



15 October 2021

ASX Announcement

Letter to Shareholders Regarding Annual General Meeting

Dear Shareholder

Fenix Resources Limited (ASX:FEX) ("**Fenix**" or "**Company**") confirms its Annual General Meeting will be held at 10:00am (WST) on Tuesday, 16 November 2021 (**Meeting**) at Grant Thornton, Level 43, Central Park, 152 -158 St Georges Terrace, Perth WA 6000.

In accordance with the *Treasury Laws Amendment (2021 Measures No. 1) Act 2021*, the Company will not be sending hard copies of the Notice of Meeting to Shareholders unless they have made a valid election to receive documents in hard copy. Instead, the Notice of Meeting can be viewed and downloaded from the website link: <https://fenixresources.com.au/asx-announcements/>

Voting at the Meeting will occur by a poll rather than a show of hands. A copy of your personalised proxy form is enclosed for your convenience. Please complete and return the attached proxy form to the Company's share registry, Automic Group by:

Online:

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

Mail:

Automic
GPO Box 5193
Sydney NSW 2001

Person:

Automic
Level 5, 126 Phillip Street
Sydney NSW 2000

Email:

meetings@automicgroup.com.au

Facsimile:

+61 2 8583 3040

Your proxy voting instruction must be received by 10:00am (WST) on Sunday, 14 November 2021, being not less than 48 hours before the commencement of the Meeting. Any proxy voting instructions received after that time will not be valid for the Meeting.

The Notice of Meeting is important and should be read in its entirety. If you are in doubt as to the course of action you should follow, you should consult your financial adviser, lawyer, accountant or other professional adviser. If you have any difficulties obtaining a copy of the Notice of Meeting please contact the Company's share registry, Automic Group on, 1300 288 664 (within Australia) or +61 2 9698 5414 (overseas).

To comply with Federal and State government restrictions on social gatherings, the Company may need to admit a limited number of persons to the Meeting. There is a risk that shareholders intending to attend the physical Meeting may not be admitted, depending on the number of Shareholders who wish to physically attend the Meeting. Therefore, the Company strongly encourages all Shareholders to submit their directed proxy votes in advance of the Meeting.

The Company will continue to closely monitor guidance from the Federal and State Government for any impact on the proposed arrangements for the Meeting. If any changes are required, the Company will advise Shareholders by way of announcement on ASX and the details will also be made available on our website at <https://fenixresources.com.au/>

The Company will advise Shareholders as soon as practicable, if any of the above circumstances change.

Authorised on behalf of the Board of Fenix Resources Limited by:

Warwick Davies
Interim Non-Executive Chairman
Fenix Resources Limited

FENIX RESOURCES LIMITED

ACN 125 323 622

NOTICE OF ANNUAL GENERAL MEETING

Notice is given that the Meeting will be held at:

TIME: 10:00am (WST)
DATE: Tuesday, 16 November 2021
PLACE: Grant Thornton
Central Park, Level 43
152 -158 St Georges Terrace
PERTH WA 6000

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 10:00am (WST) on Sunday, 14 November 2021.

Should you wish to discuss the matters in this Notice of Meeting please do not hesitate to contact the Company Secretary on +61 8 9322 1587.

IMPORTANT INFORMATION

Time and place of Meeting

Notice is given that the Meeting will be held at Grant Thornton, Central Park, Level 43, 152-158 St Georges Terrace, Perth on Tuesday, 16 November 2021 at 10:00am (WST).

Your vote is important

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

Voting in person

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

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, 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 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.

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 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.

Chair's voting intentions

The Chair intends to exercise all available proxies in favour of all Resolutions, unless the Shareholder has expressly indicated a different voting intention.

Subject to the following paragraph, if the Chair is appointed as your proxy and you have not specified the way the Chair is to vote on any of the Resolutions by signing and returning the Proxy Form, you are considered to have provided the Chair with an express authorisation for the Chair to vote the proxy in accordance with the Chair's intention, even if the Resolution is connected directly or indirectly with the remuneration of a member of the Key Management Personnel of the Company.

If the Chair is a person referred to in the voting prohibition statement applicable to a Resolution (under section 224 of the Corporations Act), the Chair will only be able to cast a vote as proxy for you on the relevant Resolution if you are entitled to vote and have specified your voting intention in the Proxy Form.

BUSINESS OF THE MEETING

AGENDA

1. FINANCIAL STATEMENTS AND REPORTS

To receive and consider the annual financial report of the Company for the financial period ended 30 June 2021 including the declaration of the Directors, the Directors' report, the Remuneration Report, and the auditor's report.

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 ordinary resolution**:

"That, for the purposes 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 2021."

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 either of the following persons:

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

Shareholders should note that the Chair intends to vote any undirected proxies in favour of Resolution 1. Shareholders may also choose to direct the Chair to vote against Resolution 1 or to abstain from voting.

If you are a member of the KMP of the Company or a Closely Related Party of such person (or are acting on behalf of any such person) and purport to cast a vote (other than as a proxy as permitted in the manner set out above), that vote will be disregarded by the Company (as indicated above) and you may be liable for an offence for breach of voting restrictions that apply to you under the Corporations Act.

3. RESOLUTION 2 – ELECTION OF DIRECTOR – MR WARWICK DAVIES

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

"That, for the purpose of clause 12.8 of the Constitution, Listing Rule 14.4 and for all other purposes, Mr Warwick Davies, a Director who was appointed casually on 9 November 2020, retires and, being eligible, is elected as a Director."

4. RESOLUTION 3 – ELECTION OF DIRECTOR – MR RICHARD NICHOLLS

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

"That, for the purpose of clause 12.8 of the Constitution, Listing Rule 14.4 and for all other purposes, Mr Richard Nicholls, a Director who was appointed casually on 17 May 2021, retires and, being eligible, is elected as a Director."

5. RESOLUTION 4 – APPROVAL OF ISSUE OF PERFORMANCE RIGHTS TO DIRECTOR – MR ROBERT BRIERLEY

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

"That, for the purposes of ASX Listing Rule 10.14, sections 200E and 208 of the Corporations Act and all other purposes, Shareholders approve the issue of 6,000,000 Performance Rights to Mr Robert Brierley (and/or his nominee(s)) under the Plan, on the terms and conditions set out in the Explanatory Statement accompanying this Notice."

Voting exclusion

The Company will disregard any votes cast in favour of Resolution 4 by or on behalf of any person referred to in ASX Listing Rule 10.14.1, 10.14.2 or 10.14.3 who is eligible to participate in the Plan (including Robert Brierley) or any of their respective Associates.

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

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

Voting prohibition statement

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

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

However, the above prohibition does not apply if:

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

Further, in accordance with section 200E(2A) of the Corporations Act, a vote on Resolution 4 must not be cast (in any capacity) by or on behalf of Mr Robert Brierley (and his nominees) or any of their respective Associates.

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

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

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

However, the above prohibition does not apply if:

- (a) it is cast by a person as a proxy appointed by writing that specifies how the proxy is to vote on the Resolution; and
- (b) it is not cast on behalf of a related party of the Company to whom the Resolution would permit a financial benefit to be given, or an associate of such a related party.

Please note: If the Chair is a person referred to in the section 224 Corporations Act voting prohibition statement above, the Chair will only be able to cast a vote as proxy for a person who is entitled to vote if the Chair is appointed as proxy in writing and the Proxy Form specifies how the proxy is to vote on the relevant Resolution.

If you purport to cast a vote other than as permitted above, that vote will be disregarded by the Company (as indicated above) and you may be liable for breaching the voting restrictions that apply to you under the Corporations Act.

6. **RESOLUTION 5 – APPROVAL OF ISSUE OF INCENTIVE OPTIONS TO DIRECTOR – MR WARWICK DAVIES**

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

"That, for the purposes of ASX Listing Rule 10.14, section 208 of the Corporations Act and all other purposes, Shareholders approve the issue of 2 million Options to Mr Warwick Davies (and/or his nominee(s)) under the Plan, on the terms and conditions set out in the Explanatory Statement accompanying this Notice."

Voting exclusion

The Company will disregard any votes cast in favour of Resolution 5 by or on behalf of any person referred to in ASX Listing Rule 10.14.1, 10.14.2 or 10.14.3 who is eligible to participate in the Plan (including Warwick Davies) or any of their respective Associates.

