



Notice of Annual General Meeting

**The Annual General Meeting of the Company will be held at
the Quest, 54 Kings Park Road, West Perth, Western Australia on
Monday, 29 November 2021 at 11.00am (WST).**

The Notice of Annual General Meeting should be read in its entirety. If Shareholders are in doubt as to how to vote, they should seek advice from their accountant, solicitor or other professional advisor prior to voting.

**Should you wish to discuss any matter, please do not hesitate to contact the
Company Secretary by telephone on (08) 6244 5136.**

**Shareholders are urged to attend or vote by lodging the proxy form attached to the
Notice**

**Ardea Resources Limited
ACN 614 289 342 (Company)**

Notice of Annual General Meeting

Notice is hereby given that the annual general meeting of Shareholders of Ardea Resources Limited (**Company**) will be held at the Quest, 54 Kings Park Road, West Perth, Western Australia on Monday 29 November 2021 at 11.00am (WST) (**Meeting**).

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

The Directors have determined pursuant to regulation 7.11.37 of the *Corporations Regulations 2001* (Cth) that the persons eligible to vote at the Meeting are those who are registered as Shareholders on Wednesday, 27 November 2021 at 11.00am (WST).

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

Agenda

1 Annual Report

To consider the Annual Report of the Company and its controlled entities for the financial year ended 30 June 2021, which includes the Financial Report, the Directors' Report and the Auditor's Report.

2 Resolutions

Resolution 1 – Remuneration Report

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

'That the Remuneration Report be adopted by Shareholders.'

Resolution 2 – Election of Director – Mathew Longworth

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

'That in accordance with Article 7.2 of the Constitution and for all other purposes, Mathew Longworth retires and, being eligible, is elected as a Director.'

Resolution 3– Approval of 10% Placement Facility

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

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

Resolution 4 - Approval to issue Performance Rights to Directors

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

'That, pursuant to and in accordance Listing Rule 10.14, section 195(4) and section 208 of the Corporations Act and for all other purposes, Shareholders approve the issue of Performance Rights to Directors (or their respective nominees) under the Plan as follows:

- (a) *up to 300,000 Performance Rights to Mathew Longworth;*
- (b) *up to 400,000 Performance Rights to Andrew Penkethman; and*
- (c) *up to 300,000 Performance Rights to Ian Buchhorn,*

on the terms and conditions in the Explanatory Memorandum.'

Resolution 5 – Ratification of prior issue of Placement Shares

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

'That, pursuant to and in accordance with Listing Rule 7.4 and for all other purposes, Shareholders ratify the issue of 10,363,637 Shares at \$0.55 per Share on the terms and conditions in the Explanatory Memorandum.'

Voting exclusions

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

- (a) Resolution 3, if at the time of the Meeting, the Company is proposing to make an issue of Equity Securities under rule 7.1A.2, by or on behalf of any persons who are expected to participate in, or who will obtain a material benefit as a result of, the proposed issue (except a benefit solely by reason of being a Shareholder), or any associate of those persons;
- (b) Resolutions 4(a), (b) and (c) by or on behalf of a person referred to in Listing Rule 10.14.1, 10.14.2 or 10.14.3 who is eligible to participate in the employee incentive scheme in question, or any of their respective associates; and
- (c) Resolution 5 by or on behalf of any person who participated in the issue of the Shares, or any of their respective associates.

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

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

Shares held by or for an employee incentive scheme must only be voted on a Resolution under the Listing Rules if and to the extent that they are held for the benefit of a nominated participant in the scheme; the nominated participant is not excluded from voting on the Resolution under the Listing Rules; and the nominated participant has directed how the Shares are to be voted.

Voting prohibitions

Resolution 1: In accordance with sections 250BD and 250R of the Corporations Act, a vote on this Resolution must not be cast (in any capacity) by or on behalf of a member of the Key Management Personnel details of whose remuneration are included in the Remuneration Report, or a Closely Related Party of such a member.

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

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

Resolution 4: 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.

Further, in accordance with section 224 of the Corporations Act, a vote on Resolution 4 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.

BY ORDER OF THE BOARD



Andrew Penkethman
Managing Director
Dated: 20 October 2021

Ardea Resources Limited
ACN 093 396 859
(Company)

Explanatory Memorandum

2. Introduction

The Explanatory Memorandum has been prepared for the information of Shareholders in connection with the business to be conducted at the Meeting to be held at Quest, 54 Kings Park Road, West Perth, Western Australia on Monday, 29 November 2021 at 11.00am (WST).

