



**Parabellum Resources Limited
ACN 645 149 211**

Notice of Annual General Meeting

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

Time and date: 1:00pm (AWST) on Wednesday, 30 November 2022

In-person: 52 Ord Street, West Perth, WA 6005

The 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 suitably qualified advisor prior to voting.

Should you wish to discuss any matter, please do not hesitate to contact the Company Secretary by telephone on (08) 6313 3950.

Shareholders are urged to vote by lodging the Proxy Form

Parabellum Resources Limited
ACN 645 149 211
(Company)

Notice of Annual General Meeting

Notice is hereby given that the annual general meeting of Shareholders of Parabellum Resources Limited ACN 645 149 211 will be held at 52 Ord Street, West Perth, WA 6005 on Wednesday, 30 November 2022 at 1:00pm (AWST) (**Meeting**).

The Directors have determined pursuant to regulation 7.11.37 of the *Corporations Regulations 2001* (Cth) that the persons eligible to vote at the Meeting are those who are registered as Shareholders on Monday, 28 November 2022 at 1:00pm (AWST).

The Explanatory Memorandum provides additional information on matters to be considered at the Meeting. The Explanatory Memorandum and the Proxy Form form part of the Notice.

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

Agenda

1 Annual Report

To consider the Annual Report of the Company and its controlled entities for the financial year ended 30 June 2022, which includes the Financial Report, the Directors' Report and the Auditor's Report.

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

2 Resolutions

Resolution 1 – Remuneration Report

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

'That, the Remuneration Report be adopted by Shareholders, on the terms and conditions in the Explanatory Memorandum.'

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

Resolution 2– Appointment of Auditor

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

'That, for the purposes of section 327B(1)(a) of the Corporations Act and for all other purposes, BDO Audit (WA) Pty Ltd, having been nominated by a Shareholder and having consented in writing to act in the capacity of auditor of the Company, be appointed as auditor to the Company, with effect from the close of the Meeting, on the terms and conditions in the Explanatory Memorandum.'

Resolution 3 – Election of Director – Mr Mark Hohnen

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

'That, for the purpose of Listing Rule 14.4, Articles 7.2(b)(ii) and 7.6(c) of the Constitution and for all other purposes, Mr Mark Hohnen, a Director who was appointed as a Director by the Board of Directors in accordance with Article 7.6(a) of the Constitution on 1 July 2021, retires and, being eligible, is elected as a Director of the Company, on the terms and conditions in the Explanatory Memorandum.'

Resolution 4 – Election of Director – Mr Shaun Menezes

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

'That, for the purpose of Listing Rule 14.4, Articles 7.2(b)(ii) and Article 7.6(c) of the Constitution and for all other purposes, Mr Shaun Menezes, a Director who was appointed as a Director by the Board of Directors in accordance with Article 7.6(a) of the Constitution on 3 June 2021, retires and, being eligible, is elected as a Director of the Company, on the terms and conditions in the Explanatory Memorandum.'

Resolution 5 – Election of Director – Mr Peter Ruse

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

'That, for the purpose of Listing Rule 14.4 and Article 7.2(b)(iii) of the Constitution and for all other purposes, Mr Peter Ruse, a Director who was appointed as a Director upon the Company's incorporation on 15 October 2020, retires and, being eligible, is elected as a Director of the Company, on the terms and conditions in the Explanatory Memorandum.'

Resolution 6 – Approval of 10% Placement Facility

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

'That, pursuant to and in accordance with Listing Rule 7.1A and for all other purposes, Shareholders approve the issue of Equity Securities totalling up to 10% of the issued capital of the Company at the time of issue, calculated in accordance with the formula prescribed in Listing Rule 7.1A.2 and on the terms and conditions in the Explanatory Memorandum.'

Resolution 7 – Approval of New Plan

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

'That, pursuant to and in accordance with exception 13(b) of Listing Rule 7.2 and for all other

*purposes, Shareholders approve the new employee incentive scheme of the Company known as the "Parabellum Resources Limited Employee Securities Incentive Plan" (**New Plan**) and the issue of up to a maximum number of 6,230,000 Securities under the New Plan over a period of up to three years from the date of the Meeting, on the terms and conditions in the Explanatory Memorandum."*

Resolution 8 – Approval of potential termination benefits under the New Plan

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

'That, conditional on Resolution 7 being approved, 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 "Parabellum Resources 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 Memorandum.'

Resolution 9 – Modification of existing Constitution

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

'That, for the purposes of section 136(2) of the Corporations Act and for all other purposes, the constitution of the Company be modified by making the amendments contained in the document tabled at this Meeting and signed by the Chair for the purposes of identification, with effect from the date this resolution is passed.'

Resolution 10 – Approval of issue of Director Options

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

'That the issue of:

- (a) *up to 2,000,000 Director Options to Mark Hohnen (or his nominee);*
- (b) *up to 2,000,000 Director Options to Peter Ruse (or his nominee); and*
- (c) *up to 1,000,000 Director Options to Shaun Menezes (or his nominee),*

is approved under and for the purposes of Listing Rule 10.11, sections 195(4) and 208 of the Corporations Act and for all other purposes, on the terms and conditions in the Explanatory Memorandum.'

Resolution 11 – Approval of issue of Corporate Adviser Options

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

'That, for the purposes of ASX Listing Rule 7.1 and for all other purposes, Shareholders approve the issue of up to 6,000,000 Corporate Adviser Options to the Corporate Adviser (or its nominee) on the terms and conditions set out in the Explanatory Memorandum. '

Voting exclusions

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

- (a) **Resolution 6:** 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.
- (b) **Resolution 7:** by or on behalf of a person who is eligible to participate in the New Plan, or any of their respective associates.
- (c) **Resolution 10(a):** by or on behalf of Mark Hohnen and any other person who will obtain a material benefit as a result of the issue of these Director Options (except a benefit solely by reason of being a Shareholder), or any of their respective associates.
- (d) **Resolution 10(b):** by or on behalf of Peter Ruse and any other person who will obtain a material benefit as a result of the issue of these Director Options (except a benefit solely by reason of being a Shareholder), or any of their respective associates.
- (e) **Resolution 10(c):** by or on behalf of Shaun Menezes and any other person who will obtain a material benefit as a result of the issue of these Director Options (except a benefit solely by reason of being a Shareholder), or any of their respective associates.
- (f) **Resolution 11:** by or on behalf of the Corporate Adviser and any other person who will obtain a material benefit as a result of the issue of the Corporate Adviser Options, or any of their respective associates.

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

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

Voting prohibitions

Resolution 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 a member of the Key Management Personnel details of whose remuneration are included in the Remuneration Report, or a Closely Related Party of such a member.

A vote may be cast by such person if the vote is not cast on behalf of a person who is excluded from voting on this Resolution, and:

- (a) the person 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 does not specify the way the proxy is to vote on this Resolution, but expressly authorises the Chair to exercise the proxy even if this Resolution is connected with the remuneration of a member of the Key Management Personnel.

Resolution 7 and Resolution 8, Resolution 10(a), (b) and (c): In accordance with section 250BD of the Corporations Act, a person appointed as a proxy must not vote, on the basis of that appointment, on this Resolution if:

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

However, the above prohibition does not apply if:

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

Further, in respect of **Resolution 10(a), (b) and (c)**, in accordance with section 224 of the Corporations Act, a vote on these Resolutions must not be cast (in any capacity) by or on behalf of a related party of the Company to whom the Resolution would permit a financial benefit to be given, or an associate of such a related party.

Resolution 8: 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 New 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.

BY ORDER OF THE BOARD

A handwritten signature in black ink, appearing to read 'S. Menezes', with a stylized flourish at the end.

Mr Shaun Menezes

Non-Executive Director and Company Secretary

Parabellum Resources Limited

Dated: 25 October 2022

Parabellum Resources Limited
ACN 645 149 211
(Company)

Explanatory Memorandum

1. Introduction

The Explanatory Memorandum has been prepared for the information of Shareholders in connection with the business to be conducted at the Meeting to be held at 52 Ord Street, West Perth, WA 6005 on Wednesday, 30 November 2022 at 1:00pm (AWST).

