

ARUMA RESOURCES LIMITED

ACN 141 335 364

NOTICE OF ANNUAL GENERAL MEETING AND EXPLANATORY STATEMENT

**For the Annual General Meeting to be held on
30 November 2021 at
9:00am (Western Standard Time) at**

**Unit 8-9, 88 Forrest Street
Cottesloe, Western Australia**

Due to the ongoing COVID-19 pandemic and strict limitation on physical attendance, the Company has taken steps to ensure attendance in person is in adherence to COVID-19 protocols. If the situation in relation to COVID-19 changes in a way that affects the Company's ability to facilitate an in-person Meeting as currently proposed, the Company will provide a further update ahead of the Meeting by releasing an announcement on the ASX market announcements platform.

Shareholders are urged to vote by lodging the Proxy Form

For personal use only

TIME AND PLACE OF ANNUAL GENERAL MEETING AND HOW TO VOTE

Venue

The Annual General Meeting of Aruma Resources Limited will be held at:

Unit 8-9	Commencing
88 Forrest Street	at 9:00am (Western Standard Time)
Cottesloe WA 6011	on Tuesday, 30 November 2021

How to Vote

You may vote by attending the Meeting in person, by proxy or authorised representative.

Voting in Person

To vote in person, attend the Meeting on the date and at the place set out above. The Meeting will commence at 9:00am (Western Standard Time). Given the current COVID-19 pandemic, Shareholders are urged to vote by proxy.

Voting by Proxy

To vote by proxy, please complete and sign the proxy form as soon as possible and deliver the proxy form in accordance with instructions on the proxy form. You may also submit your proxy vote online in accordance with instructions on the proxy form.

Your proxy form must be received not later than 48 hours before the commencement of the Meeting.

Voting and Proxies

1. A Shareholder of the Company entitled to attend and vote is entitled to appoint not more than two proxies. Where more than one proxy is appointed, each proxy must be appointed to represent a specified proportion of the Shareholder's voting rights. If the Shareholder appoints two proxies and the appointment does not specify this proportion, each proxy may exercise half of the votes. A proxy need not be a Shareholder of the Company.
2. Where a voting exclusion applies, the Company need not disregard a vote if it is cast by the person who is entitled to vote in accordance with the directions on the proxy form or it is cast by the person chairing the Meeting as proxy for a person who is entitled to vote, in accordance with a direction on the proxy form to vote as the proxy decides.
3. The Chairman of the Meeting will vote undirected proxies in favour of all Resolutions.

In relation to Resolutions 1, 6, 7 and 8, the proxy form expressly authorises the Chairman to exercise the proxy even though the Resolutions are connected directly or indirectly with the remuneration of a member of the Key Management Personnel. Any undirected proxies held by a Director, any member of the Key Management Personnel or any of their Closely Related Parties (who are not the Chairman of the Meeting) will not be voted on Resolutions 1, 6, 7 and 8.
4. In accordance with Regulation 7.11.37 of the Corporations Act, the Directors have set a date to determine the identity of those entitled to attend and vote at the Meeting. The date is 28 November 2021 at 5.00pm (Western Standard Time).
5. If using the proxy form, please complete, sign and return it to the Company's registered office in accordance with the instructions on that form. Voting online is available.

ARUMA RESOURCES LIMITED

ACN 141 335 364

NOTICE OF ANNUAL GENERAL MEETING

Notice is hereby given that the Annual General Meeting of the Shareholders of Nexus Minerals Limited will be held at Unit 8-9, 88 Forrest Street, Cottesloe, Western Australia on Tuesday, 30 November 2021 at 9:00am (WST) for the purpose of transacting the following business.

Due to the ongoing COVID-19 pandemic and strict limitation on physical attendance, the Company has taken steps to ensure attendance in person is in adherence to COVID-19 protocols. If the situation in relation to COVID-19 changes in a way that affects the Company's ability to facilitate an in-person Meeting as currently proposed, the Company will provide a further update ahead of the Meeting by releasing an announcement on the ASX market announcements platform.

The attached Explanatory Statement is provided to supply Shareholders with information to enable Shareholders to make an informed decision regarding the Resolutions set out in this Notice. The Explanatory Statement is to be read in conjunction with this Notice.

AGENDA

BUSINESS

Financial Statements and Reports

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

RESOLUTION 1 – ADOPTION OF REMUNERATION REPORT

To consider and, if thought fit, to pass, with or without amendment, the following in accordance with section 250R(2) of the Corporations Act:

"That, for the purpose of Section 250R(2) of the Corporations Act and for all other purposes, approval is given for the adoption of the Remuneration Report as set out in the Annual Report for the year ended 30 June 2021."

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

Voting Exclusion: A vote on this Resolution must not be cast (in any capacity) by or on behalf of any of the following persons (the "voter"):

- (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, the voter 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 of the meeting 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 if this Resolution is connected directly or indirectly with the remuneration of a member of the Key Management Personnel.

Resolution 2 - Re-election of Director – Paul Boyatzis

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

"That Paul Boyatzis, who retires by rotation in accordance with rule 7.3 of the Constitution, and being eligible, offers himself for re-election, is hereby re-elected as a Director of the Company."

Resolution 3 – Ratification of September 2021 Placement of Shares Under Listing Rule 7.1

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

"That, the issue of 10,000,000 Shares as part of the September 2021 placement under Listing Rule 7.1 is approved under and for the purposes of Listing Rule 7.4 and for all other purposes, on the terms and conditions set out in the Explanatory Statement."

Voting Exclusion:

The Company will disregard any votes cast in favour of the Resolution by or on behalf of a person who participated in the issue or an associate of those persons. However, this 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 directions given to the proxy or attorney to vote on the Resolution in that way; or
- (b) 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.

Resolution 4 – Ratification of September 2021 Placement of Shares Under Listing Rule 7.1A

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

"That, the issue of 10,000,000 Shares as part of the September 2021 placement under Listing Rule 7.1A is approved under and for the purposes of Listing Rule 7.4 and for all other purposes, on the terms and conditions set out in the Explanatory Statement."

Voting Exclusion:

The Company will disregard any votes cast in favour of the Resolution by or on behalf of a person who participated in the issue or an associate of those persons. However, this 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 directions given to the proxy or attorney to vote on the Resolution in that way; or
- (b) 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.

Resolution 5 – Approval of Additional 10% Capacity

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

"That, the Company have the additional capacity to issue equity securities provided for in Listing Rule 7.1A."

Resolution 6 – Approval to Issue Performance Rights and Options to Mr Peter Schwann

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

"That, for the purposes of Chapter 2E of the Corporations Act and Listing Rule 10.11 and for all other purposes, approval is given for the Company to issue up to 1,000,000 Performance Rights and up to 4,000,000 Options to Mr Peter Schwann or his nominee, to be issued on the terms and conditions set out in the Explanatory Statement."

Voting Exclusion

The Company will disregard any votes cast in favour of the Resolution by or on behalf of Mr Schwann 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 ordinary securities in the entity) or an associate of those persons. However, this 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 directions given to the proxy or attorney to vote on the Resolution in that way; or
- (b) 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.

