

KINGFISHER MINING LIMITED

ACN 629 675 216

Notice of Annual General Meeting

**Annual General Meeting to be held at
Level 11, 216 St Georges Terrace, Perth on Friday 26 November 2021 commencing at 9:00am (AWST).**

THE COMPANY IS TAKING PRECAUTIONS TO FACILITATE AN IN PERSON MEETING IN ACCORDANCE WITH COVID-19 RESTRICTIONS. IF THE SITUATION IN RELATION TO COVID-19 CHANGES IN A WAY AFFECTING THE ABILITY TO FACILITATE AN IN PERSON MEETING AS PROPOSED, THE COMPANY WILL PROVIDE AN UPDATE AHEAD OF THE MEETING BY WAY OF AN ASX ANNOUNCEMENT.

Important

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

Shareholders are urged to attend the Meeting or vote by lodging the Proxy Form attached to the Notice.

Should you wish to discuss any matter please do not hesitate to contact the Company Secretary by telephone on +61 8 9481 0389 or via email at info@kingfishermining.com.au.

NOTICE OF ANNUAL GENERAL MEETING

Notice is given that the annual general meeting of the Shareholders of Kingfisher Mining Limited ACN 629 675 216 (**Company**) will be held at Level 11, 216 St Georges Terrace, Perth on Friday 26 November 2021, commencing at 9:00am (AWST). The Explanatory Statement that accompanies and forms part of this Notice of Meeting describes in more detail the matters to be considered.

The Board is closely monitoring the rapidly changing coronavirus (COVID-19) pandemic. The health of the Company's Shareholders, employees and other stakeholders is of paramount importance.

While the Board would like to host all Shareholders in person, in order to minimise the risk to Shareholders and to the Company and its ongoing operations, the Company suggests that Shareholders do not attend the Meeting in person. Accordingly, the Directors strongly encourage all Shareholders to lodge Proxy Forms prior to the Meeting.

The Board will continue to monitor Government restrictions on public gatherings. If it becomes necessary or appropriate to make alternative arrangements to those set out in this Notice, the Company will notify Shareholders accordingly via the Company's website at <https://www.kingfishermining.com.au/> and the ASX announcement platform.

Business

Annual Report

To receive and consider the Annual Report of the Company and its controlled entities for the financial year ended 30 June 2021, which includes the Financial Report, the Directors' Report, the Remuneration Report and the Auditor's Report.

Note: there is no requirement for Shareholders to approve the Annual Report.

Resolution 1: Adoption of Remuneration Report

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

"That, for the purposes of section 250R(2) of the Corporations Act and for all other purposes, the Remuneration Report for the financial year ended 30 June 2021 be adopted by Shareholders, on the terms and conditions in the Explanatory Statement."

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

Resolution 2: Re-election of Director – Warren Hallam

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

"That, for the purposes of Listing Rule 14.4 and clause 7.2(a) of the Constitution and, for all other purposes, Warren Hallam retires, and being eligible, is re-elected as a Director, on the terms and conditions in the Explanatory Statement."

Resolution 3: Re-election of Director – Scott Huffadine

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

"That, for the purposes of Listing Rule 14.4 and clause 7.2(a) of the Constitution and, for all other purposes, Scott Huffadine retires, and being eligible, is re-elected as a Director, on the terms and conditions in the Explanatory Statement."

Resolution 4: Re-election of Director – James Farrell

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

“That, for the purposes of Listing Rule 14.4 and clause 7.6(c) of the Constitution and, for all other purposes, James Farrell retires, and being eligible, is re-elected as a Director, on the terms and conditions in the Explanatory Statement.”

Resolution 5: Approval of 10% Placement Facility

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

“That, for the purpose of Listing Rule 7.1A, and for all other purposes, approval be given for the issue of Equity Securities totalling up to 10% of the issued capital of the Company (at the time of the issue) calculated in accordance with the formula prescribed in Listing Rule 7.1A.2, and on the terms and conditions set out in the Explanatory Statement”.

Resolution 6: Approval of Potential Termination Benefits under the Plan

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

“That, for a period commencing from the date this Resolution is passed and ending upon the expiry of all Securities issued or to be issued under the Kingfisher Mining Limited Employee Securities Incentive Plan, approval be given for all purposes including Part 2D.2 of the Corporations Act for the giving of benefits to any current or future person holding a managerial or executive office of the Company or a related body corporate in connection with that person ceasing to hold such office, on the terms and conditions in the Explanatory Statement.”

Resolution 7: Approval of issue of Options to James Farrell

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

“That, for the purposes of Listing Rule 10.14 and for all other purposes, approval is given for the Company to issue 500,000 Options to James Farrell (or his nominees) on the terms and conditions set out in the Explanatory Statement.”

By order of the Board

Stephen Brockhurst
Company Secretary
Kingfisher Mining Limited

21 October 2021

EXPLANATORY STATEMENT

Important information

This Explanatory Statement has been prepared for the information of the Shareholders of Kingfisher Mining Limited ACN 629 675 216 (**Company**) in connection with the Resolutions to be considered at the Annual General Meeting to be held at Level 11, 216 St Georges Terrace, Perth on Friday 26 November 2021, commencing at 9:00am (AWST).

The purpose of this Explanatory Statement is to provide Shareholders with all information known to the Company, which is material to a decision on how to vote on the Resolutions in the accompanying Notice of Meeting.

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

Interpretation

Capitalised terms which are not otherwise defined in this Notice and Explanatory Statement have the meanings given to those terms under the Definitions section. References to “\$” and “A\$” in this Notice and Explanatory Statement are references to Australian currency unless otherwise stated. References to time in this Notice and Explanatory Statement relate to the time in Perth, Western Australia.

Voting exclusions

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

Resolution 5: if at the time of the Meeting, the Company is proposing to make an issue of Equity Securities under Listing Rule 7.1A.2, by or on behalf of any persons who are expected to participate in, or who will obtain a material benefit as a result of, the proposed issue (except a benefit solely by reason of being a Shareholder), or any of their respective associates; and

Resolution 7: by or on behalf of a person referred to in Listing Rule 10.14.1, 10.14.2 or 10.14.3 who is eligible to participate in the Plan, or any of their respective associates.