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

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

Section 2	Action to be taken by Shareholders
Section 3	Annual Report
Section 4	Resolution 1 – Remuneration Report
Section 5	Resolution 2 – Appointment of Auditor
Section 6	Resolution 3 – Election of Director – Mr Mark Hohnen Resolution 4 – Election of Director – Mr Shaun Menezes Resolution 5 – Election of Director – Mr Peter Ruse
Section 7	Resolution 6 – Approval of 10% Placement Facility
Section 8	Resolution 7 – Approval of New Plan
Section 9	Resolution 8 – Approval of potential termination benefits under the New Plan
Section 10	Resolution 9 – Modification of existing Constitution
Section 11	Resolution 10(a), (b) and (c) – Approval of issue of Director Options
Section 12	Resolution 11 – Approval of issue of Corporate Adviser Options
Schedule 1	Definitions
Schedule 2	Nomination of Auditor
Schedule 3	Summary of Material Terms of New Plan
Schedule 4	Terms and conditions of Director Options and Corporate Adviser Options

Schedule 5	Valuation of Director Options
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2. Action to be taken by Shareholders

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

2.1 Voting in person

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

2.2 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. 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 not vote on a show of hands;
- (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, or is otherwise required under section 250JA 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.

2.3 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 7 and Resolution 8 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.

Proxy appointments will only be valid and accepted by the Company if they are made and received no later than 48 hours before the Meeting.

2.4 Submitting questions

Shareholders may submit questions in advance of the Meeting to the Company. Questions must be submitted by emailing the Company Secretary at shaunm@parabellumresources.com.au by no later than five business days before the Meeting.

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

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

3. 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 2022.

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

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

- (a) discuss the Annual Report which is available online at www.parabellumresources.com.au;
- (b) ask questions about, or comment on, the management of the Company; and
- (c) 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:

- (a) the preparation and content of the Auditor's Report;
- (b) the conduct of the audit;
- (c) accounting policies adopted by the Company in relation to the preparation of the financial statements; and
- (d) 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.

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

4. Resolution 1 – Remuneration Report

4.1 General

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 for the year ended 30 June 2022 in the 2022 Annual 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, Resolution 1 is advisory only and does not bind the Directors. 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 Chair will allow a reasonable opportunity for Shareholders as a whole to ask about, or make comments on the Remuneration Report.

4.2 Additional information

Resolution 1 is an ordinary resolution.

Given the personal interests of all Directors in the outcome of this Resolution, the Board declines to make a recommendation to Shareholders regarding this Resolution.

5. **Resolution 2 – Appointment of Auditor**

5.1 **General**

Resolution 2 seeks Shareholder approval for the appointment of BDO Audit (WA) Pty Ltd as the Company's auditor.

Section 327A(2) of the Corporations Act provides that the initial appointment of an auditor of a public company holds office until the first annual general meeting of a company.

Section 327B(1) of the Corporations Act provides that a Company must appoint an auditor at its first annual general meeting. This is the first annual general meeting of the Company.

The Directors appointed BDO Audit (WA) Pty Ltd as the Company's auditor following registration of the Company.

In accordance with section 328B(1) of the Corporations Act, the Company has sought and obtained a nomination from a Shareholder for BDO Audit (WA) Pty Ltd to be appointed as the Company's auditor. A copy of this nomination is attached to this Notice at Schedule 2.

If Resolution 2 is passed, the appointment of BDO Audit (WA) Pty Ltd as the Company's auditor will take effect at the close of this Meeting.

5.2 **Additional information**

Resolution 2 is an ordinary resolution.

The Board recommends Shareholders vote in favour of this Resolution 2.

6. **Resolution 3 – Election of Director – Mr Mark Hohnen, Resolution 4 – Election of Director – Mr Shaun Menezes and Resolution 5 – Election of Director – Mr Peter Ruse**

6.1 **General**

Article 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.

Article 7.6(c) of the Constitution and Listing Rule 14.4 provides that a Director appointed under Article 7.6(a) of the Constitution must not hold office without re-election past the next annual general meeting of the Company, but is eligible for election at that meeting.

Article 7.2(b) of the Constitution and Listing Rule 14.5 provide that there must be an election of Directors at each annual general meeting of the Company.

Accordingly:

- (a) Mr Mark Hohnen, a Director appointed as a Director by the Board of Directors on 1 July 2021 in accordance with Article 7.6(a) of the Constitution, retires at this Meeting and, being eligible and offering himself for election, seeks election pursuant to Resolution 3;
- (b) Mr Shaun Menezes, a Director appointed as a Director by the Board of Directors on 3

June 2021 in accordance with Article 7.6(a) of the Constitution, retires at this Meeting and, being eligible and offering himself for election, seeks election pursuant to Resolution 4; and

- (c) Mr Peter Ruse, a Director appointed as a Director upon the Company's incorporation on 15 October 2020, retires at this Meeting and, being eligible and offering himself for election, seeks election pursuant to Resolution 5.

6.2 **Mr Mark Hohnen**

Mr Hohnen has been involved in the mineral resource sector since the late 1970s, and has extensive international business experience in a wide range of industries including mining and exploration, property, investment, software and agriculture. Mr Hohnen is currently non-executive Chairman of Canyon Resources Limited. He also served as an executive director and Chairman of Bacanora Lithium Plc (LSE:BCN) until its takeover by Ganfeng International Trading (Shanghai) Limited in December 2021, non-executive director of Pensana Rare Earths Plc (LSE:PRE), non-executive Chairman of BOSS Resources Ltd (ASX:BOS) and director of Salt Lake Potash Limited (ASX:SO4), and was also a director of Kalahari Minerals and Extract Resources, having successfully negotiated the sale of both companies to Taurus (CGN).

Mr Hohnen does not currently hold any other material directorships, other than as disclosed in this Notice.

The Company confirms that it took appropriate checks into Mr Hohnen's background and experience and that these checks did not identify any information of concern.

If elected, Mr Hohnen is considered by the Board (with Mr Hohnen abstaining) to be an independent Director. Mr Hohnen 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.

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

6.3 **Mr Shaun Menezes**

Mr Menezes is an accounting and finance professional with over 20 years' experience. He has worked in the capacity of Company Secretary and Chief Financial Officer of a number of ASX and SGX listed companies, held a senior management role within an ASX 200 listed company and was an executive director at a leading international accounting firm.

Mr Menezes is currently the company secretary for a number of ASX listed companies. In his past career, he has held the position of Finance Director and Company Secretary at Alliance Mineral Assets Limited (Alliance) which was listed on the Singapore Exchange Limited.

Mr Menezes does not currently hold any other material directorships, other than as disclosed in this Notice.

The Company confirms that it took appropriate checks into Mr Menezes' background and experience and that these checks did not identify any information of concern.

If elected, Mr Menezes is not considered by the Board (with Mr Menezes abstaining) to be an independent Director because he is also the Company Secretary and Chief Financial Officer of the Company.

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

6.4 **Mr Peter Ruse**

Mr Ruse is a finance professional with over 12 years of extensive experience in Equity Funds Management and Private/Institutional Wealth Management specialising in Mining/Minerals and Industrial related sectors. Mr Ruse has extensive private and public equity market experience as a former executive Director/Portfolio Manager of ALR Investments Pty Limited, a Western Australian family office investment company.

Mr Ruse is currently an executive director of Mont Royal Resources Limited (ASX:MRZ) and director of Gunsynd PLC (LSE:GUN).

Mr Ruse does not currently hold any other material directorships, other than as disclosed in this Notice.

The Company confirms that it took appropriate checks into Mr Ruse's background and experience and that these checks did not identify any information of concern.

If elected, Mr Ruse is not considered by the Board (with Mr Ruse abstaining) to be an independent Director because he is a founding shareholder.

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

6.5 **Board recommendation**

The Board (other than Mr Hohnen who has a personal interest in the outcome of Resolution 3) supports the election of Mr Hohnen as Mr Hohnen's international business skills in the mineral resource sector, combined with his wide-ranging board experience across a number of listed companies, including Bacanora Lithium Plc, will be invaluable to the Board during the next stage of the Company's development.