Restriction on proxy voting by Key Management Personnel or Closely Related Parties:

A person appointed as 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 for the Company; 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:

- (c) the proxy is the chair of the Meeting provided the chair is not the related party the subject of the Resolution or is an associate of the related party; and
- (d) the appointment expressly authorises the chair of the Meeting to exercise the proxy even if the Resolution is connected directly or indirectly with the remuneration of a member of the Key Management Personnel for the Company.

Where the chair is the related party the subject of the Resolution or is an associate of the related party, the chair cannot cast undirected proxies in respect of the Resolution.

Resolution 7 – Approval to Issue Options to Mr Paul Boyatzis

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

"That, subject to the passing of Resolution 2, for the purposes of Chapter 2E of the Corporations Act and Listing Rule 10.11 and for all other purposes, approval is given for the Company to issue up to 2,000,000 Options to Mr Paul Boyatzis or his nominee, to be issued 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 Mr Boyatzis 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 ordinary securities in the entity) or an associate of those persons. However, this 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 directions given to the proxy or attorney to vote on the Resolution in that way; or
- (b) 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:
 - (iii) 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
 - (iv) the holder votes on the Resolution in accordance with directions given by the beneficiary to the holder to vote in that way.

Restriction on proxy voting by Key Management Personnel or Closely Related Parties:

A person appointed as 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 for the Company; 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:

- (c) the proxy is the chair of the Meeting provided the chair is not the related party the subject of the Resolution or is an associate of the related party; and
- (d) the appointment expressly authorises the chair of the Meeting to exercise the proxy even if the Resolution is connected directly or indirectly with the remuneration of a member of the Key Management Personnel for the Company.

Where the chair is the related party the subject of the Resolution or is an associate of the related party, the chair cannot cast undirected proxies in respect of the Resolution.

Resolution 8 – Approval to Issue Options to Dr Mark Elliott

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

"That, for the purposes of Chapter 2E of the Corporations Act and Listing Rule 10.11 and for all other purposes, approval is given for the Company to issue up to 1,000,000 Options to Dr Mark Elliott or his nominee, to be issued 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 Dr Elliott 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 ordinary securities in the entity) or an associate of those persons. However, this 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 directions given to the proxy or attorney to vote on the Resolution in that way; or
- (b) 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:
 - (v) 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
 - (vi) the holder votes on the Resolution in accordance with directions given by the beneficiary to the holder to vote in that way.

Restriction on proxy voting by Key Management Personnel or Closely Related Parties:

A person appointed as 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 for the Company; 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:

- (c) the proxy is the chair of the Meeting provided the chair is not the related party the subject of the Resolution or is an associate of the related party; and
- (d) the appointment expressly authorises the chair of the Meeting to exercise the proxy even if the Resolution is connected directly or indirectly with the remuneration of a member of the Key Management Personnel for the Company.

Where the chair is the related party the subject of the Resolution or is an associate of the related party, the chair cannot cast undirected proxies in respect of the Resolution.

By order of the Board



Phillip MacLeod
Company Secretary
Dated: 25 October 2021

EXPLANATORY STATEMENT

This Explanatory Statement is intended to provide Shareholders with sufficient information to assess the merits of the Resolutions contained in this Notice.

The Directors recommend that Shareholders read this Explanatory Statement in full before making any decision in relation to the Resolutions.

1. FINANCIAL STATEMENTS AND REPORTS

In accordance with the Constitution, the business of the Annual General Meeting will include receipt and consideration of the annual financial report of the Company for the financial year ended 30 June 2021 together with the declaration of the directors, the directors' report, the remuneration report and the auditor's report.

The Company is not required to provide a hard copy of the Company's annual financial report to Shareholders unless a Shareholder has specifically elected to receive a printed copy. Shareholders may view the Company annual financial report on its website at www.arumaresources.com.

Shareholders will be offered the following opportunities:

- (d) discuss the Annual Financial Report for the financial period ended 30 June 2021;
- (e) ask questions and make comment on the management of the Company;
- (f) ask questions about, or make comment on, the Remuneration Report;
- (g) ask the auditor questions about:
 - (i) the conduct of the audit;
 - (ii) the preparation and content of the Auditor's Report;
 - (iii) the 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.

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

- (a) the content of the Auditor's Report; and
- (b) the conduct of the audit of the Financial Report.

may be submitted no later than 5 business days before the Meeting to the Company Secretary at the Company's registered office.

2. RESOLUTION 1 – ADOPTION OF REMUNERATION REPORT

The Remuneration Report sets out the Company's remuneration arrangements for the Directors and senior management of the Company. The Remuneration Report is part of the Directors' report contained in the annual financial report of the Company for the financial year ending 30 June 2021.

A reasonable opportunity will be provided for discussion of the Remuneration Report at the Annual General Meeting. Shareholders should note that the vote on this Resolution is advisory only and does not bind the Company or the Directors.

Voting Consequences

Under the Corporations Act, if at least 25% of the votes cast on Resolution 1 are voted against adoption of the Remuneration Report at two consecutive annual general meetings, Shareholders will be required to vote at the second of those annual general meetings on a resolution (a "Spill Resolution") that another general meeting be held within 90 days at which all of the Directors (other than the Managing Director) must go up for re-election.

Previous Voting Results

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

Proxy Restrictions

Pursuant to the Corporations Act, if you appoint a member of the Key Management Personnel (other than the Chair) or any Closely Related Party as your proxy to vote on this Resolution 1, **you must direct the proxy how they are to vote**. Where you do not direct such a person on how to vote on this Resolution 1, the proxy is prevented by the Corporations Act from exercising your vote and your vote will not be counted in relation to Resolution 1.

If you appoint the Chair as your proxy, and you do not direct the Chair on how to vote on this Resolution 1, then by signing and returning the proxy form you are giving express authorisation for the Chair to vote all undirected proxies **FOR Resolution 1** even though the resolution is connected directly or indirectly with the remuneration of a member of the Key Management Personnel.

3. RESOLUTION 2 – RE-ELECTION OF DIRECTOR – PAUL BOYATZIS

Rule 7.3 of the Constitution requires that at each annual general meeting, one-third of directors for the time being (rounded down to the nearest whole number) shall retire from office and that a Director that so retires is eligible for re-election. Additionally, Listing Rule 14.4 provides that a Director must retire from office no later than the longer of the third annual general meeting of the Company or 3 years following that Director's last election or appointment. The retirement rules do not apply to the managing director.

Pursuant to rule 7.3 of the Company's Constitution, Mr Paul Boyatzis, being a Director of the Company, retires by way of rotation and, being eligible, offers himself for re-election as a Director of the Company.

Mr Boyatzis has been a Director since 6 January 2010 and was last re-elected on 15 November 2019.

Qualifications

Mr Boyatzis (B Bus, ASA, MSDIA, MAICD) has over 30 years' experience in the commercial, investment and equity markets, and in particular, with emerging growth companies within the resources and financial services sectors.

He has served as Chairman and director of a number of public and private companies globally.

Other Material Directorships

Mr Boyatzis is Non-Executive Chairman of VRX Limited and Nexus Minerals Limited.

Independence

Mr Boyatzis is Non-Executive Chairman of the Company. The Board considers that Mr Boyatzis is an independent director.

Board Recommendation

The Directors (apart from Mr Boyatzis) recommend that Shareholders vote in favour of the election of Mr Boyatzis.