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

- (a) a person as proxy or attorney for a person who is entitled to vote on the Resolution, in accordance with the directions given to the proxy or attorney to vote on the Resolution in that way; or
- (b) the Chair of the meeting as proxy or attorney for a person who is entitled to vote on the Resolution, in accordance with a direction given to the Chair to vote on the Resolution as the Chair decides; or
- (c) a holder acting solely in a nominee, trustee custodial or other fiduciary capacity on behalf of a beneficiary provided the following conditions are met:

- (i) the beneficiary provides written confirmation to the holder that the beneficiary is not excluded from voting, and is not an associate of a person excluded from voting, on the Resolution; and
- (ii) the holder votes on the Resolution in accordance with directions given by the beneficiary to the holder to vote in that way.

Voting prohibition statement

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

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

However, the above prohibition does not apply if:

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

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

However, the above prohibition does not apply if:

- (a) it is cast by a person as a proxy appointed by writing that specifies how the proxy is to vote on the Resolution; and
- (b) it is not cast on behalf of a related party of the Company to whom the Resolution would permit a financial benefit to be given, or an associate of such a related party.

Please note: If the Chair is a person referred to in the section 224 Corporations Act voting prohibition statement above, the Chair will only be able to cast a vote as proxy for a person who is entitled to vote if the Chair is appointed as proxy in writing and the Proxy Form specifies how the proxy is to vote on the relevant Resolution.

If you purport to cast a vote other than as permitted above, that vote will be disregarded by the Company (as indicated above) and you may be liable for breaching the voting restrictions that apply to you under the Corporations Act.

7. RESOLUTION 6 – APPROVAL OF ISSUE OF INCENTIVE OPTIONS TO DIRECTOR – MR RICHARD NICHOLLS

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

"That, for the purposes of ASX Listing Rule 10.14, section 208 of the Corporations Act and all other purposes, Shareholders approve the issue of 2 million Options to Mr Richard Nicholls (and/or his nominee(s)) under the Plan, on the terms and conditions set out in the Explanatory Statement accompanying this Notice."

Voting exclusion

The Company will disregard any votes cast in favour of Resolution 6 by or on behalf of any person referred to in ASX Listing Rule 10.14.1, 10.14.2 or 10.14.3 who is eligible to participate in the Plan (including Richard Nicholls) or any of their respective Associates.

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

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

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

Voting prohibition statement

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

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

However, the above prohibition does not apply if:

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

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

However, the above prohibition does not apply if:

- (a) it is cast by a person as a proxy appointed by writing that specifies how the proxy is to vote on the Resolution; and
- (b) it is not cast on behalf of a related party of the Company to whom the Resolution would permit a financial benefit to be given, or an associate of such a related party.

Please note: If the Chair is a person referred to in the section 224 Corporations Act voting prohibition statement above, the Chair will only be able to cast a vote as proxy for a person who is entitled to vote if the Chair is appointed as proxy in writing and the Proxy Form specifies how the proxy is to vote on the relevant Resolution.

If you purport to cast a vote other than as permitted above, that vote will be disregarded by the Company (as indicated above) and you may be liable for breaching the voting restrictions that apply to you under the Corporations Act.

8. RESOLUTION 7 – INCREASE AGGREGATE FEE POOL FOR NON-EXECUTIVE DIRECTORS

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

That, for the purposes of Listing Rule 10.17, clause 12.9 of the Company's Constitution and all other purposes, the aggregate amount of fees that may be paid to Non-Executive Directors as a whole for the years from and including the year commencing 1 July 2021 be increased from \$300,000 per annum to \$500,000 per annum (being an increase of \$200,000) on the terms and conditions set out in the Explanatory Statement accompanying this Notice.

Voting exclusion

The Company will disregard any votes cast in favour of Resolution 7 by or on behalf of a Director, or any of their respective Associates.

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

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

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

Voting prohibition statement

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

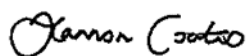
- (a) the proxy is either a member of the Key Management Personnel or a Closely Related Party of such member; and
- (b) the appointment does not specify the way the proxy is to vote on this Resolution.

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.

Dated: 7 October 2021

By order of the Board



**Shannon Coates
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.

1. FINANCIAL STATEMENTS AND REPORTS

In accordance with the Corporations Act, 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 2021 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 its website at <https://fenixresources.com.au>

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 company or the directors of 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 a financial year. The chair of the meeting must allow a reasonable opportunity for its shareholders to ask questions about or make comments on the remuneration report at the annual general meeting.

2.2 Voting consequences

A company is required to put to its shareholders a resolution proposing the calling of another meeting of shareholders to consider the appointment of directors of the company (**Spill Resolution**) if, at consecutive annual general meetings, at least 25% of the votes cast on a remuneration report resolution are voted against adoption of the remuneration report and at the first of those annual general meetings a Spill Resolution was not put to vote. If required, the Spill Resolution must be put to vote at the second of those annual general meetings.

If more than 50% of votes cast are in favour of the Spill Resolution, the company must convene a shareholder 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 most recent financial year) 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.

Following the Spill Meeting those persons whose election or re-election as directors of the company is approved will be the directors of the company.

2.3 Previous voting results

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

3. RESOLUTION 2 – ELECTION OF DIRECTOR – MR WARWICK DAVIES

3.1 General

Clause 12.7 of the Company's Constitution provides that the Directors may at any time appoint any person to be a Director, either to fill a casual vacancy or as an additional Director, provided the total number of Directors does not exceed the maximum number allowable under the Company's Constitution. Pursuant to clause 12.8 of the Company's Constitution, a Director appointed under Clause 12.7 of the Company's Constitution holds office until the conclusion of the next annual general meeting of the Company following their appointment but is eligible for election at that meeting.

ASX Listing Rule 14.4 also provides that each additional director appointed during the year is to hold office until the next annual general meeting and is then eligible for election as a Director of the Company.

Mr Warwick Davies was appointed as an additional Director of the Company on 9 November 2020 and has since served as a Non-Executive Director of the Company.

In accordance with Listing Rule 14.4 and clause 12.8 of the Company's Constitution, and being eligible, Mr Warwick Davies offers himself for election as a Director of the Company.

Mr Davies has worked in the iron ore and minerals industries for over 50 years. Initially employed by BHP Steel in their Newcastle and Whyalla steel works, he moved to the Pilbara with Hamersley Iron in 1969 beginning a 4-decade involvement in iron ore in technical, operational, and commercial roles. Mr Davies is an Industrial Chemist with a strong economics background where his iron ore experience was developed with the Robe River organisation until 2001 when a take-over by Rio Tinto Limited resulted in a career change. Mr Davies became a consultant working and providing advice to Mt Gibson Iron and Atlas Iron during their respective start-ups. Mr Davies has extensive experience in all commercial aspects of the iron ore market including freight supported by his strong technical marketing background.

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

If elected, the Board considers Mr Warwick Davies to be an independent Director.

3.2 Board Recommendation

The Board (other than Mr Warwick Davies) recommends Shareholders vote in favour of Resolution 2 on the basis that Mr Davies' skills and experience will support the Company in achieving its strategic objectives.

4. RESOLUTION 3 – ELECTION OF DIRECTOR – MR RICHARD NICHOLLS

4.1 General

Clause 12.7 of the Company's Constitution provides that the Directors may at any time appoint any person to be a Director, either to fill a casual vacancy or as an additional Director, provided the total number of Directors does not exceed the maximum number allowable under the Company's Constitution. Pursuant to clause 12.8 of the Company's Constitution, a Director appointed under Clause 12.7 of the Company's Constitution holds office until the conclusion of the next annual general meeting of the Company following their appointment but is eligible for election at that meeting.

ASX Listing Rule 14.4 also provides that each additional director appointed during the year is to hold office until the next annual general meeting and is then eligible for election as a Director of the Company.

Mr Richard Nicholls (also known as Mr Richard Nicholls-Maltman) was appointed as an additional Director of the Company on 17 May 2021 and has since served as a Non-Executive Director of the Company.

In accordance with Listing Rule 14.4 and clause 12.8 of the Company's Constitution, and being eligible, Mr Nicholls offers himself for election as a Director of the Company.

Mr Nicholls has over 28 years' experience as a solicitor practising primarily in the corporate and resources sectors. He has acted for a number of exploration and production companies and has a broad range of experience in project development and mine to port operations and logistics.

He holds bachelor's degrees in law (with honours) and Commerce (Accounting and Finance) and a Masters degree in Disaster Preparedness and Reconstruction. He has worked in disaster recovery projects in Australia, the Pacific Islands and the Caribbean, as well as the refugee crisis in Europe.

He is a graduate of the AICD Company Directors and Chairman courses and has previous experience as a director and chairman on an ASX listed exploration and production company. He is currently a director of Franco-Nevada Corporation's Australian subsidiary and a Director of an Australian based charity operating in Africa.