The Board (other than Mr Menezes who has a personal interest in the outcome of Resolution 4) supports the election of Mr Menezes as Mr Menezes' skills and significant experience in finance and governance are important additions to the Board's existing skills and experience.

The Board (other than Mr Ruse who has a personal interest in the outcome of Resolution 5) supports the election of Mr Ruse as Mr Ruse's skills and significant experience in private and public equity markets are important additions to the Board's existing skills and experience.

If Resolution 3 is approved, Mr Hohnen will be re-elected as a Director of the Company. If Resolution 3 is not approved, Mr Hohnen will not be re-elected as a Director of the Company.

If Resolution 4 is approved, Mr Menezes will be re-elected as a Director of the Company. If Resolution 4 is not approved, Mr Menezes will not be re-elected as a Director of the Company.

If Resolution 5 is approved, Mr Ruse will be re-elected as a Director of the Company. If Resolution 5 is not approved, Mr Ruse will not be re-elected as a Director of the Company.

6.6 **Additional information**

Resolution 3, Resolution 4 and Resolution 5 are ordinary resolutions.

The Board, other than:

- (a) Mr Hohnen in respect of Resolution 3;
- (b) Mr Menezes in respect of Resolution 4; and
- (c) Mr Ruse in respect of Resolution 5,

(each having personal interests in the outcome of the respective Resolutions, recommends that Shareholders vote in favour of Resolution 3, Resolution 4 and Resolution 5.

7. **Resolution 6 – Approval of 10% Placement Facility**

7.1 **General**

Listing Rule 7.1A enables an eligible entity to issue Equity Securities up to 10% of its issued share capital through placements over a 12-month period after the annual general meeting (**10% Placement Facility**). The 10% Placement Facility is in addition to the Company's 15% annual placement capacity under Listing Rule 7.1.

Resolution 6 seeks Shareholder approval to provide the Company with the ability to issue Equity Securities under the 10% Placement Facility during the 10% Placement Period (refer to Section 7.2(f) below). The 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 (refer to Section 7.2(c) below).

If Resolution 6 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 6 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.

7.2 **Listing Rule 7.1A**

(a) **Is the Company an 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 \$21.2m, based on the closing price of Shares (\$0.34) on 12 October 2022.

(b) **What Equity Securities 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, being Shares.

(c) **How many Equity Securities can be issued?**

Listing Rule 7.1A.2 provides that under the approved 10% Placement Facility, the Company may issue or agree to issue a number of Equity Securities calculated in accordance with the following formula:

$$(A \times D) - E$$

Where:

A = is the number of 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 Shares issued in the Relevant Period on the conversion of convertible securities within Listing Rule 7.2 exception 9 where:
 - (1) the convertible securities were issued or agreed to be issued before the commencement of the Relevant Period; or
 - (2) 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 Shares issued in the Relevant Period under an agreement to issue securities within Listing Rule 7.2 exception 16 where:
 - (1) the agreement was entered into before the commencement of the Relevant Period; or
 - (2) 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 partly paid Shares that became fully paid Shares in the Relevant Period;
- (E) plus the number of fully paid Shares issued in the Relevant Period with approval under Listing Rules 7.1 and 7.4; and
- (F) less the number of fully paid Shares cancelled in the Relevant Period.

Note that 'A' has the same meaning in Listing Rule 7.1 when calculating the Company's 15% annual placement capacity.

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 the holders of its ordinary securities under Listing Rule 7.4.

(d) What is the interaction with Listing Rule 7.1?

The Company's ability to issue Equity Securities under Listing Rule 7.1A will be in addition to its 15% annual placement capacity under Listing Rule 7.1.

(e) At what price can the Equity Securities be issued?

Any Equity Securities issued under Listing Rule 7.1A must be issued for a cash consideration per Equity 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 6.2(e)(i) above, the date on which the Equity Securities are issued, **(Minimum Issue Price)**.

(f) When can Equity Securities be issued?

Shareholder approval of the 10% Placement Facility under Listing Rule 7.1A will be valid from the date of the Meeting and will expire on the earlier of:

- (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; or
- (iii) the time and date of Shareholder approval of a transaction under Listing Rules 11.1.2 (a significant change to the nature or scale of activities) or 11.2 (disposal of main undertaking),

(10% Placement Period).

(g) What is the effect of Resolution 6?

The effect of Resolution 6 will be to allow the Company to issue the Equity Securities under Listing Rule 7.1A during the 10% Placement Period without further Shareholder approval or using the Company's 15% annual placement capacity under Listing Rule 7.1.

7.3 **Specific information required by Listing Rule 7.3A**

Pursuant to and in accordance with Listing Rule 7.3A, the following information is provided in relation to the 10% Placement Facility:

(a) **Final date for issue**

The Company will only issue the Equity Securities under the 10% Placement Facility during the 10% Placement Period (refer to Section 7.2(f) above).

(b) **Minimum issue price**

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 (refer to Section 7.2(e) above).

(c) **Purposes of issues under the 10% Placement Facility**

The Company may seek to issue Equity Securities under the 10% Placement Facility for the purposes of raising funds for continued investment in the Company's current assets, the acquisition of new assets or investments (including expenses associated with such an acquisition), and/or for general working capital.

(d) **Risk of economic and voting dilution**

Shareholders should note that there is a risk 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 on the date of the Meeting; 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,

which may have an effect on the amount of funds raised by the issue of the Equity Securities.

If this Resolution 6 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 (in the case of Options, only if the Options are converted into Shares).

The table below shows the 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 (see Section 7.2(c) above) 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.

Shares (Variable A in Listing Rule 7.1A.2)	Dilution			
	Issue price per Share	\$0.17 50% decrease in Current Market Price	\$0.34 Current Market Price	\$0.68 100% increase in Current Market Price
62,300,001 Shares Variable A	10% Voting Dilution	6,230,000 Shares	6,230,000 Shares	6,230,000 Shares
	Funds raised	\$1,059,100	\$2,118,200	\$4,236,400
93,450,002 Shares 50% increase in Variable A	10% Voting Dilution	9,345,000 Shares	9,345,000 Shares	9,345,000 Shares
	Funds raised	\$1,588,650	\$3,177,300	\$6,354,600
124,600,002 Shares 100% increase in Variable A	10% Voting Dilution	12,460,000 Shares	12,460,000 Shares	12,460,000 Shares
	Funds raised	\$2,118,200	\$4,236,400	\$8,472,800

Notes:

1. The table has been prepared on the following assumptions:
 - (a) The issue price is the current market price (\$0.34), being the closing price of the Shares on ASX on 12 October 2022, being the latest practicable date before this Notice was signed.
 - (b) Variable A comprises of 62,300,001 existing Shares on issue as at the date of this Meeting, 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.
 - (c) The Company issues the maximum number of Equity Securities available under the 10% Placement Facility.
 - (d) No convertible securities (including any issued under the 10% Placement Facility) are exercised or converted into Shares before the date of the issue of the Equity Securities.
 - (e) 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.
2. 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.

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%. 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.

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) **Allocation policy**

The Company's allocation policy is dependent on the prevailing market conditions at the time of any proposed issue pursuant to the 10% Placement Facility. 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:

- (i) the methods of raising funds that are 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) financial situation and solvency of the Company; and
- (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 investors who are not related parties of or associates of a related party of the Company.

(f) **Issues in the past 12 months**

In the 12 months preceding the date of the Meeting and as at the date of this Notice, the Company has not issued or agreed to issue Equity Securities under Listing Rule 7.1A.

At the date of this Notice, the Company is not proposing to make an issue of Equity Securities under Listing Rule 7.1A and has not approached any particular existing Shareholder or security holder or an identifiable class of existing security holder 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.

7.4 **Additional information**

Resolution 6 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).

The Board recommends that Shareholders vote in favour of Resolution 6.

8. Resolution 7 – Approval of New Plan

8.1 General

On 1 October 2022, amendments to the Corporations Act came into effect, simplifying the process for incentivising participants under employee share schemes (**ESS**). Division 1A will be introduced into Part 7.12 of the Corporations Act, providing a separate regime for the making of offers in connection with an ESS (**New Regime**). This regime will replace the current relief afforded by ASIC Class Order 14/1000 (**Class Order**), which commenced on 30 October 2014.