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

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

Voting prohibitions

Resolution 1: In accordance with sections 250BD and 250R of the Corporations Act, a vote on this Resolution must not be cast (in any capacity) by or on behalf of either of the following persons:

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

However, a person may cast a vote on this Resolution as a proxy if the vote is not cast on behalf of a person described above and either:

- (a) the voter is appointed as a proxy by writing that specifies the way the proxy is to vote on this Resolution; or
- (b) the voter is the Chair and the appointment of the Chair as proxy:
 - (i) does not specify the way the proxy is to vote on this Resolution; and
 - (ii) expressly authorises the Chair to exercise the proxy even though this Resolution is connected directly or indirectly with the remuneration of a member of the Key Management Personnel.

Resolutions 6 and 7: In accordance with sections 250BD of the Corporations Act, a person appointed as a proxy must not vote, on the basis of that appointment, on this Resolution if:

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

Further, in respect of **Resolution 6**, in accordance with section 200E(2A) of the Corporations Act, a vote on this Resolution must not be cast by any participants or potential participants in the Plan and their associates, otherwise the benefit of this Resolution will be lost by such a person in relation to that person's future retirement.

However, a vote may be cast by such a person if:

- (a) the person is appointed as proxy by writing that specifies the way the proxy is to vote on the Resolution; and
- (b) it is not cast on behalf of the person or an associate of the person.

Voting in person

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

Based on the best information available to the Board at the date of this Notice, the Board considers it will be in a position to hold an 'in-person' meeting to provide Shareholders with a reasonable opportunity to participate in and vote at the Meeting, while complying with the COVID-19 restrictions regarding public gatherings. The Company, however, strongly encourages Shareholders to submit proxies prior to the Meeting. If the situation in relation to COVID-19 were to change in a way that affected the position above, the Company will provide a further update ahead of the Meeting via the ASX announcements platform.

Voting by proxy

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

Please note that:

- (a) a member of the Company entitled to attend and vote at the Meeting is entitled to appoint a proxy;
- (b) a proxy need not be a member of the Company; and

- (c) a member of the Company entitled to cast two or more votes may appoint two proxies and may specify the proportion or number of votes each proxy is appointed to exercise, but where the proportion or number is not specified, each proxy may exercise half of the votes.

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

Section 250BB(1) of the Corporations Act provides that an appointment of a proxy may specify the way the proxy is to vote on a particular resolution and, if it does:

- (a) the proxy need not vote on a show of hands, but if the proxy does so, the proxy must vote that way (i.e. as directed);
- (b) if the proxy has 2 or more appointments that specify different ways to vote on the resolution – the proxy must only vote on a poll;
- (c) if the proxy is the Chair of the meeting at which the resolution is voted on – the proxy must vote on a poll, and must vote that way (i.e. as directed); and
- (d) if the proxy is not the Chair – the proxy need not vote on the poll, but if the proxy does so, the proxy must vote that way (i.e. as directed).

Section 250BC of the Corporations Act provides that, if:

- (a) an appointment of a proxy specifies the way the proxy is to vote on a particular resolution at a meeting of the Company's members;
- (b) the appointed proxy is not the chair of the meeting;
- (c) at the meeting, a poll is duly demanded on the resolution; and
- (d) either the proxy is not recorded as attending the meeting or the proxy does not vote on the resolution,

the Chair of the meeting is taken, before voting on the resolution closes, to have been appointed as the proxy for the purposes of voting on the resolution at the meeting.

Chair's voting intentions

If the Chair is your proxy, either by appointment or by default, and you have not indicated your voting intention, you expressly authorise the Chair to exercise the proxy in respect of Resolution 1, Resolution 6 and Resolution 7 even though these Resolutions are connected directly or indirectly with the remuneration of the Company's Key Management Personnel.

The Chair intends to exercise all available proxies in favour of all Resolutions, unless the Shareholder has expressly indicated a different voting intention. In exceptional circumstances, the Chair of the Meeting may change his/her voting intention on any Resolution, in which case an ASX announcement will be made.

To vote by proxy, please complete and sign the Proxy Form enclosed and either:

- (a) send the Proxy Form by post to Automic, GPO Box 5193, SYDNEY NSW 2001;
- (b) submit the Proxy Form in person at Automic, Level 5, 126 Phillip Street, SYDNEY NSW 2000; or
- (c) vote online at: <https://investor.automic.com.au/#/loginsah>,

so that it is received not less than 48 hours prior to commencement of the Meeting.

Voting entitlements

In accordance with Regulations 7.11.37 of the *Corporations Regulations 2001* (Cth), the Board has determined that the persons eligible to vote at the Meeting are those who are registered Shareholders as at 5:00pm (AWST) on Wednesday 24 November 2021.

REGULATORY INFORMATION

1. Annual Report

In accordance with section 317 of the Corporations Act, Shareholders will be offered the opportunity to discuss the Annual Report, including the Financial Report, the Directors' Report and the Auditor's Report for the financial year ended 30 June 2021.

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

At the Meeting, Shareholders will be offered the opportunity to:

- (i) ask questions about, or make comments on, the Annual Report and the management of the Company; and
- (ii) ask the auditor questions about the conduct of the audit and the preparation and content of the Auditor's Report.

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

- (i) the preparation and content of the Auditor's Report;
- (ii) the conduct of the audit;
- (iii) accounting policies adopted by the Company in relation to the preparation of the financial statements; and
- (iv) the independence of the auditor in relation to the conduct of the audit,

may be submitted no later than five business days before the Meeting to the Company Secretary at the Company's registered office.

A representative of the Company's auditor, Criterion Audit Pty Ltd, will be in attendance at the Meeting to respond to any questions raised of the auditor or on the Auditor's Report.

The Company will not provide a hard copy of the Company's Annual Report to Shareholders unless specifically requested to do so.

2. Resolution 1: Remuneration Report

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

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

If the Company's Remuneration Report receives a 'no' vote of 25% or more (**Strike**) at two consecutive annual general meetings, Shareholders will have the opportunity to remove the whole Board, except the managing director (if any).

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

The Company's Remuneration Report did not receive a Strike at the 2020 annual general meeting held on 17 November 2020. If the Remuneration Report receives a Strike at this Meeting, Shareholders should be aware that if a second Strike is received at the 2022 annual general meeting, this may result in the re-election of the Board.

The Chair will allow a reasonable opportunity for Shareholders as a whole to ask about, or make comments on the Remuneration Report.

3. Resolution 2: Re-election of Director – Warren Hallam

Clause 7.2(a) of the Constitution and ASX Listing Rule 14.4 both provide that a director must not hold office (without re-election) past the third annual general meeting following the director's appointment or 3 years, whichever is longer.

