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## RESOURCES & ENERGY GROUP LIMITED

### NOTICE OF ANNUAL GENERAL MEETING

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**TIME:** 11.00am (EST)

**DATE:** Friday, 29 November 2019

**PLACE:** The offices of Resources & Energy Group Limited  
Level 33  
52 Martin Place  
Sydney, New South Wales

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

*Should you wish to discuss the matters in this Notice of Meeting please do not hesitate to contact the Company Secretary, Warren Kember, on (+61 2) 9227 8900 or [communications@rezgroup.com.au](mailto:communications@rezgroup.com.au).*

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## CONTENTS PAGE

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Business of the Meeting (setting out the proposed resolutions)	3
Explanatory Statement (explaining the proposed resolutions)	7
Glossary	26
Proxy Form	

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## IMPORTANT INFORMATION

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### TIME AND PLACE OF MEETING

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Notice is given that the Annual General Meeting of the Shareholders of Resources & Energy Group Limited (the Company) to which this Notice of Meeting relates will be held at 11.00am (EST) on Friday, 29 November 2019 at:

Resources & Energy Group Limited  
Level 33  
52 Martin Place  
Sydney, New South Wales

### YOUR VOTE IS IMPORTANT

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

### VOTING ELIGIBILITY

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The Directors have determined pursuant to Regulation 7.11.37 of the *Corporations Regulations 2001* (Cth) that the persons eligible to vote at the Annual General Meeting are those who are registered Shareholders at 7.00pm (EST) on Wednesday, 27 November 2019.

### VOTING IN PERSON

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

### VOTING BY PROXY

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

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

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

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

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

Further details on these changes are set out below.

#### ***Proxy vote if appointment specifies way to vote***

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**:

- 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); and
- 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; and
- 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
- 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).

#### ***Transfer of non-chair proxy to chair in certain circumstances***

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

- 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; and
- the appointed proxy is not the chair of the meeting; and
- at the meeting, a poll is duly demanded on the resolution; and
- either of the following applies:
  - 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.

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## BUSINESS OF THE MEETING

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### AGENDA

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#### 1. FINANCIAL STATEMENTS AND REPORTS

To receive and consider the annual financial report of the Company for the financial year ended 30 June 2019 together with the declaration of the directors, the directors' report, the remuneration report and the auditor's report.

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#### 2. RESOLUTION 1 – ADOPTION OF REMUNERATION REPORT

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

*“That, for the purpose of Section 250R(2) of the Corporations Act and for all other purposes, approval is given for the adoption of the Remuneration Report as contained in the Company's annual financial report for the financial year ended 30 June 2019.”*

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

##### **Voting Prohibition Statement:**

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

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

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

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

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#### 3. RESOLUTION 2 – RE-ELECTION OF DIRECTOR – VIRGINIA BRUCE

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

*“That, for the purpose of clauses 13.2 of the Constitution and for all other purposes, Virginia Bruce, a Director, retires by rotation, and being eligible, is re-elected as a Director.”*

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#### 4. RESOLUTION 3 – APPROVAL OF 10% PLACEMENT CAPACITY

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

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

**ASX Voting Exclusion:** *The Company will disregard any votes cast in favour of this Resolution by or on behalf of any person who is expected to participate in the issue of Equity Securities under this Resolution or a person who might obtain a material benefit, except a benefit solely in the capacity of a holder of ordinary securities in the Company, if the Resolution is passed and any associates of those persons. However, the Company will not disregard a vote if it is cast by a person as a proxy for a person who is entitled to vote, in accordance with the directions on the Proxy Form, or, it is cast by the person chairing the meeting as proxy for a person who is entitled to vote, in accordance with a direction on the Proxy Form to vote as the proxy decides.*

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#### 5. RESOLUTION 4 – CHANGE OF AUDITOR

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

*“That, for the purposes of section 327B of the Corporations Act and for all other purposes, RSM Australia Partners of Level 13, 60 Castlereagh Street Sydney, having been nominated by a Shareholder for appointment as the Company’s auditor and having consented in writing to so act, be appointed as auditor of the Company with such appointment to take effect from the later of the passing of this resolution or the time at which the resignation of LNP Audit + Assurance as auditor takes effect.”*

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#### 6. RESOLUTION 5 – APPROVAL OF SENIOR EXECUTIVE PERFORMANCE RIGHTS PLAN

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

*“That, for the purposes of exception 9(b) of ASX Listing Rule 7.2 and for all other purposes, the terms of the Company’s Senior Executive Performance Rights Plan, details of which are described in the Explanatory Notes which accompany the Notice of Meeting, is authorised and approved.”*

**ASX Voting Exclusion:** *The Company will disregard any votes cast on this Resolution by any person who may participate in the issue of Equity Securities under this Resolution and a person who might obtain a benefit, except a benefit solely in the capacity of a holder of ordinary securities, if the Resolution is passed and any associates of those persons. However, the Company will not disregard a vote if it is cast by a person as a proxy for a person who is entitled to vote, in accordance with the directions on the Proxy Form, or, it is cast by the person chairing the meeting as proxy for a person who is entitled to vote, in accordance with a direction on the Proxy Form to vote as the proxy decides.*

### **Voting Prohibition Statement:**

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

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

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

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

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## **7. RESOLUTION 6 – ISSUE OF SHARES TO RELATED PARTY - GAVIN REZOS**

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

*“That, for the purposes ASX Listing Rule 10.11 and for all other purposes, approval is given for the Company to issue 750,000 Shares to Gavin Rezos (or his nominee) on the terms and conditions set out in the Explanatory Statement.”*

**Voting Exclusion Statement:** The Company will disregard any votes cast in favour of the Resolution by or on behalf of Mr Rezos (or his nominee) or any of their associates. However, the Company need not disregard a vote if it is cast by a person as a proxy for a person who is entitled to vote, in accordance with the directions on the Proxy Form, or, it is cast by the person chairing the meeting as proxy for a person who is entitled to vote, in accordance with a direction on the Proxy Form to vote as the proxy decides.

### **Voting Prohibition Statement:**

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

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

However, the above prohibition does not apply if:

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

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## **8. RESOLUTION 7 – ISSUE OF SHARES TO RELATED PARTY – VIRGINIA BRUCE**

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

*“That, for the purposes of ASX Listing Rule 10.11 and for all other purposes, approval is given for the Company to issue 500,000 Shares to Virginia Bruce (or her nominee) on the terms and conditions set out in the Explanatory Statement.”*

**Voting Exclusion Statement:** The Company will disregard any votes cast in favour of the Resolution by or on behalf of Ms Bruce (or her nominee) or any of their associates. However, the Company need not disregard a vote if it is cast by a person as a proxy for a person who is entitled to vote, in accordance with the directions on the Proxy Form, or, it is cast by the person chairing the meeting as proxy for a person who is entitled to vote, in accordance with a direction on the Proxy Form to vote as the proxy decides.