To ensure that the Company is afforded the relief provided by the New Regime, the Company considers it necessary to adopt a new ESS that makes reference to the New Regime and includes the changes that came into effect on 1 October 2022.

Resolution 7 seeks Shareholder approval for the adoption of the new ESS titled the 'Parabellum Resources Limited Employee Securities Incentive Plan' (**New Plan**) in accordance with Listing Rule 7.2 exception 13(b), for the sole purpose of ensuring that the Company is afforded the relief provided by the New Regime.

Under the New Plan, the Board may offer to eligible persons the opportunity to subscribe for such number of Equity Securities in the Company as the Board may decide and on the terms set out in the rules of the New Plan, a summary of the key terms and conditions is in Schedule 3. In addition, a copy of the New Plan is available for review by Shareholders at the registered office of the Company until the date of the Meeting. A copy of the New Plan can also be sent to Shareholders upon request to the Company Secretary. Shareholders are invited to contact the Company if they have any queries or concerns.

8.2 Key changes between the Class Order and New Regime

The following table summarises the key changes implemented by the New Regime for "Invitations" (within the meaning given in the New Plan) made on or after 1 October 2022:

	Previous position under the Class Order	Position from 1 October 2022
Disclosure obligations	The Class Order mandates certain information that must be provided to ESS participants. There is no difference between the disclosure requirements where ESS Interests are offered for monetary consideration or for no monetary consideration.	If the offer of ESS Interests is for no monetary consideration: There are no prescribed disclosure obligations, other than a statement that the offer is made under Division 1A. If the offer of ESS Interests is for monetary consideration: Certain prescribed disclosure requirements apply. These disclosure requirements are similar (although different) to the current disclosure requirements under the Class Order.

		• The participant cannot acquire the ESS Interests until 14 days after receiving the above disclosure. This mandates a waiting period ensuring a participant has time to consider their decision and seek legal financial advice. • Any associated trust, contribution plan and loan arrangement will need to comply with specified requirements.
Eligible participants	• Directors; • Full-time and part-time employees; • Casual employees and contractors, provided they work the number of hours that are the pro-rata equivalent of 40% or more of a comparable full-time position with the entity.	• Directors; • Full-time and part-time employees; • Any service providers to the entity (with no minimum requirement of hours of service provided); • Certain 'related persons' to the above.
5% limit	The maximum number of ESS Interests that can be issued under the Class Order relief over a three-year period is 5% of the issued share capital.	If the offer of ESS Interests is for no monetary consideration: There is no limit on the number of such ESS Interests that may be issued. If the offer of ESS Interests is for monetary consideration: The number of ESS Interests issued over a three-year period must not exceed 5% of the issued share capital. Entities may specify a different issue cap in their constitution, which the Company seeks to do under Resolution 9, amending this cap to 10% of its issued share capital.
Quotation requirement	An entity's shares must have been quoted for three months before the Class Order relief is available.	Newly listed entities can offer ESS Interests under the new regime without any minimum quotation period. This will make it much simpler for newly listed entities to offer ESS Interests.
Suspension	For the Class Order relief to be available, the entity's shares must	The new regime permits an entity to offer ESS Interests regardless of any

	not have been suspended for more than 5 days over the previous 12 months.	suspension to the trading of its shares.
On-sale relief	Relief is provided from the on-sale provisions for securities issued under the Class Order.	There is no equivalent relief under the new provisions. This means cleansing notices (or cleansing prospectuses for entities unable to rely on a cleansing notice) must be issued in order to ensure shares may be on-sold within 12 months of issue.
ASIC involvement	A 'Notice of Reliance' must be submitted to ASIC to rely on the Class Order relief.	There are no ASIC lodgement requirements. ASIC has the power to require the provision of documents necessary in order to form an opinion about whether the regime has been complied with. ASIC has also been given express enforcement powers including the ability to issue 'stop orders'.
Criminal offences	N/A	New ESS related criminal offences have been introduced regarding certain misleading or deceptive statements or omissions.

8.3 Listing Rules 7.1 and 7.2, exception 13(b)

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

Listing Rule 7.2, exception 13(b), provides an exception to Listing Rule 7.1 such that issues of Equity Securities under an employee incentive scheme are exempt for a period of three years from the date on which Shareholders approve the issue of Equity Securities under the scheme as an exception to Listing Rule 7.1.

Listing Rule 7.2, exception 13(b), ceases to be available to the Company if there is a material change to the terms of the New Plan from those set out in this Notice in Schedule 3.

If Resolution 7 is passed, the Company will be able to issue Equity Securities under the New Plan pursuant to Listing Rule 7.2, exception 13(b), to eligible participants over a period of three years up to a nominated maximum amount without using the Company's 15% annual placement capacity under Listing Rule 7.1.

However, any future issues of Equity Securities under the New Plan to a related party or a person whose relationship with the Company or the related party is, in ASX's opinion, such that approval should be obtained will require additional Shareholder approval under Listing Rule 10.14 at the relevant time.

If Resolution 7 is not passed, any issue of Equity Securities pursuant to the New Plan must either be undertaken using the Company's 15% annual placement capacity under Listing Rule 7.1, or with prior Shareholder approval.

8.4 **Specific information required by Listing Rule 7.2, exception 13(b)**

Pursuant to and in accordance with Listing Rule 7.2, exception 13(b), the following information is provided in relation to the New Plan:

- (a) A summary of the material terms of the New Plan is in Schedule 3.
- (b) As at the date of this Notice, no Equity Securities have been issued under the New Plan.
- (c) The Company adopted its existing employee securities incentive plan called the 'Parabellum Resources Limited Employee Incentive Plan' under Listing Rule 7.2, exception 13(a) prior to its admission to the Official List of ASX on 25 November 2021 (**Existing Plan**).
- (d) Shareholders should note that no Equity Securities have previously been issued under the Existing Plan. The maximum number of Equity Securities proposed to be issued under the New Plan pursuant to Listing Rule 7.2, exception 13(b), following approval of Resolution 7 is 6,230,000 (subject to adjustment in the event of a reorganisation of capital and further subject to applicable laws and the Listing Rules). This number comprises approximately 10% of the Company's Equity Securities currently on issue.
- (e) A voting exclusion statement is included in the Notice.

8.5 **Additional information**

Resolution 7 is an ordinary resolution.

The Board declines to make a recommendation in relation to Resolution 7 due to their personal interests in the outcome of the Resolution.

9. **Resolution 8 – Approval of potential termination benefits under the New Plan**

9.1 **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 New Plan provides the Board with the discretion to, amongst other things, determine that some or all of the Equity Securities granted to a participant under the New 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 New Plan Securities may constitute a 'termination benefit'

prohibited under the Corporations Act, regardless of the value of such benefit, unless Shareholder approval is obtained.

If Resolution 8 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 New Plan.

9.2 **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.

Subject to Shareholder approval of Resolution 7, Shareholder approval is sought for the purposes of Part 2D.2 of the Corporations Act to approve the giving of benefits under the New 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 Memorandum.

As noted above, under the terms of the New 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 New 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 New 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.

9.3 **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 New 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.

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.

9.4 **Additional information**

Resolution 8 is conditional on the passing of Resolution 7.

If Resolution 7 is not approved at the Meeting, Resolution 8 will not be put to the Meeting. Resolution 8 is an ordinary resolution.

The Board declines to make a recommendation in relation to Resolution 8 due to their potential personal interests in the outcome of the Resolution.

10. **Resolution 9 – Modification of existing Constitution**

10.1 **General**

Under section 136(2) of the Corporations Act, a company may modify or repeal its constitution or a provision of its constitution by special resolution of Shareholders.

Resolution 9 seeks the approval of Shareholders to modify the Company's existing Constitution.

The proposed modifications to the existing Constitution:

- (a) will incorporate recent amendments to the Corporations Act regarding the holding of meetings of Shareholders using virtual meeting technology; and
- (b) provide the ability for the Company to increase the 5% issue cap under the Corporations Act in respect of offers for monetary consideration under the New Plan to 10% (see Section 8.2 above).