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

If elected, the Board considers Mr Nicholls to be an independent Director.

4.2 Board Recommendation

The Board (other than Mr Richard Nicholls) recommends Shareholders vote in favour of Resolution 3 on the basis that Mr Nicholls' skills and experience will support the Company in achieving its strategic objectives.

5. RESOLUTION 4 – APPROVAL OF ISSUE OF PERFORMANCE RIGHTS TO DIRECTOR – MR ROBERT BRIERLEY

5.1 General

With Fenix Resources Ltd having achieved stable operations ahead of schedule, the Company is now looking to achieve sustainable development and add to shareholder wealth.

As an integral step toward achieving this objective, the Non-Executive Directors engaged independent remuneration consultant, The Reward Practice, to undertake an independent review of all aspects of the Company's remuneration framework for Executive Directors and senior management together with proposed equity grants to Executive Directors to provide appropriate performance-based incentives for future performance from FY2022 onwards. The independent review benchmarked total remuneration packages for the Executive Directors against comparable ASX listed companies and considered market practice around long-term incentive (LTI) grants, including participants, grant frequency, measurement periods, performance metrics and vesting scales. The Reward Practice provided an independent remuneration report to the Non-Executive Directors of the Company in August 2021.

Based on the recommendations made by The Reward Practice, the Company proposes, subject to obtaining Shareholder approval, to issue 6,000,000 Performance Rights to Managing Director, Mr Robert Brierley (and/or his nominees), pursuant to the Fenix Resources Limited Employee Securities Incentive Plan (the **Plan**) and on the terms and conditions set out below. The Performance Rights are to be issued under the Plan, which

was approved by Shareholders at the Company's annual general meeting held on 9 November 2020.

The Plan was proposed, and subsequently approved by Shareholders, to provide a framework by which the Company may issue Equity Securities to attract, motivate and retain key Directors, employees and consultants and provide them with the opportunity to participate in the future growth of the Company. The Performance Rights are intended to provide a long-term incentive to the Managing Director which is consistent with the strategic goals and targets of the Company and aligned with the interests of Shareholders.

Under the Plan, the Board may offer to eligible persons the opportunity to subscribe for such number of Equity Securities in the Company as the Board may decide and on the terms set out in the rules of the Plan, a summary of the key terms and conditions of which is in Schedule 1.

Resolution 4 seeks Shareholder approval for the issue of up to a total of 6,000,000 Performance Rights under the Plan to Mr Robert Brierley (and/or his nominees), under and for the purposes of Listing Rule 10.14 and sections 200E and 208 of the Corporations Act.

5.2 Terms and conditions of Performance Rights

The Performance Rights will be issued pursuant to and in accordance with the Plan, as summarised in Schedule 1, and will be subject to terms and conditions which include that the Performance Rights:

- are not transferable (and consequently will not be quoted on ASX or any other exchange);
- do not confer any right to vote, except as otherwise required by law;
- do not confer any entitlement to a dividend, whether fixed or at the discretion of the Directors;
- do not confer any right to a return of capital, whether in a winding up, upon a reduction of capital or otherwise;
- do not confer any right to participate in the surplus profit or assets of the Company upon a winding up; and
- do not confer any right to participate in new issues of securities such as bonus issues or entitlement issues,

unless and until the applicable Performance Milestone is achieved and the Performance Right is converted into a Share.

The Performance Rights will be subject to a "change of control" provision such that if a change of control event occurs in relation to the Company (as defined in Schedule 1), or the Board determines that such an event is likely to occur, the Board may in its discretion determine the manner in which any or all of the Performance Rights will be dealt with, including, without limitation, in a manner that allows the holder to participate in and/or benefit from any transaction arising from or in connection with the change of control event.

If there is a reorganisation of the issued share capital of the Company (including any subdivision, consolidation, reduction, return or cancellation of such issued capital of the Company), the rights of the holder of the Performance Rights will be changed to the extent necessary to comply with the Listing Rules applicable to a reorganisation of capital at the time of the reorganisation. If Shares are issued by the Company by way of

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

The Performance Rights will also be subject to the achievement of certain Performance Milestones as set out below.

The Performance Rights will vest for nil consideration upon the achievement of each of the following two Performance Milestones, subject to Mr Brierley remaining Managing Director at the end of the relevant Performance Period. No amount will be payable by Mr Brierley (or his nominees) upon the issue, exercise or vesting of the Performance Rights.

Performance Milestone	Maximum Performance Rights Vesting	Total LTI (%)
Iron Ore Resource Growth	3,000,000	50%
FEX TSR	3,000,000	50%

Each Performance Right represents a right to be issued one Share upon vesting, subject to the terms and conditions of the Plan. If a Performance Milestone is not achieved during the relevant Performance Period, the related Performance Rights will lapse. Each of the Performance Rights have an expiry date of twelve months following the date of vesting.

Other than as set out below, the Performance Rights issued to Mr Brierley are not subject to any further discretionary conditions that may be imposed in accordance with the Plan.

The Performance Milestones are explained in more detail below.

5.2.1 Performance Milestone 1 – Resource Growth

- (a) Up to a maximum of 3,000,000 Performance Rights will vest upon the Company defining additional iron ore Mineral Resources, including additional resources added to the Company's existing Iron Ridge deposit, during the Performance Period. The total number of Performance Rights to vest pursuant to Performance Milestone 1 will be subject to the total volume and grade of new Mineral Resources defined during the Performance Period, on the following basis:

Total Additional Resources (Mt)	Total Vesting Performance Rights (Min. Grade: 60% Fe)	Total Vesting Performance Rights (Min. Grade: 62% Fe)
2+	-	1,666,666
5+	1,250,000	2,000,000
7+	1,875,000	2,500,000
10+	2,500,000	3,000,000
15+	3,000,000	-

- (b) For the purpose of paragraph (a):

JORC Code means the Australasian Code for Reporting of Exploration Results, Mineral Resources and Ore Reserves, 2012 edition (or the most recent edition when reference is made to it).

Mineral Resources means either an Inferred, Indicated or Measured Mineral Resource Estimate, as defined in accordance with the JORC Code.

Performance Period means three years from 1 July 2021.

5.2.2 Performance Milestone 2 – FEX TSR

- (a) Up to a maximum of 3,000,000 Performance Rights will vest upon the Company achieving a TSR of equal to, or greater than, the 50th percentile of the TSR's of the Peer Group (as defined below). The total number of Performance Rights to vest pursuant to Performance Milestone 2 will be subject to the Company's TSR relative to the TSR's of the Peer Group, on the following basis:

FEX TSR	Total Vesting Performance Rights
Less than 50 th percentile of the TSR's of the Peer Group	-
50 th percentile and up to 55 th percentile of the TSR's of the Peer Group	1,500,000
55 th percentile and up to 60 th percentile of the TSR's of the Peer Group	1,800,000
60 th percentile and up to 65 th percentile of the TSR's of the Peer Group	2,100,000
65 th percentile and up to 70 th percentile of the TSR's of the Peer Group	2,400,000
70 th percentile and up to 75 th percentile of the TSR's of the Peer Group	2,700,000
Equal to, or greater than, the 75 th percentile of the TSR's of the Peer Group	3,000,000

- (b) For the purpose of paragraph (a):

TSR measures the return received by shareholders from holding Shares over the relevant Performance Period, calculated as follows:

$$\text{TSR} = ((B-A) + C) / A$$

Where:

A = the Market Value of the Shares at the Commencement Date (\$0.37);

B = the Market Value of the Shares at the end of the Performance Period;

C = the aggregate dividend amount per Share paid during the Performance Period; and

Commencement Date means 1 July 2021.

Market Value is calculated as the 20-day volume weighted average price of the Shares ending on the day prior to the start of or the last day of the Performance Period, as applicable.

Performance Period means 3 years from the Commencement Date.

Peer Group means the Company's ASX listed peer group, as determined by the Board for the Performance Period as:

Company Name	ASX Ticker
Champion Iron Ltd	CIA
Deterra Royalties Ltd	DRR
BCI Minerals Limited	BCI
GWR Group Limited	GWR

St Barbara Ltd	SBM
Mount Gibson Iron Limited	MGX
Regis Resources Ltd	RRL
Sandfire Resources Ltd	SFR
Venture Minerals Limited	VMS
Silver Lake Resources Ltd	SLR
Nickel Mines Ltd	NIC
Ramelius Resources Ltd	RMS
Gold Road Resources Ltd	GOR
Gascoyne Resources Ltd	GCY

5.3 Listing Rule 10.14

Listing Rule 10.14 provides that a listed company must not permit any of the following persons to acquire Equity Securities under an employee incentive scheme:

- (a) a director of the Company (Listing Rule 10.14.1);
- (b) an associate of a director of the Company (Listing Rule 10.14.2); or
- (c) a person whose relationship with the Company or a person referred to in Listing Rule 10.14.1 or 10.14.2 is such that, in ASX's opinion, the acquisition should be approved by its Shareholders (Listing Rule 10.14.3),

without the approval of the holders of its ordinary securities.