**Voting Prohibition Statement:**

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

- (c) the proxy is either:
    - (iii) a member of the Key Management Personnel; or
    - (iv) a Closely Related Party of such a member; and
  - (d) the appointment does not specify the way the proxy is to vote on this Resolution.
- However, the above prohibition does not apply if:
- (c) the proxy is the Chair; and
  - (a) the appointment expressly authorises the Chair to exercise the proxy even though this Resolution is connected directly or indirectly with remuneration of a member of the Key Management Personnel.

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**9. RESOLUTION 8 – SELECTIVE BUY-BACK**

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

*“That, for the purposes of section 257D(1)(b) of the Corporations Act and for all other purposes, approval is given for the Company to conduct a selective buy-back on the terms and conditions set out in the Explanatory Statement.”*

**Voting Exclusion:** The Company will disregard any votes cast on this Resolution by the Radio Shareholders (or their nominees) or any of their associates. However, the Company need not disregard a vote if it is cast by a person as a proxy for a person who is entitled to vote in accordance with the directions on the Proxy Form, or it is cast by the person chairing the meeting as proxy for a person who is entitled to vote, in accordance with a direction on the Proxy Form to vote as their proxy decides.

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**DATED: 30 OCTOBER 2019**

**BY ORDER OF THE BOARD**

**WARREN KEMBER  
COMPANY SECRETARY**

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## EXPLANATORY STATEMENT

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

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### 1. FINANCIAL STATEMENTS AND REPORTS

In accordance with the Constitution, the business of the Meeting will include receipt and consideration of the annual financial report of the Company for the financial year ended 30 June 2019 together with the declaration of the directors, the directors' report, the Remuneration Report and the auditor's report.

The Company will not provide a hard copy of the Company's annual financial report to Shareholders unless specifically requested to do so. The Company's annual financial report is available on the ASX platform for "REZ" at [www.asx.com.au](http://www.asx.com.au).

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### 2. RESOLUTION 1 – ADOPTION OF REMUNERATION REPORT

#### 2.1 General

The Corporations Act requires that at a listed company's annual general meeting, a resolution that the Remuneration Report be adopted must be put to the Shareholders. However, such a Resolution is advisory only and does not bind the Directors or the Company.

The Remuneration Report sets out the Company's remuneration arrangements for the Directors and senior management of the Company. The Remuneration Report is part of the Directors' report contained in the annual financial report of the Company for the financial year ending 30 June 2019.

A reasonable opportunity will be provided for discussion of the Remuneration Report at the Annual General Meeting.

#### 2.2 Voting consequences

Under Corporations Act 2001, if at least 25% of the votes cast on a remuneration report resolution are voted against adoption of the remuneration report in two consecutive annual general meetings, the Company will be required to put to Shareholders a resolution proposing the calling of an extraordinary general meeting to consider the appointment of directors of the Company (**Spill Resolution**) at the second annual general meeting.

If more than 50% of shareholders vote in favour of the Spill Resolution, the company must convene the extraordinary general meeting (**Spill Meeting**) within 90 days of the second annual general meeting.

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

At the Company's previous annual general meeting no votes were cast against the remuneration report considered at that annual general meeting. Accordingly, the Spill resolution is not relevant for this Annual General Meeting.

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### 3. RESOLUTION 2 – RE-ELECTION OF DIRECTOR – MS VIRGINIA BRUCE

Clause 13.2 of the Constitution requires that at the Company's annual general meeting in every year, one-third of the Directors for the time being, or, if their number is not a multiple of 3, then the number nearest one-third, shall retire from office, provided always that no Director (except a Managing Director) shall hold office for a period in excess of 3 years, or until the third annual general meeting following his or her appointment, whichever is the longer, without submitting himself or herself for re-election.

A Director who retires by rotation under clause 13.2 of the Constitution is eligible for re-election pursuant to clause 13.3 of the Constitution.

The Company currently has three Directors, and accordingly one must retire.

Ms Virginia Bruce a Director since 6 December 2004 and has been involved in both the current business activity and predecessor businesses. Ms Bruce's international reputation was developed through her key role in developing International brand and business strategies for a number of Fortune 500 brands including Warner Bros, Mattel, Avon, Disney, Kelloggs, Audi, Volkswagen, Coca Cola, Network 7 including four back to back Olympics starting with the Sydney Olympic Games. She has worked extensively in the USA, Australia, Asia, China, Middle East and Europe, establishing business operations in all of these markets.

Ms Bruce is currently the CEO of The REAL Group, which focuses on social development and mentoring programs.

If elected the board considers Ms Bruce will be an independent director.

The Board unanimously supports the re-election of Ms Virginia Bruce as a Director.

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### 4. RESOLUTION 3 – APPROVAL OF 10% PLACEMENT CAPACITY

#### 4.1 General

ASX Listing Rule 7.1A provides that an Eligible Entity may seek shareholder approval by special resolution passed at its annual general meeting to have the capacity to issue up to that number of Equity Securities equal to 10% of its issued capital (**10% Placement Capacity**) without using the entity's existing 15% annual placement capacity granted under ASX Listing Rule 7.1.

If Shareholders approve Resolution 3, the number of Equity Securities the Eligible Entity may issue under the 10% Placement Capacity will be determined in accordance with the formula prescribed in ASX Listing Rule 7.1A.2 (as set out in section 4.2 below).

The effect of Resolution 3 will be to allow the Company to issue Equity Securities up to 10% of the Company's fully paid ordinary securities on issue under the 10% Placement Capacity during the period up to 12 months after the Meeting, without subsequent Shareholder approval and without using the Company's 15% annual placement capacity granted under Listing Rule 7.1.

Shareholders passed a similar resolution at the 2017 annual general meeting, however that approval has now lapsed due to the 12-month time frame for such approvals allowed under the Listing Rules.

Resolution 3 is a **special resolution**. Accordingly, at least 75% of votes cast by Shareholders present and eligible to vote at the Meeting must be in favour of Resolution 3 for it to be passed.

#### 4.2 ASX Listing Rule 7.1A

ASX Listing Rule 7.1A enables an Eligible Entity to seek shareholder approval at its annual general meeting to issue Equity Securities in addition to those under the Eligible Entity's 15% annual placement capacity.

An Eligible Entity is one that, as at the date of the relevant annual general meeting:

- (a) is not included in the S&P/ASX 300 Index; and
- (b) has a maximum market capitalisation (excluding restricted securities and securities quoted on a deferred settlement basis) of \$300 million.

As at the date of this Notice, the Company is an Eligible Entity as it is not included in the S&P/ASX 300 Index and has a current market capitalisation of \$16,312,985 (based on the number of Shares on issue and the closing price of Shares on the ASX on 16 October 2019 and excluding any restricted securities that may be on issue).

Any Equity Securities issued must be in the same class as an existing class of quoted Equity Securities. The Company currently has one class of quoted Equity Security on issue, being the Shares (ASX Code: REZ).