Clause 7.3 of the Constitution provides that a director who retires holds office until the conclusion of the meeting at which that director retires but is eligible for re-election.

Accordingly, Warren Hallam, a Director appointed on 4 December 2018 retires at this Meeting and, being eligible, and offering himself for re-election, seeks re-election pursuant to this Resolution 2.

Qualifications and other material directorships

Mr Hallam is a Metallurgist and a Mineral Economist and holds a Graduate Diploma in Finance. Mr Hallam has considerable technical, managerial and financial experience across a broad range of commodities being predominantly copper, nickel, tin, gold and iron ore. Mr Hallam was appointed as a Director on 4 December 2018. Mr Hallam is currently a director of Nelson Resources Limited (ASX: NES) and Essential Metals Limited (ASX: ESS).

Independence

If elected, the Board (with Mr Hallam abstaining) considers Mr Hallam to be an independent Director. Mr Hallam is not considered by the Board to hold any interest, position or relationship that might influence, or reasonably be perceived to influence, in a material respect his capacity to bring an independent judgement to bear on issues before the Board and to act in the best interests of the entity as a whole rather than in the interests of an individual security holder or other party.

Time

Mr Hallam has acknowledged to the Company that he will have sufficient time to fulfil his responsibilities as a Director.

Board recommendation

The Board (other than Warren Hallam who has a personal interest in the outcome of this Resolution) supports the re-election of Warren Hallam for the following reasons:

- (i) On the basis of his skills, qualifications and exploration industry and leadership experience and his contributions to the Board's activities, the Board (with Warren Hallam abstaining) recommends Shareholders vote in favour of the re-election of Warren Hallam.

Additional information

Resolution 2 is an ordinary resolution.

The Board (other than Warren Hallam who has a personal interest in the outcome of this Resolution) recommends Shareholders vote in favour of this Resolution.

4. Resolution 3: Re-election of Director – Scott Huffadine

Clause 7.2(a) of the Constitution and ASX Listing Rule 14.4 both provide that a director must not hold office (without re-election) past the third annual general meeting following the director's appointment or 3 years, whichever is longer. Clause 7.3 of the Constitution provides that a director who retires holds office until the conclusion of the meeting at which that director retires but is eligible for re-election.

Accordingly, Scott Huffadine, a Director appointed on 1 March 2019 retires at this Meeting and, being eligible, and offering himself for re-election, seeks re-election pursuant to this Resolution 3.

Qualifications and other material directorships

Mr Huffadine holds a Bachelor of Science with Honours. Mr Huffadine is a Geologist with more than 20 years' experience in the resource industry, specifically project management, geology and executive management. Mr Huffadine has held several key management positions ranging from operational start-ups involving open pit and underground mining projects, through to large integrated operations in gold and base metals. Mr Huffadine is currently a director of Pantoro Limited (ASX: PNR).

Independence

If elected, the Board (with Mr Huffadine abstaining) considers Mr Huffadine to be an independent director. Mr Huffadine is not considered by the Board to hold any interest, position or relationship that might influence, or reasonably be perceived to influence, in a material respect his capacity to bring an independent judgement to bear on issues before the Board and to act in the best interests of the entity as a whole rather than in the interests of an individual security holder or other party.

Time

Mr Huffadine has acknowledged to the Company that he will have sufficient time to fulfil his responsibilities as a Director.

Board recommendation

The Board (other than Scott Huffadine who has a personal interest in the outcome of this Resolution) supports the re-election of Scott Huffadine for the following reasons:

- (a) On the basis of his skills, qualifications and exploration industry and leadership experience and his contributions to the Board's activities, the Board (with Scott Huffadine abstaining) recommends Shareholders vote in favour of the re-election of Scott Huffadine.

Additional information

Resolution 3 is an ordinary resolution.

The Board (other than Scott Huffadine who has a personal interest in the outcome of this Resolution) recommends Shareholders vote in favour of this Resolution.

5. Resolution 4: Re-election of Director – James Farrell

Clause 7.6(a) of the Constitution provides that the Directors may at any time appoint any person to be a Director, either to fill a casual vacancy or as an addition to the existing Directors.

Clause 7.6(c) of the Constitution provides that a Director appointed under Clause 7.6(a) holds office until the conclusion of the next annual general meeting of the Company but is eligible for election at that Meeting.

ASX Listing Rule 14.4 provides that a Director appointed to fill a casual vacancy or as an addition to the Board must not hold office without re-election past the next annual general meeting of the Company.

Accordingly, James Farrell, a Director appointed under Clause 7.6(a) retires at this Meeting and, being eligible, and offering himself for re-election, seeks re-election pursuant to this Resolution 4.

Qualifications and other material directorships

Mr Farrell is an exploration and resource development geologist with more than 18 years' experience in the resource industry in Australia, Africa and Asia. Mr Farrell has significant experience with project generation, multidisciplinary project development studies, project development strategy and technical due diligence for company mergers, project acquisition and project divestment.

Independence

If elected, the Board (with Mr Farrell abstaining) considers Mr Farrell not to be an independent director because he is an Executive Director and the CEO.

Time

Mr Farrell has acknowledged to the Company that he will have sufficient time to fulfil his responsibilities as a Director.

Board recommendation

The Board (other than James Farrell who has a personal interest in the outcome of this Resolution) supports the re-election of James Farrell for the following reasons:

- (a) On the basis of his skills, qualifications and exploration industry and leadership experience and his contributions to the Board's activities, the Board (with James Farrell abstaining) recommends Shareholders vote in favour of the re-election of James Farrell.

Additional information

Resolution 4 is an ordinary resolution.

The Board (other than James Farrell who has a personal interest in the outcome of this Resolution) recommends Shareholders vote in favour of this Resolution.

6. Resolution 5: Approval of 10% Placement Facility

The Company seeks Shareholder approval to issue Equity Securities up to 10% of its issued share capital through placements over a 12 month period (**Relevant Period**) after the Meeting (**10% Placement Facility**). The 10% Placement Facility is in addition to the Company's 15% placement capacity under Listing Rule 7.1.

The exact number of Equity Securities to be issued under the 10% Placement Facility will be determined in accordance with the formula prescribed in Listing Rule 7.1A.2 (see below).

Resolution 5 is a **special resolution** and therefore requires approval of 75% of the votes cast by Shareholders present and eligible to vote (in person, by proxy, by attorney or, in the case of a corporate Shareholder, by a corporate representative).

