



**Resources & Energy Group Limited
Notice of Extraordinary General Meeting**

4pm Tuesday 14 September 2021

5 August 2021

Dear Shareholder,

Resources & Energy Group Limited (the **Company**) is to hold an extraordinary general meeting (**Meeting**) of shareholders to approve an issue of options to key directors and its advisor, along with approval of past issues of securities. The Meeting will be held at 4pm on 14 September 2021 and the notice is enclosed.

The issue to directors is part of a wider issue to key personnel of securities in recognition of past long-term and future service. The board has determined to issue the securities in the form of options as part of the Company's incentive arrangements (**Incentive Options**).

The Incentive Options have an exercise price of 8 cent each, which is over 2.5 times the closing price of the Company's ordinary shares as of 4 August 2021 and expiring 5 years from issue. The terms of the Incentive Options have been designed to ensure there is alignment of interests between the board, executives, and the Company's shareholders over the mid-term.

Options which had been previously issued in 2016 to board and executive team members have expired over the past 12 months and the current issue seeks to re-establish incentive arrangements.

All the Incentive Options will be issued under the terms of the Company's Incentive Option Plan that was approved by shareholders at the 2020 Annual General Meeting (refer release to ASX on 30 October 2020). The issue of Incentive Options to directors requires specific approval by shareholders under the ASX's listing rules and are the subject of this notice of meeting.

Also included in the notice of meeting is the ratification of the issue of 8 million options to the Company's advisor as part settlement of their fees for a placement arranged during FY2021 (**Advisor Options**). The Advisor Options will be on the same terms as the Incentive Options.

Having regard to current and possible social distancing requirements in New South Wales and in the interests of the health and safety of our shareholders and staff, the Board has decided that the Meeting will be held virtually. Shareholders will not be able to attend physically but will instead be able to view and participate in the Meeting online. This approach is in line with the Company's understanding of temporary modifications to the law and current regulatory guidance.

A copy of this notice has been emailed to shareholders who have provided an email address and is also available either via on the Company's web site (www.rezgroup.com.au/investors) or the ASX's website (<https://www2.asx.com.au/markets/trade-our-cash-market/historical-announcements>)

Shareholders are encouraged to vote by lodging a proxy form which is attached to his notice. Please return to the Company per the instructions no later than 48 hours prior to the Meeting.

You will be able to watch and participate in the Meeting in real-time on your computer or mobile device via Zoom. Further information on how you can participate including how to register, vote and ask questions is set out on the following pages. Registration can be made by following the link: https://us02web.zoom.us/webinar/register/WN_2oPzYb45Q4-PR271omYHtA

Yours faithfully,



Gavin Rezos
Chairman

RESOURCES & ENERGY GROUP LIMITED

NOTICE OF EXTRAORDINARY GENERAL MEETING

Notice is given that Resources & Energy Group Limited will hold a General Meeting of its shareholders on 14 September 2021 as a virtual meeting for the purpose of transacting the business set out in this notice of meeting. The Meeting will be held as follows:

TIME: 4.00pm (EST)

DATE: Tuesday, 14 September 2021

PLACE: Virtual Meeting

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

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

The Directors have determined pursuant to Regulation 7.11.37 of the Corporations Regulations 2001 (Cth) that the persons eligible to vote at the Meeting are those who are registered Shareholders at 13 September 2021 at 5pm (AEST).

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IMPORTANT INFORMATION

TIME AND PLACE OF MEETING

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 4.00pm (EST) on Tuesday 14 September 2021 as a virtual meeting

YOUR VOTE IS IMPORTANT

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

IF YOU ARE VOTING BY PROXY

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

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

- each shareholder has a right to appoint a proxy;
- the proxy need not be a Shareholder of the Company; and
- a Shareholder who is entitled to cast two (2) or more votes may appoint two (2) proxies and may specify the proportion or number of votes each proxy is appointed to exercise. If the member appoints two (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:

- 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.

