Company to apply any cash dividends in respect of Loan Plan Shares held by the Participant to repayment of any outstanding loan amount under the Participant's loan. Any surplus of the cash dividend after repayment of the loan will be paid to the Participant.
- A loan is repayable in full on the repayment date specified in the offer unless earlier repayment is otherwise required under the Share Loan Plan and a Participant may repay all or part of its loan to the Company at any time prior to the specified repayment date. A loan in respect of a Loan Plan Share shall be repayable in full where:
- (i) a Vesting Condition in relation to the Loan Plan Share the subject of the loan is not satisfied by the due date, or becomes incapable of satisfaction in the opinion of the Board, and that Vesting Condition is not waived by the Board;
  - (ii) the Participant (or, where the Participant is a Nominee of the Eligible Participant, that Eligible Participant) ceases to be an Eligible Participant and, at that time, there is a Vesting



Condition in relation to the Loan Plan Share that is unsatisfied or is incapable of satisfaction in the opinion of the Board and that Vesting Condition is not waived by the Board; and

- (iii) the Participant suffers an Event of Insolvency;
- (iv) the Company notifies that the Loan Plan Share is to be bought back due to forfeiture because of fraud, dishonesty or other improper behaviour of the Participant or Eligible Participant; or
- (v) the Participant breaches any condition of the loan or the Share Loan Plan.

A loan will be non-recourse except against the Loan Plan Shares held by the Participant to which the loan relates. In the event the Loan Plan Shares are bought back and cancelled under the rules of the Share Loan Plan, any loan will be deemed to be forgiven.

The Board may, in its absolute discretion, agree to forgive a loan granted to a Participant under the Share Loan Plan and a loan will be automatically forgiven on a Change of Control occurring. The Company shall be responsible for any Fringe Benefits Tax, or any other tax liability which may accrue to the Eligible Participant, which arises directly from the forgiveness of a loan for a Loan Plan Share.

- (f) **Security interest:** The Company shall have a lien over the Loan Plan Shares in respect of which a loan amount is outstanding and the Company shall be entitled to sell those Loan Plan Shares in accordance with the terms of the Share Loan Plan.
- (g) **Vesting Conditions:** A Loan Plan Share may be made subject to vesting conditions as determined by the Board in its discretion and as specified in the offer for the Loan Plan Shares, being a condition that must be satisfied (unless waived in accordance with the rules of the Share Loan Plan) before that Loan Plan Share can be sold, transferred, assigned or encumbered.
- (h) **Restrictions on dealings:** Subject to limited exceptions, a Participant may not dispose or otherwise deal with any Loan Plan Shares until the end of any Restriction Period applying to that Loan Plan Share. This restriction does not apply to any transfers of Loan Plan Shares by force of law, upon death, to the Participant's legal personal representative or, upon bankruptcy, to the Participant's trustee in bankruptcy, or where any Restriction Period is deemed automatically waived on a Change of Control event occurring, or where the Board, in its absolute discretion, by written notice to a Participant, resolves to waive any Restriction Period (including any Vesting Condition) applying to Loan Plan Shares due to:
  - (i) Special Circumstances arising in relation to a Relevant Person in respect of those Loan Plan Shares; or
  - (ii) the Company passing a resolution for voluntary winding up, or an order is made for the compulsory winding up of the Company
- (i) **Forfeiture:** Except as otherwise provided by the Share Loan Plan, a Loan Plan Share will be forfeited, and the Company must, subject to the Corporations Act and the ASX Listing Rules, either sell those Loan Plan Shares or buy back and cancel those Loan Plan Share under Part 2J.1 of the Corporations Act where:
  - (i) an unauthorised dealing in, or hedging of, the Loan Plan Share occurs;
  - (ii) a Vesting Condition in relation to the Loan Plan Share is not satisfied by the due date, or becomes incapable of satisfaction, as determined by the Board in its absolute discretion, unless the Board exercises its discretion to waive the Vesting Condition (or it is

automatically waived) as permitted by the rules of the Share Loan Plan or sub-paragraph (i)(iii)(B) applies;

- (iii) a Relevant Person ceases to be an Eligible Participant and, at that time, there is a Vesting Condition in relation to that Loan Plan Share that is unsatisfied or is incapable of satisfaction in the opinion of the Board, unless the Board:
  - (A) exercises its discretion to waive that Vesting Condition as permitted by the rules of the Share Loan Plan; or
  - (B) in its absolute discretion, resolves to allow the Vesting Condition to continue to apply to the Loan Plan Share after the Relevant Person ceases to be an Eligible Participant;
- (iv) the Board deems that a Loan Plan Share is forfeited due to fraud, dishonesty or other improper behaviour of the holder/Eligible Participant; or
- (v) a winding up resolution or order is made, and the Board does not waive the Vesting Condition.

