



CAZALY RESOURCES LIMITED**ACN 101 049 334****NOTICE OF ANNUAL GENERAL MEETING**

TIME: 11.00am (WST)
DATE: 19 November 2021
PLACE: Hall Chadwick
283 Rokeby Road
SUBIACO WA 6008

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

Should you wish to discuss the matters in this Notice of Annual General Meeting please do not hesitate to contact the Company Secretary on (+61 8) 9322 6283.

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IMPORTANT INFORMATION

TIME AND PLACE OF MEETING

Notice is given that the Annual General Meeting of the Shareholders convened by this Notice of Meeting will be held at 11.00am (WST) on 19 November 2021 at:

Hall Chadwick
283 Rokeby Road
SUBIACO WA 6008

YOUR VOTE IS IMPORTANT

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

IMPORTANT INFORMATION FOR SHAREHOLDERS

In accordance with the *Treasury Laws Amendment (2021 Measures No. 1) Act 2021* (Cth) (effective from 13 August 2021), the Company will not dispatch physical copies of the Notice of Annual General Meeting. Instead a copy of the Notice is available to be viewed and/or downloaded on the ASX market announcements platform at <https://www2.asx.com.au/markets/trade-our-cash-market/announcements> and enter CAZ at the prompt or on the Company's website at <https://cazalyresources.com.au/asx-announcements>.

ATTENDANCE AND VOTING ELIGIBILITY

For the purposes of regulation 7.11.37 of the *Corporations Regulations 2001* (Cth) the Directors have determined that the Shares quoted on the ASX at 5.00pm WST on 17 November 2021 will be taken, for the purposes of this Annual General Meeting, to be held by the persons who held them at that time. Accordingly those persons are entitled to attend and vote (if not excluded) at the Meeting.

VOTING IN PERSON

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

VOTING BY PROXY

To vote by proxy, please complete and sign the Proxy Form enclosed (and any power of attorney under which it is signed). The Proxy Form must be received at an address given below by 11.00am (WST) on 17 November 2021, being not later than 48 hours before the commencement of the Meeting. **Proxy Forms received after that time will not be valid for the scheduled meeting.**

- Online Proxy Appointment
www.advancedshare.com.au/investor-login
- By Mail
Advanced Share Registry Limited
110 Stirling Hwy Nedlands WA 6009; or PO Box 1156, Nedlands WA 6909
- By Fax
+61 8 6370 4203
- By Email
admin@advancedshare.com.au
- In Person
Advanced Share Registry Limited - 110 Stirling Hwy Nedlands WA 6009

All enquiries to Advanced Share Registry +61 8 9389 8033.

NOTICE OF GENERAL MEETING

Notice is given that the Annual General Meeting of Shareholders of Cazaly Resources Limited will be held at **Hall Chadwick, 283 Rokeby Road, Subiaco, Western Australia 6008 at 11.00am (WST) on Friday 19 November 2021.**

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

Terms and abbreviations used in this Notice of Meeting and Explanatory Memorandum (including the Annexures) are defined in the Glossary unless defined elsewhere in the Explanatory Memorandum.

AGENDA

FINANCIAL STATEMENTS AND REPORTS

To receive and consider the 2021 Financial Report together with the Declaration of the Directors, the Directors' Report, the Remuneration Report and the Auditor's Report thereon.

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 purpose of section 250R(2) of the Corporations Act and for all other purposes, approval is given for the adoption of the 2021 Remuneration Report."

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

Voting Prohibition Statement:

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

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

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

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

RESOLUTION 2 – RE-ELECTION OF DIRECTOR – MR CLIVE JONES

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

"That Mr Clive Jones, a Joint Managing Director, who retires by rotation in accordance with the Constitution, and being willing and eligible for re-election, is re-elected as a Director."

RESOLUTION 3 – ELECTION OF DIRECTOR – MS TARA FRENCH

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

"That Ms Tara French, the Managing Director of the Company appointed under the casual vacancy provisions of the Constitution and who retires in accordance with the Constitution, and being willing and eligible for election, is elected as a Director."

RESOLUTION 4 – APPROVAL OF 10% PLACEMENT CAPACITY

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

"That, for the purpose of ASX Listing Rule 7.1A and for all other purposes, approval is given for the issue of Equity Securities totalling up to 10% of the issued capital of the Company (at the time of issue) calculated in accordance with the formula prescribed in ASX Listing Rule 7.1A.2 and on the terms and conditions set out in the Explanatory Memorandum."

Voting Exclusion Statement:

The Company will disregard any votes cast in favour of this Resolution by a person who is expected to participate in, or who may obtain a material benefit as result of, the proposed issue of Equity Securities under this Resolution (except a benefit solely by reason of being a holder of ordinary securities in Cazaly) or an associate of those persons. However, this does not apply to a vote cast in favour of the Resolution by:

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

RESOLUTION 5 – APPROVAL OF THE ISSUE OF PERFORMANCE RIGHTS TO MS TARA FRENCH

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

“That for the purposes of ASX Listing Rule 10.11, Section 200B and 200E of the Corporations Act and for all other purposes, Shareholders approve the issue of up to 5,000,000 Performance Rights to Ms Tara French, who is a Director, and/or her nominee(s), on the terms and conditions and in the manner set out in the Explanatory Memorandum.”

Voting Exclusion Statement:

The Company will disregard any votes cast in favour of this Resolution by Ms Tara French and/or her nominee(s) and any of her associates. However, this does not apply to a vote cast in favour of the Resolution by:

- (a) a person as a proxy or attorney for a person who is entitled to vote on the Resolution, in accordance with the directions given to the proxy or the 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 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 (**Resolution 5 Excluded Party**).

However, the above prohibition does not apply if the vote is cast by a person as proxy appointed in writing, that specifies how the proxy is to vote on the Resolution and it is not cast on behalf of a Resolution 5 Excluded Party. 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 the proxy is either:

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

Provided the Chair is not a Resolution 5 Excluded Party, the above prohibition does not apply if:

- (d) the proxy is the Chair; and
- (e) 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.

RESOLUTION 6 – APPROVAL OF THE ISSUE OF DIRECTOR OPTIONS TO MS TARA FRENCH

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

“That for the purposes of ASX Listing Rule 10.11, Section 200B and 200E of the Corporations Act and for all other purposes, Shareholders approve the issue of up to 5,000,000 Director Options to Ms Tara French, who is a Director, and/or her nominee(s), on the terms and conditions and in the manner set out in the Explanatory Memorandum.”

Voting Exclusion Statement:

The Company will disregard any votes cast in favour of this Resolution by Ms Tara French and/or her nominee(s) and any of her associates.

The Company will disregard any votes cast in favour of this Resolution by Ms Tara French and/or her nominee(s) and any of her associates. However, this does not apply to a vote cast in favour of the Resolution by:

- (a) a person as a proxy or attorney for a person who is entitled to vote on the Resolution, in accordance with the directions given to the proxy or the 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 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 (**Resolution 6 Excluded Party**).

However, the above prohibition does not apply if the vote is cast by a person as proxy appointed in writing, that specifies how the proxy is to vote on the Resolution and it is not cast on behalf of a Resolution 6 Excluded Party. 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 the proxy is either:

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

Provided the Chair is not a Resolution 6 Excluded Party, the above prohibition does not apply if:

- (d) the proxy is the Chair; and
- (e) 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.

OTHER BUSINESS

To deal with any business that may be lawfully brought forward.

QUESTIONS AT THE MEETING

Shareholders may submit questions in advance of the meeting to the Company. Questions must be submitted by emailing the Company Secretary at mrobbins@cazalyresources.com.au by 11.00am (WST) on 17 November 2021 and relate to the business of the Meeting only.