4. RESOLUTIONS 3 AND 4 – RATIFICATION OF SEPTEMBER 2021 PLACEMENT OF SHARES - LISTING RULES 7.1 AND 7.1A

4.1 General

On 13 September 2021, the Company completed a capital raising of \$1.56 million through the issue of 20 million Shares at a price of 7.8 cents per Share (**September 2021 Placement**) to sophisticated and professional investors. Rawson Lewis Pty Ltd acted as lead managers to the September 2021 Placement. The raising was undertaken to fund drilling at the Mt Deans Lithium Project; drilling and exploration at the Salmon Gums and Melrose Gold Projects; and general working capital including costs of the raising. The Company undertook the September 2021 Placement by relying on its placement capacity under Listing Rules 7.1 and 7.1A. Resolutions 3 and 4 seek Shareholder approval to ratify the September 2021 Placement.

10,000,000 Shares were issued pursuant to the Company's capacity under Listing Rule 7.1 (being the subject of Resolution 3) and 10,000,000 Shares were issued pursuant to the Company's Listing Rule 7.1A capacity (being the subject of Resolution 4) which was approved by Shareholders at the annual general meeting held 27 November 2020.

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

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

An "*eligible entity*" means an entity which is not included in the S&P/ASX 300 Index and which has a market capitalisation of \$300 million or less. The Company is an eligible entity for these purposes and, for the purposes of Resolutions 3 and 4, obtained approval at its 2020 annual general meeting to the additional 10% capacity under Listing Rule 7.1A.

The Company is therefore able to issue equity securities up to a combined 25% limit in Listing Rules 7.1 and 7.1A without any further Shareholder approval within the limits provided.

The Company undertook the September 2021 Placement by relying on its placement capacity under Listing Rule 7.1 (Resolution 3) and its placement capacity under Listing Rule 7.1A (Resolution 4) as the September 2021 Placement did not fall within any of the exceptions to Listing Rules 7.1 or 7.1A.

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

The Company wishes to retain as much flexibility as possible to issue additional equity securities without shareholder approval for such issues under Listing Rules 7.1 or 7.1A.

To this end, Resolutions 3 and 4 seek Shareholder ratification pursuant to Listing Rule 7.4 for the issue of the September 2021 Placement Shares.

If Resolution 3 is passed, the 10,000,000 Shares will be excluded in calculating the Company's 15% limit in Listing Rule 7.1, effectively increasing the number of equity securities it can issue without Shareholder approval over the 12-month period following the issue date.

If Resolution 3 is not passed, the 10,000,000 Shares will be included in calculating the Company's 15% limit in Listing Rule 7.1, effectively decreasing the number of equity securities it can issue without Shareholder approval over the 12-month period following the issue date.

If Resolution 4 is passed, the 10,000,000 Shares will be excluded in calculating the Company's additional 10% capacity in Listing Rule 7.1A, effectively increasing the number of equity securities it can issue without Shareholder approval under Listing Rule 7.1A.

If Resolution 4 is not passed, the 10,000,000 Shares will be included in calculating the Company's additional 10% capacity in Listing Rule 7.1A, effectively decreasing the number of equity securities it can issue without Shareholder approval under Listing Rule 7.1A.

4.2 Information required by Listing Rule 7.5

Pursuant to and in accordance with Listing Rule 7.5, the following information is provided in relation to Resolutions 3 and 4:

- (a) the Shares were issued to sophisticated and professional investors exempt from or outside the disclosure requirements under Chapter 6D of the Corporations Act. Rawson Lewis Pty Ltd acted as lead managers to the September 2021 Placement. None of the subscribers is a related party of the Company;
- (b) 20,000,000 Shares were issued in the September 2021 Placement, on the following basis:
 - (i) 10,000,000 Shares were issued pursuant to Listing Rule 7.1 (ratification of which is sought under Resolution 3); and
 - (ii) 10,000,000 Shares were issued pursuant to Listing Rule 7.1A (ratification of which is sought under Resolution 4);
- (c) the Shares were fully paid ordinary shares issued on the same terms and conditions as the Company's existing Shares on issue;
- (d) the Shares were issued on 13 September 2021;
- (e) the Shares were issued at a price of 7.8 cents per Share;
- (f) the purpose of the issue was to raise funds to be used as set out in Section 4.1 above;
- (g) the Shares were not issued under an agreement to which the Company is a party; and
- (h) a voting exclusion statement is included in the Notice.

5. RESOLUTION 5 – APPROVAL OF ADDITIONAL 10% CAPACITY

5.1 General

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

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

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

This Resolution seeks shareholder approval by way of special resolution for the Company to have the additional 10% capacity provided for in Listing Rule 7.1A to issue equity securities without shareholder approval.

If this Resolution 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 this Resolution 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 in issuing equity securities without shareholder approval set out in Listing Rule 7.1.

5.2 Information for Shareholders as required by Listing Rule 7.3A

(i) Period for which approval is valid

An approval under Listing Rule 7.1A commences on the date of the annual general meeting at which the approval is obtained and expires on the first to occur of the following:

- (a) The date that is 12 months after the date of the annual general meeting at which the approval is obtained.
- (b) The time and date of the Company's next annual general meeting.
- (c) The time and date of the approval by Shareholders of a transaction under Listing Rule 11.1.2 or Listing Rule 11.2.

(ii) Minimum price at which equity securities may be issued

Any equity securities issued under Listing Rule 7.1A must be in an existing quoted class of the eligible entity's equity securities and issued for a cash consideration per security which is not less than 75% of the volume weighted average market price for securities in that class, calculated over the 15 Trading Days on which trades in that class were recorded immediately before:

- (a) the date on which the price at which the securities are to be issued is agreed by the entity and the recipient of the securities; or
- (b) if the securities are not issued within 10 Trading Days of the date in paragraph (a), the date on which the securities are issued.

(iii) Purposes for which funds raised may be used

Equity securities can only be issued under Listing Rule 7.1A for a cash consideration. Funds raised by the issue of equity securities under Listing Rule 7.1A may be used for the continued development of the Company's current assets, the acquisition of new assets or other investments (including expenses associated with such acquisition), and for general working capital.

(iv) Risk of economic and voting dilution

If this Resolution is approved by Shareholders and the Company issues equity securities under Listing Rule 7.1A, the existing Shareholders' voting power in the Company will be diluted.

There is a risk that:

- (a) the market price for the equity securities in that class may be significantly lower on the issue date than on the date of the Shareholder approval under Listing Rule 7.1A; and
- (b) the equity securities may be issued at a price that is at a discount to the market price for those equity securities on the issue date.

The table below shows the potential dilution of existing Shareholders on the basis of 3 different assumed issue prices and values for variable "A" in the formula in Listing Rule 7.1A.2. This includes one example that assumes that "A" is double the number of Shares on issue at the time of the approval under Listing Rule 7.1A and that the price of Shares has fallen by 50%.