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

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

Section 3	Action to be taken by Shareholders
Section 4	Annual Report
Section 5	Resolution 1 – Remuneration Report
Section 6	Resolution 2 – Election of Director – Mathew Longworth
Section 7	Resolution 3 - Approval of 10% Placement Facility
Section 8	Resolutions 4(a), (b) and (c) - Approval to issue Performance Rights to Directors
Section 9	Resolution 5- Ratification of prior issue of Placement Shares
Schedule 1	Definitions
Schedule 2	Summary of Ardea Resources Employee Securities Incentive Plan
Schedule 3	Terms and Conditions of Performance Rights
Schedule 4	Valuation of Performance Rights

A Proxy Form is located at the end of the Explanatory Memorandum.

3. Action to be taken by Shareholders

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

3.1 **Impact of COVID-19 on the Meeting**

The health and safety of members and personnel, and other stakeholders, is the highest priority and the Company is acutely aware of the current circumstances resulting from COVID-19.

Based on the best information available to the Board at the time of the Notice, the Board considers it will be in a position to hold an 'in-person' meeting to provide Shareholders with a reasonable opportunity to participate in and vote at the Meeting, while complying with the COVID-19 restrictions regarding gatherings. The Company, however, strongly encourages Shareholders to submit proxies prior to the Meeting.

If the situation in relation to COVID-19 were to change in a way that affected the position above, the Company will provide a further update ahead of the Meeting by releasing an ASX announcement.

3.2 **Voting in person**

Given the current COVID-19 circumstances and in the interests of public health and safety of our Shareholders, the Company will implement arrangements to allow Shareholders to physically attend the Meeting in accordance with COVID-19 protocols and government advice.

The Company will strictly comply with applicable limitations on indoor gatherings in force at the time of the Meeting. If you attend the Meeting in person, you will be required to adhere to COVID-19 protocols in place at the time of the Meeting.

3.3 **Proxies**

Shareholders are encouraged to vote by voting online or by completing a Proxy Form.

Lodgement of a Proxy Form will not preclude a Shareholder from attending and voting at the Meeting in person.

Lodgement instructions (which include the ability to lodge proxies electronically) are set out in the Proxy Form to the Notice of Meeting.

Proxy Forms can be lodged:

Email:	meetings@automicgroup.com.au
By mail:	Share Registry – Automic Group Pty Ltd, GPO Box 5193, Sydney NSW 2001
By fax:	+61 2 8583 3040
By phone:	1 300 288 664 (Within Australia) +61 2 9698 5414 (Overseas)

3.4 **Chair's voting intentions**

If the Chair is your proxy, either by appointment or by default, and you have not indicated your voting intention, you expressly authorise the Chair to exercise the proxy in respect of Resolution 1, and Resolution 4(a) to (c) (inclusive) even though these Resolutions are

connected directly or indirectly with the remuneration of the Company's Key Management Personnel.

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

If the Chair is a person referred to in the section 214 Corporations Act voting prohibition statement applicable to Resolution 4(a) to (c) (inclusive), 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.

4. **Annual Report**

In accordance with section 317 of the Corporations Act, Shareholders will be offered the opportunity to discuss the Annual Report, including the Financial Report, the Directors' Report and the Auditor's Report for the financial year ended 30 June 2021.

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

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

- (a) discuss the Annual Report which is available online at www.ardearesources.com.au;
- (b) ask questions about, or comment on, the management of the Company; and
- (c) ask the auditor questions about the conduct of the audit and the preparation and content of the Auditor's Report.

In addition to taking questions at the Meeting, written questions to the Chair about the management of the Company, or to the Company's auditor about:

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

may be submitted no later than five business days before the Meeting to the Company Secretary at the Company's registered office.

5. **Resolution 1 – Remuneration Report**

In accordance with subsection 250R(2) of the Corporations Act, the Company must put the Remuneration Report to the vote of Shareholders. The Directors' Report contains the Remuneration Report which sets out the remuneration policy for the Company and the remuneration arrangements in place for the executive Directors, specified executives and non-executive Directors.

In accordance with subsection 250R(3) of the Corporations Act, Resolution 1 is advisory only and does not bind the Directors. If Resolution 1 is not passed, the Directors will not be required to alter any of the arrangements in the Remuneration Report.

If the Company's Remuneration Report receives a 'no' vote of 25% or more (**Strike**) at two consecutive annual general meetings, Shareholders will have the opportunity to remove the whole Board, except the managing director (if any).

Where a resolution on the Remuneration Report receives a Strike at two consecutive annual general meetings, the Company will be required to put to Shareholders at the second annual general meeting a resolution on whether another meeting should be held (within 90 days) at which all Directors (other than the managing director, if any) who were in office at the date of approval of the applicable Directors' Report must stand for re-election.