HOW TO PARTICIPATE IN THE MEETING

The General Meeting will be held via an online, virtual platform. Shareholders and proxyholders can watch, vote, make comments and ask questions during the virtual General Meeting. Registration can be done at any time prior to the Meeting by following the link.

https://uso2web.zoom.us/webinar/register/WN_2oPzYb45Q4-PR271omYHtA

Once registered a separate email will confirm the details of the link and password to join the Meeting.

When the Meeting commences all attendees will have their audio muted while the Meeting is conducted. Shareholders will be able to ask questions at appropriate times (refer below).

For further information on the live voting process please see the Registration and Voting Guide at <https://www.automicgroup.com.au/app/uploads/2021/01/Virtual-Meeting-Registration-and-VotingShareholder-Guide-V2.pdf>.

HOW TO VOTE AT THE METING

You may still attend the online Meeting and vote even if you have lodged a proxy. If you have previously submitted a Proxy Form, your attendance will not revoke your proxy appointment unless you actually vote at the virtual meeting, in which case, the proxy's appointment is deemed to be revoked with respect to voting on that resolution.

Voting at the Meeting will be conducted via a poll.

In the case of joint Shareholders, all holders may attend the Meeting but only one holder may vote at the Meeting in respect of the relevant Shares (including by proxy). If more than one joint holder is present, and more than one of the joint holders vote in respect of the relevant Shares, only the vote of the joint holder whose name stands first in the register in respect of the relevant Shares is counted.

Shareholders who wish to vote virtually on the day of the AGM will need to login to the our share registry, Automic Group, website (<https://investor.automic.com.au/#/home>) with their username and password.

Shareholders who do not have an account with Automic are strongly encouraged to register for an account as soon as possible and well in advance of the Meeting to avoid any delays on the day of the Meeting.

To create an account with Automic, please go to the Automic website (<https://investor.automic.com.au/#/home>), click on 'register' and follow the steps. Shareholders will require their holder number (Securityholder Reference Number (SRN) or Holder Identification Number (HIN)) to create an account with Automic.

Shareholders who have an existing account with Automic (Note: with a username and password) are advised to take the following steps to attend and vote virtually on the day of the AGM:

1. Login to the Automic website (<https://investor.automic.com.au/#/home>) using your username and password.
2. Once registration for the virtual meeting is open, click on 'Meeting open for registration' and follow the steps.
3. Once live voting for the virtual meeting is open, click on 'Meeting open for voting' and follow the steps.

For further information on the live voting process please see the Registration and Voting Guide at <https://www.automicgroup.com.au/app/uploads/2021/01/Virtual-Meeting-Registration-and-VotingShareholder-Guide-V2.pdf>.

VOTING ELIGIBILITY

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 5.00pm (EST) on Monday, 13 September 2021.

VOTING IN PERSON

There will be no in-person attendance at the meeting.

VOTING BY PROXY

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

In accordance with section 249L of the Corporations Act, 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.

BUSINESS OF THE MEETING

AGENDA

1. RESOLUTION 1 – ISSUE OF OPTIONS 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 8,000,000 Options 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.

2. RESOLUTION 2 – ISSUE OF OPTIONS TO RELATED PARTY – RICHARD POOLE

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 8,000,000 Options to Richard Poole (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 Poole (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:

- (a) the proxy is either:
 - (iii) a member of the Key Management Personnel; or
 - (iv) a Closely Related Party of such a member; and
 - (b) the appointment does not specify the way the proxy is to vote on this Resolution.
- However, the above prohibition does not apply if:
- (c) the proxy is the Chair; and

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

3. RESOLUTION 3 – ISSUE OF OPTIONS TO RELATED PARTY – DAN MOORE

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 5,000,000 Options to Richard Poole (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 Moore (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
- (c) the appointment does not specify the way the proxy is to vote on this Resolution. However, the above prohibition does not apply if:
- (e) the proxy is the Chair; and
 - (f) the appointment expressly authorises the Chair to exercise the proxy even though this Resolution is connected directly or indirectly with remuneration of a member of the Key Management Personnel.