The proposed issue of the Performance Rights pursuant to Resolution 4 falls within Listing Rule 10.14.1 (or Listing Rule 10.14.2 if Mr Brierley elects for the Performance Rights to be granted to his nominee), given Mr Brierley is a Director of the Company. It therefore requires the approval of the Company's Shareholders under Listing Rule 10.14.

As Shareholder approval is sought under Listing Rule 10.14, approval under Listing Rule 7.1 or 10.11 is not required.

If Resolution 4 is passed, the Company will be able to proceed with the issue of Performance Rights to Mr Robert Brierley (and/or his nominees).

If Resolution 4 is not passed, the Company will not be able to proceed with the issue of Performance Rights to Mr Robert Brierley (and/or his nominees) and the Company will need to consider alternative arrangements, which may include a cash payment made in accordance with the Company's ordinary remuneration process.

Set out below are the terms and conditions of the Performance Rights to be issued to the Mr Brierley in accordance with Resolution 4, along with further information required to be provided by the Listing Rules and the Corporations Act.

5.4 Information requirements for ASX Listing Rule 10.15

In accordance with the requirements of ASX Listing Rule 10.15, the following information is provided for the purposes of Resolution 4:

- (a) Resolution 4 seeks Shareholder approval for the issue of Performance Rights to Mr Brierley (and/or his nominees) under the Plan.
- (b) Mr Brierley is Managing Director of the Company and therefore falls within Listing Rule 10.14.1, as a Director of the Company. In the event the Performance Rights are issued to a nominee of Mr Brierley, that person will fall into the category stipulated by Listing Rule 10.14.2.

(c) The total number of Performance Rights proposed to be issued to Mr Brierley (and/or his nominees) under the Plan is 6,000,000.

(d) Mr Brierley's current total remuneration package is as follows:

Director	Current Remuneration Package			
	Annual Base Salary & Fees	Superannuation (if applicable)	Share based payments	Total Salary and Fees
Mr Robert Brierley¹	\$470,000	\$47,000	-	\$517,000

Notes:

1. Mr Brierley currently has a direct and indirect interest in the following Company securities:

(i) 12,750,000 Shares

(e) Mr Brierley has not been issued any Securities under the Plan to date. However, Mr Brierley (and his Associates) were issued the following Securities under the Company's previous plan approved by Shareholders on 10 September 2018:

Directors (or Associates)	Performance Rights	Average acquisition price
Mr Robert Brierley	6,000,000 Performance Rights with vesting milestones, expiring 22 May 2022.	Nil

(f) The Performance Rights will be issued on the terms and conditions set out in Section 5.2 above.

The Company has obtained an independent valuation of the Performance Rights, as set out in Schedule 2. The total approximate value of the Performance Rights to be issued to Mr Brierley (and/or his nominees) under Resolution 4 is \$1,546,800.

The value of the Performance Rights to be issued to Mr Robert Brierley are summarised below:

Performance Milestones	Total Value
Performance Milestone 1	\$870,000
Performance Milestone 2	\$676,800

(g) The Board considers that Performance Rights, rather than Shares, are an appropriate form of incentive on the basis that:

- (i) the Performance Rights retain and reward Mr Brierley for the achievement of non-financial, long-term business objectives;
- (ii) Shareholders can readily ascertain and understand the Performance Milestones which are required to be satisfied for the Performance Rights to vest and the number of Shares to which they relate (i.e. each

Performance Right is a right to be issued one Share upon the satisfaction of the relevant Performance Milestones);

- (iii) Mr Brierley will only obtain the value of the Performance Rights and exercise the Performance Rights into Shares upon satisfaction of the relevant Performance Milestones; and
 - (iv) Performance Rights are simple to understand (i.e. each Performance Right is a right to one Share), likely to be highly valued by executives (and therefore retentive and incentivising) and are designed to attract, retain and reward quality executives for successfully delivering long objectives of the Company.
- (h) The Performance Rights will be issued to Mr Brierley (and/or his nominees) as soon as practicable following Shareholder approval, but no later than 3 years after the date of the Meeting.
- (i) The Performance Rights will have an issue price of nil as they will be issued as part of Mr Brierley's remuneration package, and no amount is payable on the vesting or exercise of any such Performance Rights.
- (j) A summary of the material terms of the Plan is included in Schedule 1.
- (k) No loan will be made to Mr Brierley (and/or his nominees) in respect to the Performance Rights.
- (l) Details of the Performance Rights proposed to be issued under Resolution 4, along with any other securities issued under the Plan, will be published in the Annual Report of the Company relating to the period in which they are issued (being the Annual Report for FY2022 with respect to the Performance Rights issued under Resolution 4), along with a statement that they were issued under approval obtained under Listing Rule 10.14. Any additional persons covered by Listing Rule 10.14 who become entitled to participate in any issue of securities under the Plan after this Resolution is passed and who was not named in this Notice will not participate in the Plan until approval is obtained under that rule.
- (m) A voting exclusion statement in respect of Resolution 4 are included in the Notice.

5.5 Section 200E of the Corporations Act

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

Mr Brierley holds a 'managerial or executive office' as his details are included in the Directors' Report by virtue of being a Director.

Under the terms and conditions of the Plan, under which the Performance Rights the subject of Resolution 4 are proposed to be issued, a vesting condition may, subject to applicable laws, be waived by the Board on such terms and conditions as determined by the Board. Examples of circumstances in which the early vesting of Performance Rights may be permitted at the Board's discretion could include, amongst other things, termination of a participant's employment, engagement or office with the Company due to death, permanent incapacity, mental incapacity, redundancy, resignation, retirement or any other reason the Board decides, or in other circumstances where the Board exercises its discretion to allow early vesting as well as change of control events, notwithstanding that the Company will comply with its obligations under Listing Rules 10.18 and 10.19.

The termination 'benefit' under section 200B of the Corporations Act has a wide operation and relevantly includes, in the context of Resolution 4, the early vesting of the Performance Rights upon the exercise of the Board's discretion or the Board determining to provide that the Performance Rights do not lapse but will continue and be vested in the ordinary course.

Resolution 4 therefore also seeks approval of any termination benefit that may be provided to Mr Brierley under the terms and conditions of the Performance Rights proposed to be issued under Resolution 4.

5.6 Specific information required by section 200E(2) of the Corporations Act

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

- (a) Mr Brierley's length of service and the status of the vesting conditions attaching to the relevant Performance Rights at the time Mr Brierley's employment or office ceases; and
- (b) the number of unvested Performance Rights that Mr Brierley (or his nominee) holds at the time he ceases employment or office.

5.7 Chapter 2E of the Corporations Act

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

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

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

A "related party" for the purposes of the Corporations Act is defined widely and includes a director of the public company.

A "financial benefit" for the purposes of the Corporations Act also has a very wide meaning. It includes the public company paying money or issuing securities to a related party.

The grant of the Performance Rights constitutes giving a financial benefit and Mr Brierley is a related party of the Company by virtue of being a Director of the Company.

It is the view of the Board that the exceptions set out in sections 210 to 216 of the Corporations Act do not apply in the current circumstances. Accordingly, the Company is seeking approval for the purposes of Chapter 2E of the Corporations Act in respect of the Performance Rights proposed to be issued to Mr Brierley pursuant to Resolution 4.

5.8 Information requirements for Chapter 2E of the Corporations Act

Pursuant to and in accordance with section 219 of the Corporations Act, the following information is provided in relation to the proposed issue of the Performance Rights:

(a) Identity of the related parties to whom Resolution 4 permit financial benefits to be given

The Performance Rights will be issued to Mr Robert Brierley or his respective nominees.

(b) Nature of the financial benefit

Resolution 4 seeks approval from Shareholders to allow the Company to issue the Performance Rights in the amount specified in Section 5.1 above to Mr Brierley (and/or his nominees). The Performance Rights are to be issued in accordance with the Plan and otherwise on the terms and conditions in Section 5.2 above.