The exact number of Equity Securities that the Company may issue under an approval under Listing Rule 7.1A will be calculated according to the following formula:

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

Where:

- A** is the number of Shares on issue 12 months before the date of issue or agreement:
- (i) plus the number of Shares issued in the previous 12 months under an exception in ASX Listing Rule 7.2;
  - (ii) plus the number of partly paid shares that became fully paid in the previous 12 months;
  - (iii) plus the number of Shares issued in the previous 12 months with approval of holders of Shares under Listing Rules 7.1 and 7.4. This does not include an issue of fully paid ordinary shares under the entity's 15% placement capacity without shareholder approval; and
  - (iv) less the number of Shares cancelled in the previous 12 months.
- D** is 10%.

- E** is the number of Equity Securities issued or agreed to be issued under ASX Listing Rule 7.1A.2 in the 12 months before the date of issue or agreement to issue that are not issued with the approval of holders of Ordinary Securities under ASX Listing Rule 7.1 or 7.4.

#### **4.3 Technical information required by ASX Listing Rule 7.1A**

Pursuant to and in accordance with ASX Listing Rule 7.3A, the information below is provided in relation to this Resolution 6:

**(a) Minimum Price**

The minimum price at which the Equity Securities may be issued is 75% of the volume weighted average price of Equity Securities in that class, calculated over the 15 ASX 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; or
- (ii) if the Equity Securities are not issued within 5 ASX trading days of the date in section 4.3(a)(i), the date on which the Equity Securities are issued.

**(b) Date of Issue**

The Equity Securities may be issued under the 10% Placement Capacity commencing on the date of the Meeting and expiring on the first to occur of the following:

- (i) 12 months after the date of this Meeting; and
- (ii) the date of approval by Shareholders of any transaction under ASX Listing Rules 11.1.2 (a significant change to the nature or scale of the Company's activities) or 11.2 (disposal of the Company's main undertaking) (after which date, an approval under Listing Rule 7.1A ceases to be valid),

**(10% Placement Capacity Period).**

**(c) Risk of voting dilution**

Any issue of Equity Securities under the 10% Placement Capacity will dilute the interests of Shareholders who do not receive any Shares under the issue.

If Resolution 3 is approved by Shareholders and the Company issues the maximum number of Equity Securities available under the 10% Placement Capacity, the economic and voting dilution of existing Shares would be as shown in the table below.

The table below shows the dilution of existing Shareholders calculated in accordance with the formula outlined in ASX Listing Rule 7.1A.2, on the basis of the current market price of Shares and the current number of Equity Securities on issue as at 16 October 2019.

The table also shows the voting dilution impact where the number of Shares on issue (Variable A in the formula) changes and the economic

dilution where there are changes in the issue price of Shares issued under the 10% Placement Capacity.

Number of Shares on Issue	Dilution			
	Issue Price (per Share)	\$0.0225 50% decrease in Issue Price	\$0.0450 Issue Price	\$0.090 100% increase in Issue Price
387,680,770 (Current Variable A)	Shares issued - 10% voting dilution	38,768,077 Shares	38,768,077 Shares	38,768,077 Shares
	Funds raised	\$872,281	\$1,774,563	\$3,489,126
581,521,155 (Variable A with 50% increase in Variable A)	Shares issued - 10% voting dilution	58,152,115 Shares	58,152,115 Shares	58,152,115 Shares
	Funds raised	\$1,308,422	\$2,616,845	\$5,233,690
775,361,540 (Variable A with 100% increase in Variable A)	Shares issued - 10% voting dilution	77,536,154 Shares	77,536,154 Shares	77,536,154 Shares
	Funds raised	\$1,744,563	\$3,489,126	\$6,978,253

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

**The table above uses the following assumptions:**

1. The 387,680,770 Shares on shown as being issued includes:
  - a. 1,250,000 Shares which will be issued if Resolutions 6 and 7 are passed at this Meeting;
  - b. 23,920,000 Shares which are subject to escrow until 21 December 2019 and excludes
  - c. deduction of 7,500,000 Shares which will be cancelled if Resolution 8 is passed at this Meeting.
2. The issue price set out above is the closing price of the Shares on the ASX on 16 October 2019.
3. The Company issues the maximum possible number of Equity Securities under the 10% Placement Capacity.
4. The Company has not issued any Equity Securities in the 12 months prior to the Meeting that were not issued under an exception in ASX Listing Rule 7.2 or with approval under ASX Listing Rule 7.1.
5. The issue of Equity Securities under the 10% Placement Capacity consists only of Shares. It is assumed that no Options are exercised into Shares before the date of issue of the Equity Securities.
6. The calculations above do not show the dilution that any one particular Shareholder will be subject to. All Shareholders should consider the dilution caused to their own shareholding depending on their specific circumstances.
7. This table does not set out any dilution pursuant to approvals under ASX Listing Rule 7.1 unless otherwise disclosed.
8. The 10% voting dilution reflects the aggregate percentage dilution against the issued share capital at the time of issue. This is why the voting dilution is shown in each example as 10%.

9. The table does not show an example of dilution that may be caused to a particular Shareholder by reason of placements under the 10% Placement Capacity, based on that Shareholder's holding at the date of the Meeting.

Shareholders should note that there is a risk that:

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

(d) **Purpose of Issue under 10% Placement Capacity**

The Company may issue Equity Securities under the 10% Placement Capacity for the following purposes:

- (i) as cash consideration in which case the Company intends to use funds raised for the potential acquisition of assets and investments (including expenses associated with such an acquisition) and continued exploration or operating expenditure on the Company's current assets; or
- (ii) as non-cash consideration for the acquisition of potential new assets and investments, in such circumstances the Company will provide a valuation of the non-cash consideration as required by listing Rule 7.1A.3.

The Company will comply with the disclosure obligations under Listing Rules 7.1A(4) and 3.10.5A upon issue of any Equity Securities.

(e) **Compliance with ASX Listing Rules 7.1A.4 and 3.10.5A**

When the Company issues Equity Securities pursuant to the 10% Placement Capacity, it must give to ASX:

- (i) a list of the recipients of the Equity Securities and the number of Equity Securities issued to each (not for release to the market), in accordance with Listing Rule 7.1A.4; and
- (ii) the information required by Listing Rule 3.10.5A for release to the market.

(f) **Allocation policy under the 10% Placement Capacity**

The Company's allocation policy for the issue of Equity Securities under the 10% Placement Capacity will be dependent on the prevailing market conditions at the time of the proposed placement(s).

The recipients of the Equity Securities to be issued under the 10% Placement Capacity have not yet been determined. However, the recipients of Equity Securities could consist of current Shareholders or new investors (or both), none of whom will be related parties of the Company.