Shareholders will also have the opportunity to submit questions during the Meeting in respect of the formal items of business.

PROXIES

A Shareholder entitled to attend and vote at the Meeting has a right to appoint a proxy to attend and vote instead of the Shareholder. A proxy need not be a Shareholder and can be either an individual or a body corporate. If a Shareholder appoints a body corporate as a proxy that body corporate will need to ensure that it:

- a) appoints an individual as its corporate representative to exercise its powers at the Meeting, in accordance with section 250D of the Corporations Act; and
- b) provides the Company with satisfactory evidence of the appointment of its corporate representative prior to commencement of the Meeting.

If such evidence is not received before the Meeting, then the body corporate (through its representative) will not be permitted to act as proxy.

A Shareholder who is entitled to cast two (2) or more votes may appoint two (2) proxies and may specify the proportion or number of votes each proxy is appointed to exercise. If no proportion or number is specified, each proxy may exercise half of the Shareholder's votes. Fractions of votes will be disregarded.

In order to vote on behalf of a company that is a Shareholder, a valid Power of Attorney in the name of the attendee, must be either lodged with the Company prior to the Meeting, or be presented at the Meeting before registering on the attendance register for the Meeting.

Forms to appoint proxies, and the Power of Attorney (if any) under which they are signed, must be lodged online at www.advancedshare.com.au/investor-login, posted or lodged at the registered office of the share registry (Advanced), at 110 Stirling Hwy, Nedlands WA 6009, or PO Box 1156 Nedlands WA 6909, by facsimile to (61 8) 6370 4203, or by email to admin@advancedshare.com.au not less than 48 hours before the time of the Meeting or resumption of an adjourned meeting at which the person named in the instrument proposes to vote.

An instrument appointing a proxy:

- a) shall be in writing under the hand of the appointor or of his attorney, or if the appointor is a corporation, either under seal or under the hand of a duly authorised officer or attorney;
- b) may specify the manner in which the proxy is to vote in respect of a particular Resolution and, where an instrument of proxy so provides, the proxy is not entitled to vote on the Resolution except as specified in the instrument;
- c) shall be deemed to confer authority to demand or join in demanding a poll;
- d) shall be in such form as the Directors determine and which complies with section 250A of the Corporations Act; and
- e) which appoints the Chair as proxy but does not specify the way in which the proxy is to vote on a particular Resolution will be recorded as voting in favour of the Resolutions (subject to the other provisions of these notes on proxies and any required voting exclusions including those in the Notice) as this is the Chair's voting intention.

Corporations

If a representative of a nominated corporation is to attend the meeting the appropriate "Certificate of Appointment of Corporate Representative" must be lodged with, or presented to, the Company before the commencement of the meeting. A Certificate of Appointment of Corporate Representative Form may be obtained from Advanced Share Registry or the Company.

Proxies given by corporate Shareholders must be executed in accordance with their constitutions or signed by a duly authorised attorney. A proxy may decide whether to vote on any motion, except where the proxy is required by law or the Constitution to vote, or abstain from voting, in their capacity as proxy.

The enclosed Proxy Form provides further details on appointing proxies and lodging Proxy Forms.

Undirected and Directed Proxies

The Company encourages all Shareholders who submit proxies to direct their proxy how to vote on each Resolution.

The Company will not disregard any votes cast on a Resolution by a person if the person is the Chair voting an undirected proxy and their appointment expressly authorises the Chair to exercise the proxy.

If you intend to appoint the Chair as your proxy, you can direct him how to vote by marking the boxes for each resolution (for example, if you wish to vote "For", "Against" or "Abstain"), or you cannot mark any of the boxes and give the Chair your express authority to vote your undirected proxy (in which case the Chair will vote in favour of all Resolutions).

If you intend to appoint a Director (other than the Chair) or another member of the Key Management Personnel, or their Closely Related Parties as your proxy, you must specify how they should vote on Resolutions 1, 5 and 6 by marking the appropriate box. If you don't, your proxy will not be able to exercise your vote for Resolutions 1, 5 and 6. If the Chair is your proxy (or if they are appointed by default) but you do not direct them how to vote on a resolution (that is, you do not mark any of the boxes "For", "Against" or "Abstain" opposite that resolution), the Chair may then vote as they see fit on that resolution.

If you mark more than one box on an item your vote will be invalid on that item.

In accordance with the Corporations Act, any directed proxies that are not voted on a poll at the meeting will automatically default to the Chair, who is required to vote proxies as directed.

It is the Chair's intention to vote all undirected proxies in favour of all Resolutions. In exceptional circumstances, the Chair may change their voting intention on any Resolution. In the event this occurs, an ASX announcement will be made immediately disclosing the reasons for the change.

DATED: 15 OCTOBER 2021

BY ORDER OF THE BOARD

MIKE ROBBINS

COMPANY SECRETARY

EXPLANATORY MEMORANDUM

This Explanatory Memorandum has been prepared for the information of shareholders of Cazaly Resources Limited in connection with the business specified to be conducted in the Notice of Annual General Meeting at the annual general meeting of Shareholders to be held at **Hall Chadwick, 283 Rokeby Road, Subiaco, Western Australia 6008 at 11.00am (WST) on Friday 19 November 2021.**

The purpose of this Explanatory Memorandum is to provide information that the Directors believe to be material to Shareholders in deciding whether or not to pass the Resolutions.

The Notice of Meeting, Explanatory Memorandum and Proxy Form are all important documents. The Directors recommend that Shareholders read them carefully in their entirety before making a decision on how to vote at the Annual General Meeting.

A Glossary of terms frequently used in this Notice of Meeting and Explanatory Memorandum can be found at the end of this Explanatory Memorandum.

1. FINANCIAL STATEMENTS AND REPORTS

In accordance with the Constitution, the business of the Meeting will include receipt and consideration of the 2021 Financial Report together with the Declaration of the Directors, the Directors' Report, the Remuneration Report and the Auditor's Report thereon.

The Company will not provide a hard copy of the 2021 Financial Report to Shareholders unless specifically requested to do so. The 2021 Financial Report is available on its website at www.cazalyresources.com.au.

2. ADOPTION OF REMUNERATION REPORT (RESOLUTION 1)

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 Board or the Company.

2.2 Voting Consequences

Under changes to the Corporations Act which came into effect on 1 July 2011 (known as the 'two strikes' rule), if at least 25% of the votes cast on a remuneration report resolution are voted against adoption of the remuneration report at the two consecutive annual general meetings, the company will be required to put to shareholders a resolution proposing the calling of an extraordinary general meeting to consider the appointment of directors of the Company (**Spill Resolution**).

If more than 50% of shareholders vote in favour of the Spill Resolution, the company must convene the extraordinary general meeting (**Spill Meeting**) within 90 days of the company's AGM where the second consecutive strike is received. All of the directors, other than a Managing Director, who were in office when the board approved the last directors' report and who remain in office at the time of the Spill Meeting, 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 is approved will be the directors of the company.

The Audited Remuneration Report sets out the Company's remuneration arrangements for the Directors and senior management of the Company. The Audited Remuneration Report is part of the Directors' Report contained in the 2021 Financial Report.

At the Company's previous annual general meeting, held on 20 November 2020, less than 25% of votes were cast against the remuneration report at that meeting. Accordingly the Spill Resolution is not relevant for this Annual General Meeting.

Directors' Recommendation

The Directors, at their discretion, recommend that Shareholders vote in favour of adopting the Remuneration Report.