4. RESOLUTION 4 – RATIFICATION OF PRIOR ISSUE - PLACEMENT

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

“That, for the purposes of ASX Listing Rule 7.1 and for all other purposes, Shareholders ratify the Company’s issue of 44,000,000 Shares and 11,000,056 Options 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 a person who is 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 holder of ordinary securities in the Company). However, this does not apply to a vote cast in favour of the Resolution by:

- (a) a person as a proxy or attorney for a person who is entitled to vote on the Resolution, in accordance with the directions given to the proxy or attorney to vote on the Resolution in that way; or
- (b) the Chair as proxy or attorney for a person who is entitled to vote on the Resolution, in accordance with a direction given to the Chair to vote on the Resolution as the Chair decides; or
- (c) a holder acting solely 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.

5. RESOLUTION 5 – ISSUE OF OPTIONS TO ADVISOR

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

“That, for the purposes of ASX Listing Rule 7.1 and for all other purposes, approval is given for the Company to issue 8,000,000 Options to Barclay Pearce Capital Pty Limited (or their 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 a person who is 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 holder of ordinary securities in the Company). However, this does not apply to a vote cast in favour of the Resolution by:

(a) a person as a proxy or attorney for a person who is entitled to vote on the Resolution, in accordance with the directions given to the proxy or attorney to vote on the Resolution in that way; or

(b) the Chair as proxy or attorney for a person who is entitled to vote on the Resolution, in accordance with a direction given to the Chair to vote on the Resolution as the Chair decides; or

(c) a holder acting solely 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.

DATED: 4 AUGUST 2021

BY ORDER OF THE BOARD

**WARREN KEMBER
COMPANY SECRETARY**

EXPLANATORY STATEMENT

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

1. RESOLUTION 1 – ISSUE OF OPTIONS TO RELATED PARTY - GAVIN REZOS

1.1 General

The Company has agreed, subject to obtaining Shareholder approval, to issue 8,000,000 Options (**Rezos Options**) to Gavin Rezos (or his nominee) on the terms and conditions set out below.

Resolution 1 seeks Shareholder approval for the grant of the Rezos Options to Gavin Rezos (or his nominee).

1.2 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 Options 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 Options because the agreement to grant the Rezos Options, 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.

1.3 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.

Mr Rezos is a Director of the Company and considered a related party of the Company. As the grant of the Rezos Options 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.

1.4 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 1:

- (a) the Rezos Options will be issued to Gavin Rezos (or his nominee);
- (b) the Rezos Options are being issued as part of the remuneration and incentive arrangements for his role as a Director. Mr Rezos is currently entitled to annual fees as a Director of the Company of \$48,000, and was last issued securities in the form of 750,000 Shares of the Company as part of his remuneration arrangements during December 2019;
- (c) the number of Rezos Options to be issued is 8,000,000;
- (d) the Rezos Options 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);
- (e) the Rezos Options will be issued for nil cash consideration, accordingly no funds will be raised;
- (f) the Rezos Options will have an exercise price of 8 cents each and an expiry date of 5 years from the date of issue; and
- (g) other terms and conditions are set out in Attachment 1;

Approval pursuant to ASX Listing Rule 7.1 is not required for the issue of the Rezos Options as approval is being obtained under ASX Listing Rule 10.11. Accordingly, the issue of the Rezos Options 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. If Shareholder approval is obtained the Company will proceed to issue the Rezos Options as indicated above. If Shareholder approval is not obtained, then the Company will not proceed with the issue of the Rezos Options.

2 RESOLUTION 2 – ISSUE OF OPTIONS TO RELATED PARTY – RICHARD POOLE

2.1 General

The Company has agreed, subject to obtaining Shareholder approval, to issue 8,000,000 Options (**Poole Options**) to Richard Poole (or his nominee) on the terms and conditions set out below.

Resolution 2 seeks Shareholder approval for the grant of the Poole Options to Richard Poole (or his nominee).