Forfeited Loan Plan Shares may be sold and the proceeds of sale (after deducting the costs and expenses of the sale, including, without limitation, any brokerage, taxes and duties) must be applied by the Company towards paying the outstanding principal of the loan (if any) with any surplus funds paid to the Participant other than no amount will be payable to a Participant in the event the Loan Plan Shares are sold due to forfeiture under sub-paragraphs (i)(i) or (i)(iv) in which case the surplus funds must be forfeited to the Company.

A buyback of a Loan Plan Share must be at a price equal to the cash consideration paid by the Participant for the Loan Plan Shares provided that:

- (vi) any loan will not be treated as cash consideration but any loan amount repayments by the Participant, or dividends applied to the loan amount, will be treated as cash consideration; and
- (vii) no amount will be payable in the event the Loan Plan Share is bought back due to forfeiture under sub-paragraphs (i)(i) or (i)(iv).

(j) **Shares:** Loan Plan Shares shall, subject to any Sale Restrictions (refer paragraph (l)) from the date of issue, rank on equal terms with all other Shares on issue.

(k) **Quotation of Shares:** If Shares of the same class as those issued under the Share Loan Plan are quoted on the ASX, the Company will, subject to the ASX Listing Rules, apply to the ASX for those Shares to be quoted on ASX within 10 business days of the later of the date the Shares are issued and the date any restriction period applying to the disposal of Shares ends.

(l) **Sale Restrictions:** The Board may, in its discretion, determine that a restriction period will apply to some or all of the Loan Plan Shares issued to an Eligible Participant (or their eligible nominee) up to a maximum of seven (7) years from the issue date. In addition, the Board may, in its sole discretion, having regard to the circumstances at the time, waive any such restriction period determined.

(m) **Participation Rights:** Subject to the rules of the Share Loan Plan, a Participant, upon issue of Loan Plan Shares, will enjoy all the rights attaching to Shares of the Company.

(n) **Reorganisation:** If, at any time, the issued capital of the Company is reorganised (including consolidation, subdivision, reduction or return), the terms of the Loan Plan Shares will be changed in

a manner consistent with the Corporations Act and the ASX Listing Rules at the time of the reorganisation.

- (o) **Trust:** The Board may, in its absolute discretion, on or before the time of making an Offer, determine that Loan Plan Shares offered to an Eligible Employee must be held by a trustee on trust for the benefit of the Participant. The trustee must hold the Loan Plan Shares on trust for the benefit of the Participant in accordance with the Share Loan Plan and the Offer (including any Restriction Conditions) and any trust deed entered into for the purposes of the Share Loan Plan. Subject to any applicable trust deed, the trustee may only transfer the Loan Plan Shares to the Participant (or a third party at the direction of the Participant) after the Restriction Period has ended.

- (p) **Amendments:** Subject to express restrictions set out in the Share Loan Plan and complying with the Corporations Act, ASX Listing Rules and any other applicable law, the Board may at any time by resolution amend or add to all or any of the provisions of the Share Loan Plan, or the terms or conditions of any Loan Plan Shares issued under the Share Loan Plan including giving any amendment retrospective effect.

**Definitions:** Capitalised terms used in the above summary are as defined in the Share Loan Plan, including:

**Associated Body Corporate** means:

- (a) a related body corporate (as defined in the Corporations Act) of the Company;
- (b) a body corporate which has an entitlement to not less than 20% of the voting Shares of the Company; and
- (c) a body corporate in which the Company has an entitlement to not less than 20% of the voting shares.