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

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

Listing Rule 7.1A

(a) Eligible entity

An eligible entity for the purposes of Listing Rule 7.1A is an entity that is not included in the S&P/ASX 300 Index and has a market capitalisation of \$300 million or less.

The Company is an eligible entity as it is not included in the S&P/ASX 300 Index and has a market capitalisation of approximately \$8 million, based on the closing price of Shares \$0.195 on 20 October 2021.

(b) Equity Securities that can be issued

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

As at the date of the Notice, the Company has on issue one quoted class of Equity Securities; Shares.

(c) **Maximum number of Equity Securities which may be issued**

The number of Equity Securities which may be issued, or agreed to be issued, under the 10% Placement Facility is prescribed in Listing Rule 7.1A.2 and is calculated as follows:

| |
|---|
| $\text{Number of Equity Securities} = (A \times D) - E$ |
|---|

“A” = the number of fully paid ordinary shares on issue at the commencement of the Relevant Period:

- (A) plus the number of fully paid shares issued in the Relevant Period under an exception in Listing Rule 7.2 other than exception 9, 16 or 17;
- (B) plus the number of fully paid ordinary shares issued in the Relevant Period on the conversion of convertible securities within Listing Rule 7.2 exception 9 where:
 - the convertible securities were issued or agreed to be issued before the commencement of the Relevant Period; or
 - the issue of, or agreement to issue, the convertible securities was approved, or taken under the Listing Rules to have been approved, under Listing Rule 7.1 or Listing Rule 7.4;
- (C) plus the number of fully paid ordinary shares issued in the Relevant Period under an agreement to issue securities within Listing Rule 7.2 exception 16 where:
 - the agreement was entered into before the commencement of the Relevant Period; or
 - the agreement or issue was approved, or taken under the Listing Rules to have been approved, under Listing Rule 7.1 or Listing Rule 7.4;
- (D) plus the number of any other fully paid ordinary shares issued in the Relevant Period with approval under Listing Rule 7.1 or Listing Rule 7.4;
- (E) plus the number of partly paid shares that became fully paid Shares in the Relevant Period; and
- (F) less the number of fully paid ordinary shares cancelled in the Relevant Period.

“D” = is 10%.

“E” = is the number of Equity Securities issued or agreed to be issued under Listing Rule 7.1A.2 in the Relevant Period where the issue or agreement has not been subsequently approved by Shareholders under Listing Rules 7.1 and 7.4.

The actual number of Equity Securities that may be issued under Listing Rule 7.1A is calculated at the date of issue of the Equity Securities in accordance with the above formula.

(d) **Interaction with Listing Rule 7.1**

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

(e) **Minimum Issue Price**

The issue price of Equity Securities issued under Listing Rule 7.1A must be for a cash consideration per security which is not less than 75% of the VWAP of Equity Securities in the same class calculated over the 15 Trading Days on which trades in that class were recorded immediately before:

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

(Minimum Issue Price).

Specific information required by Listing Rule 7.3A

For the purposes of Listing Rule 7.3A, the following information is provided in relation to the 10% Placement Facility:

- (a) The approval will be valid for the period commencing on the date of the Meeting and expires on the first to occur of the following:
 - (i) the date that is 12 months after the date of the Meeting;
 - (ii) the time and date of the Company's next annual general meeting; and
 - (iii) the time and date of the approval by Shareholders of a transaction under Listing Rule 11.1.2 or Listing Rule 11.2,

(10% Placement Period).

- (b) Where the Company issues Equity Securities under the 10% Placement Facility, it will only do so for cash consideration and the issue price will be not less than the Minimum Issue Price.
- (c) The Company intends to use any funds raised towards continued exploration and expenditure on the Company's current assets, acquisition of new assets or investments (including expenses associated with such acquisitions) and/or general working capital.
- (d) There is a risk of economic and voting dilution to existing Shareholders in approving the 10% Placement Facility, including the risks that:
 - (i) the market price for the Company's Equity Securities may be significantly lower on the date of the issue of the Equity Securities than when Shareholders approve the 10% Placement Facility; and
 - (ii) the Equity Securities may be issued at a price that is at a discount to the market price for the Company's Equity Securities on the issue date.

If this Resolution 5 is approved by Shareholders and the Company issues Equity Securities under the 10% Placement Facility, the existing Shareholders' economic and voting power in the Company may be diluted as shown in the below table.

The table below shows the potential dilution of existing Shareholders based on the current market price of Shares and the current number of Shares for Variable 'A' calculated in accordance with the formula in Listing Rule 7.1A.2 as at the date of this Notice (**Variable A**), with:

- (i) two examples where Variable A has increased by 50% and 100%; and
- (ii) two examples of where the issue price of Shares has decreased by 50% and increased by 100% as against the current market price.

| Dilution | | | | |
|-------------------------------------|-----------------------|----------------------------|----------------------|---------------------------|
| Variable 'A' in Listing Rule 7.1A.2 | Issue price per Share | \$0.0975 (50% decrease) | \$0.195 (Current) | \$0.39 (100% increase) |
| (Shares on issue) | | | | |
| 42,250,001 (Current) | 10% voting dilution | 4,225,000 | 4,225,000 | 4,225,000 |
| | Funds raised | \$411,938 | \$823,875 | \$1,647,750 |
| 63,375,002 (50% increase) | 10% voting dilution | 6,337,500 | 6,337,500 | 6,337,500 |
| | Funds raised | \$617,906 | \$1,235,813 | \$2,471,625 |
| 84,500,002 (100% increase) | 10% voting dilution | 8,450,000 | 8,450,000 | 8,450,000 |
| | Funds raised | \$823,875 | \$1,647,750 | \$3,295,500 |

Notes:

- (i) The table has been prepared on the following assumptions:
 - (A) The Company issues, or agrees to issue, the maximum number of Equity Securities available under the 10% Placement Facility.
 - (B) No convertible securities have been exercised before the date of the issue of the Equity Securities.
 - (C) The 10% voting dilution reflects the aggregate percentage dilution against the issued share capital at the time of issue. This is why the voting dilution is shown in each example as 10%.
 - (D) The issue of Equity Securities under the 10% Placement Facility consists only of Shares. If the issue of Equity Securities includes quoted Options, it is assumed that those quoted Options are exercised into Shares for the purpose of calculating the voting dilution effect on existing Shareholders.
 - (E) The issue price is the current market price (\$0.195), being the closing price of the Shares on ASX on 2 October 2021, being the last day that the Company's Shares were traded on the ASX before this Notice was printed.
 - (F) Variable A comprises of 42,250,001 existing Shares on issue as at the date of this Notice, assuming the Company has not issued any Shares in the 12 months prior to the Meeting that were not issued under an exception in Listing Rule 7.2 or with Shareholder approval under Listing Rule 7.1 and 7.4.
- (ii) The number of Shares on issue (i.e. Variable A) may increase as a result of issues of Shares that do not require Shareholder approval (for example, a pro rata entitlements issue, scrip issued under a takeover offer or upon exercise of convertible securities) or future specific placements under Listing Rule 7.1 that are approved at a future Shareholders' meeting.
- (iii) The 10% voting dilution reflects the aggregate percentage dilution against the issued Share capital at the time of issue. This is why the voting dilution is shown in each example as 10%.
- (iv) The table does not show an example of dilution that may be caused to a particular Shareholder by reason of placements under the 10% Placement Facility, based on that Shareholder's holding at the date of the Meeting.
- (v) The table shows only the effect of issues of Equity Securities under Listing Rule 7.1A, not under the 15% placement capacity under Listing Rule 7.1.

- (e) The Company's policy for allocating Equity Securities issued under the 10% Placement Facility will be determined on a case-by-case basis depending upon the purpose, and prevailing market conditions at the time, of any issue and having regard to factors including but not limited to the following:
- (i) The fundraising methods available to the Company, including but not limited to, rights issues or other issues in which existing Shareholders can participate.
 - (ii) The effect of the issue of the Equity Securities on the control of the Company.
 - (iii) The financial situation and solvency of the Company.
 - (iv) Advice from corporate, financial and broking advisers (if applicable).
- The allottees under the 10% Placement Facility have not been determined as at the date of this Notice but may include existing substantial Shareholders and/or new Shareholders who are not related parties or associates of a related party of the Company.
- (f) The Company has not issued any Equity Securities under Listing Rule 7.1A.2 in the 12 months preceding the date of this Notice.
- (g) At the date of this Notice, the Company is not proposing to make an issue of Equity Securities under Listing Rule 7.1A.2 and has not approached any particular existing Shareholder or security holder or an identifiable class of existing security holders to participate in any such issue. However, in the event that between the date of this Notice and the date of the Meeting, the Company proposes to make an issue of Equity Securities under Listing Rule 7.1A to one or more existing Shareholders, those Shareholders' votes will be excluded under the voting exclusion statement in the Notice.

Additional information

Resolution 5 is an ordinary resolution.

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

7. Resolution 6: Approval of potential termination benefits under the Plan

General

The Corporations Act contains certain limitations concerning the payment of 'termination benefits' to persons who hold a 'managerial or executive office'. The Listing Rules also provides certain limitations on the payment of 'termination benefits' to officers of listed entities.

As is common with employee incentive schemes, the Plan provides the Board with the discretion to, amongst other things, determine that some or all of the Securities granted to a participant under the Plan (**Plan Securities**) will not lapse in the event of that participant ceasing their engagement with the Company before such Plan Securities have vested. This 'accelerated vesting' of Plan Securities may constitute a 'termination benefit' prohibited under the Corporations Act, regardless of the value of such benefit, unless Shareholder approval is obtained. Accordingly, the Board has resolved to seek Shareholder approval for the granting of such termination benefits in accordance with Resolution 6.

If Resolution 6 is not passed, the Company will not be able to offer 'termination benefits' to persons who hold a 'managerial or executive office' pursuant to the terms of the Plan.

Part 2D.2 of the Corporations Act

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

Shareholder approval is sought for the purposes of Part 2D.2 of the Corporations Act to approve the giving of benefits under the Plan to a person by the Company in connection with that person ceasing to be an officer of, or ceasing to hold a managerial or executive office in, the Company (or subsidiary of the Company) on the terms and conditions in this Explanatory Statement.

As noted above, under the terms of the Plan and subject to the Listing Rules, the Board possesses the discretion to vary the terms or conditions of the Plan Securities. Notwithstanding the foregoing, without the consent of the participant in the Plan, no amendment may be made to the terms of any granted Plan Security which reduces the rights of the participant in respect of that Plan Security, other than an amendment introduced primarily to comply with legislation, to correct any manifest error or mistake or to take into consideration possible adverse tax implications.

As a result of the above discretion, the Board has the power to determine that some or all of a participant's Plan Securities will not lapse in the event of the participant ceasing employment or office before the vesting of their Plan Securities.

The exercise of this discretion by the Board may constitute a 'benefit' for the purposes of section 200B of the Corporations Act. The Company is therefore seeking Shareholder approval for the exercise of the Board's discretion in respect of any current or future participant in the Plan who holds:

- (a) a managerial or executive office in, or is an officer of, the Company (or subsidiary of the Company) at the time of their leaving or at any time in the three years prior to their leaving; and
- (b) Plan Securities at the time of their leaving.

Valuation of the termination benefits

Provided Shareholder approval is given, the value of the termination benefits may be disregarded when applying section 200F(2)(b) or section 200G(1)(c) of the Corporations Act (i.e. the approved benefit will not count towards the statutory cap under the legislation).

The value of the termination benefits that the Board may give under the Plan cannot be determined in advance. This is because various matters will or are likely to affect that value. In particular, the value of a particular benefit will depend on factors such as the Company's Share price at the time of vesting and the number of Plan Securities that will vest or otherwise be affected. The following additional factors may also affect the benefit's value:

- (a) the participant's length of service and the status of the vesting conditions attaching to the relevant Plan Securities at the time the participant's employment or office ceases; and
- (b) the number of unvested Plan Securities that the participant holds at the time they cease employment or office.

Listing Rule 10.19

In accordance with Listing Rule 10.19, the Company will ensure that no officer of the Company or any of its child entities will, or may be, entitled to termination benefits if the value of those benefits and the terminations benefits that are or may be payable to all officers together exceed 5% of the equity interests of the Company as set out in the latest accounts given to ASX under the Listing Rules.

Additional information

Resolution 6 is an ordinary resolution.

The Board declines to make a recommendation in relation to Resolution 6 due to their potential personal interests in the outcome of the Resolution.

8. Resolution 7: Approval of issue of Options to James Farrell

Background

The Company is proposing, subject to obtaining Shareholder approval, to issue up to a total of 500,000 Options under the Plan to James Farrell (or his nominees) (**Director Options**).