2.2 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 Poole Options constitutes giving a financial benefit and Richard Poole is a related party of the Company by virtue of being a Director of the Company.

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

2.3 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.

Mr Poole is a Director of the Company and considered a related party of the Company. As the grant of the Poole Options 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.

2.4 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 2:

- (a) the Poole Options will be issued to Richard Poole (or his nominee);
- (b) the Poole Options are being issued as part of the remuneration and incentive arrangements for his role as a Director. Mr Poole is currently entitled to annual fees as a Director of the Company of \$33,000;
- (c) the number of Poole Options to be issued is 8,000,000;
- (d) the Poole Options 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);
- (e) the Poole Options will be issued for nil cash consideration, accordingly no funds will be raised;
- (f) the Poole Options will have an exercise price of 8 cents each and an expiry date of 5 years from the date of issue; and
- (g) other terms and conditions are set out in Attachment 1.

Approval pursuant to ASX Listing Rule 7.1 is not required for the issue of the Poole Options as approval is being obtained under ASX Listing Rule 10.11. Accordingly, the issue of the Poole Options to Richard Poole (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. If Shareholder approval is obtained the Company will proceed to issue the Poole Options as indicated above. If Shareholder approval

is not obtained, then the Company will not proceed with the issue of the Poole Options.

3 RESOLUTION 3 – ISSUE OF OPTIONS TO RELATED PARTY – DANIEL MOORE

3.1 General

The Company has agreed, subject to obtaining Shareholder approval, to issue 8,000,000 Options (**Moore Options**) to Daniel Moore (or his nominee) on the terms and conditions set out below.

Resolution 3 seeks Shareholder approval for the grant of the Moore Options to Moore Options (or his nominee).

3.2 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 Moore Options constitutes giving a financial benefit and Daniel Moore is a related party of the Company by virtue of being a Director of the Company.

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

3.3 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.

Mr Moore is a Director of the Company and considered a related party of the Company. As the grant of the Moore Options 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.

3.4 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 3:

- (a) the Moore Options will be issued to Daniel Moore (or his nominee);
- (b) the Moore Options are being issued as part of the remuneration and incentive arrangements for his role as a Director. Mr Moore is currently entitled to annual fees as a Director of the Company of \$33,000;
- (c) the number of Moore Options to be issued is 8,000,000;
- (d) the Moore Options 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);
- (e) the Moore Options will be issued for nil cash consideration, accordingly no funds will be raised;
- (f) the Moore Options will have an exercise price of 8 cents each and an expiry date of 5 years from the date of issue; and
- (g) other terms and conditions are set out in Attachment 1.

Approval pursuant to ASX Listing Rule 7.1 is not required for the issue of the Poole Options as approval is being obtained under ASX Listing Rule 10.11. Accordingly, the issue of the Poole Options to Daniel Moore (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. If Shareholder approval is obtained the Company will proceed to issue the Moore Options as indicated above. If Shareholder approval is not obtained, then the Company will not proceed with the issue of the Moore Options.

4. RESOLUTION 4 – RATIFICATION OF PRIOR ISSUE – PLACEMENT

4.1 General

On 27 October 2020, the Company advised ASX it had arranged for the issue of 44,000,000 Shares (**Placement Shares**) at 7.5 cents each and 11,000,056 attaching Options (**Placement Options**) that raised \$3,300,000 (**Placement**).

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

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

The Company wishes to retain as much flexibility as possible to issue additional equity securities in the future without having to obtain Shareholder approval for such issues under Listing Rule 7.1. Accordingly, the Company is seeking Shareholder ratification pursuant to Listing Rule 7.4 for the issue of the Consideration Shares.

Resolution 4 seeks Shareholder ratification pursuant to Listing Rule 7.4 for the issue of the Consideration Shares.

4.2 Technical information required by Listing Rule 14.1A

If Resolution 4 is passed, the Placement Shares and Placement Options will be excluded in calculating the Company's 15% limit in Listing Rule 7.1, effectively increasing the number of equity securities the Company can issue without Shareholder approval over the 12 month period following the date of issue of the Consideration Shares.