**Change of Control** means:

- (a) a bona fide Takeover Bid is declared unconditional and the bidder has acquired a Relevant Interest in at least 50.1% of the Company's issued Shares;
- (b) a court approves, under section 411(4)(b) of the Corporations Act, a proposed compromise or arrangement for the purposes of, or in connection with, a scheme for the reconstruction of the Company or its amalgamation with any other company or companies; or
- (c) in any other case, a person obtains Voting Power in the Company which the Board (which for the avoidance of doubt will comprise those Directors immediately prior to the person acquiring that Voting Power) determines, acting in good faith and in accordance with their fiduciary duties, is sufficient to control the composition of the Board.

**Relevant Person** means:

- (a) in respect of an Eligible Participant, that person; and
- (b) in respect of a nominee of an Eligible Participant, that Eligible Participant.

**Restriction Period** means, in relation to a Loan Plan Share, the period commencing on the date of issue of the Loan Plan Share and ending on the later of:

- (a) the date all Vesting Conditions that apply to that Loan Plan Share (if any) are satisfied or waived; and

- (b) the date any loan in relation to the Loan Plan Share is repaid in full or otherwise discharged under the Share Loan Plan.

**Special Circumstances** means:

- (a) a Relevant Person ceasing to be an Eligible Participant due to:
- (i) death or Total or Permanent Disability of a Relevant Person; or
  - (ii) Retirement or Redundancy of a Relevant Person;
- (b) a Relevant Person suffering Severe Financial Hardship;
- (c) any other circumstance stated to constitute "Special Circumstances" in the terms of the relevant Offer made to and accepted by the Participant; or
- (d) any other circumstances determined by the Board at any time (whether before or after the Offer) and notified to the relevant Participant which circumstances may relate to the Participant, a class of Participant, including the Participant or particular circumstances or class of circumstances applying to the Participant.

## Schedule 2 – Summary of key terms of the Employee Equity Incentive Plan

### (a) Administration

The EIP is administered by the Board.

### (b) Eligibility

Eligibility to participate in the EIP, and the number of Shares, Options or Performance Rights offered to each eligible employee will be determined by the Board.

### (c) Issue Price

Unless the Board otherwise determines the Shares, Options or Performance Rights will be granted for nil consideration.

### (d) Award

Under the rules of the EIP, an Award may be offered by way of an invitation and granted to eligible employee of the Company and its subsidiaries from time to time in the form of Shares, Options, and/or Performance Rights, at the absolute discretion of the Board.

### (e) Award in the form of Options and Performance Rights

Unless otherwise determined by the Board and specified in an invitation, each Option or Performance Right entitles the holder, on the exercise of the Option or Performance Right, to receive one Share by way of issue or transfer (at the discretion of the Board). An invitation may confer on the Board a discretion to make a cash payment to a participant in lieu of the issue or transfer of Shares on the exercise of the Option or Performance Right.

The Board may determine the grant, exercise and vesting conditions for each invitation of Options and/or Performance Right.

The exercise price (if any) payable on the exercise of an Option or Performance Right or the manner of determining the exercise price (if any) of an Option or Performance Rights will be specified in the invitation.

### (f) Options and Performance Rights Vesting Conditions

Options or Performance Rights will vest and become exercisable if and to the extent that any applicable vesting conditions specified in the invitation are satisfied and the Shares, Options and Performance Rights have not been forfeited or lapsed.

### (g) Options and Performance Rights Vesting and Exercise

Following satisfaction (or waiver) of any vesting conditions, Options or Performance Rights will vest and participants must exercise their vested Options or Performance Rights and pay the exercise price (if any) to receive Shares or, if such a discretion is conferred on the Board, a cash payment in lieu of a Share.

### (h) Award in the form of Shares

Where an Award is to be granted to an employee in the form of Shares, the Board may determine and specify in an employee's invitation any vesting conditions attaching to any Shares granted under the EIP.

### (i) Share Vesting Conditions

Until all vesting conditions are satisfied or waived by the Board, the Share will be subject to disposal restrictions and risk of forfeiture (as described below).

(j) Shares Vesting and Exercise

Where an Award is to be granted to an employee in the form of Shares, a Share which has not lapsed in accordance with the terms of the EIP will vest if and when any vesting conditions applicable to the Share have been satisfied or waived by the Board

On Shares vesting, they will cease to be subject to the disposal and forfeiture provisions applicable to Shares, or the Board may determine to pay a cash amount to the participant instead of the participant retaining the Share.