The Director Options will be issued in the following proportions:

- (a) 250,000 Tranche 1 Options will vest subject to Mr Farrell remaining employed or otherwise engaged by the Company for a period of 1 year (**Year 1**); and
- (b) 250,000 Tranche 2 Options will vest following Year 1 subject to Mr Farrell remaining employed or otherwise engaged by the Company for a period of 2 years.

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

Resolution 7 seeks Shareholder approval pursuant to Listing Rule 10.14 for the issue of the Director Options to James Farrell (or his nominees) under the Plan.

Chapter 2E of the Corporations Act

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

- (a) obtain Shareholder approval in the manner set out in sections 217 to 227 of the Corporations Act; and
- (b) give the benefit within 15 months following such approval,

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

The proposed issue of the Director Options constitutes giving a financial benefit to a related party of the Company.

The Board (with James Farrell abstaining) considers that Shareholder approval pursuant to Chapter 2E of the Corporations Act is not required because the proposed issue of the Director Options falls within the "reasonable remuneration" exception stipulated by section 211 of the Corporations Act.

Listing Rule 10.14

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

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

Approval pursuant to Listing Rule 7.1 is not required for the issue of the Director Options as approval is being obtained under Listing Rule 10.14. Accordingly, the issue of the Director Options to James Farrell (or his nominees) will not be included in the Company's 15% annual placement capacity in Listing Rule 7.1 or the maximum permitted number of Equity Securities issued under Listing Rule 7.2, exception 13(b).

The effect of Shareholders passing Resolution 7 will be to allow the Company to issue the Director Options to James Farrell (or his nominees) under the Plan.

If Resolution 7 is not passed, the Company will not be able to proceed with the issue of the Director Options, and the Company will have to consider alternative commercial means to incentivise James Farrell.

Specific information required by Listing Rule 10.15

Pursuant to and in accordance with Listing Rule 10.15, the following information is provided in relation to the proposed issue of the Director Options:

- (a) The Director Options will be issued under the Plan to James Farrell (or his nominees).
- (b) James Farrell falls into the category stipulated by Listing Rule 10.14.1 by virtue of being a Director of the Company.
- (c) A maximum of 500,000 Director Options will be issued to James Farrell (or his nominees).
- (d) The current total annual remuneration package for James Farrell as at the date of this Notice is \$252,836 (inclusive of superannuation), comprising Directors' fees of \$193,579, superannuation of \$19,358 and share-based payments of \$39,899 (being the value of the Director Options as at the date of this Notice).
- (e) No Equity Securities have previously been issued under the Plan to James Farrell (or his nominees).
- (f) The Director Options will be issued on the terms and conditions in Schedule 1.
- (g) The Board considers that the Director Options, rather than Shares or Performance Rights, are an appropriate form of incentive for the following reasons:
 - (i) they provide prudent cash management while rewarding and incentivising the recipient;
 - (ii) the Director Options granted will generally only be of benefit if James Farrell continues to remain employed by the Company;
 - (iii) the issue of the Director Options will therefore align the interests of James Farrell with Shareholders; and
 - (iv) the deferred taxation benefit which is available to a related party in respect of an issue of Options is also beneficial to the Company as it means the related party is not required to immediately sell the Options to fund a tax liability (as would be the case in an issue of Shares where the tax liability arises upon issue of the Shares) and will instead, continue to hold an interest in the Company.
- (h) Using a Black & Scholes valuation model, the Company's valuation of the Director Options is \$39,899. The valuation is in Schedule 2.
- (i) The Director Options will be issued to James Farrell (or his nominees) as soon as practicable following the Meeting and in any event not later than three years after the Meeting.
- (j) The Director Options will be issued for nil cash consideration and will be provided as an incentive component to James Farrell's remuneration package.
- (k) A summary of the material terms of the Plan is in Schedule 3.
- (l) No loan will be provided to James Farrell in relation to the issue of the Director Options.
- (m) Details of any securities issued under the Plan will be published in the annual report of the Company relating to the period in which they were issued, along with a statement that approval for the issue was obtained under Listing Rule 10.14.

- For personal use only
- (n) Any additional persons covered by Listing Rule 10.14 who become entitled to participate in an issue of securities under the Plan after the resolution is approved and who were not named in the Notice will not participate until approval is obtained under Listing Rule 10.14.
 - (o) A voting exclusion statement is included in the Notice.

Additional information

Resolution 7 is an ordinary resolution.

The Board (other than James Farrell who has a personal interest in the outcome of this Resolution) recommends Shareholders vote in favour of this Resolution.

DEFINITIONS

In this Notice of Meeting and Explanatory Statement, the following terms have the following meanings:

10% Placement Facility has the meaning in Section 6.

10% Placement Period has the meaning in Section 6.

Annual Report means the annual report of the Company for the financial year ended 30 June 2021.

ASIC means the Australian Securities and Investments Commission.

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

Auditor's Report means the auditor's report contained in the Annual Report.

AWST means Western Standard Time, being the time in Perth, Western Australia.

Board means the board of Directors.

Chair means the chairperson of the Meeting.

Closely Related Party, means a spouse or child of the member; or has the meaning given in section 9 of the Corporations Act.

Company means Kingfisher Mining Limited ACN 629 675 216.

Constitution means the constitution of the Company as at the date of the Meeting.

Corporations Act means the *Corporations Act 2001* (Cth), as amended from time to time.

Director means a director of the Company.

Director Options means the issue of up to 500,000 Options to James Farrell (or his nominees), the subject of Resolution 7.

Directors' Report means the directors' report contained in the Annual Report.

Equity Securities has the meaning as in the Listing Rules.

Explanatory Statement means this explanatory statement incorporated in this Notice.

Financial Report means the financial report contained in the Annual Report.

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.

Meeting, General Meeting or **Annual General Meeting** means the Annual General Meeting of Shareholders to be held at Level 11, 216 St Georges Terrace, Perth on Friday 26 November 2021, commencing at 11:00am (AWST).

Minimum Issue Price has the meaning in Section 6.

Notice of Meeting or **Notice** means the notice of annual general meeting incorporating this Explanatory Statement.

Plan means the Company's Employee Securities Incentive Plan.

Plan Securities has the meaning in Section 7.

Proxy Form means the proxy form attached to this Notice.

Relevant Period means the 12 month period immediately preceding the date of the issue or agreement.

Remuneration Report means the remuneration report contained in the Annual Report.

Resolution means a resolution contained in the Notice.