If Resolution 4 is not passed, the Placement Shares and Placement Options will be included in calculating the Company's 15% limit in Listing Rule 7.1, effectively decreasing the number of equity securities that the Company can issue without Shareholder approval over the 12 month period following the date of the Placement.

a. Technical information required by ASX Listing Rule 7.4

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

- a. the Placement Shares and the attaching Placement Options were issued to the sophisticated investors who were not related parties of the Company;
- b. 44,000,000 Shares and 11,000,056 Options were issued;
- c. the Placement occurred on 2 November 2020 and raised \$3,300,000;
- d. the issue price was 7.5 cents per Placement Share and nil for the Placement Options;
- e. the Placement Shares issued were all fully paid ordinary shares in the capital of the Company issued on the same terms and conditions as the Company's existing Shares;
- f. the purpose of the Placement was for working capital;
- g. a voting exclusion statement is included in Resolution 4 of the Notice.

5. RESOLUTION 5 –ISSUE OF OPTIONS TO ADVISOR

5.2 General

As set out in Item 5, on 27 October 2020, the Company advised ASX that it had raised \$3.3 million via a placement of Shares and Options (Placement). The Placement was arranged by Barclay Pearce Capital Pty Limited (BPC). In consideration of BPC arranging the Placement, Resolution 4 seeks approval for the Company to issue 8,000,000 Options to BPC (**BPC Options**).

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. The proposed issue of the BPC Options does not fall within any of these exceptions and would reduce the Company's access to place further securities under the 15% limit in Listing Rule 7.1. Approval by Shareholders under Listing Rule 7.1 is being sought to maintain flexibility to raise further funds if required.

5.3 Technical information required by ASX Listing Rule 14.1A

If Resolution 4 is passed, the Company will proceed to issue the BPC Options which will be excluded from the calculation of the number of equity securities that the Company can issue without Shareholder approval under Listing Rule 7.1.

If Resolution 4 is not passed, the Company will proceed with the issue of the BPC Options utilising its remaining capacity under Listing Rule 7.1.

5.4 Technical information required by ASX Listing Rule 7.

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

- a. the BPC Options will be issued to BPC (or its nominee/s), who is not a related party of the Company;
- b. the maximum number of BPC Options to be issued is 8,000,000;
- c. the BPC Options will be issued no later than 3 months after the date of the Meeting (or such later date to the extent permitted by any ASX waiver or modification of the ASX Listing Rules) and it is intended that the issue of the Options will occur on the same date;
- d. the BPC Options will be issued at a nil issue price as part consideration for BPC acting as an advisor and no funds will be raised;
- e. the purpose of the issue of the BPC Options is to satisfy the Company's obligations under its engagement of BPC to assist with the arrangement of the Placement;
- f. the BPC Options will have an exercise price of 8 cents each and an expiry date of 5 years from the date of issue; and
- g. the BPC Options' other terms as set out in Attachment 1;
- h. the BPC Options are not being issued under, or to fund, a reverse takeover; and
- i. voting exclusion statement is included in Resolution 5 of the Notice.

4 ENQUIRIES

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

GLOSSARY

\$ 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:

- 4.1.1.1 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;
- 4.1.1.2 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
- 4.1.1.3 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:

- 4.1.1.4 a spouse or child of the member;
- 4.1.1.5 a child of the member's spouse;
- 4.1.1.6 a dependent of the member or the member's spouse;
- 4.1.1.7 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;
- 4.1.1.8 a company the member controls; or
- 4.1.1.9 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)*.

Director(s) means the current director(s) of the Company.

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

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** means this notice of annual general meeting including the Explanatory Statement and the Proxy Form.

Options means a right to acquire a Share in the capital of the Company on terms specified.

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

Plan means an Employee Share Option Plan which was approved by Shareholders at the Company's Annual General meeting held on 30 November 2020.