(k) Rights attaching to Options and Performance Rights

Options and Performance Rights will not carry any voting or dividend rights, Shares issued or transferred to participants on the exercise of an Option or Performance Rights will rank equally with all Shares on issue, and carry the same rights and entitlements as other issued Shares, including voting and dividend rights.

(l) Rights attaching to Shares

Where an Award is to be granted to an employee in the form of Shares, a Share issued under the EIP will rank equally in all respects with existing Shares on issue, and carry the same rights and entitlements as other issued Shares, including voting and dividend rights.

(m) Restrictions on disposal and hedging of Shares

Where an Award is to be granted to an employee in the form of Shares, Share may not be sold, transferred encumbered or otherwise dealt with without prior written approval of the Board, or unless required by law.

Participants may not enter into any arrangement for the purpose of hedging or otherwise affecting their economic exposure with respect to Shares.

(n) Lapse of Options and Performance Rights

Unless otherwise determined by the Board, an Option or Performance Right will lapse and become unable to be exercised on the earliest of:

- (i) the date that the Board determines that any Vesting Condition applicable to the Option or Performance Right cannot be satisfied;
  - (ii) the date that the Board determines that the Options or Performance Rights should lapse where the participant has acted fraudulently or dishonestly or has materially breached their obligations to the Company (see **Clawback** below);
  - (iii) the expiry date;
  - (iv) in certain circumstances if the participant's employment is terminated (see **Cessation of Employment** below); or
  - (v) if the participant purports to deal in the Option or Performance Right in breach of any disposal or hedging restrictions in respect of the Option or Performance Right.
- (o) Forfeiture of Shares

Where an Award is to be granted to an employee in the form of Shares, unless otherwise determined by the Board a Share will be forfeited in certain circumstances including the matters described in

paragraph (n) (Lapse of Options and Performance Options) other than referring to Shares rather than Options or Performance Rights.

(p) Cessation of Employment

Where a participant ceases employment with the Company, the treatment of the Shares, Options and Performance Rights on cessation will depend on the circumstances of cessation.

Where the participant ceases employment due to resignation, termination by the Company for cause or other circumstances where the Board determines that the following treatment is warranted:

- (i) all unvested Options and/or Performance Rights will lapse at cessation of employment;
- (ii) all unvested Shares will be forfeited at cessation of employment; and
- (iii) all vested Options and/Performance Rights that have not been exercised will lapse.

Where a participant ceases employment for any other reason (including in the case of redundancy, total and permanent disablement and death):

- (i) the participant will be entitled to retain all of their vested Options and/or Performance Rights that have not been exercised;
- (ii) all other unvested Options and Performance Rights will lapse at cessation of employment; and
- (iii) all unvested Shares will be forfeited at cessation of employment.

However, the Board has discretion to apply a different treatment to that outlined above if it deems it appropriate in the circumstances.

(q) Clawback

If the Board becomes aware that the Participant has acted fraudulently or dishonestly or materially breached their obligations to the Company, there is material misstatement in the Company's financial statements relating to a Performance Period or some other event has occurred during the Performance Period which, as result, means that the Shares, Options or Performance Rights should not have vested, the Board may elect to claw back the benefit of that vesting.

(r) Change of control

Where a change of control event occurs, any vesting conditions that have not yet been satisfied are deemed to be automatically waived.

(s) Reconstruction

The EIP provides for adjustments to be made to the number of Shares which a participant would be entitled to receive on the exercise of Options or Performance Rights in the event of any reorganisation of the issued capital of the Company (including consolidation, subdivision, reduction, issue of bonus shares, buy-back, or cancellation), so that the percentage of the fully diluted share capital of the Company into which an Option or Performance Right is exercisable is the same before and after such reorganisation, provided that any such adjustment must be made in accordance with the ASX Listing Rules.

(t) Trading Restrictions

Participants must not sell, transfer, hedge, encumber or otherwise deal with the Shares, Options or Performance Rights.

Shares (including those Shares allocated to participants following the exercise of Options and Performance Rights) are subject to the Company's securities trading policy and applicable laws (such as insider trading provisions) when dealing with Shares.