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

(c) Valuation of financial benefit

An independent valuation of the Performance Rights is set out in Schedule 2, with a summary for Mr Brierley set out in Section 5.4(f) above.

(d) Remuneration of Mr Brierley

The current total remuneration package for Mr Brierley as at the date of this Notice is set out in Section 5.4(d).

(e) Existing relevant interests

At the date of this Notice, Mr Brierley holds the following relevant interests in Equity Securities of the Company:

Director	Shares	Options
Mr Robert Brierley ¹	12,750,000	-

Note:

1. Securities held as follows:

- (a) 12,000,000 Shares held by Robert Brierley directly;
- (b) 125,000 Shares held by Mr Robert Brierley. Mr Brierley is the sole trustee and a beneficiary of the Brierley Family trust; and
- (c) 625,000 Shares held by Mr Robert Brierley and Mrs Mary-Ann Brierley. Mr Brierley is a trustee and beneficiary of the Brierley Superannuation Fund trust.

Assuming that Resolution 4 is approved by Shareholders, all of the Performance Rights are issued, vested and exercised into Shares, and no other Equity Securities are issued or exercised, the respective interest of Mr Brierley in the Company would represent approximately 3.97% of the Company's expanded capital.

(f) Trading history

The trading history of the Shares on ASX over the previous 12 months is summarised below:

Measure	Price	Date
Highest closing price	\$0.120	2 November 2021
Lowest closing price	\$0.440	16 July 2021
Last closing price	\$0.215	6 October 2021 (being the latest practicable date before signing this Notice)

(g) Dilution

The issue of the Performance Rights will have a diluting effect on the percentage interest of existing Shareholders' holdings if the Performance Rights vest and are exercised. Assuming the current Share capital structure as at the latest practicable date before the date of this Notice (being 427,213,920 Shares on the date of this Notice) and that no Shares are issued other than the Shares issued on exercise of the Performance Rights, the exercise of all of the Performance Rights will result in a total dilution of all other Shareholders' holdings of 1.25% (assuming that all Performance Rights are exercised). The actual dilution will depend on the extent that additional Shares are issued by the Company.

(h) Corporate governance

Robert Brierley is an Executive Director of the Company and therefore the Board believes that the grant of the Performance Rights is in line with Recommendation 8.2 of the 4th Edition of the ASX Corporate Governance Council's Corporate Governance Principles and Recommendations.

(i) Taxation consequences

There are no material taxation consequences for the Company arising from the issue of the Performance Rights (including fringe benefits tax).

(j) Director recommendations

The Directors, other than Mr Brierley who declines to make a recommendation to Shareholders in relation to Resolution 4 due to his personal interest in the outcome of the Resolution, recommend that Shareholders vote in favour of the Resolution for the following reasons:

- (i) the issue of the Performance Rights will provide a means to further motivate and reward Mr Brierley for achieving specified performance milestones within a specified performance period;
- (ii) the issue of the Performance Rights is a cost-effective reward for the Company to appropriately incentivise Mr Brierley and is consistent with the strategic goals and targets of the Company and aligned with the interests of Shareholders;
- (iii) the value and quantum of the Performance Rights are not excessive nor unusual for a company of the Company's size in light of recent market practice of compensation for officers in similar positions; and

- (iv) Mr Brierley is instrumental in the continued growth of the Company at an important stage of development.

(k) **Other information**

The Board is not aware of any other information that would be reasonably required by Shareholders to allow them to make a decision whether it is in the best interests of the Company to pass Resolution 4.

5.9 Board recommendation

Resolution 4 is an ordinary resolution.

The Board (other than Mr Brierley given his interest in the outcome of Resolution 4) recommends that Shareholders vote in favour of Resolution 4 for the reasons set out in Section 5.8(j).

6. RESOLUTION 5 AND 6 – APPROVAL OF ISSUE OF INCENTIVE OPTIONS TO DIRECTORS – MESSRS WARWICK DAVIES AND RICHARD NICHOLLS

6.1 General

The Company has agreed, subject to obtaining Shareholder approval, to issue up to a total of 4,000,000 Options exercisable at \$0.45 expiring 31 December 2024 (**Incentive Options**) to interim Non-Executive Chairman, Mr Warwick Davies (and/or his nominee), and Non-Executive Director, Mr Richard Nicholls (and/or his nominee) (**Related Parties**), pursuant to the Plan and on the terms and conditions set out below, as follows:

Related Party	Incentive Options
Mr Warwick Davies	2,000,000
Mr Richard Nicholls	2,000,000
TOTAL	4,000,000

An overview of the Plan and its purpose is set out in Section 5.1 above, and the terms of which are summarised in Schedule 1.

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

Resolution 5 and Resolution 6 seek Shareholder approval for the issue of up to a total of 4,000,000 Incentive Options under the Plan to the Related Parties, or their respective nominees, under and for the purposes of Listing Rule 10.14 and section 208 of the Corporations Act.

6.2 Listing Rule 10.14

A summary of Listing Rule 10.14 is contained in Section 5.3 above. The proposed Issue of Incentive Options pursuant to Resolutions 5 and 6 falls within Listing Rule 10.14.1 (or Listing Rule 10.14.2 if a Related Party elects for the Incentive Options to be granted to their nominee). It therefore requires the approval of the Company's Shareholders under Listing Rule 10.14.

As Shareholder approval is sought under Listing Rule 10.14, approval under Listing Rule 7.1 or 10.11 is not required.

If Resolutions 5 and/or 6 are passed, the Company will be able to proceed with the issue of the Incentive Options to the Related Parties (and/or their nominees).

If Resolutions 5 and/or 6 are not passed, the Company will not be able to proceed with the issue of the Incentive Options to the Related Parties (and/or their nominees) and the Company will need to consider alternative arrangements, which may include a cash payment made in accordance with the Company's ordinary remuneration process.

6.3 Information requirements for ASX Listing Rule 10.15

In accordance with the requirements of ASX Listing Rule 10.15, the following information is provided for the purposes of Resolutions 5 and 6:

- (a) Resolutions 5 and 6 seek Shareholder approval for the issue of Incentive Options to Messrs Davies and Nicholls (and/or their nominees) under the Plan.
- (b) The Related Parties are Directors of the Company and therefore fall within Listing Rule 10.14.1. In the event the Incentive Options are issued to a nominee of a Related Party, that person will fall into the category stipulated by Listing Rule 10.14.2.
- (c) The total number of Incentive Options proposed to be issued to the Related Parties (and/or their nominees) under the Plan is 4,000,000, in the proportions set out in Section 6.1 above.
- (d) The Related Parties' current total remuneration packages are as follows:

Director	Current Remuneration Package			
	Annual Base Salary & Fees	Superannuation (if applicable)	Share based payments	Total Salary and Fees
Mr Warwick Davies ¹	\$80,000	\$8,000	-	\$88,000
Mr Richard Nicholls ²	\$50,000	\$5,000	-	\$55,000

Note:

- 1. Mr Davies currently has a direct and indirect interest in 30,000 Shares in the Company.
- 2. Mr Nicholls currently has a direct and indirect interest in 30,000 Shares in the Company.

- (e) The Related Parties have not been issued any Securities under the Plan to date.
- (f) The Incentive Options will be exercisable at \$0.45 each on or before 31 December 2024 and will otherwise be issued on the terms and conditions set out in Schedule 3. The Board considers the granting of the Options to be a cost-effective means to reward the Company's Directors and provide an incentive linked to the performance of the Company.
- (g) The Company has obtained an independent valuation of the Incentive Options, as set out in Schedule 2, with a summary for each Related Party below:

Director	Value of Incentive Options
Warwick Davies	\$230,800
Richard Nicholls	\$230,800

- (h) The Incentive Options will be issued to the Related Parties (and/or their nominees) as soon as practicable following Shareholder approval, but no later than 3 years after the date of the Meeting.
- (i) The Incentive Options will have an issue price of nil as they will be issued as part of each Related Party's remuneration package. A summary of the material terms of the Plan is included in Schedule 1.
- (j) No loan will be made to the Related Parties (and/or their nominees) in respect to the Incentive Options.
- (k) Details of the Incentive Options proposed to be issued under Resolutions 5 and 6, along with any other securities issued under the Plan, will be published in the Annual Report of the Company relating to the period in which they are issued (being the Annual Report for FY2022 with respect to the Incentive Options issued under Resolutions 5 and 6), along with a statement that they were issued under approval obtained under Listing Rule 10.14. Any additional persons covered by Listing Rule 10.14 who become entitled to participate in any issue of securities under the Plan after Resolutions 5 and/or 6 are passed and who was not named in this Notice will not participate in the Plan until approval is obtained under that rule.
- (l) Voting exclusion statements in respect of Resolutions 5 and 6 are included in the Notice.