The Company will determine the recipients at the time of the issue under the 10% Placement Capacity, having regard to the following factors:

- (i) the purpose of the issue;

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

Further, if the Company is successful in acquiring new resources, assets or investments, it is likely that the recipients under the 10% Placement Capacity will be vendors of the new resources, assets or investments.

(g) **Previous approval under ASX Listing Rule 7.1A**

The Company previously obtained approval from its Shareholders pursuant to ASX Listing Rule 7.1A at its annual general meeting held on 10 November 2017 (**Previous Approval**).

The Company has not issued any Equity Securities pursuant to the Previous Approval.

During the 12 month period preceding the date of the Meeting, being on and from 28 November 2019 the Company otherwise issued 2,461,539 Shares which represents approximately 8.3% of the total diluted number of Equity Securities on issue in the company on 10 November 2018, which was 139,748,973 Equity Securities.

(h) Details of the Equity Securities issued by the Company during the 12 months preceding the date of the Meeting are set out in the table below.

Date of issue	Quantity	Class	Recipients	Issue price and discount to Market Price (if applicable) <sup>1</sup>	Form of consideration
21 December 2018	32,400,000	Shares <sup>2</sup>	Vendors of Menzies Goldfield Limited, as approved by Shareholders on 21 December 2018	\$0.05 Discount of 52.3% to last sale price <sup>3</sup>	Consideration: shares in Menzies Goldfield Limited Current value <sup>5</sup> = \$1,620,000
7 June 2019	400,000	Shares <sup>2</sup>	Institutional, sophisticated and professional investors	\$0.05 Discount of 52.4% at last sale price <sup>8</sup>	Cash \$20,000 Cash raised has since been applied to exploration costs and corporate overheads.
17 May 2019	54,550,000	Shares <sup>2</sup>	Institutional, sophisticated and professional investors	\$0.05 Discount of 52.3% to last sale price <sup>3</sup>	Cash \$2,727,500 Application of cash as set out in the Notice of Meeting released to ASX 18 March 2019. Cash raised has since been applied to exploration expenditure and corporate overheads.

17 May 2019	87,920,000	Shares <sup>2</sup>	Holders of Project Development Notes as set out in the Notice of Meeting released to ASX 18 March 2019	\$0.05 Discount of 52.3% to last sale price <sup>3</sup>	Consideration: conversion of amounts owed under Project Development Notes and cancellation of existing options Current value <sup>6</sup> = \$4,396,000
17 May 2019	15,000,000	Shares <sup>2</sup>	Arthur Phillip Nominees Pty Limited	\$0.05 Discount of 52.3% to last sale price <sup>3</sup>	Consideration: conversion of amounts owed to a supplier Current value <sup>6</sup> = \$750,000
17 May 2019	4,208,219	Shares <sup>2</sup>	Sophisticated Investors	\$0.05 Discount of 52.3% to last sale price <sup>3</sup>	Consideration: conversion of amounts owed under short term loans provided Current value <sup>6</sup> = \$4,210,410
17 May 2019	10,000,000	Shares <sup>2</sup>	Larca Pty Limited	\$0.05 Discount of 52.3% to last sale price <sup>3</sup>	Consideration: Prepayment for drilling services Current value <sup>6</sup> = \$500,000
28 August 2019	28,000,000	Shares <sup>2</sup>	Institutional, sophisticated and professional investors	\$0.04 Discount of 23.1% to last sale price <sup>4</sup>	Cash \$1,120,000 Cash raised has since been applied to exploration expenditure and corporate overheads.
11 October 2019	47,000,000	Shares <sup>2</sup>	Institutional, sophisticated and professional investors	\$0.04 Discount of 6.9% to last sale price <sup>7</sup>	Cash \$1,880,000 Cash raised is being applied to exploration expenditure and corporate overheads.
11 October 2019	3,780,000	Shares <sup>2</sup>	Holders of Project Development Notes as set out in the Notice of Meeting released to ASX 18 March 2019	\$0.05 Discount of 52.3% to last sale price <sup>3</sup>	Consideration: conversion of amounts owed under Project Development Notes and cancellation of existing options Current value <sup>6</sup> = \$189,000
11 October 2019	3,603,700	Shares <sup>2</sup>	Gavin Rezos	\$0.04 Discount of 6.9% to last sale price <sup>7</sup>	Consideration: settlement for fees and expenses owing Current value <sup>6</sup> = \$144,148
11 October 2019	8,925,000	Shares <sup>2</sup>	Suppliers	\$0.04 Discount of 6.9% to last sale price <sup>7</sup>	Consideration: settlement for amounts owing Current value <sup>6</sup> = \$357,000

**Notes:**

1. Market Price means the closing price on ASX (excluding special crossings, overnight sales and exchange traded option exercises). For the purposes of this table the discount is calculated on the Market Price on the last trading day on which a sale was recorded prior to the date of issue of the relevant Equity Securities.
2. Fully paid ordinary shares in the capital of the Company.
3. Based on the closing price of the Company's Shares on 5 March 2018 of \$0.105
4. The Company's Shares were traded on 5 March 2018, did not trade between 5 March and 12 April 2018 and were then suspended from trading from 12 April 2018 until 28 June 2019.
5. Based on the closing price of the Company's Shares on 27 August 2019 of 5.2 cents.

6. Partial consideration for the value of shares in Menzies Goldfield Pty Limited acquired by the Company as detailed in the Notice of Meeting provided to Shareholders, which was subsequently approved at the meeting held on 21 December 2018.
7. Value of consideration was amount outstanding under Project Development Notes, short term loans, fees and expenses owed or supplier agreement.
8. Based on the closing price of the Company's Shares on 10 October 2019 of 4.3 cents.
9. Based on the closing price of the Company's Shares on 7 June 2019 of \$0.105.

#### 4.4 Voting Exclusion

A voting exclusion statement is included in this Notice. As at the date of this Notice, the Company has not invited any existing Shareholder to participate in an issue of Equity Securities under ASX Listing Rule 7.1A. Therefore, no existing Shareholders will be excluded from voting on Resolution 3.

Directors recommend that shareholders vote in favour of Resolution 3 as they intend to do with regard to their own shareholdings in the Company.

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#### 5. RESOLUTION 4 – CHANGE OF AUDITOR

An audit tender process was conducted for the provision of audit services to the Company. Following the completion of the tender process, RSM Australia Partners (**RSM**) was selected as the preferred provider of audit services to the Company. The existing auditors, LNP Audit + Assurance (**LNP**), is in the process of submitting their resignation as auditor to the Company and to ASIC for consent to resign effective from the conclusion of the annual general meeting (under section 329(5) of the Corporations Act).

Resolution 4 seeks the approval of shareholders to the appointment of RSM as the new auditors of the Company. The Company has received the consent of RSM to act as auditors of the Company. The appointment would become effective from the date of the annual general meeting, subject to ASIC having given its consent to the resignation of the current auditors and submission of LNP's notice of resignation to the Company in accordance with section 329(5) of the Corporations Act. In accordance with section 328B(1) of the Corporations Act, the directors have received a notice of nomination from a shareholder for the appointment of RSM as auditor of the Company. A copy of this notice of nomination is set out in Schedule 1.