The Directors believe that it is preferable in the circumstances to simply modify one provision of the existing Constitution rather than repealing the entire existing Constitution and replacing it with a new constitution.

The Directors believe these amendments are not material nor will they have any significant impact on Shareholders.

A copy of the modified Constitution is available for review by Shareholders at the Company's website www.parabellumresources.com.au and at the office of the Company. A copy of the

modified Constitution can also be sent to Shareholders upon request to the Company Secretary at shaunm@parabellumresources.com.au. Shareholders are invited to contact the Company if they have any queries or concerns.

If Resolution 9 is passed, the Company will adopt the modified Constitution with effect from the date this Resolution 9 is passed.

10.2 Summary of material proposed changes

(a) Convening a general meeting (Article 5.2)

The modifications provide for the ability of the Company to hold general meetings using virtual technology only, as well as physical or hybrid meetings. This improved flexibility is necessary to ensure the Company is able to hold general meetings at times where physical meetings may not be practicable (such as during pandemics).

Set out below are the proposed modifications to Article 5.2 of the existing Constitution:

Prior to modification:

5.2 Convening a general meeting

- (a) *The Directors may convene and arrange to hold a general meeting of the Company whenever they think fit and must do so if required to do so under the Corporations Act.*
- (b) *The Company may hold a meeting of Members at 2 or more venues using any technology that gives the Members as a whole a reasonable opportunity to participate.*
- (c) *Notice of a general meeting must be given in accordance with article 14, the Corporations Act and the Listing Rules.*
- (d) *In computing the period of notice under article 5.2(c), the day of the meeting is to be disregarded.*
- (e) *A Director is entitled to receive notice of and to attend all general meetings and all separate meetings of the holders of any class of shares in the capital of the Company and is entitled to speak at those meetings.*

After modification:

5.2 Convening a general meeting

- (a) *The Directors may convene and arrange to hold a general meeting of the Company whenever they think fit and must do so if required to do so under the Corporations Act.*
- (b) *The Company may hold a meeting of Members at a time determined by the Directors:*
 - (i) *at one or more physical venues;*
 - (ii) *at one or more physical venues and using virtual meeting*

technology; and

(iii) using virtual meeting technology only,

provided that, in each case, Members as a whole are given a reasonable opportunity to participate in the meeting, and otherwise in the manner determined by the Directors.

(c) If the Directors elects to use virtual meeting technology for a general meeting of the Company, the Directors will determine the type of virtual meeting technology to be used, which may include any combination of telephone, video conferencing, messaging, smartphone application or any other audio and/or visual device which permits instantaneous communication.

(d) Notice of a general meeting must be given in accordance with article 14, the Corporations Act and the Listing Rules.

(e) In computing the period of notice under article 5.2(d), the day of the meeting is to be disregarded.

(f) A Director is entitled to receive notice of and to attend all general meetings and all separate meetings of the holders of any class of shares in the capital of the Company and is entitled to speak at those meetings.

(b) Issue cap for offers involving monetary consideration under an employee incentive scheme

The proposed amendment provides the ability for the Company to increase the 5% issue cap under the Corporations Act in respect of offers for monetary consideration under the New Plan to 10% (see Section 8.2 above).

Set out below are the proposed modifications to Articles 1 and 2 of the existing Constitution:

(i) Insert as new definitions in Article 1.1:

ESS Interests has the meaning under section 1100M(1) of the Corporations Act.

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

(ii) Insert as a new Article 2.8:

2.8 Issue cap for offers involving monetary consideration under an employee incentive scheme

For the purposes of section 1100V(2)(a) of the Corporations Act, the Company may only make an offer of ESS Interests if, at the time the offer is made, the Company reasonably believes:

(a) the total number of Shares that are, or are covered by, the ESS Interests of the Company that may be issued under the offer; and

(b) the total number of Shares that are, or are covered by, the ESS Interests that have been issued, or could have been issued, under offers made under the Company's employee share scheme at any time during the 3 year period ending on the day the offer is made,

does not exceed 10% of the number of Shares actually on issue as at the start of the day the offer is made.

10.3 Additional information

Resolution 9 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).

The Board recommends that Shareholders vote in favour of Resolution 9.

11. Resolution 10 – Approval of issue of Director Options

11.1 General

The Company is proposing, subject to obtaining Shareholder approval, to issue up to:

- (a) 2,000,000 Options to Mark Hohnen (or his nominee);
- (b) 2,000,000 Options to Peter Ruse (or his nominee); and
- (c) 1,000,000 Options to Shaun Menezes (or his nominee),

(collectively, **Director Options**).

The Board considers that the proposed issue of the Director Options is reasonable in the circumstances in order to further align the interests of Messrs Hohnen, Ruse and Menezes with those of the Shareholders and to provide appropriate remuneration for these Directors' ongoing commitment and contribution to the Company whilst minimising the expenditure of the Company's cash resources.

Resolution 10(a), (b) and (c) seek Shareholder approval pursuant to Listing Rule 10.11 and sections 195(4) and 208 of the Corporations Act for the issue of up to 5,000,000 Director Options to Messrs Hohnen, Ruse and Menezes (or their respective nominees).

11.2 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 any of the following persons without the approval of its Shareholders:

- (a) a related party (Listing Rule 10.11.1);
- (b) a person who is, or was at any time in the 6 months before the issue or agreement, a substantial holder (30%+) in the company (Listing Rule 10.11.2);
- (c) a person who is, or was at any time in the 6 months before the issue or agreement, a substantial holder (10%+) 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 (Listing Rule 10.11.3);

- (d) an associate of a person referred to in Listing Rules 10.11.1 to 10.11.3 (Listing Rule 10.11.4); or
- (e) a person whose relation with the company or a person referred to in Listing Rule 10.11.1 or 10.11.4 is such that, in ASX's opinion, the issue or agreement should be approved by its shareholders (Listing Rule 10.11.5).

Messrs Hohnen, Ruse and Menezes are each a related party of the Company by virtue of being a Director. As the issue of the Director Options involves the issue of Securities to a related party of the Company, Shareholder approval pursuant to Listing Rule 10.11 is required unless an exception applies.

If Resolution 10(a), (b) and (c) are passed, the Company will be able to proceed with the issue of the Director Options to the respective Directors.

If Resolution 10(a), (b) and (c) are not passed, the Company will not be able to proceed with the issue of the relevant Director Options and the Company may consider other forms of remuneration, including by the payment of cash.

As Shareholder approval is sought under Listing Rule 10.11, approval under Listing Rule 7.1 is not required. Accordingly, the issue of the Director Options will not be included under the Company's 15% annual placement capacity pursuant to Listing Rule 7.1.

11.3 **Specific information required by Listing Rule 10.13**

Pursuant to and in accordance with Listing Rule 10.13, the following information is provided in relation to the proposed issue of Director Options:

- (a) The Director Options will be issued to Messrs Hohnen, Ruse and Menezes (or their respective nominees).
- (b) Messrs Hohnen, Ruse and Menezes are each a related party of the Company by virtue of being a Director and fall into the category stipulated by Listing Rule 10.11.1. In the event the Director Options are issued to a nominee of these Directors, that person will fall into the category stipulated by Listing Rule 10.11.4.
- (c) An aggregate maximum of 5,000,000 Director Options will be issued to Messrs Hohnen, Ruse and Menezes (or their respective nominees) in the proportions in Section 11.1.
- (d) The Director Options are exercisable at \$0.50 each, expiring on 30 November 2025 and are otherwise subject to the terms and conditions set out in Schedule 4:
- (e) The Director Options will be issued no later than one month after the date of the Meeting.
- (f) The Director Options will be issued for nil consideration as they will be issued as part of the Directors' respective remuneration packages.
- (g) The purpose of the issue of the Director Options is to provide an incentive component to Messrs Hohnen, Ruse and Menezes respective remuneration packages and align their interests with those of Shareholders. The Board considers that the number of

Director Options to be granted to the Directors is commensurate with the value to the Company and is an appropriate method to provide cost effective remuneration.

(h) The Directors' current total remuneration (inclusive of superannuation) is:

(i) Mr Mark Hohnen: \$110,500 per annum;

(ii) Mr Peter Ruse: \$93,925 per annum; and

(iii) Mr Shaun Menezes \$66,300 per annum.