6.4 Chapter 2E of the Corporations Act

A summary of Chapter 2E of the Corporations Act is contained in Section 5.7 above. The grant of the Incentive Options constitutes giving a financial benefit and Messrs Davies and Nicholls are related parties of the Company by virtue of being Directors.

It is the view of the Board that the exceptions set out in sections 210 to 216 of the Corporations Act do not apply in the current circumstances. Accordingly, the Company is seeking approval for the purposes of Chapter 2E of the Corporations Act in respect of the Incentive Options proposed to be issued to the Related Parties pursuant to Resolution 4.

6.5 Information requirements for Chapter 2E of the Corporations Act

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

(a) Identity of the related parties to whom Resolutions 5 and 6 permit financial benefits to be given

The Incentive Options will be issued to Messrs Warwick Davies and Richard Nicholls or his respective nominees.

(b) Nature of the financial benefit

Resolutions 5 and 6 seek approval from Shareholders to allow the Company to issue the Incentive Options in the amount specified in Section 6.1 above to the Related Parties (and/or their nominees). The Incentive Options are to be issued in accordance with the Plan and otherwise on the terms and conditions in Schedule 3.

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

(c) Valuation of financial benefit

An independent valuation of the Incentive Options is set out in Schedule 2, with a summary for each Related Party set out in Section 6.3(g) above.

(d) Remuneration of Related Parties

The current total remuneration package for each of the Related Parties as at the date of this Notice is set out in Section 6.3(d) above.

(e) Existing relevant interests

At the date of this Notice, the Related Parties hold the following relevant interests in Equity Securities of the Company:

Director	Shares	Options
Mr Warwick Davies	30,000	-
Mr Richard Nicholls	30,000	-

Assuming that both Resolution 5 and 6 are approved by Shareholders, all of the Incentive Options are issued, vested and exercised into Shares, and no other Equity Securities are issued or exercised, the respective interests of the Related Parties in the Company would be as follows:

- (i) Mr Davies' interest would represent approximately 0.43% of the Company's expanded capital; and
- (ii) Mr Nicholls' interest would represent approximately 0.43% of the Company's expanded capital.

(f) Trading history

The trading history of the Shares on ASX over the previous 12 months is summarised below:

Measure	Price	Date
Highest closing price	\$0.120	2 November 2021
Lowest closing price	\$0.440	16 July 2021
Last closing price	\$0.215	6 October 2021 (being the latest practicable date before signing this Notice)

(g) Dilution

The issue of the Incentive Options will have a diluting effect on the percentage interest of existing Shareholders' holdings if the Incentive Options vest and are exercised. Assuming the current Share capital structure as at the latest practicable date before the date of this Notice (being 427,213,920 Shares on the date of this Notice) and that no Shares are issued other than the Shares issued on exercise of the Incentive Options, the exercise of all of the Incentive Options will result in a total dilution of all other Shareholders' holdings of 0.84% (assuming that all Incentive Options are exercised). The actual dilution will depend on the extent that additional Shares are issued by the Company.

(h) **Corporate governance**

The Board acknowledges that the grant of the Incentive Options to the Non-Executive Directors, Messrs Davies and Nicholls is contrary to Recommendation 8.2 of the 4th edition of the ASX Corporate Governance Council's Corporate Governance Principles and Recommendations. However, the Board considers the grant of Incentive Options to the Non-Executive Directors reasonable in the circumstances for the reasons set out in Section 6.1. The Board also considers that the grant does not affect the independence of the Non-Executive Directors, as there is no performance based milestone attaching to the Incentive Options.

(i) **Taxation consequences**

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

(j) **Director recommendations**

The Directors, other than Messrs Davies and Nicholls who decline to make a recommendation to Shareholders in relation to Resolutions 5 and 6 due to their personal interest in the outcome of the Resolutions, recommend that Shareholders vote in favour of the Resolution for the following reasons:

- (i) the issue of the Incentive Options is a cost-effective reward for the Company to appropriately incentivise Messrs Davies and Nicholls, and will further align the interests of Messrs Davies and Nicholls with those of Shareholders to increase shareholder value;
- (ii) the value and quantum of the Incentive Options are not excessive nor unusual for a company of the Company's size in light of recent market practice of compensation for officers in similar positions; and
- (iii) Messrs Davies and Nicholls will be instrumental in the continued growth of the Company at an important stage of development.

(k) **Other information**

The Board is not aware of any other information that would be reasonably required by Shareholders to allow them to make a decision whether it is in the best interests of the Company to pass Resolutions 5 and 6.

6.6 Board Recommendation

Resolutions 5 and 6 are ordinary resolutions.

The Board, other than Messrs Davies and Nicholls due to their personal interests in the outcomes of the Resolutions, recommends Shareholders vote in favour of Resolutions 5 and 6 for the reasons set out in Section 6.50.

7. RESOLUTION 7 – INCREASE AGGREGATE FEE POOL FOR NON-EXECUTIVE DIRECTORS

7.1 General

Shareholder approval is sought to increase the maximum total amount available for payment by way of remuneration to Non-Executive Directors from \$300,000 to \$500,000 per annum, being an increase of \$200,000.

Clause 12.9 of the Company's Constitution provides that the total aggregate remuneration that may be paid to Non-Executive Directors may not exceed in total in any year the amount fixed by the Company in general meeting. The fixed sum may be varied by ordinary resolution of Shareholders in general meeting.

Further, Listing Rule 10.17 provides that a listed company must not, without shareholder approval, increase the total amount of Non-Executive Directors' fees.

The fee pool for Non-Executive Directors was last voted on by Shareholders on 30 November 2010 and is currently set at \$300,000. Currently, the aggregate amount of Non-Executive Director fees payable to all of the Company's Non-Executive Directors is \$198,000 per annum (inclusive of statutory superannuation).

This amount includes superannuation contributions made by the Company for the benefit of Non-Executive Directors and any fees which a Non-Executive Director agrees to sacrifice for other benefits. It does not include reimbursement of genuine out of pocket expense, genuine "special exertion" fees paid in accordance with the Constitution, or securities issued to a Non-Executive Director under Listing Rules 10.11 or 10.14 with approval of Shareholders. The maximum aggregate amount of fees proposed to be paid to the Non-Executive Directors per annum has been determined after reviewing similar companies listed on ASX and the Directors believe that this level of remuneration is in line with corporate remuneration of similar companies.

On 21 February 2020, the Company issued a total of 10,000,000 Options to former Non-Executive Chairman, Mr Garrett Dixon (and/or his nominees), comprising:

- (a) 5,000,000 unlisted Options exercisable at \$0.06 expiring 31 December 2021; and
- (b) 5,000,000 unlisted Options exercisable at \$0.07 expiring 31 December 2021.

The Options were issued following receipt of Shareholder approval, pursuant to Listing Rule 10.14, on 18 February 2020. In the past 3 years, no other Securities have been issued to any Non-Executive Directors (or their nominees) with Shareholder approval under Listing Rules 10.11 and 10.14, however the Company is seeking Shareholder approval pursuant to Resolutions 5 and 6 to issue up to 4,000,000 Incentive Options to Non-Executive Directors under and for the purposes of Listing Rule 10.14.

The total fees payable to the current Non-Executive Directors will remain below the current cap of \$300,000, and it is not envisaged that the proposed increase to the fee pool will be utilised in the near term. However, the increase is sought to ensure that the Company:

- (a) has the ability to attract and retain new Non-Executive Directors whose skills and qualifications are appropriate for a company of the size and nature of the Company;
- (b) align the Non-Executive Directors' remuneration with current market standards and expectations; and
- (c) remunerates its Non-Executive Directors appropriately for the expectations placed upon them both by the Company and the regulatory environment in which it operates, while being acceptable to Shareholders.

7.2 Board recommendation

Given the interest of the Non-Executive Directors in this Resolution, the Board makes no recommendation to Shareholders regarding this Resolution.

GLOSSARY

\$ means Australian dollars.

Annual General Meeting or **Meeting** means the meeting convened by the Notice, and any other **Article** means an article of the Constitution.

ASIC means the Australian Securities and Investments Commission.

Associate has the meaning given by sections 10 to 17 of the Corporations Act.

ASX means ASX Limited (ACN 008 624 691).

ASX Listing Rules means the Listing Rules of ASX.

Board means the current board of directors of the Company.