Resolution 4 is a special resolution requiring 75% of those Shareholders voting at the Meeting to be in favour.

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#### 6. RESOLUTION 5 – APPROVAL OF SENIOR EXECUTIVE PERFORMANCE RIGHTS PLAN

##### 6.1 General

The Company has put in place an Incentive Performance Rights Plan (**Plan**) which was adopted by the Board on 17 October 2019.

Resolution 5 seeks Shareholder approval for the adoption of the Plan in accordance with ASX Listing Rule 7.2 (Exception 9(b)). ASX Listing Rule 7.1 prohibits an entity from issuing or agreeing to issue equity securities in any 12-month period which amount to more than 15% of its ordinary securities without the approval of holders of its ordinary securities, subject to specified exceptions. However ASX

Listing Rule 7.2, exception 9(b) provides that ASX Listing Rule 7.1 does not apply in relation to, amongst other things, an issue under an employee incentive plan if, within 3 years before the date of the issue, the holders of the entity's ordinary securities approve the issue of securities under a plan.

The ASX Listing Rules define "employee incentive plan" as:

- (a) a plan for the issue or acquisition of equity securities in an entity to be held by, or for the benefit of, participating employees or non-executive directors of the entity or a related entity or their associates; or
- (b) a plan which, in ASX's opinion, is an employee incentive Plan.

Under the ASX Listing Rules, equity securities include rights over issued or unissued shares in an entity. The proposed Plan is therefore an employee incentive plan for the purposes of the ASX Listing Rules. If this Resolution is passed, Plan Rights issued under the PLAN during the next 3 years will be excluded in determining the 15% limit under Listing Rule 7.1. This would assist the Company should it require additional fundraising flexibility.

Shareholders should note that no performance Rights have been previously issued under the Plan.

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

Any future issues of Performance Rights under the Plan to a related party or a person whose relationship with the company or the related party is, in ASX's opinion, such that approval should be obtained will require additional Shareholder approval under ASX Listing Rule 10.14 at the relevant time.

A summary of the key terms and conditions of the Plan is set out in Section 7.2 below. In addition, a copy of the Plan is available for review by Shareholders at the registered office of the Company until the date of the Meeting. A copy of a 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.

## 6.2 Terms of the Plan

A summary of the terms of the Plan is outlined below. A full copy of the Plan is available for inspection at the Company's registered office until the date of the General Meeting. No Performance Rights have been issued under the Company's proposed Plan since the date of its approval by the Board on 17 October 2019.

A Summary of terms of the Plan

- (a) Eligibility

The Board may, from time to time, in its absolute discretion, make a written offer to any person to participate in the Plan that is a full, part time, casual or prospective employees, contractors, directors of the Company or an Associated Body Corporate of the Company (**Eligible Participant**).

(b) Offer of Plan Rights

The Plan will be administered by the Board which may, in its absolute discretion, make a written offer to any Eligible Participant from time to time as determined by the Board to apply for Performance Rights upon the terms set out in the Plan and upon such additional terms and conditions as the Board determines (**Offer**).

In exercising that discretion, the Board may have regard to some or all of the following (without limitation):

- (i) the length of service of the Eligible Participant with the Company;
- (ii) the contribution made by the Eligible Participant to the Company;
- (iii) the potential contribution of the Eligible Participant to the growth and profitability of the Company; and
- (iv) any other matter the Board considers relevant.

(b) Number of Plan Rights

The number of Performance Rights to be offered to an Eligible Participant will be determined by the Board in its discretion and in accordance with the rules of the Plan, applicable law and ASX Listing Rules.

(c) Conversion

Each Performance Right is entitled to:

- (i) one Share in the Company ranking equally in all respect with the existing issued Shares in the Company; or
- (ii) a cash amount equal to the market value of a single Share as at the date the Performance Right is exercised, as determined by the Board (acting reasonably and in accordance with the terms of any applicable Offer).

(d) Consideration

Performance Rights issued under the Plan will be issued for no consideration. No amount is payable by the Eligible Participant upon conversion of the Plan Right into Shares.

(e) Vesting conditions

A Performance Right may be made subject to vesting conditions as determined by the Board in its discretion and as specified in the Offer for the Performance Right.

(f) Exercise of Performance Rights

A participant in the Plan will be entitled to exercise their Performance Rights that have vested and not lapsed, and the conversion of the Performance Rights will not result in the Company contravening the ASIC Relief (refer below).

A holder may convert the Performance Rights that have vested by delivering a notice to the Company Secretary along with the Performance Rights certificate. After receipt of the required items, the Company will, subject to the Corporations Act, ASX Listing Rules, the Plan and the terms of any Offer, issue to the participant the relevant number of Shares or cash amount.

(g) Restrictions on Transfers, Dealings and Hedging

Subject to the ASX Listing Rules, if at any time before the exercise of a Performance Right, a Performance Right Holder ceases to be an Eligible Participant due to:

- (i) death or total or permanent disability of the person; or
- (ii) retirement or redundancy of the person;
- (iii) person suffering from severe financial hardship;
- (iv) any other circumstances stated in the terms of the relevant Offer made to and accepted by the Eligible Participant; or
- (v) any other circumstances determined by the Board at any time (whether before or after the Offer),

a Performance Rights granted under the Performance Right will be transferable, assignable or able to be otherwise disposed or encumbered.

If the participant does not transfer, assign, mortgage, charge or otherwise dispose or encumber the Performance Right in accordance with the Plan, the Performance Right immediately lapses.

(k) Restrictions on trading

Subject to any ASX imposed escrow, the Board may, in its discretion, determine at any time up until the exercise of Performance Rights, that a restriction period will apply to some or all of the Shares issued to the participant on exercise of those Performance Rights (**Restricted Shares**).

The Shares issued upon exercise of the Performance Rights must not be disposed of or otherwise dealt with under the plan while they are Restricted Shares.

(l) Participation in Rights Issues and Bonus Issues

There are no participating rights or entitlements inherent in the Performance Rights and participants will not be entitled to participate in new issues of capital offered to Shareholders during the currency of the performance Rights without exercising the Performance Rights.

(m) Reorganisation

The terms upon which the Plan Rights will be granted will not prevent the Performance Rights being reorganised as required by and in a manner consistent with the Corporations Act and ASX Listing Rules at the time of reorganisation of the capital of the Company.