Plan Option Holder means an Eligible Participant that has been issued Plan Options.

Proxy Form means the proxy form accompanying the Notice.

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

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

Shareholder means a holder of a Share.

SCHEDULE 1 - TERMS OF OPTIONS

- (a) **Entitlement**
Each Option entitles the holder to subscribe for one Share upon exercise of the Option.
- (b) **Exercise Price**
Subject to paragraph U), the amount payable upon exercise of each Option will be \$0.08 (**Exercise Price**).
- (c) **Expiry Date**
Each Option will expire at 5:00 pm (AWST) on 30 September 2026 (**Expiry Date**). An Option not exercised before the Expiry Date will automatically lapse on the Expiry Date.
- (d) **Exercise Period**
The Options are exercisable at any time on or prior to the Expiry Date (**Exercise Period**).
- (e) **Notice of Exercise**
The Options may be exercised during the Exercise Period 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.
- (f) **Exercise Date**
A Notice of Exercise is only effective on and from the later of 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**).
- (g) **Timing of issue of Shares on exercise**
Within 15 Business Days after the Exercise Date, the Company will:
- (i) allot and issue the number of Shares required under these terms and conditions in respect of the number of Options specified in the Notice of Exercise and for which cleared funds have been received by the Company;
 - (ii) if required, give ASX a notice that complies with section 708A(5) (e) of the Corporations Act, or, if the Company is unable to issue such a notice, lodge with ASIC a prospectus prepared in accordance with the Corporations Act and do all such things necessary to satisfy section 708A(1) of the Corporations Act to ensure that an offer for sale of the Shares does not require disclosure to investors; and
 - (iii) if admitted to the official list of ASX at the time, apply for official quotation on ASX of Shares issued pursuant to the exercise of the Options.
- If a notice delivered under (g) (ii) for any reason is not effective to ensure that an offer for sale of the Shares does not require disclosure to investors, the Company must, no later than 20 Business Days after becoming aware of such notice being ineffective, lodge with ASIC a prospectus prepared in accordance with the Corporations Act and do all such things necessary to satisfy section 708A(11) of the Corporations Act to ensure that an offer for sale of the Shares does not require disclosure to investors.

- (h) Shares issued on exercise**
Shares issued on exercise of the Options rank equally with the then issued shares of the Company.
- (i) Quotation of Shares issued on exercise**
If admitted to the official list of ASX at the time, application will be made by the Company to ASX for quotation of the Shares issued upon the exercise of the Options.
- (j) Reconstruction of capital**
If at any time the issued capital of the Company is reconstructed, all rights of an Optionholder are to be changed in a manner consistent with the Corporations Act and the ASX Listing Rules at the time of the reconstruction.
- (k) Participation in new issues**
There are no participation rights or entitlements inherent in the Options and holders will not be entitled to participate in new issues of capital offered to Shareholders during the currency of the Options without exercising the Options.
- (l) Change in exercise price**
An Option does not confer the right to a change in Exercise Price or a change in the number of underlying securities over which the Option can be exercised.
- (m) Unquoted**
The Company will not apply for quotation of the Options on ASX.
- (n) Transferability**
The Options are transferable subject to any restriction or escrow arrangements imposed by ASX or under applicable Australian securities laws.
- (o) Cashless conversion**
The Options are able to be converted to Shares on a cashless basis.

Proxy Voting Form

**If you are attending the virtual Meeting
please retain this Proxy Voting Form
for online Securityholder registration.**

Holder Number:

Your proxy voting instruction must be received by **4.00pm (AEST) on Sunday, 12 September 2021**, being **not later than 48 hours** before the commencement of the Meeting. Any Proxy Voting instructions received after that time will not be valid for the scheduled Meeting.

SUBMIT YOUR PROXY

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/#/loginsah>

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:

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GPO Box 5193
Sydney NSW 2001

IN PERSON:

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Sydney NSW 2000

BY EMAIL:

meetings@automicgroup.com.au

BY FACSIMILE:

+61 2 8583 3040

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