(i) The Director Options will not be issued under an agreement.

(j) A voting exclusion statement is included in the Notice.

11.4 Chapter 2E of the Corporations Act

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

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

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

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

The issue of the Director Options constitutes giving a financial benefit and the Directors are each a related party of the Company by virtue of being a Director.

It is the view of the Board that the exceptions set out in sections 210 to 216 of the Corporations Act do not apply in the current circumstances. Accordingly, the Company is seeking approval for the purposes of Chapter 2E of the Corporations Act in respect of the Director Options proposed to be issued to the Directors pursuant to Resolution 10(a), (b) and (c).

11.5 Information requirements for Chapter 2E of the Corporations Act

In accordance with section 219 of the Corporations Act, the following information is provided in relation to the proposed issue of the Director Options:

(a) **Identity of the related parties to whom Resolution 10(a), Resolution 10(b) and Resolution 10(c) permit a financial benefit to be given**

The Director Options will be issued to Messrs Hohnen, Ruse and Menezes (or their respective nominees).

(b) **Nature of the financial benefit**

Resolution 10(a), Resolution 10(b) and Resolution 10(c) seek approval from Shareholders to allow the Company to issue up to:

(i) 2,000,000 Director Options to Mark Hohnen (or his nominee);

- (ii) 2,000,000 Director Options to Peter Ruse (or his nominee); and
- (iii) 1,000,000 Director Options to Shaun Menezes (or his nominee).

Messrs Hohnen, Ruse and Menezes are each a related party of the Company.

The Director Options to be issued to Messrs Hohnen, Ruse and Menezes have an exercise price of \$0.50 each, expiring on 30 November 2025 and are subject to the terms and conditions in Schedule 4.

The Shares to be issued upon exercise of the Director Options will be fully paid ordinary shares in the capital of the Company on the same terms and conditions as the Company's existing Shares and will rank equally in all respects with the Company's existing Shares. The Company will apply for official quotation of the Shares on ASX.

(c) **Valuation of financial benefit**

A valuation of the Director Options is set out in Schedule 5.

(d) **Remuneration of Relevant Directors**

The total annual remuneration of each of Messrs Hohnen, Ruse and Menezes is described in Section 11.3(h) above.

(e) **Existing relevant interests**

At the date of this Notice, the relevant Directors (or their nominees) hold the following relevant interests in Equity Securities of the Company:

Director	Shares	% Relevant Interest	Unquoted Options
Mark Hohnen	1,600,000	2.57	1,000,000
Peter Ruse	1,100,001	1.77	1,750,000
Shaun Menezes	155,000	0.25	250,000

Assuming that the resolutions comprising Resolution 10 are approved by Shareholders and, all of the Director Options applicable to these Resolutions are issued and exercised into Shares, and no other Equity Securities are issued or exercised, the interests of Messrs Hohnen, Ruse and Menezes in the Company's expanded capital, would be as follows:

Director	Shares	% Relevant Interest	Unquoted Options
Mark Hohnen	3,600,000	5.35	1,000,000
Peter Ruse	3,100,001	4.61	1,750,000
Shaun Menezes	1,155,000	1.72	250,000

(f) **Trading history**

The highest and lowest closing market sale prices of the Shares on ASX during the 12 months prior to the date of this Notice were:

Highest: \$0.40 per Share on 2 September 2022

Lowest: \$0.16 per Share on 9 March 2022

The latest available closing market sale price of the Shares on ASX prior to the date of this Notice was \$0.34 per Share on 12 October 2022.

(g) **Dilution**

The issue of the Director Options will have a dilutive effect on the percentage interest of existing Shareholders' holdings if the Director Options are exercised. The potential dilution effect is summarised below:

Director	Proposed maximum issue of Shares on exercise of Director Options	Dilutive effect
Mark Hohnen	2,000,000	2.97%
Peter Ruse	2,000,000	2.97%
Shaun Menezes	1,000,000	1.49%

The above table assumes the current Share capital structure of the Company as at the date of this Notice (being 62,300,001 Shares on 13 October 2022) and that no other Shares are issued other than the Shares issued on exercise of the Director Options. The exercise of all of the Director Options will result in a total dilution of all other Shareholders' holdings of 7.43% (assuming that all of the Director Options are vested and exercised). The actual dilution will depend on the extent that additional Shares are issued by the Company.

The below table demonstrates how the exercise of all the Director Options may impact existing Shareholders of the Company:

Holder	Shares on issue	% Relevant Interest before exercise of Director Options	% Relevant Interest assuming exercise of all Director Options
Shareholder 1	623,000	1.0	0.93
Shareholder 2	1,557,500	2.5	2.31
Shareholder 3	3,115,000	5.0	4.63

(h) **Corporate governance**

The Board acknowledges the grant of the Director Options to Messrs Hohnen, Ruse and Menezes as Non-Executive Directors is contrary to Recommendation 8.2 of the 4th edition of the ASX Corporate Governance Council's Corporate Governance Principles and Recommendations.

The Board considers that the grant of Director Options is reasonable in the circumstances for the reasons set out in Section 11.1.

(i) **Taxation consequences**

There are no taxation consequences for the Company arising from the issue of the Director Options (including fringe benefits tax).

11.6 **Other information**

The resolutions comprising Resolution 10 are ordinary resolutions.

The Board decline to make a recommendation to Shareholders in relation to Resolution 10 due to their personal interests in the outcome of the Resolutions. The Directors have a material interest in Resolution 10(a), Resolution 10(b) and Resolution 10(c) and there was not a sufficient number of uninterested Directors to form a quorum to approve Resolution 10(a), Resolution 10(b) and Resolution 10(c).

Accordingly, the Directors have sought Shareholder approval under section 195(4) to allow the Directors to pass a matter in which all Directors have a material personal interest.

11.7 **Additional information**

Resolution 10(a), Resolution 10(b) and Resolution 10(c) are ordinary resolutions.

12. **Resolution 11 – Approval of issue of Corporate Adviser Options**

12.1 **General**

The Company intends to enter into an agreement with one or more corporate advisory firms (**Corporate Adviser**) to assist the Company moving forward with its corporate activities, fundraising and strategy. As at the date of this Notice, the Company has not entered into a formal mandate with a Corporate Adviser.

As partial consideration for the services provided by the Corporate Adviser, the Company intends to issue up to 6,000,000 Options to the Corporate Adviser (or its nominees), each with an exercise price of \$0.50 and expiring 2 years from the date of issue (**Corporate Adviser Options**) and are otherwise subject to the terms and conditions in Schedule 4 (the subject of this Resolution 11).

Resolution 11 seeks Shareholder approval pursuant to Listing Rule 7.1 for the issue of the Corporate Adviser Options in consideration for corporate advisory services to be provided to the Company moving forward.

12.2 **Listing Rule 7.1**

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

If Resolution 11 is passed, the issue of Corporate Adviser Options can proceed without using up any of the Company's 15% limit on issuing Equity Securities without Shareholder approval set out in Listing Rule 7.1.

If Resolution 11 is not passed, the issue of Corporate Adviser Options can still proceed, but it will reduce, to the extent of 6,000,000 Equity Securities, the Company's capacity to issue Equity Securities without Shareholder approval under Listing Rule 7.1 for 12 months following the issue.

12.3 **Specific information required by Listing Rule 7.3**

Pursuant to and in accordance with Listing Rule 7.3, the following information is provided in relation to the issue of the Corporate Adviser Options:

- (a) The Corporate Adviser Options will be issued to the Corporate Adviser (or its nominees). The Corporate Adviser will be an adviser but will not a related party of the Company.
- (b) A maximum of 6,000,000 Corporate Adviser Options will be issued subject to Shareholders passing Resolution 11.
- (c) The Corporate Adviser Options are exercisable at the prices set out in Section 12.1 and expire 2 years from the date of issue and will otherwise be issued on the terms and conditions set out Schedule 4.
- (d) The Corporate Adviser Options will be issued within three months after the date of the Meeting.
- (e) The Corporate Adviser Options are being issued in consideration for corporate adviser services in respect to the Placement. Accordingly, no funds will be raised as a result of their issue.
- (f) Funds raised upon exercise of the Corporate Adviser Options will applied towards working capital.
- (g) There is no formal agreement between the Corporate Adviser and the Company at present.
- (h) A voting exclusion statement is included in the Notice.