Business Day means Monday to Friday inclusive, except New Year's Day, Good Friday, Easter Monday, Christmas Day, Boxing Day, or a day that ASX declares is not a business day.

Chair means the chair of the Meeting.

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

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

Company means Fenix Resources Limited (ACN 125 323 622).

Constitution means the Company's constitution.

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

Directors means the current directors of the Company.

Explanatory Statement means the explanatory statement accompanying the Notice.

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.

Incentive Options has the meaning given in Section 6.1.

Key Management Personnel or **KMP** has the same meaning as in the accounting standards issued by the Australian Accounting Standards Board and means those persons having authority and responsibility for planning, directing and controlling the activities of the Company, or if the Company is part of a consolidated entity, of the consolidated entity, directly or indirectly,

including any director (whether executive or otherwise) of the Company, or if the Company is part of a consolidated entity, of an entity within the consolidated group.

Meeting means the annual general meeting convened by the Notice.

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

Option means an option to acquire a Share.

Performance Milestones means the performance milestones set out in Section 5.2.

Performance Right means a right granted under the rules of the Plan to acquire one or more shares by transfer or allotment as set out in the relevant Invitation.

Plan means the Company's employee incentive scheme titled "Fenix Resources Limited Employee Securities Incentive Plan", which was approved by Shareholders at the Company's annual general meeting held on 9 November 2020.

Proxy Form means the proxy form accompanying the Notice.

Related Parties means Messrs Warwick Davies and Richard Nicholls.

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 2021.

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

Reward Practice means The Reward Practice Pty Ltd (ACN 616 516 664).

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

Section means a section of the Explanatory Statement.

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

Shareholder means a registered holder of a Share.

Spill Meeting has the meaning given in Section 2.2.

Spill Resolution has the meaning given in Section 2.2.

WST means Western Standard Time as observed in Perth, Western Australia.

SCHEDULE 1 - SUMMARY OF EMPLOYEE SECURITIES INCENTIVE PLAN

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

- (a) **(Eligible Participant):** Eligible Participant means a person that:
- (i) is an 'eligible participant' (as that term is defined in ASIC Class Order CO 14/1000) in relation to the Company or an Associated Body Corporate (as that term is defined in ASIC Class Order 14/1000); and
 - (ii) has been determined by the Board to be eligible to participate in the Plan from time to time.
- (b) **(Purpose):** The purpose of the Plan is to:
- (i) assist in the reward, retention, and motivation of Eligible Participants;
 - (ii) link the reward of Eligible Participants to Shareholder value creation; and
 - (iii) align the interests of Eligible Participants with shareholders of the Group (being the Company and each of its Associated Bodies Corporate), by providing an opportunity to Eligible Participants to receive an equity interest in the Company in the form of Securities.
- (c) **(Plan administration):** The Plan will be administered by the Board. The Board may exercise any power or discretion conferred on it by the Plan rules in its sole and absolute discretion. The Board may delegate its powers and discretion.
- (d) **(Eligibility, invitation and application):** The Board may from time to time determine that an Eligible Participant may participate in the Plan and make an invitation to that Eligible Participant to apply for Securities on such terms and conditions as the Board decides. On receipt of an Invitation, an Eligible Participant may apply for the Securities the subject of the invitation by sending a completed application form to the Company. The Board may accept an application from an Eligible Participant in whole or in part. If an Eligible Participant is permitted in the invitation, the Eligible Participant may, by notice in writing to the Board, nominate a party in whose favour the Eligible Participant wishes to renounce the invitation.
- (e) **(Grant of Securities):** The Company will, to the extent that it has accepted a duly completed application, grant the Participant the relevant number of Securities, subject to the terms and conditions set out in the invitation, the Plan rules and any ancillary documentation required.
- (f) **(Terms of Convertible Securities):** Each 'Convertible Security' represents a right to acquire one or more Shares (for example, under an option or performance right), subject to the terms and conditions of the Plan. Prior to a Convertible Security being exercised a Participant does not have any interest (legal, equitable or otherwise) in any Share the subject of the Convertible Security by virtue of holding the Convertible Security. A Participant may not sell, assign, transfer, grant a security interest over or otherwise deal with a Convertible Security that has been granted to them. A Participant must not enter into any arrangement for the purpose of hedging their economic exposure to a Convertible Security that has been granted to them.
- (g) **(Vesting of Convertible Securities):** Any vesting conditions applicable to the grant of Convertible Securities will be described in the invitation. If all the vesting conditions are satisfied and/or otherwise waived by the Board, a vesting notice will be sent to the Participant by the Company informing them that the relevant Convertible Securities have vested. Unless and until the vesting notice is issued by the Company, the Convertible Securities will not be considered to have vested. For the avoidance of

doubt, if the vesting conditions relevant to a Convertible Security are not satisfied and/or otherwise waived by the Board, that Convertible Security will lapse.

- (h) **(Exercise of Convertible Securities and cashless exercise):** To exercise a Convertible Security, the Participant must deliver a signed notice of exercise and, subject to a cashless exercise of Convertible Securities (see below), pay the exercise price (if any) to or as directed by the Company, at any time prior to the earlier of any date specified in the vesting notice and the expiry date as set out in the invitation. At the time of exercise of the Convertible Securities, subject to Board approval at that time, the Participant may elect not to be required to provide payment of the exercise price for the number of Convertible Securities specified in a notice of exercise, but that on exercise of those Convertible Securities the Company will transfer or issue to the Participant that number of Shares equal in value to the positive difference between the Market Value of the Shares at the time of exercise and the exercise price that would otherwise be payable to exercise those Convertible Securities.

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

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

- (i) **(Delivery of Shares on exercise of Convertible Securities):** As soon as practicable after the valid exercise of a Convertible Security by a Participant, the Company will issue or cause to be transferred to that Participant the number of Shares to which the Participant is entitled under the Plan rules and issue a substitute certificate for any remaining unexercised Convertible Securities held by that Participant.
- (j) **(Forfeiture of Convertible Securities):** Where a Participant who holds Convertible Securities ceases to be an Eligible Participant or becomes insolvent, all unvested Convertible Securities will automatically be forfeited by the Participant, unless the Board otherwise determines in its discretion to permit some or all of the Convertible Securities to vest. Where the Board determines that a Participant has acted fraudulently or dishonestly, or wilfully breached his or her duties to the Group, the Board may in its discretion deem all unvested Convertible Securities held by that Participant to have been forfeited.

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

- (i) any Convertible Securities which have not yet vested will be forfeited immediately on the date that the Board determines (acting reasonably and in good faith) that any applicable vesting conditions have not been met or cannot be met by the relevant date; and
- (ii) any Convertible Securities which have not yet vested will be automatically forfeited on the expiry date specified in the invitation.
- (k) **(Change of control):** If a change of control event occurs in relation to the Company, or the Board determines that such an event is likely to occur, the Board may in its discretion determine the manner in which any or all of the Participant's Convertible Securities will be dealt with, including, without limitation, in a manner that allows the Participant to participate in and/or benefit from any transaction arising from or in connection with the change of control event.
- (l) **(Rights attaching to Plan Shares):** All Shares issued under the Plan, or issued or transferred to a Participant upon the valid exercise of a Convertible Security, **(Plan Shares)** will rank pari passu in all respects with the Shares of the same class. A Participant will be entitled to any dividends declared and distributed by the Company on the Plan Shares and may

participate in any dividend reinvestment plan operated by the Company in respect of Plan Shares. A Participant may exercise any voting rights attaching to Plan Shares.

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

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

- (i) transfer, encumber or otherwise dispose of, or have a security interest granted over that Plan Share; or
 - (ii) take any action or permit another person to take any action to remove or circumvent the disposal restrictions without the express written consent of the Company.
- (n) **(Adjustment of Convertible Securities):** If there is a reorganisation of the issued share capital of the Company (including any subdivision, consolidation, reduction, return or cancellation of such issued capital of the Company), the rights of each Participant holding Convertible Securities will be changed to the extent necessary to comply with the Listing Rules applicable to a reorganisation of capital at the time of the reorganisation. If Shares are issued by the Company by way of bonus issue (other than an issue in lieu of dividends or by way of dividend reinvestment), the holder of Convertible Securities is entitled, upon exercise of the Convertible Securities, to receive an allotment of as many additional Shares as would have been issued to the holder if the holder held Shares equal in number to the Shares in respect of which the Convertible Securities are exercised. Unless otherwise determined by the Board, a holder of Convertible Securities does not have the right to participate in a pro rata issue of Shares made by the Company or sell renounceable rights.
- (o) **(Participation in new issues):** There are no participation rights or entitlements inherent in the Convertible Securities and holders are not entitled to participate in any new issue of Shares of the Company during the currency of the Convertible Securities without exercising the Convertible Securities.
- (p) **(Amendment of Plan):** Subject to the following paragraph, the Board may at any time amend any provisions of the Plan rules, including (without limitation) the terms and conditions upon which any Securities have been granted under the Plan and determine that any amendments to the Plan rules be given retrospective effect, immediate effect or future effect.