(u) Limit

Where an invitation to participate is made under the EIP in reliance on ASIC Class Order 14/100, the Board must have reasonable grounds to believe that the number of Shares that may be issued (including the number of Shares that may be issued on exercise of Options or Performance Rights) will not exceed 5% of the total number Shares on issue when aggregated with the number of Shares on issue or that may be issued as result of offer made at any time during the previous 3 year period under the EIP (or other employee incentive scheme covered by the Class Order) or another ASIC exempt arrangement.

Where an Option or Performance Right lapses without being exercised, the Share which would otherwise have been received on exercise of the Option or Performance Right is ignored when calculating the limit.

(v) Amendment

The Board may in its absolute discretion amend the rules of the EIP, or waive or modify the application of the rules of the EIP in relation to a participant, provided that (except in certain specified circumstances) if such amendment would adversely affect the rights of participants in respect of any awards then held by them, the Board must obtain the consent of:

- (i) participants holding in aggregated at least 75% of the total Shares, Options or Performance Rights held by participants affected by the proposed change; and
- (ii) a majority in number of the participants affected by the proposed change, before making the amendment.



#### All Correspondence to:

✉ **By Mail** Boardroom Pty Limited  
GPO Box 3993  
Sydney NSW 2001 Australia

📠 **By Fax:** +61 2 9290 9655

💻 **Online:** [www.boardroomlimited.com.au](http://www.boardroomlimited.com.au)

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

## YOUR VOTE IS IMPORTANT

For your vote to be effective it must be recorded **before 11.00am Sydney time on Wednesday 6 October 2021.**

### 🖥 TO VOTE ONLINE

**STEP 1: VISIT** <https://www.votingonline.com.au/vanegm2021>

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

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

### 📱 BY SMARTPHONE



Scan QR Code using smartphone  
QR Reader App

### TO VOTE BY COMPLETING THE PROXY FORM

#### STEP 1 APPOINTMENT OF PROXY

Indicate who you want to appoint as your Proxy.

If you wish to appoint the Chair of the Meeting as your proxy, mark the box. If you wish to appoint someone other than the Chair of the Meeting as your proxy please write the full name of that individual or body corporate. If you leave this section blank, or your named proxy does not attend the meeting, the Chair of the Meeting will be your proxy. A proxy need not be a securityholder of the company. Do not write the name of the issuer company or the registered securityholder in the space.

##### Appointment of a Second Proxy

You are entitled to appoint up to two proxies to attend the meeting and vote. If you wish to appoint a second proxy, an additional Proxy Form may be obtained by contacting the company's securities registry or you may copy this form.

To appoint a second proxy you must:

- (a) complete two Proxy Forms. On each Proxy Form state the percentage of your voting rights or the number of securities applicable to that form. If the appointments do not specify the percentage or number of votes that each proxy may exercise, each proxy may exercise half your votes. Fractions of votes will be disregarded.
- (b) return both forms together in the same envelope.

#### STEP 2 VOTING DIRECTIONS TO YOUR PROXY

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

##### Proxy which is a Body Corporate

Where a body corporate is appointed as your proxy, the representative of that body corporate attending the meeting must have provided an "Appointment of Corporate Representative" prior to admission. An Appointment of Corporate Representative form can be obtained from the company's securities registry.

#### STEP 3 SIGN THE FORM

The form **must** be signed as follows:

**Individual:** This form is to be signed by the securityholder.

**Joint Holding:** where the holding is in more than one name, all the securityholders should sign.

**Power of Attorney:** to sign under a Power of Attorney, you must have already lodged it with the registry. Alternatively, attach a certified photocopy of the Power of Attorney to this form when you return it.

**Companies:** this form must be signed by a Director jointly with either another Director or a Company Secretary. Where the company has a Sole Director who is also the Sole Company Secretary, this form should be signed by that person. **Please indicate the office held by signing in the appropriate place.**

#### STEP 4 LODGEMENT

Proxy forms (and any Power of Attorney under which it is signed) must be received no later than 48 hours before the commencement of the meeting, therefore by **11.00am Sydney time on Wednesday 6 October 2021**. Any Proxy Form received after that time will not be valid for the scheduled meeting.