3. RE-ELECTION OF DIRECTOR – MR CLIVE JONES (RESOLUTION 2)

3.1 Background

Clause 14.2 of the Constitution requires that at the Company's annual general meeting in every year, one-third of the Directors for the time being, or, if their number is not a multiple of three (3), then the number nearest one-third, shall retire from office, provided always that no Director (except a Managing Director) shall hold office for a period in excess of three (3) years, or until the third annual general meeting following his or her appointment, whichever is the longer, without submitting himself or herself for re-election.

The Directors to retire at an annual general meeting are those who have been longest in office since their last election, but, as between persons who became Directors on the same day, those to retire shall (unless they otherwise agree among themselves) be determined by drawing lots.

A Director who retires by rotation under clause 14.2 of the Constitution is eligible for re-election.

The Company currently has four (4) Directors and accordingly at least one (1) must retire by rotation.

Mr Clive Jones retires by rotation in accordance with the Constitution and, being willing and eligible for re-election, seeks re-election. The profile of Mr Jones is set out in the 2021 Financial Report.

Directors' Recommendation

The Directors (other than Mr Clive Jones) recommend that Shareholders vote in favour of Resolution 2.

4. ELECTION OF DIRECTOR – MS TARA FRENCH (RESOLUTION 3)

4.1 Background

Clause 14.4 of the Constitution requires that any Director appointed to fill a casual vacancy or as an addition to the Board, holds office until the next annual general meeting and is then eligible for election.

Ms Tara French was appointed to the Board as the Managing Director on 12 October 2021. Ms French retires by virtue of clause 14.4 of the Constitution and, being willing and eligible for election, seeks election.

Ms French is a geologist with 24 years mining and exploration experience, predominantly in Western Australia. Ms French most recently led a large team as General Manager of Exploration for Regis Resources Limited where she had been employed for 14 years and played a key role in the transition and growth of Regis Resources Limited over that time. She has experience in project evaluation, resource estimation, open cut, and underground mining across multiple commodities including gold, nickel, and copper.

Ms French holds an honours degree in Economic Metalliferous Geology and is a Member of the Australian Institute of Geoscientists.

Directors' Recommendation

The Directors (other than Ms French) recommend that Shareholders vote in favour of Resolution 3.

5. APPROVAL OF 10% PLACEMENT CAPACITY (RESOLUTION 4)

5.1 Purpose of resolution

Listing Rule 7.1A came into effect on 1 August 2012 and enables "eligible entities" to issue Equity Securities up to 10% of its issued share capital through placements over a 12 month period after the annual general meeting if the Equity Securities are in an existing quoted class of the Company's securities ("**10% Placement Facility**").

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

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

An 'eligible entity' means an entity which is not included in the S&P/ASX 300 Index and which has a market capitalisation of \$300 million or less. Cazaly Resources Limited is an eligible entity for these purposes (current market capitalisation of approximately \$17 million based on the number of Shares on issue and the closing price of Shares on the ASX on 14 October 2021).

Resolution 4 seeks Shareholder approval by way of a Special Resolution for Cazaly Resources Limited to have the additional 10% capacity provided for in Listing Rule 7.1A to issue equity securities without Shareholder approval. As Resolution 4 is a special resolution 75% of votes cast by Shareholders present and eligible to vote at the Meeting must be in favour of Resolution 4 for it to be passed.

If Shareholders approve Resolution 4 the exact number of Equity Securities that may be issued under the 10% Placement Facility will be determined in accordance with the formula prescribed in Listing Rule 7.1A.2.

If Shareholders do not approve Resolution 4, the Company will not be able to access the additional 10% capacity to issue equity securities without Shareholder approval provided for in Listing Rule 7.1A and will remain subject to the 15% limit on issued equity securities without Shareholder approval set out in Listing Rule 7.1.

5.2 Required Information

(a) Equity Securities

Any Equity Securities issued under the 10% Placement Facility must be in the same class as an existing quoted class of Equity Securities of the Company.

The Company, as at the date of the Notice, only has Shares (ASX:CAZ) that are quoted.

(b) Information required by Listing Rule 7.3A

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

Minimum Price

The minimum price at which Equity Securities may be issued under the 10% Placement Facility is 75% of the VWAP of securities in the same class calculated over the 15 Trading Days on which trades in that class were recorded immediately before:

- the date on which the price of the Equity Securities are to be issued is agreed; or
- if they are not issued within 10 Trading Days of the date above, the ASX trading day on which the Equity Securities are issued.

Date of Issue

If shareholder approval of Resolution 4 is obtained, shares may be issued under the 10% Placement Capacity during the period commencing on the date of the Annual General Meeting and ending on the first to occur of the following:

- i) 12 months after the date of the Annual General Meeting;
- ii) the time and date of the entity's next annual general meeting; and
- iii) the date of Shareholder approval for any transaction under Listing Rules 11.1.2 (significant change to the nature or scale of the Company's activities) or 11.2 (disposal of the Company's main undertaking).

Purpose of Issue Under 10% Placement Capacity

The Company may seek to issue the Equity Securities for cash consideration, in which case the Company intends to use the funds raised towards continued exploration and development of the Company's existing projects, the evaluation and acquisition of new opportunities and for general working capital purposes.

Risk of economic and voting dilution

If Resolution 4 is approved by Shareholders and the Company issues Equity Securities under the 10% Placement Facility, the existing Shareholders' voting power in the Company will be diluted as shown in the table below.

Shareholders should note that there is a risk that:

- the market price for the Equity Securities to be issued may be significantly lower on the date of the issue of the Equity Securities than on the date of the Meeting; and

- the Equity Securities may be issued at a price that is at a discount to the market price for those Equity Securities on the issue date.
- a) Any issue of Equity Securities under the 10% Placement Facility will dilute the interests of Shareholders who do not receive any Shares under the issue. If Resolution 4 is approved by Shareholders and the Company issues the maximum number of Equity Securities available under the 10% Placement Facility, the economic and voting dilution of existing Shares would be as shown in the table below.
- b) The table below shows the dilution of existing Shareholders on the basis of the current market price of Shares and the current number of ordinary securities for variable "A" calculated in accordance with the formula in Listing Rule 7.1A.2 as at the date of this Notice, assuming the full 10% dilution.
- c) The table also shows the voting dilution impact where the number of Shares on issue (Variable A in the formula) changes and the economic dilution where there are changes in the issue price of Shares issued under the 10% Placement Facility.

Variable "A" in Listing Rule 7.1A.2		Dilution		
		\$0.023 50% decrease in Issue Price	\$0.046 Issue Price	\$0.069 50% increase in Issue Price
Current Variable A 369,563,267 Shares	Shares issued	36,956,327 Shares	36,956,327 Shares	36,956,327 Shares
	Funds raised	\$849,996	\$1,699,991	\$2,549,987
50% increase* in current Variable A 554,344,900 Shares	Shares issued	54,434,490 Shares	54,434,490 Shares	54,434,490 Shares
	Funds raised	\$1,274,993	\$2,549,987	\$3,824,980
100% increase* in current Variable A 739,126,534 Shares	Shares issued	73,912,653 Shares	73,912,653 Shares	73,912,653 Shares
	Funds raised	\$1,699,991	\$3,399,982	\$5,099,973

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

The table has been prepared on the following assumptions:

- The current Shares on issue are the Shares on issue at 14 October 2021.
- The issue price set out above is the closing price of the Shares on the ASX on 14 October 2021.
- The Company issues the maximum number of Equity Securities available under the 10% Placement Facility hence the voting dilution is shown in each example as 10%.
- The calculations above do not show the dilution that any one particular Shareholder will be subject to. All Shareholders should consider the dilution caused to their own shareholding depending on their specific circumstances, and if necessary seek advice from their professional advisers.
- No unquoted Options are exercised into Shares before the date of issue of the Equity Securities.
- The table shows only the effect of issues of Equity Securities under ASX Listing Rule 7.1A, and not dilution under the 15% placement capacity under ASX Listing Rule 7.1, under ASX Listing Rule 7.2, or Shareholder approvals under ASX Listing Rule 7.1.
- The issue of Equity Securities under the 10% Placement Facility consists only of Shares.