Number of Shares on Issue (Variable "A" in Listing Rule 7.1A.2)	Number of Shares issued under additional 10% capacity	Dilution		
		Funds raised based on issue price of 4.15 cents	Funds raised based on issue price of 8.3 cents	Funds raised based on issue price of 16.6 cents
		(50% decrease in current issue price)	(Current issue price)	(100% increase in current issue price)
125,961,503 (Current)*	12,596,150	\$522,740	\$1,045,480	\$2,090,961
188,942,254 (50% increase)	18,894,225	\$784,110	\$1,568,221	\$3,136,441
251,923,006 (100% increase)	25,192,300	\$1,045,480	\$2,090,961	\$4,181,922

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

The table has been prepared on the following assumptions:

1. The current Shares on issue are the Shares on issue as at 15 October 2021.
2. The issue price set out above is the closing price of the Shares on the ASX on 15 October 2021.
3. The Company issues the maximum number of equity securities available under the additional 10% capacity.
4. No Options are exercised into Shares before the date of the issue of the equity securities.

(v) Allocation Policy

The Company's allocation policy for the issue of equity securities under the additional 10% capacity will depend on the prevailing market conditions at the time of any proposed issue. The identity of the allottees of equity securities will be determined on a case-by-case basis having regard to the factors including but not limited to the following:

- (a) the methods of raising funds that are available to the Company, including but not limited to, a rights issue or other issue in which existing security holders can participate;
- (b) the effect of the issue of the equity securities on the control of the Company;
- (c) the financial situation and solvency of the Company; and
- (d) advice from corporate, financial and broking advisers (if applicable).

The allottees under the additional 10% capacity 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 and may include new investors who have not previously been Shareholders.

(vi) Equity securities issued under Listing Rule 7.1A.2 in the previous 12 months

The Company has issued or agreed to issue a total of 10,000,000 equity securities under Listing Rule 7.1A.2 in the 12 months preceding this Meeting and this represents 7.8% of the total number of equity securities on issue at the commencement of that 12-month period.

In accordance with Listing Rule 7.3A.6, details of the issues of equity securities under Listing Rule 7.1A.2 in the 12-month period preceding this Meeting are:

Date of Issue	Names of persons issued equity securities or basis of identification	Number and class of equity securities issued	Price at which equity securities issued and any discount to closing market price on date of issue	Total cash consideration received and what cash has been spent and what it has been spent on and intended use of remaining cash
13 September 2021	Institutional investors exempt from or outside the disclosure requirements under Chapter 6D of the Corporations Act being clients of Rawson Lewis Pty Ltd. None of the recipients was a related party.	10,000,000 Shares	7.8 cents being a 2.1 cent discount to the then closing market price of 9.9 cents on the date of issue.	\$780,000 was received and \$46,800 has been spent on the costs of the issue. The balance will be used to fund drilling and exploration of the Company's lithium and gold tenement package, and for general working capital.

(vii) Voting Exclusion Statement

As at the date of the Notice, the Company has not approached any particular existing shareholder or security holder or an identifiable class of existing security holder to participate in the issue of the equity securities. Therefore, no existing shareholder's votes will be excluded and there is no voting exclusion statement.

6. RESOLUTION 6 – APPROVAL TO ISSUE PERFORMANCE RIGHTS AND OPTIONS TO PETER SCHWANN

6.1 General

The Board consists of Paul Boyatzis (Non-Executive Chairman), Peter Schwann (Managing Director) and Dr Mark Elliott (Non-Executive Director).

This Resolution seeks Shareholder approval so that the Company may issue both Performance Rights and Options as an incentive to Peter Schwann.

Shareholder approval is required for the purposes of Chapter 2E of the Corporations Act (section 208) and Listing Rule 10.11 because Peter Schwann as a Director is a related party of the Company. Each of Chapter 2E and Listing Rule 10.11 are dealt with separately below.

6.2 Chapter 2E of the Corporations Act - Related Party Transaction

Chapter 2E of the Corporations Act prohibits a public company from giving a financial benefit to a related party of the public company unless either:

- (a) the giving of the financial benefit falls within one of the nominated exceptions to the provisions; or
- (b) prior shareholder approval is obtained to the giving of the financial benefit.

For the purposes of Chapter 2E, Peter Schwann as a director is a related party of the Company.

The issue of Performance Rights and Options to a related party is a financial benefit requiring shareholder approval in the absence of a specified exception applying.

For the purpose of Chapter 2E of the Corporations Act the following information is provided.

- (a) *The related party to whom the resolution would permit the financial benefit to be given*

The related party is Peter Schwann or his nominees.

- (b) *The nature of the financial benefit*

The proposed financial benefit to be given is the issue of up to 1,000,000 Performance Rights and up to 4,000,000 Options.

The terms of the Performance Rights including the service and performance conditions are set out in Schedule 1.

The terms of the Options are set out in Schedule 2.

- (c) *Reasons and basis for giving the benefit and Directors recommendation*

The purpose of the issue of each of the Performance Rights and Options is to incentivise to Peter Schwann to continue to provide ongoing dedicated services to the Company and provide remuneration linked to the performance of the Company. The benefit of the Performance Rights will only be received upon the relevant service and performance condition being satisfied. The benefit of the Options will only be received upon the Company's Share price exceeding the exercise price of the Options and thereby warranting their exercise.

Under the Company's current circumstances, the Directors consider that each of these incentives is a cost effective and efficient reward and incentive to be provided to Peter Schwann by the Company, as opposed to alternative forms of incentive, such as the payment of cash compensation. In addition, the Directors independent of Peter Schwann consider it prudent to make payment by way of the Performance Rights and Options so as to preserve the cash reserves of the Company.

The Directors independent of Peter Schwann (being the 2 other Directors that are not the subject of this Resolution) consider that the number and terms of the Performance Rights together with the number and terms of the Options to be issued to Peter Schwann constitutes an appropriate number to adequately reward and incentivise him in the circumstances in light of his effort, skill and experience and when considered together with their other remuneration as a Director as detailed below.

The Directors independent of Peter Schwann in each case recommend that Shareholders vote in favour of the Resolution.

Peter Schwann abstains from making a recommendation to Shareholders on this Resolution as he has a material personal interest in the outcome as the recipient of the Performance Rights and Options.

- (d) *Dilution*

The passing of the Resolution would have the effect of issuing Peter Schwann (or his nominees) a total of 1,000,000 Performance Rights and 4,000,000 Options.

If any of the Performance Rights vest or the Options are exercised into Shares, the effect will be to dilute the shareholding of existing Shareholders. If all of the Performance Rights vest and the Options are exercised, 5,000,000 Shares will be issued, and the effect would be to dilute the shareholding of the existing Shareholders by approximately 3.82% (based on the total number of Shares that will be on issue at the date of this Notice of 125,961,503 Shares).

- (e) *Current total remuneration package*

The current remuneration package received by Peter Schwann is \$250,000 per annum plus statutory superannuation.

(f) *Existing relevant interest*

At the date of this Notice, Peter Schwann has a relevant interest in securities of the Company as follows.

Shares	Options (6.5 cent exercise price and 15 November 2022 expiry)
2,515,625	933,334

(g) *Trading history*

The following table gives details of the highest, lowest and the latest closing market price of the Company's Shares trading on the ASX over the last 12 months.

	Closing price	Date
Highest price	13 cents	6 September 2021
Lowest price	5 cents	3 August 2021
Latest price	8.3 cents	19 October 2021

(h) *Valuation of the Performance Rights*

The Company has valued the Performance Rights to be issued to Peter Schwann using the binomial valuation methodology.