Proxy forms may be lodged using the enclosed Reply-Paid Envelope or:

- 💻 **Online** <https://www.votingonline.com.au/vanegm2021>
- 📠 **By Fax** + 61 2 9290 9655
- ✉ **By Mail** Boardroom Pty Limited  
GPO Box 3993,  
Sydney NSW 2001 Australia
- 👤 **In Person** Boardroom Pty Limited  
Level 12, 225 George Street,  
Sydney NSW 2000 Australia

#### Attending the Meeting

If you wish to attend the meeting please bring this form with you to assist registration.

☐ **Your Address**

This is your address as it appears on the company's share register. If this is incorrect, please mark the box with an "X" and make the correction in the space to the left. Securityholders sponsored by a broker should advise their broker of any changes.

**Please note, you cannot change ownership of your securities using this form.**

## PROXY FORM

### STEP 1 APPOINT A PROXY

I/We being a member/s of **Vango Mining Limited** (Company) and entitled to attend and vote hereby appoint:

☐

the **Chair of the Meeting** (mark box)

**OR** if you are **NOT** appointing the Chair of the Meeting as your proxy, please write the name of the person or body corporate (excluding the registered securityholder) you are appointing as your proxy below

or failing the individual or body corporate named, or if no individual or body corporate is named, the Chair of the Meeting as my/our proxy at the General Meeting of the Company to be held online **at the url address <https://web.lumiagm.com/342-175-551> on Friday 8 October 2021 at 11.00am Sydney time** and at any adjournment of that meeting, to act on my/our behalf and to vote in accordance with the following directions or if no directions have been given, as the proxy sees fit.

The Chair of the Meeting intends to vote undirected proxies in favour of each of the items of business. If I/we have appointed the Chairman of the Meeting as my/our proxy or the Chairman of the Meeting becomes my/our proxy by default, by signing and submitting this form I/we expressly authorise the Chairman of the Meeting to exercise my/our proxy in respect of Resolutions 1 to 5 inclusive (except where I/we have indicated a different voting intention below) even though Resolutions 1 to 5 inclusive are connected directly or indirectly with the remuneration of members of key management personnel, including the Chairman.

### STEP 2 VOTING DIRECTIONS

If you have appointed the Chairman of the Meeting as your proxy (or the Chairman of the Meeting becomes your proxy by default), and you wish to give the Chairman specific voting directions on an item, you should mark the appropriate box/es opposite those items in step 2 below (directing the Chairman of the Meeting to vote for, against or to abstain from voting).

\* If you mark the Abstain box for a particular item, you are directing your proxy not to vote on your behalf on a show of hands or on a poll and your vote will not be counted in calculating the required majority if a poll is called.

		For	Against	Abstain*
Resolution 1	Enable the issue of Securities under an Employee Incentive Scheme – Vango Mining Limited Share Loan Plan	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Resolution 2	Approval to issue Shares and provide a loan under the Share Loan Plan to Bruce McInnes	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Resolution 3	Approval to issue Shares and provide a loan under the Share Loan Plan to Shengqiang (Sean) Zhou	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Resolution 4	Approval to issue Shares and provide a loan under the Share Loan Plan to Zhenzhu (Carol) Zhang	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Resolution 5	Enable the issue of Securities under an Employee Incentive Scheme – Vango Mining Limited Employee Equity Incentive Plan	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Resolution 6	Ratification of prior issue of Shares under June 2021 Placement	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Resolution 7	Approval to issue Shares to Gifted Force International Limited for participation in the June 2021 Placement	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Resolution 8	Ratification of prior issue of Shares to a contractor (Mr James Moses) in lieu of amounts payable	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Resolution 9	Ratification of prior issue of Shares to a contractor (Clynk Pty Ltd) in lieu of amounts payable	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Resolution 10	Ratification of prior issue of Shares to a contractor (IHM Corporate Services Pty Ltd) in lieu of amounts payable	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>

### STEP 3 SIGNATURE OF SECURITYHOLDERS

This form must be signed to enable your directions to be implemented.

Individual or Securityholder 1

Sole Director and Sole Company Secretary

Securityholder 2

Director

Securityholder 3

Director / Company Secretary