Section means a section of the Explanatory Statement.

Securities means any Equity Securities of the Company (including Shares, Options and/or Performance Rights).

Share means an ordinary fully paid share in the Company.

Shareholder means a holder of a Share.

Strike has the meaning in Section 2.

Year 1 has the meaning in Section 8.

Schedule 1: Terms and Conditions of Director Options

1. Entitlement

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

2. Expiry Date

Each Option will expire at 5.00pm (WST) on the day immediately before the date of 3 years from the date of issue (**Expiry Date**).

3. Exercise Price

Each Option will have an exercise price equal to 33% premium to the 5-day VWAP before the date of the grant of the Options (**Exercise Price**).

4. Exercise period and lapsing

Options may be exercised at any time after the date of issue and prior to the Expiry Date. After this time, any unexercised Options will automatically lapse.

5. Vesting conditions:

- **Tranche 1:** 250,000 Options will vest subject to the holder remaining employed or otherwise engaged by the Company for a period of 1 year (**Year 1**); and
- **Tranche 2:** 250,000 Options will vest following Year 1 subject to the holder remaining employed or otherwise engaged by the Company for a period of 2 years.

6. Exercise Notice and payment

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

7. Shares issued on exercise

Shares issued on exercise of Options will rank equally in all respects with then existing fully paid ordinary shares in the Company.

8. Quotation of Shares

Provided that the Company is quoted on ASX at the time, application will be made by the Company to ASX for quotation of the Shares issued upon the exercise of the Options.

9. Timing of issue of Shares on exercise:

Within 5 Business Days after the Exercise Date the Company will:

- allot and issue the number of Shares required under these terms and conditions in respect of the number of Options specified in the Exercise Notice and for which cleared funds have been received by the Company;
- if required, give ASX a notice that complies with section 708A(5)(e) of the Corporations Act; and

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

10. Restrictions on transfer of Shares

If the Company is required but unable to give ASX a notice under paragraph 9(b), or such a notice for any reason is not effective to ensure that an offer for sale of the Shares does not require disclosure to investors, Shares issued on exercise of Options may not be traded and will be subject to a holding lock until 12 months after their issue unless the Company, at its sole discretion, elects to issue a prospectus pursuant to section 708A(11) of the Corporations Act

11. Shareholder and regulatory approvals

Notwithstanding any other provision of these terms and conditions, exercise of Options into Shares will be subject to the Company obtaining all required (if any) Shareholder and regulatory approvals for the purpose of issuing the Shares to the holder. If exercise of the Options would result in any person being in contravention of section 606(1) of the Corporations Act then the exercise of each Option that would cause the contravention will be deferred until such time or times that the exercise would not result in a contravention of section 606(1) of the Corporations Act. Holders must give notification to the Company in writing if they consider that the exercise of the Options may result in the contravention of section 606(1) of the Corporations Act, failing which the Company will be entitled to assume that the exercise of the Options will not result in any person being in contravention of section 606(1) of the Corporations Act.

12. Participation in new issues

There are no participation rights or entitlements inherent in the Options and holders will not be entitled to participate in new issues of capital offered to Shareholders during the currency of the Options. However, the Company will ensure that for the purposes of determining entitlements to any such issue, the record date will be at least 4 business days after the issue is announced. This is intended to give the holders of Options the opportunity to exercise their Options prior to the announced record date for determining entitlements to participate in any such issue.

13. Adjustment for bonus issues of Shares

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

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

14. Adjustment for rights issue

If the Company makes an issue of Shares pro rata to existing Shareholders there will be no adjustment to the Exercise Price.

15. Adjustments for reorganisation

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

16. Quotation

The Company will not apply for quotation of the Options on ASX.

17. Transferability

The Options are not transferrable.

Schedule 2: Valuation of Director Options

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

| Assumptions: | |
|---|---|
| Valuation date | 17 September 2021 |
| Market price of Shares | \$0.20 |
| Exercise price | \$0.196 (being a 33% premium to the 5 day VWAP at 17 September 2021) ⁽²⁾ |
| Expiry date (length of time from issue) | the date immediately before the date of 3 years from the date of issue |
| Risk free interest rate | 0.01% |
| Volatility (discount) | 59% |
| Indicative value per Option | \$0.0798 |
| Total Value of all Options | \$39,899 |

Notes:

1. The valuation noted above is not necessarily the market price that the Director Options could be traded at and is not automatically the market price for taxation purposes.
2. The exercise price will be equal to a 33% premium to the 5-day VWAP before the date of grant of the Director Options. The valuation above assumes an indicative exercise price of \$0.196 which is a 33% premium to the 5-day VWAP prior to 17 September 2021, the actual exercise price (and as a result, the valuation of the Director Options) may be higher or lower depending on the 5-day VWAP of the Company's Shares prior to the date of grant of the Director Options.

Schedule 3: Summary of terms and conditions of Plan

A summary of the key terms of the Plan is set out below:

- (a) **(Eligible Participant):** Eligible Participant means a person that:
- (i) is an "eligible participant" (as that term is defined in ASIC Class Order 14/1000) in relation to the Company or an Associated Body Corporate (as that term is defined in ASIC Class Order 14/1000); and
 - (ii) has been determined by the Board to be eligible to participate in the Plan from time to time.
- (b) **(Maximum allocation)**
- (i) The Company must not make an offer of Securities under the Plan where the total number of Plan Shares that may be issued, or acquired upon exercise of Plan Convertible Securities offered, when aggregated with the number of Shares issued or that may be issued as a result of offers made under the Plan at any time during the previous 3 year period would exceed 5% of the total number of Shares on issue at the date of the offer.
 - (ii) The maximum number of equity securities proposed to be issued under the Plan for the purposes of the Listing Rules is 10,000,000 (**ASX Limit**), meaning that the Company may issue up to the ASX Limit under the Plan, without seeking Shareholder Approval and without reducing its placement capacity under Listing Rule 7.1.
- (c) **(Purpose):** The purpose of the Plan is to:
- (i) assist in the reward, retention and motivation of Eligible Participants;
 - (ii) link the reward of Eligible Participants to Shareholder value creation; and
 - (iii) align the interests of Eligible Participants with shareholders of the Group (being the Company and each of its Associated Bodies Corporate), by providing an opportunity to Eligible Participants to receive an equity interest in the Company in the form of Securities.
- (d) **(Plan administration):** The Plan will be administered by the Board. The Board may exercise any power or discretion conferred on it by the Plan rules in its sole and absolute discretion. The Board may delegate its powers and discretion.
- (e) **(Eligibility, invitation and application):** The Board may from time to time determine that an Eligible Participant may participate in the Plan and make an invitation to that Eligible Participant to apply for Securities on such terms and conditions as the Board decides.
- On receipt of an Invitation, an Eligible Participant may apply for the Securities the subject of the invitation by sending a completed application form to the Company. The Board may accept an application from an Eligible Participant in whole or in part. If an Eligible Participant is permitted in the invitation, the Eligible Participant may, by notice in writing to the Board, nominate a party in whose favour the Eligible Participant wishes to renounce the invitation.
- (f) **(Grant of Securities):** The Company will, to the extent that it has accepted a duly completed application, grant the Participant the relevant number of Securities, subject to the terms and conditions set out in the invitation, the Plan rules and any ancillary documentation required.
- (g) **(Terms of Convertible Securities):** Each 'Convertible Security' represents a right to acquire one or more Shares (for example, under an option or performance right), subject to the terms and conditions of the Plan.