The following assumptions have been made regarding the inputs required for the valuation model:

Input	Performance Rights	Note
Number of Performance Rights	1,000,000	
Underlying Share spot price	8.3 cents	1
Dividend rate	Nil	2
Risk free rate	0.09%	3
Expected future volatility	122%	4
Life of the Performance Rights	7.5 months	5
Performance condition	Yes	6

Note 1: The underlying share spot price used for the purpose of the valuation is based on the closing Share price of 8.3 cents on 15 October 2021.

Note 2: No dividends are expected to be paid during the life of the Performance Rights.

Note 3: The risk free rate is based on the 1 year Commonwealth Government bond rates at 15 October 2021.

Note 4: The expected future volatility was calculated from the Company's historical trading volatility over a 7.5 month period.

Note 5: The life of the Performance Rights has been assumed to be 7.5 months.

Note 6: The performance condition for the Performance Rights is set out in Schedule 1.

Based on the above assumptions, the Performance Rights have been valued as follows:

Number and Value of Performance Rights	
Peter Schwann	1,000,000 Performance Rights – 0.42 cents each (\$4,200)

(i) *Valuation of the Options*

The Company has valued the Options to be issued by reference to the Black and Scholes valuation model.

The following assumptions have been made regarding the inputs required for the model:

	Input	Note
Number of Options	4,000,000	
Underlying share spot price	8.3 cents	1
Exercise Price	assumed 12 cents	2
Dividend rate	Nil	3
Risk free rate	0.48%	4
Expected future volatility	174.1%	5
Life of the Options	3 years	6

Note 1: The underlying Share spot price used for the purpose of the valuation is based on the closing Share price of 8.3 cents on 15 October 2021.

Note 2: The exercise price is 145% of the VWAP for the 5 Trading Days on which Shares trade prior to the Meeting. The example uses 12 cents being 145% of the underlying Share spot price of 8.3 cents.

Note 3: No dividends are expected to be paid during the life of the Options.

Note 4: The risk free rate is based on the Commonwealth Government 3 year bond rate of 0.48% at 14 October 2021.

Note 5: The volatility was calculated from the Company's historical trading volatility over 3 years and is 174.1%.

Note 6: The life of the Options has been assumed to be 3 years.

Based on the above assumptions, the Options have been valued as follows:

Number and Value of Options	
Peter Schwann	4,000,000 Options – 7 cents each (\$280,000)

(j) *Other information*

The Directors are not aware of any other information that is reasonably required by Shareholders to allow them to make a decision as to whether it is in the best interests of the Company to pass the Resolution.

6.3 **Listing Rule 10.11**

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

- (a) Listing Rule 10.11.1 - a related party;
- (b) Listing Rule 10.11.2 - 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;

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- (c) Listing Rule 10.11.3 - 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) Listing Rule 10.11.4 - an associate of a person referred to in Listing Rules 10.11.1 to 10.11.3; or
- (e) Listing Rule 10.11.5 - a person whose relationship with the company or a person referred to in Listing Rules 10.11.1 to 10.11.4 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 Performance Rights and Options falls within Listing Rule 10.11.1 (as Peter Schwann is a Director of the Company) and does not fall within any of the exceptions in Listing Rule 10.12. It therefore requires the approval of the Company's Shareholders under Listing Rule 10.11.

This Resolution seeks the required Shareholder approval to the issue of the Performance Rights and Options under and for the purposes of Listing Rule 10.11.

If the Resolution is passed, the Company will be able to proceed with the issue of the Performance Rights and Options.

If the Resolution is not passed, the Company will not be able to proceed with the issue of the Performance Rights and Options and these incentives will not be issued to Peter Schwann. No other replacement incentive is currently proposed.

6.4 **Listing Rule 10.13**

For Shareholders to approve the issue of the Performance Rights and Options under and for the purposes of Listing Rule 10.11, the following information is provided to Shareholders in accordance with Listing Rule 10.13:

- (a) The securities will be issued to Peter Schwann or his nominees.
- (b) Peter Schwann is a Director and is therefore a related party (Listing Rule 10.11.1).
- (c) The number of securities the Company will issue is up to 1,000,000 Performance Rights and up to 4,000,000 Options.
- (d) The securities to be issued are Performance Rights, the terms of which are set out in Schedule 1 and Options, the terms of which are set out in Schedule 2.
- (e) The securities will be issued no later than 1 month after the date of the Meeting (or a later date to the extent permitted by an ASX waiver or modification of the Listing Rules).
- (f) The Performance Rights and Options will be issued for no consideration and there is no issue price.
- (g) The purpose of the issue is to issue Performance Rights and Options to incentivise and remunerate Peter Schwann in performing his role as Managing Director and the issue of these incentive securities is considered an appropriate incentive in the circumstances of the Company. No funds will be raised from the issue of the Performance Rights and Options.
- (h) The current total remuneration package of Peter Schwann is set out in Section 6.2(e) above.
- (i) The Performance Rights and Options to be issued to Peter Schwann are to be issued as an incentive under the terms of the executive service agreement for his engagement as Managing Director. Other than the remuneration referred to above, the other material terms of the executive service agreement with Peter Schwann is he is engaged on an ongoing basis as Managing Director subject to either Peter Schwann or the Company being able to terminate the agreement without cause on 3 month's notice and otherwise either party can terminate the engagement upon limited events akin to misconduct and incapacity. Otherwise, the terms of the engagement is on standard commercial terms.

7. RESOLUTIONS 7 AND 8 – APPROVAL TO ISSUE OPTIONS TO PAUL BOYATZIS AND DR MARK ELLIOTT

7.1 General

The Board consists of Paul Boyatzis (Non-Executive Chairman), Peter Schwann (Managing Director) and Dr Mark Elliott (Non-Executive Director).

Resolutions 7 and 8 seek Shareholder approval so that the Company may issue Options as an incentive to each of Paul Boyatzis and Dr Mark Elliott. The approval to issue Options to Paul Boyatzis (Resolution 7) is conditional on his re-election as a Director (Resolution 2).

Shareholder approval is required for the purposes of Chapter 2E of the Corporations Act (section 208) and Listing Rule 10.11 because each of Paul Boyatzis and Dr Mark Elliott as a Director is a related party of the Company. Each of Chapter 2E and Listing Rule 10.11 are dealt with separately below.

7.2 Chapter 2E of the Corporations Act - Related Party Transaction

Chapter 2E of the Corporations Act prohibits a public company from giving a financial benefit to a related party of the public company unless either:

- (a) the giving of the financial benefit falls within one of the nominated exceptions to the provisions; or
- (b) prior shareholder approval is obtained to the giving of the financial benefit.

For the purposes of Chapter 2E, each of Paul Boyatzis and Dr Mark Elliott as a Director is a related party of the Company.

The issue of Options to a related party is a financial benefit requiring shareholder approval in the absence of a specified exception applying.

For the purpose of Chapter 2E of the Corporations Act the following information is provided.

- (a) *The related party to whom the resolutions would permit the financial benefit to be given*

The related parties are Paul Boyatzis or his nominees (Resolution 7) and Dr Mark Elliott or his nominees (Resolution 8).

- (b) *The nature of the financial benefit*

The nature of the financial benefit is the issue of up to 2,000,000 Options to Paul Boyatzis and up to 1,000,000 Options to Dr Mark Elliott.