12.4 **Additional information**

Resolution 11 is an ordinary resolution.

The Board recommends that Shareholders vote in favour of Resolution 11.

Schedule 1 Definitions

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

\$ or A\$	means Australian Dollars.
10% Placement Facility	has the meaning in Section 7.1.
10% Placement Period	has the meaning in section 7.2(f).
Annual Report	means the Directors' Report, the Financial Report, and Auditor's Report, in respect to the year ended 30 June 2022.
Article	means an article of the Constitution.
ASIC	means the Australian Securities and Investments Commission.
ASX	means the ASX Limited (ABN 98 008 624 691) and, where the context permits, the Australian Securities Exchange operated by ASX Limited.
Auditor's Report	means the auditor's report contained in the Annual Report.
AWST	means Australian Western Standard Time.
Board	means the board of Directors.
Chair	means the person appointed to chair the Meeting of the Company convened by the Notice.
Class Order	means ASIC Class Order 14/1000.
Closely Related Party	means: (a) a spouse or child of the member; or (b) has the meaning given in section 9 of the Corporations Act.
Company	means Parabellum Resources Limited (ACN 645 149 211).
Constitution	means the constitution of the Company as at the date of the Meeting.
Corporate Adviser	has the meaning given in Section 12.1.
Corporate Adviser Options	means 6,000,000 Options to be issued to the Corporate Adviser, on the terms and conditions in Schedule 4, subject to Shareholders approving Resolution 11.
Corporations Act	means the <i>Corporations Act 2001</i> (Cth), as amended.
Director	means a director of the Company.
Director Options	means 5,000,000 Options to be issued to the Directors, on the terms and conditions in Schedule 4, subject to Shareholders approving Resolution 10(a), (b) and (c).

Directors' Report	means the annual directors' report prepared under Chapter 2M of the Corporations Act for the Company and its controlled entities.
Equity Security	has the same meaning as in the Listing Rules.
ESS	has the meaning given in Section 8.1.
ESS Interest	has the meaning given in section 1100M of the Corporations Act.
Existing Plan	means the Parabellum Resources Limited Employee Securities Incentive Plan.
Explanatory Memorandum	means the explanatory memorandum which forms part of the 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.
Listing Rules	means the listing rules of ASX.
Material Investor	means, in relation to the Company: (a) a related party; (b) Key Management Personnel; (c) a substantial Shareholder; (d) an advisor; or (e) an associate of the above, who received or will receive Securities in the Company which constitute more than 1% of the Company's anticipated capital structure at the time of issue.
Meeting	has the meaning given in the introductory paragraph of the Notice.
Minimum Issue Price	has the meaning in Section 7.2(e).
New Plan	means the Parabellum Resources Limited Employee Securities Incentive Plan.
New Regime	has the meaning given in Section 8.1.
Notice	means this notice of annual general meeting.

Option	means an option, giving the holder the right, but not an obligation, to acquire a Share at a predetermined price and at a specified time in the future.
Plan Limit	has the meaning in Section 8.1.
Plan Securities	has the meaning in Section 9.1.
Proxy Form	means the proxy form attached to the Notice.
Recommendations	means the 4 th Edition of the ASX Corporate Governance Council's Corporate Governance Principles and Recommendations.
Remuneration Report	means the remuneration report contained in the Annual Report.
Resolution	means a resolution referred to in the Notice.
Schedule	means a schedule to the Notice.
Section	means a section of the Explanatory Memorandum.
Securities	means any Equity Securities of the Company (including Shares, Options and/or Performance Rights).
Share	means a fully paid ordinary share in the capital of the Company.
Shareholder	means the holder of a Share.
Strike	has the meaning in Section 4.1.
Trading Day	means a day determined by ASX to be a trading day and notified to market participants being: (a) a day other than: (i) a Saturday, Sunday, New Year's Day, Good Friday, Easter Monday, Christmas Day, Boxing Day; and (ii) any other day which ASX declares and publishes is not a trading day; and notwithstanding (a), a day which for the purposes of settlement, ASX declares is a trading day notwithstanding that dealings between market participants are suspended on that day.
Variable A	has the meaning in Section 7.3(d).
VWAP	means the volume weighted average price of Shares traded on ASX.

Schedule 2 Nomination of Auditor

13 October 2022

The Board of Directors
Parabellum Resources Limited ACN 645 149 211
52 Ord Street, West Perth WA 6005

Dear Directors

Nomination of Auditor

In accordance with the provision of Section 328B(1) of the *Corporations Act 2001* (Cth) (**Act**), I, Shaun Menezes, being a Shareholder of Parabellum Resources Limited (**Company**), hereby nominate BDO Audit (WA) Pty Ltd for appointment as auditor of the Company.

Please distribute copies of this notice of this nomination as required by section 328B(3) of the Act.

Yours sincerely



Shaun Menezes

Schedule 3 Summary of Material Terms of New Plan

A summary of the material terms and conditions of the New Plan is set out below:

- (a) **(Eligible Participant):** Eligible Participant means a person that has been determined by the Board to be eligible to participate in the Plan from time to time and is an “ESS participant” (as that term is defined in Division 1A) in relation to the Company or an associated entity of the Company. This relevantly includes, amongst others:
- (i) an employee or director of the Company or an individual who provides services to the Company;
 - (ii) an employee or director of an associated entity of the Company or an individual who provides services to such an associated entity;
 - (iii) a prospective person to whom paragraphs (i) or (ii) apply;
 - (iv) a person prescribed by the relevant regulations for such purposes; or
 - (v) certain related persons on behalf of the participants described in paragraphs (i) to (iv) (inclusive).

- (b) **(Maximum allocation)** The Company must not make an offer of Securities under the Plan in respect of which monetary consideration is payable (either upfront, or on exercise of convertible securities) where:

- (i) the total number of Plan Shares (as defined in paragraph (m) below) that may be issued or acquired upon exercise of the convertible securities offered; plus
- (ii) the total number of Plan 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 or such other limit as may be specified by the relevant regulations or the Company's Constitution from time to time.

The maximum number of equity securities proposed to be issued under the Plan for the purposes of Listing Rule 7.2, Exception 13 will be as approved by Shareholders from time to time (**ASX Limit**). This means that, subject to the following paragraph, 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.

The Company will require prior Shareholder approval for the acquisition of equity securities under the Plan to Directors, their associates and any other person whose relationship with the Company or a Director or a Director's associate is such that, in ASX's opinion, the acquisition should be approved by Shareholders. The issue of Securities with Shareholder approval will not count towards the ASX Limit.

- (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, subject to compliance with applicable laws and the Listing Rules. 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. An invitation issued under the Plan will comply with the disclosure obligations pursuant to Division 1A.

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.

A waiting period of at least 14 days will apply to acquisitions of Securities for monetary consideration as required by the provisions of Division 1A.

- (f) **(Grant of Securities):** The Company will, to the extent that it has accepted a duly completed application, grant the successful applicant (**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.

At the time of exercise of the Convertible Securities, and subject to Board approval, 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.
- (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.

Schedule 4 Terms and conditions of Director Options and Corporate Adviser Options

The following terms and conditions apply to the Director Options and Corporate Adviser Options (referred to in this Schedule as **Options**):

1. **(Entitlement)**: Subject to the terms and conditions set out below, each Option entitles the holder to the issue of one fully paid ordinary share in the capital of the Company (Share).
2. **(Issue Price)**: The Options are issued for nil cash consideration.
3. **(Exercise Price)**: The Options are exercisable at \$0.50 each.
4. **(Expiry Date)**: Each Option will expire at 5.00pm (AWST) on the date set out in the table below **(Expiry Date)**. An Option not exercised before the Expiry Date will automatically lapse on the Expiry Date.