Allocation under the 10% Placement Facility

The Company's allocation policy is dependent on the prevailing market conditions at the time of any proposed issue pursuant to the 10% Placement Facility. The identity of the allottees of Equity Securities will be determined on a case-by-case basis having regard to the factors including but not limited to the following:

- the purpose of the issue;
- the alternative methods of raising funds that are available to the Company, including but not limited to, an entitlement issue or other issue in which existing security holders can participate;
- the effect of the issue of the Equity Securities on the control of the Company;
- the circumstances of the Company, including but not limited to the financial situation and solvency of the Company;
- prevailing market conditions; and
- advice from corporate, financial and broking advisers (if applicable).

The allottees under the 10% Placement Facility have not been determined as at the date of this Notice but may include existing Shareholders and/or new Shareholders, who are not related parties of the Company or their associates.

Previous Approval under ASX Listing Rule 7.1A

The Company last obtained Shareholder approval under Listing Rule 7.1A at its Annual General Meeting held on 20 November 2020.

Other

The Company will comply with all its disclosure obligations under the Listing Rules in relation to any issue of Equity Securities under the 10% Placement Capacity, in particular:

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

Voting Exclusion

A voting exclusion statement is included in the Notice. At the date of the Notice, the Company has not invited any particular existing Shareholder or security holder or an identifiable class of existing security holder to participate in an issue of Equity Securities under ASX Listing Rule 7.1A. No existing Shareholder's votes will therefore be excluded under the voting exclusion in the Notice.

5.3 Listing Rule 7.3A.6 Details of Equity Securities issued during last 12 months

The Company has not issued or agreed to issue any Equity Securities under Listing Rule 7.1A.2 in the 12 months preceding the date of the Meeting.

Directors' Recommendation

The Directors consider that the approval of the issue of the 10% Placement Facility described above is beneficial for the Company as it provides the Company with the flexibility to issue up to the maximum number of securities permitted under ASX Listing Rule 7.1A in the next 12 months (without further Shareholder approval), should it be required and which will be in addition to, and without using, the Company's 15% annual placement capacity. At the date of the Notice, the Company has no plans to use the 10% Placement Facility should it be approved. Accordingly the Directors recommend that Shareholders vote in favour of Resolution 4.

6. APPROVAL OF THE ISSUE OF PERFORMANCE RIGHTS AND DIRECTOR OPTIONS TO MS TARA FRENCH (RESOLUTIONS 5 AND 6)

6.1 Background

Under Resolutions 5 and 6, respectively, Shareholders are being asked to approve the grant of a total of up to 5,000,000 Performance Rights and 5,000,000 Director Options, to the Managing Director, Ms Tara French (or her nominee), for the purposes of ASX Listing Rule 10.11, as set out below.

ASX Listing Rule 10.11 provides that, subject to certain exceptions (none of which are relevant here), a company must not issue or grant securities to a related party without shareholder approval.

The Board has determined that the grant of 5,000,000 Performance Rights and 5,000,000 Director Options to Ms Tara French is an appropriate form of short to medium incentive for the Company's newly appointed Managing Director. The Board believes that the success of the Company in the future will depend, in large part, upon the skills of the personnel engaged to manage the Company's various operations. The Board considers that Ms French is essential to the Cazaly executive management team and the successful exploration and development of the Company's current and future mineral resource projects in Australia and overseas.

Ms French commenced as CEO on 12 July 2021 on a base salary of \$280,000 per annum plus statutory superannuation plus non-cash remuneration totalling \$5,500 per annum. Further details of Ms French's remuneration are set out in the ASX announcement dated 19 April 2021.

Ms French became Managing Director of the Company on 12 October 2021 (**Commencement**), having initially been appointed as Chief Executive Officer of the Company in July 2021 as per the Company's ASX release of 19 April 2021.

6.2 Details of Performance Rights and Director Options to be awarded to Ms French

Ms French must be a Director of the Company, at the time the vesting conditions of the Performance Rights or Director Options, are met.

Performance Rights

Under Resolution 5 Shareholder approval is being sought by the Company to allot and issue up to 5,000,000 Performance Rights, as recommended by the Board, to Ms French who is a Director. If approved by Shareholders, the Company proposes to issue three tranches of Performance Rights as follows:

- (i) 2,000,000 Performance Rights which will vest immediately upon their issue;
- (ii) 1,500,000 Performance Rights which will vest 12 months after Commencement; and
- (iii) 1,500,000 Performance Rights which will vest 24 months after Commencement.

Upon vesting (as set out above) each Performance Right will convert into one Share. In the event that the applicable vesting conditions are not met, the Performance Rights will not vest and as a result, no new Shares will be issued pursuant to the Performance Rights. There is nil consideration payable upon the issue of the Performance Rights or on the vesting of a Performance Right.

If Shareholder approval is obtained for Resolution 5, the Performance Rights will be granted within one month of the receipt of Shareholder approval. The terms and conditions of the Performance Rights are set out in Appendix A.

Director Options

Under Resolution 6 Shareholder approval is being sought by the Company to allot and issue up to 5,000,000 Director Options, as recommended by the Board, to Ms French who is a Director. If approved by Shareholders, the Company proposes to issue three tranches of Director Options as follows:

- (i) 2,000,000 Director Options (2 year exercise period) – to vest immediately upon grant (**Director Options A**);
- (ii) 1,500,000 Director Options (2 year exercise period from vesting date) – vesting 12 months after Commencement (**Director Options B**); and
- (iii) 1,500,000 Director Options (2 year exercise period from vesting date) – vesting 24 months after Commencement (**Director Options C**).

If approved by Shareholders, upon vesting (as set out above) the Director Options A will be exercisable at a price that is 150% of the volume weighted average price for Shares traded on the ASX over the five (5) Trading Days immediately preceding the day of issue.

If approved by Shareholders, upon vesting (as set out above) the Director Options B and Director Options C will be exercisable at a price that is 150% of the volume weighted average price for Shares traded on the ASX over the five (5) Trading Days immediately preceding their respective vesting date.

The holder of the Director Options will be entitled to receive one (1) Share in respect of each vested Director Option upon payment of the corresponding exercise price on or before the relevant expiry date (as set out in Annexure B). In the event that the applicable vesting conditions are not met, the Director Options will not vest and as a result, no new Shares will be issued pursuant to them. There is nil consideration payable upon the issue of the Director Options.

In determining the quantum of Performance Rights and Director Options to be issued to Ms French, the Board took into account the Company's remuneration strategy, the Company's situation, the role and the contribution of Ms French and the market practice for remuneration of executive officers in positions of similar responsibility. Accordingly, they determined that the proposed grant of Performance Rights and Director Options, pending Shareholder approval, to Ms French is appropriate.

The objects of Resolutions 5 and 6 are to provide Ms French with a mechanism to participate in the future development of the Company and an incentive for her future involvement with, and commitment to, the Company. Accordingly it is important that the Company is able to attract and retain people of the highest calibre. The Directors consider that the most appropriate means of achieving this is to provide Directors with an opportunity to participate in the Company's future growth and an incentive to contribute to that growth.

If Shareholder approval is obtained for Resolution 6, the Director Options will be granted within one month of the receipt of Shareholder approval. The terms and conditions of the Director Options are set out in Appendix B.