(n) Limitation on offers

The Company must have reasonable grounds to believe, when making an Offer, that the number of Shares to be received on exercise of Performance Rights offered under an Offer, when aggregated with the number of Shares issued or that may be issued as a result of offers made in reliance on the Class Order at any time during the previous 3 year period under an employee incentive scheme covered by the Class Order or an ASIC exempt arrangement of a similar kind to an employee incentive scheme, will not exceed 5% of the total number of Shares on issue at the date of the Offer

(o) Change of Control

If a company (**Acquiring Company**) obtains control of the Company as a result of a Change of Control and both the Company and the Acquiring Company agree, a participant may, in respect of any vested Performance Rights that are exercised, be provided with shares of the Acquiring Company, or its parent, in lieu of Shares, on substantially the same terms and subject to substantially the same conditions as the Shares, but with appropriate adjustments to the number and kind of shares subject to the Performance Rights.

(p) ASIC Relief

(i) Notwithstanding any other provisions of the Plan, every covenant or other provisions set out in an exemption or modification granted from time to time by ASIC in respect of the Plan pursuant to its power to exempt and modify the Corporations Act and required to be included in the Plan in order for that exemption or modification to have full effect, is deemed to be contained in the Plan.

(ii) To the extent that any covenant or other provision deemed by this Rule to be contained in the Plan is inconsistent with any other provision in the Plan, the deemed covenant or other provision shall prevail.

Directors recommend that Shareholders vote in favour of Resolution 5 as they intend to do with regard to their own shareholdings in the Company.

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## 7. RESOLUTION 6 – ISSUE OF SHARES TO RELATED PARTY - GAVIN REZOS

### 7.1 General

The Company has agreed, subject to obtaining Shareholder approval, to issue 750,000 Shares (**Rezos Shares**) to Gavin Rezos (or his nominee) on the terms and conditions set out below.

Resolution 6 seeks Shareholder approval for the grant of the Rezos Shares to Gavin Rezos (or his nominee).

## 7.2 Chapter 2E of the Corporations Act

For a public company, or an entity that the public company controls, to give a financial benefit to a related party of the public company, the public company or entity must:

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

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

The issue of the Rezos Shares constitutes giving a financial benefit and Gavin Rezos is a related party of the Company by virtue of being a Director of the Company.

The Directors of the Company (other than Gavin Rezos) consider that Shareholder approval pursuant to Chapter 2E of the Corporations Act is not required in respect of the issue of the Rezos Shares because the agreement to grant the Rezos Shares, reached as part of the remuneration package for Mr Gavin Rezos, is considered reasonable remuneration in the circumstances and was negotiated on an arm's length basis.

## 7.3 ASX Listing Rule 10.11

ASX Listing Rule 10.11 requires shareholder approval to be obtained where an entity issues, or agrees to issue, securities to a related party, or a person whose relationship with the entity or a related party is, in ASX's opinion, such that approval should be obtained unless an exception in ASX Listing Rule 10.12 applies.

As the grant of the Rezos Shares involves the issue of securities to a related party of the Company, Shareholder approval pursuant to ASX Listing Rule 10.11 is required unless an exception applies. The Directors are of the view that the exceptions set out in ASX Listing Rule 10.12 do not apply in the current circumstances.

## 7.4 Technical information required by ASX Listing Rule 10.13

In accordance with Listing Rule 10.13, the following information is provided in relation to Resolution 6:

- (a) the Rezos Shares will be issued to Gavin Rezos (or his nominee);
- (b) the number of Rezos Shares to be issued is 750,000;
- (c) the Rezos Shares will be issued no later than 1 month after the date of this Meeting (or a later date to the extent permitted by any ASX waiver or modification of the Listing Rules) and it is intended that issue of the Rezos Shares will occur on the same date;
- (d) the Rezos Shares will be issued for nil cash consideration, accordingly no funds will be raised; and
- (e) the Rezos Shares issued will be fully paid ordinary shares in the capital of the Company issued on the same terms and conditions as the Company's existing Shares.

Approval pursuant to ASX Listing Rule 7.1 is not required for the issue of the Rezos Shares as approval is being obtained under ASX Listing Rule 10.11. Accordingly, the issue of the Rezos Shares to Gavin Rezos (or his nominee) will not be included in the use of the Company's 15% annual placement capacity pursuant to ASX Listing Rule 7.1.

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## **8. RESOLUTION 7 – ISSUE OF SHARES TO RELATED PARTY - VIRGININA BRUCE**

### **8.1 General**

The Company has agreed, subject to obtaining Shareholder approval, to issue 500,000 Shares (**Bruce Shares**) to Virginia Bruce (or her nominee) on the terms and conditions set out below.

Resolution 7 seeks Shareholder approval for the grant of the Bruce Shares to Virginia Bruce (or her nominee).

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

For a public company, or an entity that the public company controls, to give a financial benefit to a related party of the public company, the public company or entity must:

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

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

The issue of the Bruce Shares constitutes giving a financial benefit and Virginia Bruce is a related party of the Company by virtue of being a Director of the Company.

The Directors of the Company (other than Virginia Bruce) consider that Shareholder approval pursuant to Chapter 2E of the Corporations Act is not required in respect of the issue of the Bruce Shares because the agreement to grant the Bruce Shares, reached as part of the remuneration package for Ms Virginia Bruce, is considered reasonable remuneration in the circumstances and was negotiated on an arm's length basis.

### **8.3 ASX Listing Rule 10.11**

ASX Listing Rule 10.11 requires shareholder approval to be obtained where an entity issues, or agrees to issue, securities to a related party, or a person whose relationship with the entity or a related party is, in ASX's opinion, such that approval should be obtained unless an exception in ASX Listing Rule 10.12 applies.

As the grant of the Bruce Shares involves the issue of securities to a related party of the Company, Shareholder approval pursuant to ASX Listing Rule 10.11 is required unless an exception applies. The Directors are of the view that the exceptions set out in ASX Listing Rule 10.12 do not apply in the current circumstances.

## 8.4 Technical information required by ASX Listing Rule 10.13

In accordance with Listing Rule 10.13, the following information is provided in relation to Resolution 7:

- (c) the Bruce Shares will be issued to Virginia Bruce (or her nominee);
- (f) the number of Bruce Shares to be issued is 500,000;
- (g) the Bruce Shares will be issued no later than 1 month after the date of this Meeting (or a later date to the extent permitted by any ASX waiver or modification of the Listing Rules) and it is intended that issue of the Bruce Shares will occur on the same date;
- (h) the Bruce Shares will be issued for nil cash consideration, accordingly no funds will be raised; and
- (i) the Bruce Shares issued will be fully paid ordinary shares in the capital of the Company issued on the same terms and conditions as the Company's existing Shares.

Approval under ASX Listing Rule 7.1 is not required for the issue of the Bruce Shares as approval is being obtained under ASX Listing Rule 10.11. Accordingly, the issue of the Bruce Shares to Virginia Bruce (or her nominee) will not be included in the use of the Company's 15% annual placement capacity pursuant to ASX Listing Rule 7.1.