Director	Expiry Date
Director Options	30 November 2025
Corporate Adviser Options	2 years from date of issue

5. **(Exercise Period)**: The Options are exercisable at any time and from time to time on or prior to the Expiry Date.
6. **(Notice of Exercise)**: The Options may be exercised by notice in writing to the Company in the manner specified on the Option certificate **(Notice of Exercise)** and payment of the Exercise Price for each Option being exercised in Australian currency by electronic funds transfer or other means of payment acceptable to the Company.

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

7. **(Issue of Shares)**: As soon as practicable after the valid exercise of an Option, the Company will:
 - (a) issue, allocate or cause to be transferred to the holder the number of Shares to which the holder is entitled;
 - (b) issue a substitute Certificate for any remaining unexercised Options held by the holder;
 - (c) if required, and subject to clause 8, give ASX a notice that complies with section 708A(5)(e) of the Corporations Act; and
 - (d) do all such acts, matters and things to obtain the grant of quotation of the Shares by ASX in accordance with the Listing Rules.
8. **(Restrictions on transfer of Shares)**: If the Company is unable to give ASX a notice that complies with section 708A(5)(e) of the Corporations Act, 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 the Options may not be traded until 12 months after their issue unless the Company, at its sole discretion, elects to issue a prospectus pursuant to section 708A(11) of the Corporations Act. The Company is authorised by the holder to apply a holding lock on the relevant Shares during the period of such restriction from trading.

9. **(Ranking):** All Shares issued upon the exercise of Options will upon issue rank equally in all respects with other Shares.
10. **(Transferability of the Options):** The Options are not transferable, except with the prior written approval of the Company at its sole discretion and subject to compliance with the Corporations Act and Listing Rules.
11. **(Cashless exercise of Options):** The holder of Options may elect not to be required to provide payment of the Exercise Price for the number of Options specified in a Notice of Exercise but that on exercise of those Options the Company will transfer or allot to the holder that number of Shares equal in value to the positive difference between the then Market Value of the Shares at the time of exercise and the Exercise Price that would otherwise be payable to exercise those Options (with the number of Shares rounded down to the nearest whole Share).

Market Value means, at any given date, the volume weighted average price per Share traded on the ASX over the five (5) trading days immediately preceding that given date.

12. **(Dividend rights):** An Option does not entitle the holder to any dividends.
13. **(Voting rights):** An Option does not entitle the holder to vote on any resolutions proposed at a general meeting of the Company, subject to any voting rights provided under the Corporations Act or the ASX Listing Rules where such rights cannot be excluded by these terms.
14. **(Quotation of the Options):** The Company will not apply for quotation of the Options on any securities exchange.
15. **(Adjustments for reorganisation):** If there is any reorganisation of the issued share capital of the Company, the rights of the Option holder will be varied in accordance with the Listing Rules.
16. **(Entitlements and bonus issues):** Subject to the rights under clause 17, holders will not be entitled to participate in new issues of capital offered to shareholders such as bonus issues and entitlement issues.
17. **(Adjustment for bonus issues of Shares):** If the Company makes a bonus issue of Shares or other securities to existing Shareholders (other than an issue in lieu or in satisfaction of dividends or by way of dividend reinvestment):
 - (a) the number of Shares which must be issued on the exercise of an Option will be increased by the number of Shares which the Option holder would have received if the Option holder had exercised the Option before the record date for the bonus issue; and
 - (b) no change will be made to the Exercise Price.
18. **(Return of capital rights):** The Options do not confer any right to a return of capital, whether in a winding up, upon a reduction of capital or otherwise.

19. **(Rights on winding up):** The Options have no right to participate in the surplus profits or assets of the Company upon a winding up of the Company.
20. **(Takeovers prohibition):**
- (a) the issue of Shares on exercise of the Options is subject to and conditional upon the issue of the relevant Shares not resulting in any person being in breach of section 606(1) of the Corporations Act; and
 - (b) the Company will not be required to seek the approval of its members for the purposes of item 7 of section 611 of the Corporations Act to permit the issue of any Shares on exercise of the Options.
21. **(No other rights)** An Option does not give a holder any 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.
22. **(Amendments required by ASX)** The terms of the Options may be amended as considered necessary by the Board in order to comply with the ASX Listing Rules, or any directions of ASX regarding the terms provided that, subject to compliance with the Listing Rules, following such amendment, the economic and other rights of the holder are not diminished or terminated.
23. **(Plan)** The Options are issued pursuant to and are subject to the Plan. In the event of conflict between a provision of these terms and conditions and the Plan, these terms and conditions prevail to the extent of that conflict.
24. **(Constitution)** Upon the issue of the Shares on exercise of the Options, the holder will be bound by the Company's Constitution.

Schedule 5 Valuation of Director Options

The Options to be issued to Messrs Hohnen, Ruse and Menezes (or their respective nominees) have been valued according to a Black-Scholes valuation model on the following assumptions:

Number of Options	5,000,000
Assumed Share price at grant date	\$0.34
Exercise price	\$0.50
Market value on ASX of underlying Shares at time of setting exercise price	\$0.34
Exercise price premium to market value	\$0.16
Expiry	30 November 2025
Expected volatility	80%
Risk free interest rate	3.45%
Annualised dividend yield	0%
Value of each Option	\$0.15039
Aggregate value of Options	\$751,960

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 **1.00pm (AWST) on Monday, 28 November 2022**, 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

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>.

Lodging your Proxy Voting Form:

Online:

Use your computer or smartphone to appoint a proxy at
<https://investor.automic.com.au/#/login>

or scan the QR code below using your smartphone

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



BY MAIL:

Automic
GPO Box 5193
Sydney NSW 2001

IN PERSON:

Automic
Level 5, 126 Phillip Street
Sydney NSW 2000

BY EMAIL:

meetings@automicgroup.com.au

BY FACSIMILE:

+61 2 8583 3040

All enquiries to Automic:

WEBSITE: <https://automicgroup.com.au/>

PHONE: 1300 288 664 (Within Australia)
+61 2 9698 5414 (Overseas)

Appoint the Chair of the Meeting (Chair) OR if you are not appointing the Chair of the Meeting as your proxy, please write in the box provided below the name of the person or body corporate you are appointing as your proxy or failing the person so named or, if no person is named, the Chair, or the Chair's nominee, to vote in accordance with the following directions, or, if no directions have been given, and subject to the relevant laws as the proxy sees fit and at any adjournment thereof.

[illegible]

Where I/we have appointed the Chair as my/our proxy (or where the Chair becomes my/our proxy by default), I/we expressly authorise the Chair to exercise my/our proxy on Resolutions 1, 7, 8, 10a, 10b and 10c (except where I/we have indicated a different voting intention below) even though Resolutions 1, 7, 8, 10a, 10b and 10c are connected directly or indirectly with the remuneration of a member of the Key Management Personnel, which includes the Chair.

Resolutions		For	Against	Abstain	Resolutions		For	Against	Abstain
1.	Remuneration Report	☐	☐	☐	8.	Approval of potential termination benefits under the New Plan	☐	☐	☐
2.	Appointment of Auditor	☐	☐	☐	9.	Modification of existing Constitution	☐	☐	☐
3.	Election of Director – Mr Mark Hohnen	☐	☐	☐	10a.	Approval of issue of Director Options – Mark Hohnen	☐	☐	☐
4.	Election of Director – Mr Shaun Menezes	☐	☐	☐	10b.	Approval of issue of Director Options – Peter Ruse	☐	☐	☐
5.	Election of Director – Mr Peter Ruse	☐	☐	☐	10c.	Approval of issue of Director Options – Shaun Menezes	☐	☐	☐
6.	Approval of 10% Placement Facility	☐	☐	☐	11.	Approval of issue of Corporate Adviser Options	☐	☐	☐
7.	Approval of New Plan	☐	☐	☐					

PBL

Individual or Securityholder 1	Securityholder 2	Securityholder 3
Sole Director and Sole Company Secretary	Director	Director / Company Secretary

Contact Name:

Email Address:

Contact Daytime Telephone:

Date (DD/MM/YY) / /

By providing your email address, you elect to receive all of your communications despatched by the Company electronically (where legally permissible).

By providing your email address, you elect to receive all of your communications despatched by the Company electronically (where legally permissible).