The Options will have an exercise price of 145% of the VWAP for the 5 Trading Days on which Shares trade prior to the Meeting and an expiry date of 3 years after the date of the Meeting. The full terms of the Options are set out in Schedule 2.

- (c) *Reasons for giving the benefit and Directors' Recommendation*

The purpose of the issue of the Options is to respectively incentivise Paul Boyatzis and Dr Mark Elliott to provide ongoing dedicated services and provide remuneration linked to the performance of the Company. The benefit will only be received from the Options upon the Company's Share price exceeding the exercise price of the Options and thereby warranting their exercise.

Under the Company's current circumstances, the Directors consider that the incentive, represented by the issue of these Options, is a cost effective and efficient reward and incentive to be provided to the Director by the Company, as opposed to alternative forms of incentive, such as the payment of cash compensation. In addition, the Directors independent of the Director to be issued the Options consider it prudent to make payment by way of the Options so as to preserve the cash reserves of the Company.

The Directors independent of the Director to be issued the Options consider that the number of Options together with the terms of the Options constitutes an appropriate number to adequately incentivise them in light of their skill and experience and their current remuneration as detailed below.

The Company acknowledges that the issue of the Options to each of Paul Boyatzis and Dr Mark Elliott as non-executive directors may be contrary to guidelines for non-executive director remuneration in the ASX Corporate Governance Principles and Recommendations, 4th Edition suggesting that non-executive directors should not receive performance based remuneration. However, the Board considers the issue of the Options to be reasonable in the circumstances given the Company's size and stage of development and the importance of maintaining the Company's cash reserves.

The independent Directors in each case recommend that Shareholders vote in favour of the Resolution.

Paul Boyatzis abstains from making a recommendation as a Director to Shareholders on Resolution 7 as he has a material personal interest in the outcome as the recipient of the Options.

Dr Mark Elliott abstains from making a recommendation as a Director to Shareholders on Resolution 8 as he has a material personal interest in the outcome as the recipient of the Options.

(d) *Dilution*

The passing of Resolutions 7 and 8 would have the effect of issuing up to a total of 3,000,000 Options.

If any of the Options are exercised into Shares, the effect will be to dilute the shareholding of existing Shareholders. If all the 3,000,000 Options were exercised into Shares, the effect would be to dilute the shareholding of the existing Shareholders by approximately 2.33% based on the total number of Shares on issue at the date of this Notice of 125,961,503.

(e) *Current total remuneration package*

The current remuneration received by Paul Boyatzis is \$71,000 per year director's fee as Non-Executive Chairman.

The current remuneration received by Dr Mark Elliott is \$35,500 per year director's fee as a Non-Executive Director.

(f) *Existing relevant interests*

As at the date of this Notice, Paul Boyatzis and Dr Mark Elliott have a relevant interest in securities of the Company as follows:

	Shares	Options (6.5 cent exercise price and 15 November 2022 expiry)
Paul Boyatzis	1,281,455	666,667
Dr Mark Elliott	111,112	333,334

(g) *Trading history*

The following table gives details of the highest, lowest and the latest closing price of the Company's Shares trading on the ASX over the last 12 months.

	Closing Price	Date
Highest Price	13 cents	6 September 2021
Lowest Price	5 cents	3 August 2021
Latest Price	8.3 cents	19 October 2021

(h) *Valuation of Options*

The Company has valued the Options to be issued by reference to the Black and Scholes valuation model.

The following assumptions have been made regarding the inputs required for the model:

	Input	Note
Number of Options	3,000,000	
Underlying share spot price	8.3 cents	1
Exercise Price	assumed 12 cents	2
Dividend rate	Nil	3
Risk free rate	0.48%	4
Expected future volatility	174.1%	5
Life of the Options	3 years	6

Note 1: The underlying Share spot price used for the purpose of the valuation is based on the closing Share price of 8.3 cents on 15 October 2021.

Note 2: The exercise price is 145% of the VWAP for the 5 Trading Days on which Shares trade prior to the Meeting. The example uses 12 cents being 145% of the underlying Share spot price of 8.3 cents.

Note 3: No dividends are expected to be paid during the life of the Options.

Note 4: The risk free rate is based on the Commonwealth Government 3 year bond rate of 0.48% at 14 October 2021.

Note 5: The volatility was calculated from the Company's historical trading volatility over 3 years and is 174.1%.

Note 6: The life of the Options has been assumed to be 3 years.

Based on the above assumptions, the Options have been valued as follows:

Number and Value of Options	
Paul Boyatzis	2,000,000 Options – 7 cents each (\$140,000)
Dr Mark Elliott	1,000,000 Options – 7 cents each (\$70,000)

(i) *Other information*

The Directors do not consider that there are opportunity costs to the Company or benefits foregone by the Company in issuing the Options.

The Directors are not aware of any other information that is reasonably required by Shareholders to allow them to make a decision as to whether it is in the best interests of the Company to pass the Resolutions.

7.3 **Listing Rule 10.11**

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

- (a) Listing Rule 10.11.1 - a related party;
- (b) Listing Rule 10.11.2 - 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) Listing Rule 10.11.3 - 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) Listing Rule 10.11.4 - an associate of a person referred to in Listing Rules 10.11.1 to 10.11.3; or

- (e) Listing Rule 10.11.5 - a person whose relationship with the company or a person referred to in Listing Rules 10.11.1 to 10.11.4 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 Options falls within Listing Rule 10.11.1 (as each of Paul Boyatzis and Dr Mark Elliott is a Director of the Company) and does not fall within any of the exceptions in Listing Rule 10.12. It therefore requires the approval of the Company's Shareholders under Listing Rule 10.11.

Resolutions 7 and 8 seek the required Shareholder approval to the issue of the Options under and for the purposes of Listing Rule 10.11.

In each case if the Resolution is passed, the Company will be able to proceed with the issue.

In each case if the Resolution is not passed, the Company will not be able to proceed with the issue and this incentive will not be issued to the particular Director. No other replacement incentive is currently proposed.

7.4 Listing Rule 10.13

For Shareholders to approve the issue of the Options under and for the purposes of Listing Rule 10.11, the following information is provided to Shareholders in accordance with Listing Rule 10.13:

- (a) The securities will be issued to Paul Boyatzis or his nominees (Resolution 7) and Dr Mark Elliott or his nominees (Resolution 8).
- (b) Each of the persons referred to above is a Director and is therefore a related party (Listing Rule 10.11.1).
- (c) The number of securities the Company will issue is up to 2,000,000 Options to Paul Boyatzis or his nominees (Resolution 7) and up to 1,000,000 Options to Dr Mark Elliott or his nominees (Resolution 8).
- (d) The securities to be issued are Options with an exercise price being 145% of the VWAP for the 5 Trading Days on which Shares trade prior to the Meeting and an expiry date of 3 years after the date of the Meeting. The full terms of the Options are set out in Schedule 2.
- (e) The securities will be issued no later than 1 month after the date of the Meeting (or a later date to the extent permitted by any ASX waiver or notification of the Listing Rules).
- (f) The Options will be issued for no consideration and there is no issue price.
- (g) The purpose of the issue is to issue Options to incentivise and remunerate each of the Directors in performing their role and the issue of the Options is considered an appropriate incentive in the circumstances of the Company. No funds will be raised from the issue of the Options.
- (h) The current total remuneration package of each of the Directors is set out in Section 7.2(e) above.
- (i) The Options to be issued to each of Paul Boyatzis and Dr Mark Elliott under these Resolutions are to be issued as an incentive under the terms of their non-executive director engagement agreement. Other than the remuneration referred to above, the other material terms of their engagement is each is engaged as a non-executive director subject to the rights of Shareholders and they must perform this role in accordance with applicable laws. Otherwise, the terms of the engagement is on standard commercial terms for a non-executive director.