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## 9. RESOLUTION 8 – SELECTIVE BUY-BACK

### 9.1 Background

On 12 January 2016, the Company announced it had agreed to acquire 100% of the issued capital in Radio Gold Pty Limited (formerly Brightsun Enterprises Pty Limited) (**Radio**), from the shareholders of Radio (**Radio Shareholders**) (**Radio Acquisition**).

The consideration payable upon settlement of the Radio Acquisition was comprised of:

- (a) a cash payment of \$250,000;
- (b) the issue of 7,500,000 Shares; and
- (c) the issue of 7,500,000 Shares which are subject to cancellation in the event that the gold mine owned by Radio (Radio Mine) does not generate \$1,000,000 in cash (after all costs incurred to produce the income) within 24 months of commencement of mining operations (**Milestone Condition**) (**Milestone Shares**).

### 9.2 Milestone Condition

The acquisition agreement provides that if the Milestone Condition is not satisfied, a portion of the Milestone Shares will, subject to Shareholder approval, be cancelled.

In June 2016, mining operations began with site preparatory work commencing on the Radio Mine. In the period from June 2016 until December 2018, although the Radio Mine achieved revenues of \$861,000, the Radio Mine incurred

development costs of \$2,317,000 and operating costs of \$2,627,000, a total of \$4,944,000. The Radio Mine's net loss (including both development costs and operating costs) during the relevant period was therefore \$4,083,000.

Accordingly, it has been determined that the Milestone Condition has not been satisfied and the Company and each of the Radio Shareholders have agreed that all the Milestone Shares are to be bought-back and cancelled for nil consideration (**Buy-Back**).

Under Resolution 8, the Company is seeking Shareholder approval (as required by the Corporations Act) to implement the Buy-Back agreed.

### 9.3 General

The Corporations Act provides that the rules relating to share buy-backs are designed to protect the interests of shareholders and creditors by:

- (a) addressing the risk of the transaction leading to the company's solvency;
- (b) seeking to ensure fairness between the shareholders of the company; and
- (c) requiring the company to disclose all material information.

Section 257A of the Corporations Act provides that a company may buy back its own shares if:

- (d) the buy-back does not materially prejudice the company's ability to pay its creditors; and
- (e) the company follows the procedures laid down in Division 2 of Part 2J.1 of the Corporations Act.

Section 257H(3) provides that immediately after the registration of the transfer to a company of shares bought back, the shares are cancelled.

The procedure to conduct a buy-back differs for each type of buy-back. The buy-back proposed by the Company is classified as a selective buy-back.

Pursuant to section 257D(1) of the Corporations Act, a selective share buy-back must be approved by either:

- (a) a special resolution passed at a general meeting of the Company, with no votes being cast in favour of the resolution by any person whose shares are to be bought back or by their associates; or
- (b) a resolution agreed to, at a general meeting by all ordinary shareholders.

Pursuant to section 257D(2) of the Corporations Act, the Company must include with the Notice a statement setting out all information known to the Company that is material to the decision on how to vote on the Resolution. However, the Company does not have to disclose information if it would be unreasonable to require the Company to do so because the Company had previously disclosed the information to Shareholders.

Section 257H(3) of the Corporations Act provides that immediately after the registration of the transfer to a company of shares bought back, the shares are cancelled.

The Radio Acquisition and the selective buy-back of the Milestone Shares was approved by Shareholders on 24 March 2016. However, that approval was valid only for a period of 12 months from the date of the shareholder meeting. A further approval was obtained on 28 June 2019, however due to procedural reasons the Company is seeking a fresh Shareholder approval to conduct the Buy-Back.

#### **9.4 Summary of and effect of proposed Selective Buy-back**

The Corporations Act and ASIC Regulatory Guide 110 set out the information that a company is expected to disclose to shareholders in a notice of meeting. This information is set out below:

- (a) The Company has 393,930,770 Shares on issue as at the date of this Notice.
- (b) The number and percentage of Shares to be bought back are 7,500,000 Shares representing 1.9% of the Shares on issue at the date of this Notice.
- (c) No consideration is payable to the Radio Shareholders in respect of the Buy-Back. Accordingly the buy-back will not have a financial effect on the Company.
- (d) As noted above, the Company considers that the Milestone Condition is incapable of being met.
- (e) No Directors will participate in the Buy-Back.
- (f) The Directors believe the Buy-Back will have no effect on the cash reserves of the Company and will not impact in any way on the Company's ability to pay its creditors.
- (g) the Buy-Back will not have an effect on the control of the Company; and
- (h) the Buy-Back will assist in achieving a more efficient capital structure for the Company.
- (i) the Buy-Back will increase the control of the substantial shareholders of the Company. In particular, the control of the Poole Parties will increase from 17.3% to 17.6% and the control of Gaffwick will increase from 17.3% to 17.7%. This falls within the maximum potential shareholding of the Poole Parties and Gaffwick which was approved pursuant to item 7 section 611 of the Corporations Act at the Shareholder meeting held on 21 December 2018.
- (j) The Milestone Shares are held by the Radio Shareholders.

#### **9.5 Director's recommendation**

Based on the information available, including that contained in this Explanatory Statement, the Directors unanimously recommend that Shareholders vote in favour of Resolution 8 as they consider the proposed Buy-Back to be in the best interests of Shareholders as, after assessment of the advantages and disadvantages referred to above, the Directors are of the view that the advantages outweigh the disadvantages.

The Directors confirm that they intend to vote in favour of Resolution 8 in relation to all votes that they control.

## 9.6 Other material information

There is no information material to the making of a decision by a Shareholder whether or not to approve Resolution 8, being information that is known to any of the Directors and which has not been previously disclosed to Shareholders, other than as disclosed in this Explanatory Statement.

Any material information relating to the Selective Buy-Back arising after the date of this Notice will be announced to the ASX.

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## 10. ENQUIRIES

Shareholders are requested to contact Mr Warren Kember on (+ 61 2) 9227 8900 or [communications@rezgroup.com.au](mailto:communications@rezgroup.com.au) if they have any queries in respect of the matters set out in these documents.

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## GLOSSARY

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**\$** means Australian dollars.

**10% Placement Capacity** has the meaning given in section 4.1 of the Explanatory Statement.

**Annual General Meeting** or **Meeting** means the meeting convened by the Notice.

**ASIC** means the Australian Securities and Investments Commission.

**ASX** means ASX Limited.

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

**Board** means the current board of directors of the Company.

**Change of Control** means:

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

**Class Order** means ASIC Class Order 14/1000 as amended or replaced.

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

- (d) a spouse or child of the member;
- (e) a child of the member's spouse;
- (f) a dependent of the member or the member's spouse;
- (g) anyone else who is one of the member's family and may be expected to influence the member, or be influenced by the member, in the member's dealing with the entity;
- (h) a company the member controls; or
- (i) a person prescribed by the *Corporations Regulations 2001 (Cth)*.