If Shareholder approval of Resolution 5 or Resolution 6 is not granted, the Company will not be able to issue the Performance Rights or Director Options respectively. In that event in order to meet the Company's contractual obligations under Ms French's employment contract, it will be necessary for the Board to agree an alternative remuneration structure to provide Ms French with her contractual entitlement. This could include an alternative equity proposal to be put to Shareholders and/or an amount in cash. Any such offer would be equivalent to the current proposed awards and, to the extent that they are relevant, on similar terms as set out above (including the satisfaction of applicable performance hurdles and service conditions).

6.3 ASX Listing Rule 10.11

ASX Listing Rule 10.11 provides that, subject to certain exemptions (none of which are relevant here), a company must not issue securities to a related party without shareholder approval. Resolutions 5 and 6 seek this approval.

Performance Rights (Resolution 5)

Information required for the purposes of ASX Listing Rule 10.13 in relation to the Shareholder approval sought under ASX Listing Rule 10.11 pursuant to Resolution 5 is set out below:

- a) *The name of the person*
Ms Tara French and/or her nominee(s).
- b) *Which category in ASX Listing Rules 10.11.1 – 10.11.5 the person falls and why*
Ms French is a Director and therefore is a related party of the Company and falls within ASX Listing Rule 10.11.1.
- c) *The maximum number of securities to be issued (if known) or the formula for calculating the number of securities to be issued to the person*
The maximum number of Performance Rights which will be granted to Ms French and/or her nominee under Resolution 5 is 5,000,000. The terms and conditions of the Performance Rights are contained in Annexure A.
- d) *The date by which the entity will issue the securities, which must not be more than 1 month after the date of the meeting*
The Performance Rights will be issued within one month of the date of the Meeting. The Performance Rights vest and will become eligible to be converted to Shares as follows:

2,000,000 Performance Rights – vest immediately upon grant;
1,500,000 Performance Rights – vest 12 months after Commencement; and
1,500,000 Performance Rights – vest 24 months after Commencement.
- e) *The price or other consideration the entity will receive for the issue*
No consideration is payable by Ms French at the time of grant of the Performance Rights or upon conversion of the Performance Rights. Therefore no funds will be raised by the issue of the Performance Rights.
- f) *The purpose of the issue, including the intended use of any funds raised by the issue*
The purpose of the proposed issue of Performance Rights is to provide Ms French with a mechanism to participate in the future development of the Company and an incentive for her future involvement with, and commitment to, the Company. As the Performance Rights are being issued for no consideration, no funds will be raised by their issue.

The Expiry Date of the Performance Rights, the details of which are set out above in section 6.2, will be four (4) years from grant date (subject to the earlier termination of Ms French's employment as a Director of the Company).

Director Options (Resolution 6)

Information required for the purposes of ASX Listing Rule 10.13 in relation to the Shareholder approval sought under ASX Listing Rule 10.11 pursuant to Resolution 6 is set out below:

- a) *The name of the person to whom the entity will issue the securities*
Ms Tara French and/or her nominee(s).

- b) Which category in ASX Listing Rules 10.11.1 – 10.11.5 the person falls and why*
Ms French is a Director and therefore is a related party of the Company and falls within ASX Listing Rule 10.11.1.
- c) The maximum number of securities to be issued (if known) or the formula for calculating the number of securities to be issued to the person*
The maximum number of Director Options which will be granted to Ms French and/or her nominee under Resolution 6 is 5,000,000. The terms and conditions of the Director Options are contained in Annexure B.
- d) The date by which the entity will issue the securities, which must not be more than 1 month after the date of the meeting*
The Director Options will be issued within one month of the date of the Meeting. The Director Options vest and become eligible to be exercised as follows:
- 2,000,000 Director Options A – vest immediately upon grant;
1,500,000 Director Options B – vest 12 months after Commencement; and
1,500,000 Director Options c – vest 24 months after Commencement;
- e) The price or other consideration the entity will receive for the issue*
The Director Options are being issued to Ms French for no consideration and therefore no funds will be raised by their issue. Any funds received by the Company upon exercise of the Director Options will be used for continued exploration work on the Company's projects and for working capital.
- g) The purpose of the issue, including the intended use of any funds raised by the issue*
The purpose of the proposed issue of Performance Rights is to provide Ms French with a mechanism to participate in the future development of the Company and an incentive for her future involvement with, and commitment to, the Company. As the Performance Rights are being issued for no consideration, no funds will be raised by their issue.

The proposed vesting conditions of the Director Options are set out above in section 6.2, (subject to the earlier termination of Ms French's employment as a Director of the Company).

Other Relevant Information

Ms French's relevant interests in Securities as at the date of this Notice Of Meeting are set out below.

Fully paid ordinary shares – 400,000

Options – nil

Performance Rights – nil

If the maximum number of Performance Rights to be issued to Ms French vest, a total of 5,000,000 Shares would be issued. This will increase the number of Shares on issue from 369,563,267 to 374,563,267 (assuming no Options are exercised and no other Shares are issued) with the effect that the shareholding of existing Shareholders will be diluted by an aggregate of 0.035%.

The total Performance Rights valuation of \$230,000 was based on the underlying share price (\$0.046) at the close of business on 11 October 2021.

If the maximum number of Director Options to be issued to Ms French vest and are exercised, a total of 5,000,000 Shares would be issued. This will increase the number of Shares on issue from 369,563,267 to 374,563,267 (assuming no Options are exercised and no other Shares are issued) with the effect that the shareholding of existing Shareholders will be diluted by an aggregate of 0.035%.

The total Director Options valuation of \$52,806 was based on a Price Model Simulation and Black Scholes Valuation model (details included in Annexure C).

Ms French commenced as CEO on 12 July 2021 on a base salary of \$280,000 per annum plus statutory superannuation plus non-cash remuneration totalling \$5,500 per annum. Ms French was appointed as Managing Director on 12 October 2021. The Performance Rights and Director Options are proposed to be issued to Ms French under her employment contract (as originally detailed in the Company's ASX release dated 14 April 2021).

The latest available price of Shares quoted on the ASX prior to the date of this Notice of Meeting on 14 October 2021 was \$0.046. The highest price for Shares trading on the ASX over the last 12 months was \$0.066 (31 May 2021) and the lowest price in that period was \$0.038 (10 March 2021).

6.4 ASX Listing Rule 7.1

ASX Listing Rule 7.1 provides that prior approval of shareholders is required for an issue of equity securities if the equity securities will, when aggregated with the equity securities issued by a company during the previous 12 months, exceed 15% of the number of ordinary shares on issue at the commencement of that 12 month period.

Approval pursuant to ASX Listing Rule 7.1 is not required (under Exception 14 to ASX Listing Rule 7.1) in order to grant the Performance Rights to Ms French and/or her nominee(s) as approval is being obtained under ASX Listing Rule 10.11.

Shareholders should note that the grant of Performance Rights and/or Director Options (and any future conversion to Shares) to Ms French and/or her nominee(s) will not be included in the 15% calculation for the purposes of ASX Listing Rule 7.1.

6.5 Chapter 2E of the Corporations Act

Chapter 2E of the Corporations Act regulates the provision of financial benefits to related parties by a public company. The issue of the Performance Rights and Director Options to Ms French under Resolutions 5 and 6, respectively, constitutes the provision of a financial benefit to related parties.

It is the view of the Directors that the proposed grant of Performance Rights and Director Options pursuant to Resolutions 5 and 6, respectively, falls within the exception under section 211 of the Corporations Act (reasonable remuneration) given the circumstances of the Company and the position held by Ms French. Accordingly, the Directors have determined not to seek Shareholder approval under section 208 of the Corporations Act for the grant of the Performance Rights and Director Options to Ms French pursuant to Resolutions 5 and 6, respectively.