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

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

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

SCHEDULE 2 – VALUATION OF PERFORMANCE RIGHTS AND INCENTIVE OPTIONS

Valuation Methodology

The Company commissioned the preparation of an independent valuation of the Performance Rights and Incentive Options from Nexia Australia. The value of the Performance Rights and Incentive Options was determined according to AASB 2: *Share Based Payments* as at 14 September 2021. The Performance Rights and Incentive Options will be re-valued at grant date, which will be date of Shareholder approval, for financial reporting purposes.

The Performance Rights based on Performance Milestone 1 were valued on a “per security” basis using the share price at the deemed grant date, with the total value then calculated based on the number of Performance Rights expected to vest. The value has not been adjusted for the estimated probabilities of achieving Milestone 1. The Performance Rights based on Performance Milestone 2 were valued using a Monte Carlo simulation model.

The Incentive Options were valued using a binomial option pricing model with no adjustments for vesting conditions as there are none attached to the Incentive Options.

Key Assumptions and Valuation

Item	Performance Rights Milestone 1	Performance Rights Milestone 2	Incentive Options
Valuation date	14 September 2021	14 September 2021	14 September 2021
Share price at valuation date	\$0.29	\$0.29	\$0.29
Commencement of measurement period	1 July 2021	1 July 2021	N/A
Performance measurement date	30 June 2024	30 June 2024	N/A
Performance period (years)	3.00	3.00	N/A
Remaining performance period (years)	2.79	2.79	N/A
Expiry date	30 June 2025	30 June 2025	31 December 2024
Life of the Performance Right/ Incentive Option (years)	3.7	3.7	3.3
Risk-free interest rate	0.338%	0.338%	0.224%
Expected dividend yield	Nil	Nil	Nil
Volatility	N/A	75%	75%
Valuation per Performance Right/ Incentive Option	\$0.29	\$0.2256	\$0.1154

Any change in the variables applied in the calculations between the date of the valuation and the date the Performance Rights and Incentive Options are issued will have an impact on their value.

For personal use only

SCHEDULE 3 – INCENTIVE OPTION TERMS & CONDITIONS

The terms of the Incentive Options are as follows:

- (a) **(Entitlement)**: Each Option entitles the holder to subscribe for one Share upon exercise of the Option.
- (b) **(Plan)**: In the event of any inconsistency between the Plan and these terms and conditions, these terms and conditions will apply to the extent of the inconsistency.
- (c) **(Issue Price)**: The Options will be issued for nil consideration.
- (d) **(Exercise Price)**: The Options have an exercise price of \$0.45 per Option **(Exercise Price)**.
- (e) **(Expiry Date)**: The Options expire at 5.00 pm (WST) on 31 December 2024 **(Expiry Date)**. An Option not exercised before the Expiry Date will automatically lapse on the Expiry Date.
- (f) **(Exercise Period)**: The Options are exercisable at any time and from time to time on or prior to the Expiry Date.
- (g) **(Quotation of the Options)**: The Company will not apply for quotation of the Options on ASX.
- (h) **(Transferability of the Options)**: The Options are not transferable, except with the prior written approval of the Company.
- (i) **(Notice of Exercise)**: The Options may be exercised by notice in writing to the Company in the manner specified on the Option certificate **(Notice of Exercise)** and payment of the Exercise Price for each Option being exercised in Australian currency by electronic funds transfer or other means of payment acceptable to the Company.
- Any Notice of Exercise of an Option received by the Company will be deemed to be a notice of the exercise of that Option as at the date of receipt of the Notice of Exercise and the date of receipt of the payment of the Exercise Price for each Option being exercised in cleared funds **(Exercise Date)**.
- (j) **(Timing of issue of Shares on exercise)**: By no later than 10 Business Days of the end of the quarter in which the Exercise Date occurred, 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; 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.
- (k) **(Restrictions on transfer of Shares)**: If the Company is required but unable to give ASX a notice under paragraph (j)(ii) above, or such a notice for any reason is not effective to ensure that an offer for sale of the Shares does not require disclosure to investors, Shares issued on exercise of Options may not be traded and will be subject to a holding lock until 12 months after their issue unless the Company, at its sole discretion, elects to issue a prospectus pursuant to section 708A(11) of the Corporations Act.

- (l) **(Shares issued on exercise):** Shares issued on exercise of the Options will rank equally with the then Shares of the Company.
- (m) **(Quotation of Shares 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 in accordance with the Listing Rules.
- (n) **(Reconstruction of capital):** If at any time the issued capital of the Company is reconstructed, all rights of an Option holder are to be changed in a manner consistent with the Corporations Act and the Listing Rules at the time of the reconstruction.
- (o) **(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.
- (p) **(Adjustment for bonus issues of Shares):** If the Company makes a bonus issue of Shares or other securities to existing Shareholders (other than an issue in lieu or in satisfaction of dividends or by way of dividend reinvestment):
- (i) the number of Shares which must be issued on the exercise of an Option will be increased by the number of Shares which the Option holder would have received if the Option holder had exercised the Option before the record date for the bonus issue; and
 - (ii) no change will be made to the Exercise Price.
- (q) **(Cessation of employment):** Where the holder (or the person who is entitled to be registered as the holder) of the Options is no longer employed, or their engagement is discontinued (for whatever reason), with the Company, any unexercised Options will automatically lapse and be forfeited by the holder, unless the Board otherwise determines in its discretion.
- (r) **(Change of Control):** Upon the occurrence of:
- (i) a takeover bid under Chapter 6 of the Corporations Act having been made in respect of the Company and:
 - (A) having received acceptances for greater than 50% of the Company's shares on issue; and
 - (B) having been declared unconditional by the bidder;
 - (ii) any person acquires a Relevant Interest (as defined in the Corporations Act) more than 50% of the Shares by any other means; or
 - (iii) any merger transaction or scheme of arrangement is recommended by the Board and where such transaction would have the effect contemplated in paragraph (r)(ii) above,

(Change of Control Event) or the Board determines that such an event is likely to occur, the Board may in its discretion determine the manner in which any or all of the Options will be dealt with, including, without limitation, in a manner that allows the holder of the Options to participate in and/or benefit from any transaction arising from or in connection with the Change of Control Event.



Fenix Resources Limited | ACN 125 323 622

Proxy Voting Form

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

Holder Number:

Your proxy voting instruction must be received by **10.00am (WST) on Sunday, 14 November 2021** being **not later than 48 hours** before the commencement of the Meeting. Any Proxy Voting instructions received after that time will not be valid for the scheduled Meeting.

SUBMIT YOUR PROXY

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:

Automic
GPO Box 5193
Sydney NSW 2001

IN PERSON:

Automic
Level 5, 126 Phillip Street
Sydney NSW 2000

BY EMAIL:

meetings@automicgroup.com.au

BY FACSIMILE:

+61 2 8583 3040

All enquiries to Automic:

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

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



AUTOMIC

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

[illegible]

Where I/we have appointed the Chair as my/our proxy (or where the Chair becomes my/our proxy by default), I/we expressly authorise the Chair to exercise my/our proxy on Resolutions 1 and 4 – 7 (except where I/we have indicated a different voting intention below) even though Resolutions 1 and 4 - 7 are connected directly or indirectly with the remuneration of a member of the Key Management Personnel, which includes the Chair.

Resolutions		For	Against	Abstain
1.	Adoption of Remuneration Report	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
2.	Election of Director – Mr Warwick Davies	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
3.	Election of Director – Mr Richard Nicholls	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
4.	Approval of Issue of Performance Rights to Director – Mr Robert Brierley	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
5.	Approval of Issue of Incentive Options to Director – Mr Warwick Davies	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
6.	Approval of Issue of Incentive Options to Director – Mr Richard Nicholls	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
7.	Increase Aggregate Fee Pool for Non-Executive Directors	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>

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Individual or Securityholder 1	Securityholder 2	Securityholder 3
Sole Director and Sole Company Secretary Contact Name:	Director	Director / Company Secretary
Email Address:		
Contact Daytime Telephone		Date (DD/MM/YY)

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