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

(h) **(Vesting of Convertible Securities):** Any vesting conditions applicable to the grant of Convertible Securities will be described in the invitation. If all the vesting conditions are satisfied and/or otherwise waived by the Board, a vesting notice will be sent to the Participant by the Company informing them that the relevant Convertible Securities have vested. Unless and until the vesting notice is issued by the Company, the Convertible Securities will not be considered to have vested. For the avoidance of doubt, if the vesting conditions relevant to a Convertible Security are not satisfied and/or otherwise waived by the Board, that Convertible Security will lapse.

(i) **(Exercise of Convertible Securities and cashless exercise):** To exercise a Convertible Security, the Participant must deliver a signed notice of exercise and, subject to a cashless exercise of Convertible Securities (see below), pay the exercise price (if any) to or as directed by the Company, at any time prior to the earlier of any date specified in the vesting notice and the expiry date as set out in the invitation.

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

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

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

(j) **(Delivery of Shares on exercise of Convertible Securities):** As soon as practicable after the valid exercise of a Convertible Security by a Participant, the Company will issue or cause to be transferred to that Participant the number of Shares to which the Participant is entitled under the Plan rules and issue a substitute certificate for any remaining unexercised Convertible Securities held by that Participant.

(k) **(Forfeiture of Convertible Securities):** Where a Participant who holds Convertible Securities ceases to be an Eligible Participant or becomes insolvent, all unvested Convertible Securities will automatically be forfeited by the Participant, unless the Board otherwise determines in its discretion to permit some or all of the Convertible Securities to vest.

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

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

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

(l) **(Change of control):** If a change of control event occurs in relation to the Company, or the Board determines that such an event is likely to occur, the Board may in its discretion determine the manner in which any or all of the Participant's Convertible Securities will be dealt with, including, without limitation, in a manner that allows the Participant to participate in and/or benefit from any transaction arising from or in connection with the change of control event.

(m) **(Rights attaching to Plan Shares):** All Shares issued under the Plan, or issued or transferred to a Participant upon the valid exercise of a Convertible Security, **(Plan Shares)** will rank pari passu in all respects with the Shares of the same class. A Participant will be entitled to any dividends declared and distributed by the Company on the Plan Shares and may participate in any dividend reinvestment plan operated by the Company in respect of Plan Shares. A Participant may exercise any voting rights attaching to Plan Shares.

(n) **(Disposal restrictions on Securities):** If the invitation provides that any Plan Shares or Convertible Securities are subject to any restrictions as to the disposal or other dealing by a Participant for a period, the Board may implement any procedure it deems appropriate to ensure the compliance by the Participant with this restriction.

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

- (i) transfer, encumber or otherwise dispose of, or have a security interest granted over that Plan Share; or
- (ii) take any action or permit another person to take any action to remove or circumvent the disposal restrictions without the express written consent of the Company.

Notwithstanding any other provision of the Plan, where a Plan Share or Convertible Security is issued in reliance on the Company satisfying the start-up company requirements in section 83A-33 of the *Income Tax Assessment Act 1997* (Cth) (**Tax Act**), a legal or a beneficial interest in the Convertible Security may not be disposed of until the earlier of:

- (i) the Eligible Participant to whom the Convertible Securities were offered under an invitation becoming neither an employee nor a director of the Company;
- (ii) three (3) years after the acquisition date of the Convertible Security;
- (iii) a disposal under an arrangement which meets the requirements in section 83A-130 of the Tax Act;
- (iv) such time as the Commissioner of Taxation allows in accordance with section 83A-45(5) of the Tax Act; and
- (v) the Board determines that the Commissioner of Taxation is reasonably likely to allow a disposal of the Convertible Security under section 83A-45(5) of the Tax Act.

- (o) **(Adjustment of Convertible Securities):** If there is a reorganisation of the issued share capital of the Company (including any subdivision, consolidation, reduction, return or cancellation of such issued capital of the Company), the rights of each Participant holding Convertible Securities will be changed to the extent necessary to comply with the Listing Rules applicable to a reorganisation of capital at the time of the reorganisation.

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

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

- (p) **(Participation in new issues):** There are no participation rights or entitlements inherent in the Convertible Securities and holders are not entitled to participate in any new issue of Shares of the Company during the currency of the Convertible Securities without exercising the Convertible Securities.

- (q) **(Amendment of Plan):** Subject to the following paragraph, the Board may at any time amend any provisions of the Plan rules, including (without limitation) the terms and conditions upon which any Securities have been granted under the Plan and determine that any amendments to the Plan rules be given retrospective effect, immediate effect or future effect.

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

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

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

Proxy Voting Form

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

Holder Number:

Your proxy voting instruction must be received by **9.00am (AWST) on Wednesday, 24 November 2021**, being **not later than 48 hours** before the commencement of the Meeting. Any Proxy Voting instructions received after that time will not be valid for the scheduled Meeting.

SUBMIT YOUR PROXY VOTE ONLINE

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

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

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



SUBMIT YOUR PROXY VOTE BY PAPER

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

YOUR NAME AND ADDRESS

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

STEP 1 – APPOINT A PROXY

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

DEFAULT TO THE CHAIR OF THE MEETING

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

STEP 2 - VOTES ON ITEMS OF BUSINESS

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

APPOINTMENT OF SECOND PROXY

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

SIGNING INSTRUCTIONS

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

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

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

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

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

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

CORPORATE REPRESENTATIVES

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