The Board's view concluded that the totality of Ms French's remuneration package, including the equity components of 5,000,000 Performance Rights (subject to Resolution 5) and 5,000,000 Director Options (subject to Resolution 6) now to be considered for approval by Shareholders, is fair and reasonable in the circumstances of Cazaly given its size and stage of development, market practice of other companies in the mineral exploration industry and given the necessity to attract and retain the highest calibre of skilled professionals to the Company whilst maintaining the Company's cash reserves, and in light of Ms French's high quality management and mineral exploration experience.

6.6 Grant of potential termination benefits for the purposes of section 200B and 200E of the Corporations Act

Section 200B of the Corporations Act restricts the benefits that can be given to persons who hold a 'managerial or executive office' (as defined in the Corporations Act) on leaving their employment with a company. Specifically, a company may only give a person a benefit in connection with them ceasing to hold a managerial or executive office in the company if the benefit is approved by shareholders, under section 200E of the Corporations Act, or an exception under section 200F, 200G or 200H of the Corporations Act applies.

The term 'benefit' has a wide meaning and may possibly include benefits resulting from the Board exercising its discretions when an executive ceases to be employed by the Company.

Specifically, where an executive has ceased their employment before their Performance Rights and/or Options have vested or been converted, the Board may in certain circumstances exercise its discretion to determine that some or all of the Performance Rights and/or Options will vest or be converted (and determine the basis on which vesting or conversion will occur), having regard to the relevant performance hurdles at the time the executive's employment ceases. The exercise of these discretions may constitute a 'benefit' for the purposes of section 200B of the Corporations Act.

The Board, therefore, seeks Shareholder approval for the exercise of the Board's discretion in respect of Ms French and any Performance Rights that have not been converted into Shares and/or any Director Options that have not vested at the time of cessation of her employment with the Company. It should also be noted that Ms French must have been in the role of Managing Director for a least one year before the Board can exercise its discretion.

Provided Shareholder approval under section 200E of the Corporations Act is given, the value of these benefits will not be counted towards the cap in the termination benefits that can be given to an executive without Shareholder approval under section 200F or section 200G of the Corporations Act.

The value of the termination benefits that the Board may give, by exercising its discretion to permit the conversion of any Performance Rights to Ms French prior to their vesting, cannot be determined in advance. This is because various matters will or are likely to affect that value. In particular, the value of a particular benefit will depend on factors such as the Company's share price at the time of conversion and the number of Performance Rights that the Board decides to permit the conversion of.

The following additional factors may also affect the benefit's value:

- a) Ms French's length of service and the portion of any relevant performance periods that have expired at the time she ceases employment with the Company; and
- b) Ms French's total fixed remuneration at the time grants are made and at the time she ceases employment with the Company.

The Company will comply with the requirements of Listing Rule 10.19 in the event that an officer of the Company or any of its subsidiaries is entitled to termination benefits exceeding 5% of the Company's equity interests.

Accordingly Shareholders are asked to approve, under section 200E of the Corporations Act, the giving of any benefits to Ms French upon her ceasing to hold the office of Managing Director of the Company for the purpose of the Company complying with section 200B of the Corporations Act.

6.7 Change of Control

In the event that during the term of Ms French's employment a takeover event or other similar event occurs, any of the above Performance Rights which have not then converted into Shares will be converted into Shares on the terms and conditions set out in Annexure A (as applicable), subject to the Company complying with its obligations under ASX Listing Rules 10.18 and 10.19 and under the Corporations Act, despite the corresponding vesting condition not having been achieved.

In the event that during the term of Ms French's employment a takeover event or other similar event occurs, any of the above Director Options which have not vested, will become immediately vested and the outstanding Director Options will be issued on the terms and conditions set out in Annexure B (as applicable), subject to the Company complying with its obligations under ASX Listing Rules 10.18 and 10.19 and under the Corporations Act, despite the vesting condition not having been achieved.

Directors' recommendation

The Board considers the alignment and incentives offered to Ms French to be commensurate with the value that they envisage she will provide to the Company and its Shareholders. The progress made since the engagement of Ms French, initially as CEO and now as Managing Director, has been substantial and the Board feels her appointment will add significant value for Shareholders in the future.

Ms French declines to make a recommendation to Shareholders in relation to Resolution 5 due to her material personal interest in the outcome of the Resolution. The Directors (other than Ms French) recommend that, for the reasons set out above, Shareholders vote in favour of Resolution 5.

Ms French declines to make a recommendation to Shareholders in relation to Resolution 6 due to her material personal interest in the outcome of the Resolution. The Directors (other than Ms French) recommend that, for the reasons set out above, Shareholders vote in favour of Resolution 6.

GLOSSARY

In the Notice of Meeting (including the Annexures thereto) and the Proxy Form, the following terms have the following meanings unless they are otherwise defined or the context otherwise requires:

\$ means Australian dollars.

2021 Financial Report means the Company's financial report for the financial year ended 30 June 2021, which can be downloaded from the Company's website at www.cazalyresources.com.au.

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

Annexure means an annexure to this Explanatory Memorandum.

ASIC means the Australian Securities and Investments Commission.

ASX means ASX Limited ACN 008 624 691 or the market operated by it, as the context requires.

ASX Listing Rules or Listing Rules means the Listing Rules of ASX and any other rules of ASX which are applicable while the Company is admitted to the official list of ASX, each as amended or replaced from time to time, except to the extent of any express written waiver by ASX.

Board means the 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, and any other 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 Company;
- (e) a company the member controls; or
- (f) a person prescribed by the *Corporations Regulations 2001* (Cth) that may be made for this purpose.

Company or Cazaly means Cazaly Resources Limited ACN 101 049 334.

Commencement means 12 October 2021, being the date on which Ms Tara French commenced in the role of Managing Director having previously served as Chief Executive Officer of the Company.

Constitution means the Company's constitution.

Corporations Act or Act means the *Corporations Act 2001* (Cth) and the regulations promulgated under it, each as amended from time to time.

Director means a director of the Company.

Director Options means Options as detailed in Annexure B, and includes the Director Options A, Director Options B and Director Options C.

Director Options A is defined in Section 6.2 of the Explanatory Memorandum.

Director Options B is defined in Section 6.2 of the Explanatory Memorandum.

Director Options C is defined in Section 6.2 of the Explanatory Memorandum.

Equity Securities has the same meaning as in the Listing Rules.

Explanatory Memorandum means the explanatory memorandum accompanying and forming part of the Notice.

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

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

Option means an unlisted option to acquire a Share.

Performance Rights means performance rights as detailed in Annexure A.

Proxy Form means the proxy form accompanying and forming part of the Notice.

Remuneration Report means the remuneration report set out in the Directors' Report section of the 2021 Financial Report.

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

Securities means Shares and Options.

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

Shareholder means a holder of a Share.

Special Resolution has the meaning under the Corporations Act. A special resolution must be passed by at least 75% of the votes cast by members entitled to vote on the resolution.

Trading Day means a day determined by ASX to be a trading day and notified to market participants being:

- (a) a day other than:
 - (i) a Saturday, Sunday, New Year's Day, Good Friday, Easter Monday, Christmas Day, Boxing Day; and
 - (ii) any other day which ASX declares and publishes is not a trading day; and
- (b) notwithstanding (a), a day which for the purposes of settlement, ASX declares is a trading day notwithstanding that dealings between market participants are suspended on that day.