8. Enquiries

Shareholders may contact Phil MacLeod on (+ 61 8) 9321 0177 if they have any queries in respect of the matters set out in these documents.

GLOSSARY

In the Notice and this Explanatory Statement, the following expressions have the following meanings:

"**Annual General Meeting and Meeting**" means the meeting convened by this Notice.

"**ASX**" means the ASX Limited (ABN 98 008 624 691).

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

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

"**Board**" means the Board of Directors of the Company.

"**Chairman**" or "**Chair**" means the chairman of the Company.

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

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

"**Company**" or "**Aruma**" means Aruma Resources Limited (ACN 141 335 364).

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

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

"**Directors**" mean the directors of the Company from time to time.

"**Directors' Report**" means the annual Directors' Report prepared under Chapter 2M of the Corporations Act for the Company.

"**equity securities**" has the same meaning as in the Listing Rules.

"**Explanatory Statement**" means this Explanatory Statement.

"**Financial Report**" means the annual financial report prepared under Chapter 2M of the Corporations Act of the Company.

"**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**" means the meeting convened by this Notice.

"**Notice**" means the notice of meeting that accompanies this Explanatory Statement.

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

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

"**Performance Right**" means a right to acquire a Share subject to the satisfaction of applicable vesting hurdles.

"**Placement Period**" means the period during which Shareholder approval under Listing Rule 7.1A is valid.

"**Resolution**" means a resolution referred to in the Notice.

"**Section**" means a section contained in this Explanatory Statement.

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

"**Shareholder**" means a registered holder of shares in the Company.

"**Trading Day**" has the same meaning as in the Listing Rules.

"**VWAP**" means volume weighted average price.

"**WST**" or "**Western Standard Time**" means Western Standard Time, Perth, Western Australia.

"**\$**" means Australian dollars unless otherwise stated.

SCHEDULE 1

Terms and Conditions of Performance Rights (Resolution 6)

The terms of the Performance Rights will be as follows:

Number of Performance Rights	Service Condition	Performance condition
1,000,000	The holder or the holder's representative remains engaged as an employee until the performance condition is satisfied.	Prior to 30 June 2022, the Company achieves a market capitalisation (Share price x Shares on issue) of at least \$50,000,000 for a continuous period of 20 Trading Days on which the Share have actually traded.

The other terms of the Performance Rights will be:

- (a) (Conversion) Upon satisfaction of the service condition and performance condition as determined by the Board, each Performance Right will, at the election of the holder, vest and convert into one Share.
- (b) (No Consideration payable) No consideration will be payable upon the vesting and conversion of the Performance Rights.
- (c) (No Voting rights) A Performance Right does not entitle a holder to vote on any resolutions proposed at a general meeting of Shareholders of the Company.
- (d) (No dividend rights) A Performance Right does not entitle a holder to any dividends.
- (e) (No rights on winding up) A Performance Right does not entitle the holder to participate in the surplus profits or assets of the Company upon winding up of the Company.
- (f) (Not transferable) A Performance Right is not transferable.
- (g) (Reorganisation of capital) If there is a reorganisation (including, without limitation, consolidation, sub-division, reduction or return) of the issued capital of the Company, the rights of a holder will be varied, as appropriate, in accordance with the Listing Rules which apply to reorganisation of capital at the time of the reorganisation.
- (h) (Quotation of Shares on conversion) An application will be made by the Company to ASX for official quotation of the Shares issued upon the conversion of each Performance Right within the time period required by the Listing Rules. The Company will not apply for quotation of the Performance Rights on ASX.
- (i) (No participation in entitlements and bonus issues) A Performance Right does not entitle a holder to participate in new issues of capital offered to holders of Shares, such as bonus issues and entitlement issues.
- (j) (No other rights) A Performance Right does not give a holder any other rights other than those expressly provided by these terms and those provided at law where such rights at law cannot be excluded by these terms.
- (k) (Lapse) If the performance condition relevant to a Performance Right has not been satisfied by the relevant expiry date, then the Performance Rights will automatically lapse.

SCHEDULE 2

TERMS AND CONDITIONS OF OPTIONS (RESOLUTIONS 6, 7 and 8)

1. Each Option entitles the holder to one Share.
2. The Options are exercisable at any time prior to 5.00 pm Western Standard Time on the date 3 years after the date of the Meeting ("**Expiry Date**"). An Option not exercised before the Expiry Date will automatically lapse on the Expiry Date.
3. The exercise price of the Options is 145% of the volume weighted average closing price of Shares for the 5 Trading Days prior to the date of the Meeting.
4. The Options will not be listed on ASX and may only be transferred with the consent of the Board of the Company.
5. The Company will provide to each Option holder a notice that is to be completed when exercising the Options ("**Notice of Exercise**"). The Options may be exercised wholly or in part by completing the Notice of Exercise and delivering it together with payment to the secretary of the Company to be received any time prior to the Expiry Date ("**Exercise Date**").
6. Within 15 Business Days after the later of the following:
 - (i) the Exercise Date; and
 - (ii) when excluded information in respect to the Company (as defined in section 708A(7) of the Corporations Act) (if any) ceases to be excluded information,but in any case no later than 20 Business Days after the Exercise Date, the Company will:
 - (iii) allot and issue the number of Shares required under these terms and conditions in respect of the number of Options specified in the Notice of Exercise and for which cleared funds have been received by the Company; and
 - (iv) 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.
7. Shares issued on the exercise of the options rank equally with the then issued Shares.
8. There will be no participating rights or entitlements inherent in the Options and the holders will not be entitled to participate in new issues of capital which may be 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 7 business days after the issue is announced. This will give Optionholders the opportunity (where Options have vested, if applicable) to exercise their Options prior to the date for determining entitlements to participate in any such issue.
9. If there is a bonus issue ("**Bonus Issue**") to Shareholders, the number of Shares over which an Option is exercisable will be increased by the number of Shares which the holder would have received if the Option had been exercised before the record date for the Bonus Issue ("**Bonus Shares**"). The Bonus Shares must be paid up by the Company out of profits or reserves (as the case may be) in the same manner as was applied in the Bonus Issue, and upon issue will rank equally in all respects with the other Shares on issue as at the date of issue of the Bonus Shares.
10. In the event of any reconstruction (including consolidation, sub-division, reduction or return) of the issued capital of the Company prior to the Expiry Date, all rights of an Optionholder are to be changed in a manner consistent with the Listing Rules.

 **ONLINE PROXY APPOINTMENT**
www.advancedshare.com.au/investor-login

 **MOBILE DEVICE PROXY APPOINTMENT**
 Lodge your proxy by scanning the QR code below, and enter your registered postcode.
 It is a fast, convenient and a secure way to lodge your vote.