**Company** means Resources & Energy Group Limited (ACN 110 005 822).

**Constitution** means the Company's constitution.

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

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

**EST** means Eastern Daylight Time as observed in Sydney, New South Wales.

**Eligible Entity** means an entity that, at the date of the relevant general meeting:

- (a) is not included in the S&P/ASX 300 Index; and
- (b) has a maximum market capitalisation (excluding restricted securities and securities quoted on a deferred settlement basis) of \$300,000,000.

**Eligible Participant** means an eligible, director, employee or contractor of the Group.

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

**Explanatory Statement** means the explanatory statement accompanying the Notice.

**Group** means the Company and its subsidiary companies.

**Key Management Personnel** has the same meaning as in the accounting standards and broadly includes those persons having authority and responsibility for planning, directing and controlling the activities of the Company, directly or indirectly, including any director (whether executive or otherwise) of the Company.

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

**Ordinary Securities** has the meaning set out in the ASX Listing Rules.

**Plan** means an Employee Performance Rights Plan which was adopted by the Board on 17 October 2019.

**Performance Right** means (at the Board's discretion) an entitlement to a Share or a Cash Payment, subject to satisfaction of any vesting conditions, and the corresponding obligation of the Company to provide the Share or the cash payment (at the Board's discretion), in the manner set out in the Plan and any Offer.

**Plan Right Holder** means an Eligible Participant that has been issued Plan Rights.

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

**Remuneration Report** means the remuneration report set out in the Director's report section of the Company's annual financial report for the year ended 30 June 2019.

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

**Mineral Resource** means as defined in the *Australasian Code for Reporting of Exploration Results, Mineral Resources and Ore Reserves, 2012 edition* or later versions.

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

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

Riqo Pty Limited  
Level 33, 52 Martin Place  
Sydney NSW 2000

17 October 2019

Company Secretary  
Resources & Energy Group Limited  
Level 33, 52 Martin Place  
Sydney NSW 2000

Dear Sir

We, Riqo Pty Limited, being a member of Resources & Energy Group Limited (**Company**), hereby nominate RSM Australia Partners in accordance with Section 328B(1) of the *Corporations Act 2001* (Cth) (**Act**) to fill the office of auditor to the Company.

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

Yours sincerely



Richard Poole  
Director



Proxy Form  
Annual General Meeting – 29 November 2019

I/We

of:

being a Shareholder entitled to attend and vote at the Meeting, hereby appoint:

Name:

**OR:**  the Chair of the Meeting as my/our 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, at the Meeting to be held at Level 33, 52 Martin Place Sydney, on 29 November 2019 at 11am, and at any adjournment thereof.

**AUTHORITY FOR CHAIR TO VOTE UNDIRECTED PROXIES ON REMUNERATION RELATED RESOLUTIONS**

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 Resolution 1 (except where I/we have indicated a different voting intention below) even though Resolution 1 is connected directly or indirectly with the remuneration of a member of the Key Management Personnel, which includes the Chair.

**CHAIR'S VOTING INTENTION IN RELATION TO UNDIRECTED PROXIES**

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

Voting on business of the Meeting		FOR	AGAINST	ABSTAIN
Resolution 1	Adoption of Remuneration Report	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Resolution 2	Re-election of director – Virginia Bruce	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Resolution 3	Approval of 10% placement capacity	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Resolution 4	Change of Auditor	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Resolution 5	Approval of Employee Performance Rights Plan	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Resolution 6	Issue of Shares to Related Party – Gavin Rezos	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Resolution 7	Issue of Shares to Related Party – Virginia Bruce	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Resolution 8	Selective Buy-Back	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>

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



If two proxies are being appointed, the proportion of voting rights this proxy represents is: \_\_\_\_\_ %

Signature of Shareholder(s):

Individual or Shareholder 1

Sole Director/Company Secretary

Shareholder 2

Director

Shareholder 3

Director/Company Secretary

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Date: \_\_\_\_\_

Contact name: \_\_\_\_\_ Contact ph (daytime): \_\_\_\_\_

E-mail address: \_\_\_\_\_ Consent for contact by e-mail  
in relation to this Proxy Form: YES  NO

### Instructions for completing Proxy Form

1. **(Appointing a proxy):** A Shareholder entitled to attend and cast a vote at the Meeting is entitled to appoint a proxy to attend and vote on their behalf at the Meeting. If a Shareholder is entitled to cast 2 or more votes at the Meeting, the Shareholder may appoint a second proxy to attend and vote on their behalf at the Meeting. However, where both proxies attend the Meeting, voting may only be exercised on a poll. The appointment of a second proxy must be done on a separate copy of the Proxy Form. A Shareholder who appoints 2 proxies may specify the proportion or number of votes each proxy is appointed to exercise. If a Shareholder appoints 2 proxies and the appointments do not specify the proportion or number of the Shareholder's votes each proxy is appointed to exercise, each proxy may exercise one-half of the votes. Any fractions of votes resulting from the application of these principles will be disregarded. A duly appointed proxy need not be a Shareholder.
2. **(Direction to vote):** A Shareholder may direct a proxy how to vote by marking one of the boxes opposite each item of business. The direction may specify the proportion or number of votes that the proxy may exercise by writing the percentage or number of Shares next to the box marked for the relevant item of business. Where a box is not marked the proxy may vote as they choose subject to the relevant laws. Where more than one box is marked on an item the vote will be invalid on that item.
3. **(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 of the Shareholders should sign.
  - **(Power of attorney):** If you have not already provided the power of attorney with the registry, please attach a certified photocopy of the power of attorney to this Proxy Form when you return it.
  - **(Companies):** Where the company has a sole director who is also the sole company secretary, that person must sign. Where the company (pursuant to Section 204A of the Corporations Act) does not have a company secretary, a sole director can also sign alone. Otherwise, a director jointly with either another director or a company secretary must sign. Please sign in the appropriate place to indicate the office held. In addition, if a representative of a company is appointed pursuant to Section 250D of the Corporations Act to attend the Meeting, the documentation evidencing such appointment should be produced prior to admission to the Meeting. A form of a certificate evidencing the appointment may be obtained from the Company.
4. **(Attending the Meeting):** Completion of a Proxy Form will not prevent individual Shareholders from attending the Meeting in person if they wish. Where a Shareholder completes and lodges a valid Proxy Form and attends the Meeting in person, then the proxy's authority to speak and vote for that Shareholder is suspended while the Shareholder is present at the Meeting.
5. **(Return of Proxy Form):** To vote by proxy, please complete and sign the enclosed Proxy Form and return by:
  - (a) email to [communications@rezgroup.com.au](mailto:communications@rezgroup.com.au); or
  - (b) post to Resources & Energy Group Limited, Level 33, 52 Martin Place, Sydney, NSW, Australia, 2000; or
  - (c) facsimile to the Company on facsimile number +61 2 9227 8901,
 so that it is received not less than 48 hours prior to commencement of the Meeting.  
**Proxy Forms received later than this time will be invalid.**