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

Where a word or phrase is given a defined meaning, another part of speech or other grammatical form in respect of that word or phrase has a corresponding meaning.

ANNEXURE A – TERMS AND CONDITIONS OF PERFORMANCE RIGHTS

The following is a summary of the key terms and conditions of the Performance Rights:

1) Entitlement

Subject to the terms and conditions set out below, each Performance Right, once vested, entitles the holder, on conversion, to the issue of one fully paid ordinary share in the capital of the Company (**Share**).

2) Vesting Conditions

The Performance Rights have the following vesting conditions:

- a) 2,000,000 Performance Rights – vest immediately upon grant;
- b) 1,500,000 Performance Rights – vest 12 months after Commencement; and
- c) 1,500,000 Performance Rights – vest 24 months after Commencement;

The holder must be a Director of the Company, at the time that vesting conditions are met.

Commencement occurred on 12 October 2021.

3) Consideration

The Performance Rights will be granted to the holder (or their permitted nominee) for nil cash consideration.

4) Exercise Price

The Exercise Price of each vested Performance Right is nil.

5) Expiry Date

Each Performance Right will expire on the earlier to occur of:

- a) 5pm (AEST) on 11 October 2025; and
- b) the Performance Right lapsing and being forfeited on these terms and conditions

(**Expiry Date**). For the avoidance of doubt any vested but unexercised Performance Rights will automatically lapse on the Expiry Date.

6) Conversion

Upon vesting, each Performance Right will, at the Participant's election, convert into one Share. The Participant may apply to exercise vested Performance Rights at any time prior to the Expiry Date by filling out a notice of exercise in the form provided by the Company and returning to the Company Secretary (**Notice of Exercise**).

7) Timing of issue of Shares and quotation of Shares on exercise

As soon as practicable after the issue of a Notice of Exercise by the holder, the Company will:

- a) issue, allocate or cause to be transferred to the holder the number of Shares to which the holder is entitled;
- b) if required, give ASX a notice that complies with section 708A(5)(e) of the Corporations Act; and
- c) do all such acts matters and things to obtain the grant of quotation for the Share on ASX no later than 10 days from the date of exercise of the Director Option.

8) Restrictions on transfer of Shares

If the Company is required but is unable to give ASX a notice that complies with section 708A(5)(e) of the Corporations Act, Shares issued on conversion of the Performance Rights may not be traded until 12 months after their issue unless the Company, at its sole discretion, elects to issue a prospectus pursuant to section 708A(11) of the Corporations Act.

9) Shares issued on exercise

All Shares issued upon the exercise of Performance Rights will upon issue rank pari passu in all respects with the then Shares of the Company.

10) Transfer

The Performance Rights are not transferable unless they have vested and only with the prior written approval of the Board and subject to compliance with the Corporations Act and the Listing Rules.

11) Quotation

No application for quotation of the Performance Rights will be made by the Company.

12) Voting Rights

The Performance Rights do not confer on the holder an entitlement to vote at general meetings of the Company or to receive dividends.

13) Participation in entitlements and bonus issues

Subject always to the rights under clauses 14 and 15, holders of Performance Rights will not be entitled to participate in new issues of capital offered to holders of Shares such as bonus issues and entitlement issues.

14) Adjustment for bonus issue

If securities are issued pro-rata to shareholders generally by way of bonus issue (other than an issue in lieu of dividends by way of dividend reinvestment), the number of Performance Rights to which the holder is entitled will be increased by that number of securities which the holder would have been entitled if the Performance Rights held by the holder were exercised immediately prior to the record date of the bonus issue, and in any event in a manner consistent with the Listing Rules at the time of the bonus issue.

15) Reorganisation of capital

In the event that the issued capital of the Company is reorganised (including consolidation, subdivision, reduction or return), all the holder's rights as a holder of Performance Rights will be changed to the extent necessary to comply with the Listing Rules at the time of reorganisation provided that, subject to compliance with the Listing Rules, following such reorganisation the holder's economic and other rights are not diminished or terminated.

16) Change of Control

If a Change of Control event occurs, or the Board determines that such an event is likely to occur, then:

- any unvested Performance Rights will automatically vest; and
- to the extent Performance Rights have not been converted into Shares, Performance Rights will automatically convert to that number of Shares which when issued together with all Shares issued under any other class of Performance Rights then on issue in the Company, is equal to the lesser of one Share per Performance Right and 10% of the total Shares on issue at that time. Performance Rights that are not converted into Shares will continue to be held by the holder on the same terms and conditions.

The general terms and conditions of the Performance Rights will comply with the obligations under ASX Listing Rules and the Corporations Act.

Neither the Company nor its directors, officers, employees, representatives, advisers or agents takes any responsibility or assumes any liability for any tax liabilities, in Australia or overseas, as a consequence of the issue of the Performance Rights (or Conversion to Shares) under this Appendix A.

ANNEXURE B – TERMS AND CONDITIONS OF DIRECTOR OPTIONS

Each Director Option entitles the holder to subscribe for Shares on the following terms and conditions:

1) Entitlement

Subject to the terms and conditions set out below, each Director Option, once vested, entitles the holder, on conversion, to the issue of one fully paid ordinary share in the capital of the Company (**Shares**).

2) Vesting Conditions

The Director Options have the following vesting conditions:

- a) 2,000,000 Director Options A – vest immediately upon grant;
- b) 1,500,000 Director Options B – vest 12 months after Commencement; and
- c) 1,500,000 Director Options c – vest 24 months after Commencement;

The holder must be a Director of the Company, at the time that vesting conditions are met.

Commencement occurred on 12 October 2021.

3) Consideration

The Director Options will be granted to the holder (or their permitted nominee) for nil cash consideration.

4) Exercise Price

Director Options A will be exercisable at a price that is 150% of the volume weighted average price for Shares traded on the ASX over the five (5) Trading Days immediately preceding their vesting date.

Director Options B and Director Options C A will be exercisable at a price that is 150% of the volume weighted average price for Shares traded on the ASX over the five (5) Trading Days immediately preceding their vesting date.

5) Expiry Date

Each Director Option has an expiry date being two (2) years from its vesting date.

6) Exercise Period

Each Director Option is exercisable at any time on or before the date being two (2) years from its vesting date.

7) Notice of Exercise

Each Director Option may be exercised by notice in writing to the Company. Any notice of exercise of Director Options received by the Company will be deemed to be a notice of the exercise of the Director Option as at the date of receipt.

8) Timing of issue of Shares

After a Director Option is validly exercised, the Company must as soon as possible:

- a) issue, allocate or cause to be transferred to the holder the number of Shares to which the holder is entitled;
- b) if required, give ASX a notice that complies with section 708A(5)(e) of the Corporations Act; and
- c) do all such acts matters and things to obtain the grant of quotation for the Share on ASX no later than 10 days from the date of exercise of the Director Option.

9) Shares issued on exercise

Shares issued on exercise of the Director Options rank equally with the then shares of the Company.

10) Quotation of Shares on exercise

Application will be made by the Company to ASX for Official Quotation of the Shares issued upon the exercise of the Director Options. No application will be made to ASX for Official Quotation of the Director Options.

11) Participation in new issues

There are no participation rights or entitlements inherent in the Director Options and holders will not be entitled to participate in new issues of capital offered to Shareholders during the currency of the Director Options.

However, the Company will ensure that for the purposes of determining entitlements to any such issue, the record date will be at least three business days after the issue is announced. This will give holders of Director Options the opportunity to exercise their Director Options prior to the date for determining entitlements to participate in any such issue.