2021 ANNUAL GENERAL MEETING PROXY FORM

I/We being shareholder(s) of Aruma Resources Limited and entitled to attend and vote hereby:

APPOINT A PROXY

The Chairman of the Meeting **OR**

 **PLEASE NOTE:** If you leave the section blank, the Chairman of the Meeting will be your proxy.

or failing the individual(s) or body corporate(s) named, or if no individual(s) or body corporate(s) named, the Chairman of the Meeting, as my/our proxy to act generally at the Meeting on my/our behalf, including to vote in accordance with the following directions (or, if no directions have been given, and to the extent permitted by law, as the proxy sees fit), at the Annual General Meeting of the Company to be held at **Unit 8-9, 88 Forrest Street, Cottesloe, Western Australia on 30 November 2021 at 9:00am (WST)** and at any adjournment or postponement of that Meeting.

Chairman's voting intentions in relation to undirected proxies: The Chairman intends to vote all undirected proxies in favour of all Resolutions. In exceptional circumstances, the Chairman may change his/her voting intentions on any Resolution. In the event this occurs, an ASX announcement will be made immediately disclosing the reasons for the change.

Chairman authorised to exercise undirected proxies on remuneration related resolutions: Where I/we have appointed the Chairman of the Meeting as my/our proxy (or the Chairman becomes my/our proxy by default), I/we expressly authorise the Chairman to exercise my/our proxy on Resolutions 1, 6, 7 & 8 (except where I/we have indicated a different voting intention below) even though these resolutions are connected directly or indirectly with the remuneration of a member(s) of key management personnel, which includes the Chairman.

VOTING DIRECTIONS

Resolutions	For	Against	Abstain*
1 Adoption of Remuneration Report	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
2 Re-election of Director – Paul Boyatzis	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
3 Ratification of September 2021 Placement of Shares Under Listing Rule 7.1	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
4 Ratification of September 2021 Placement of Shares Under Listing Rule 7.1A	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
5 Approval of Additional 10% Capacity	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
6 Approval to Issue Performance Rights and Options to Mr Peter Schwann	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
7 Approval to Issue Options to Mr Paul Boyatzis	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
8 Approval to Issue Options to Dr Mark Elliott	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>

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

SIGNATURE OF SHAREHOLDERS – THIS MUST BE COMPLETED

Shareholder 1 (Individual) Joint Shareholder 2 (Individual) Joint Shareholder 3 (Individual)

Sole Director and Sole Company Secretary Director/Company Secretary (Delete one) Director

This form should be signed by the shareholder. If a joint holding, all the shareholders should sign. If signed by the shareholder's attorney, the power of attorney must have been previously noted by the registry or a certified copy attached to this form. If executed by a company, the form must be executed in accordance with the company's constitution and the Corporations Act 2001 (Cth).

Email Address

Please tick here to agree to receive communications sent by the Company via email. This may include meeting notifications, dividend remittance, and selected announcements.

only use STEP 1 STEP 2 STEP 3

HOW TO COMPLETE THIS SHAREHOLDER PROXY FORM

**IF YOU WOULD LIKE TO ATTEND AND VOTE AT THE MEETING, PLEASE BRING THIS FORM WITH YOU.
THIS WILL ASSIST IN REGISTERING YOUR ATTENDANCE.**

CHANGE OF ADDRESS

This form shows your address as it appears on the Company's share register. If this information is incorrect, please make the correction on the form. Shareholders sponsored by a broker should advise their broker of any changes.

APPOINTMENT OF A PROXY

If you wish to appoint the Chairman as your proxy, mark the box in Step 1. If you wish to appoint someone other than the Chairman, please write that person's name in the box in Step 1. A proxy need not be a shareholder of the Company. A proxy may be an individual or a body corporate.

DEFAULT TO THE CHAIRMAN OF THE MEETING

If you leave Step 1 blank, or if your appointed proxy does not attend the Meeting, then the proxy appointment will automatically default to the Chairman of the Meeting.

VOTING DIRECTIONS – PROXY APPOINTMENT

You may direct your proxy on how to vote by placing a mark in one of the boxes opposite each resolution 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 resolution 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 a given resolution, your proxy may vote as they choose to the extent they are permitted by law. If you mark more than one box on a resolution, your vote on that resolution will be invalid.

PROXY VOTING BY KEY MANAGEMENT PERSONNEL

If you wish to appoint a Director (other than the Chairman) or other member of the Company's key management personnel, or their closely related parties, as your proxy, you must specify how they should vote on Resolutions 1, 6, 7 & 8, by marking the appropriate box. If you do not, your proxy will not be able to exercise your vote for Resolutions 1, 6, 7 & 8.

PLEASE NOTE: If you appoint the Chairman as your proxy (or if they are appointed by default) but do not direct them how to vote on a resolution (that is, you do not complete any of the boxes "For", "Against" or "Abstain" opposite that resolution), the Chairman may vote as they see fit on that resolution.

APPOINTMENT OF A SECOND PROXY

You are entitled to appoint up to two persons as proxies to attend the Meeting and vote on a poll. If you wish to appoint a second proxy, an additional Proxy Form may be obtained by telephoning Advanced Share Registry Limited or you may copy this form and return them both together.

To appoint a second proxy you must:

- on each Proxy Form state the percentage of your voting rights or number of shares 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; and
- return both forms together.

COMPLIANCE WITH LISTING RULE 14.11

In accordance with Listing Rule 14.11, if you hold shares on behalf of another person(s) or entity/entities or you are a trustee, nominee, custodian or other fiduciary holder of the shares, you are required to ensure that the person(s) or entity/entities for which you hold the shares are not excluded from voting on resolutions where there is a voting exclusion. Listing Rule 14.11 requires you to receive written confirmation from the person or entity providing the voting instruction to you and you must vote in accordance with the instruction provided.

By lodging your proxy votes, you confirm to the company that you are in compliance with Listing Rule 14.11.

CORPORATE REPRESENTATIVES

If a representative of a nominated corporation is to attend the Meeting the appropriate "Certificate of Appointment of Corporate Representative" should be produced prior to admission in accordance with the Notice of Meeting. A Corporate Representative Form may be obtained from Advanced Share Registry.

SIGNING INSTRUCTIONS ON THE PROXY FORM

Individual:

Where the holding is in one name, the security holder must sign.

Joint Holding:

Where the holding is in more than one name, all of the security holders should sign.

Power of Attorney:

If you have not already lodged the Power of Attorney with Advanced Share Registry, please attach the original or a certified photocopy of the Power of Attorney to this form when you return it.

Companies:

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

LODGE YOUR PROXY FORM

This Proxy Form (and any power of attorney under which it is signed) must be received at an address given below by 9:00am (WST) on 28 November 2021 being not later than 48 hours before the commencement of the Meeting. Proxy Forms received after that time will not be valid for the scheduled Meeting.



ONLINE PROXY APPOINTMENT

www.advancedshare.com.au/investor-login



BY MAIL

Advanced Share Registry Limited
110 Stirling Hwy, Nedlands WA 6009; or
PO Box 1156, Nedlands WA 6909



BY FAX

+61 8 6370 4203



BY EMAIL

admin@advancedshare.com.au



IN PERSON

Advanced Share Registry Limited
110 Stirling Hwy, Nedlands WA 6009



ALL ENQUIRIES TO

Telephone: +61 8 9389 8033