12) Adjustment for bonus issues of Shares

If the Company makes a bonus issue of Shares or other securities to existing Shareholders (other than an issue in lieu or in satisfaction, of dividends or by way of dividend reinvestment):

- (a) the number of Shares which must be issued on the exercise of a Director Option will be increased by the number of Shares which the Director Option holder would have received if the Director Option holder had exercised the Director Option before the record date for the bonus issue; and
- (b) no change will be made to the Exercise Price.

13) Adjustment for rights issue

If the Company makes an issue of Shares pro rata to existing Shareholders (other than an issue in lieu of in satisfaction of dividends or by way of dividend reinvestment) the Exercise Price of a Director Option will be reduced according to the following formula:

$$\text{New exercise price} = O - \frac{E[P - (S + D)]}{N + 1}$$

- O = the old Exercise Price of the Director Option.
- E = the number of underlying Shares into which one Director Option is exercisable.
- P = average market price per Share weighted by reference to volume of the underlying Shares during the 5 Trading Days ending on the day before the ex rights date or ex entitlements date.
- S = the subscription price of a Share under the pro rata issue.
- D = the dividend due but not yet paid on the existing underlying Shares (except those to be issued under the pro rata issue).
- N = the number of Shares with rights or entitlements that must be held to receive a right to one new share.

14) Adjustments for reorganisation

If there is any reconstruction of the issued share capital of the Company, the rights of the Director Option holders will be varied to comply with the ASX Listing Rules which apply to the reconstruction at the time of the reconstruction.

15) Change of Control

If a Change of Control event occurs, or the Board determines that such an event is likely to occur, then any unvested Director Options will automatically vest and the outstanding Director Options will be issued on the terms and conditions set out above, subject to complying with the obligations under the ASX Listing Rules and Corporations Act.

16) Lodgement Instructions

The application for shares on exercise of the Options with the appropriate remittance should be lodged with the Company Secretary, at the Company's registered office.

The general terms and conditions of the Director Options will comply with the obligations under ASX Listing Rules and the Corporations Act.

Neither the Company nor its directors, officers, employees, representatives, advisers or agents takes any responsibility or assumes any liability for any tax liabilities, in Australia or overseas, as a consequence of the issue of the Director Options (or exercise to Shares) under this Appendix B.

ANNEXURE C

Estimated Value of Director Options proposed to be issued to the Managing Director

Using the Black & Scholes option model and based on the assumptions set out below, the Director Options proposed to be issued pursuant to Resolution 6 were ascribed the following value:

Assumptions:	Director Options A	Director Options B	Director Options C	Total
Number of Director Options	2,000,000	1,500,000	1,500,000	5,000,000
Vesting Date	12 October 2021	12 October 2022	12 October 2023	
Market price of Shares	\$0.046	\$0.0504	\$0.0342	
Exercise price (150% of market price)	\$0.069	\$0.075	\$0.051	
Expiry date (length of time from issue)	2 years	2 years	2 years	
Risk free interest rate	0.09%	0.09%	0.09%	0.09%
Volatility (discount)	67%	67%	67%	67%
Indicative value per Option	\$0.011659	\$0.013152	\$0.006507	
Total Value of Related Party Options	\$23,319	\$19,727	\$9,760	\$52,806

Note: The valuation noted above is not necessarily the market price that the Director Options could be traded at and is not automatically the market price for taxation purposes.



ONLINE PROXY APPOINTMENT

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MOBILE DEVICE PROXY APPOINTMENT

Lodge your proxy by scanning the QR code below, and enter your registered postcode.

It is a fast, convenient and a secure way to lodge your vote.

2021 ANNUAL GENERAL MEETING PROXY FORM

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

APPOINT A PROXY

The Chair of the Meeting **OR**



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

or failing the individual(s) or body corporate(s) named, or if no individual(s) or body corporate(s) named, the Chair of the Meeting, as my/our proxy to act generally at the Meeting on my/our behalf, including to vote in accordance with the following directions (or, if no directions have been given, and to the extent permitted by law, as the proxy sees fit), at the Annual General Meeting of the Company to be held at **Hall Chadwick, 283 Rokeby Rd, Subiaco WA 6008 on 19 November 2021 at 11.00am (WST)** and at any adjournment or postponement of that Meeting.

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

Chair authorised to exercise undirected proxies on remuneration related resolutions: Where I/we have appointed the Chair of the Meeting as my/our proxy (or the Chair becomes my/our proxy by default), I/we expressly authorise the Chair to exercise my/our proxy on Resolutions 1, 5 and 6 (except where I/we have indicated a different voting intention below) even though these resolutions are connected directly or indirectly with the remuneration of a member(s) of key management personnel, which includes the Chair.

VOTING DIRECTIONS

Resolutions

	For	Against	Abstain*
1 Adoption of Remuneration Report	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
2 Re-election of Director – Mr Clive Jones	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
3 Election of Director – Ms Tara French	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
4 Approval of 10% Placement Capacity	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
5 Approval of the Issue of Performance Rights to Ms Tara French	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
6 Approval of the Issue of Director Options to Ms Tara French	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>



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

SIGNATURE OF SHAREHOLDERS – THIS MUST BE COMPLETED

Shareholder 1 (Individual)

Joint Shareholder 2 (Individual)

Joint Shareholder 3 (Individual)

Sole Director and Sole Company Secretary

Director/Company Secretary (Delete one)

Director

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

Email Address

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

HOW TO COMPLETE THIS SHAREHOLDER PROXY FORM

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

CHANGE OF ADDRESS

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

APPOINTMENT OF A PROXY

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

DEFAULT TO THE CHAIR OF THE MEETING

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

VOTING DIRECTIONS – PROXY APPOINTMENT

You may direct your proxy on how to vote by placing a mark in one of the boxes opposite each resolution of business. All your shares will be voted in accordance with such a direction unless you indicate only a portion of voting rights are to be voted on any resolution by inserting the percentage or number of shares you wish to vote in the appropriate box or boxes. If you do not mark any of the boxes on a given resolution, your proxy may vote as they choose to the extent they are permitted by law. If you mark more than one box on a resolution, your vote on that resolution will be invalid.

PROXY VOTING BY KEY MANAGEMENT PERSONNEL

If you wish to appoint a Director (other than the Chair) or other member of the Company's key management personnel, or their closely related parties, as your proxy, you must specify how they should vote on Resolutions 1, 5 and 6, by marking the appropriate box. If you do not, your proxy will not be able to exercise your vote for Resolutions 1, 5 and 6.

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

APPOINTMENT OF A SECOND PROXY

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

To appoint a second proxy you must:

- on each Proxy Form state the percentage of your voting rights or number of shares applicable to that form. If the appointments do not specify the percentage or number of votes that each proxy may exercise, each proxy may exercise half your votes. Fractions of votes will be disregarded; and
- return both forms together.

COMPLIANCE WITH LISTING RULE 14.11

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

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

CORPORATE REPRESENTATIVES

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

SIGNING INSTRUCTIONS ON THE PROXY FORM

Individual:

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

Joint Holding:

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

Power of Attorney:

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

Companies:

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

LODGE YOUR PROXY FORM

This Proxy Form (and any power of attorney under which it is signed) must be received at an address given below by 11.00am (WST) on 17 November 2021, being not later than 48 hours before the commencement of the Meeting. Proxy Forms received after that time will not be valid for the scheduled Meeting.



ONLINE PROXY APPOINTMENT

www.advancedshare.com.au/investor-login



BY MAIL

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



BY FAX

+61 8 6370 4203



BY EMAIL

admin@advancedshare.com.au



IN PERSON

Advanced Share Registry Limited
110 Stirling Hwy, Nedlands WA 6009



ALL ENQUIRIES TO

Telephone: +61 8 9389 8033