The Company's Remuneration Report did not receive a Strike at the 2020 annual general meeting. If the Remuneration Report receives a Strike at this Meeting, Shareholders should be aware that if a second Strike is received at the 2022 annual general meeting, this may result in the re-election of the Board.

The Chair will allow a reasonable opportunity for Shareholders as a whole to ask about, or make comments on the Remuneration Report.

Resolution 1 is an ordinary resolution.

Given the personal interests of all Directors in this Resolution, the Board makes no recommendation to Shareholders regarding this Resolution.

6. Resolution 2 – Election of Director – Mathew Longworth

6.1 General

ASX Listing Rule 14.5 provides that an entity which has directors must hold an election of directors at each annual general meeting.

Article 7.2(b) of the Constitution requires the longest serving Director to retire and stand for re-election. If 2 or more Directors have been a Director the longest and an equal time without re-election, then in default of agreement, the Director to retire will be determined by ballot.

Directors Mathew Longworth and Ian Buchhorn were last elected at the annual general meeting held on 27 November 2020. Accordingly, having been a Director for the equal longest without re-election, Mr Longworth retires at this Meeting and, being eligible, seeks re-election pursuant to Resolution 2.

Mathew Longworth was appointed as a Director of the Company on 31 July 2020.

Accordingly, Mr Longworth resigns as a Director at the Meeting and, being eligible, seeks approval to be elected as a Director pursuant to Resolution 2.

6.2 Mathew Longworth

Mr Longworth is a geologist with over 30 years' experience across exploration, project evaluation/development, operations and corporate management. He previously held roles as Exploration Manager, COO and CEO/Managing Director with Australian listed companies, and mining analyst with a boutique investment fund. In his senior corporate roles, Mathew led multidisciplinary project evaluation and development teams. Mr Longworth is a member of the Australasian Institute of Mining and Metallurgy.

Mr Longworth has excellent experience of the key Ardea exploration and development projects, being the Kalgoorlie Nickel Project (KNP) nickel-cobalt and Bardoc Tectonic Zone gold. Mr Longworth joined Heron Resources in 2003 as Exploration Manager rising to Managing Director in 2007 to 2011. Mr Longworth applied his intimate knowledge of the BTZ and broader Eastern Goldfields geology to the KNP to collaborate with Vale Inco in their 2005 to 2009 KNP feasibility study.

He is currently Chairman of the unlisted Company Greenfields Exploration Limited and was formerly non-executive Chairman of ASX listed Metalicity Limited (from 1 July 2019 to 18 May 2021). Mr Longworth has no other public company directorships.

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

Mr Longworth is the Non-Executive Chairman of the Company.

The Board considers that Mr Longworth is an independent director.

6.3 **Additional information**

Resolution 2 is an ordinary resolution.

The Board considers that Mr Longworth's technical knowledge of the key Company development projects, being the Bardoc Tectonic Zone (BTZ) gold and Kalgoorlie Nickel Project (KNP) nickel-cobalt projects are and will continue to be invaluable, along with his corporate experience in managing joint ventures and strategic partner associations. Accordingly, the Board (with Mr Longworth abstaining) recommends that Shareholders vote in favour of Resolution 2.

7. **Resolution 3 - Approval of 10% Placement Facility**

7.1 **General**

Broadly speaking, and subject to a number of exceptions, Listing Rule 7.1 limits the amount of Equity Securities that a listed company can issue without the approval of its shareholders over any 12 month period to 15% of the fully paid ordinary 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. The Company is an eligible entity for these purposes.

Resolution 3 seeks Shareholder approval by way of a special resolution for the Company to have the additional 10% capacity provided for in Listing Rule 7.1A to issue Equity Securities without Shareholder approval (**10% Placement Facility**).

If Resolution 3 is passed, the Company will be able to issue Equity Securities up to the combined 25% limit in Listing Rules 7.1 and 7.1A without any further Shareholder approval.

If Resolution 3 is not passed, the Company will not be able to access the additional 10% capacity to issue Equity Securities without Shareholder approval provided for in Listing Rule 7.1A and will remain subject to the 15% limit on issuing Equity Securities without Shareholder approval set out in Listing Rule 7.1.

7.2

Listing Rule 7.1A

(a) Is the Company an eligible entity?

An eligible entity for the purposes of Listing Rule 7.1A is an entity that is not included in the S&P/ASX 300 Index and has a market capitalisation of \$300 million or less.

The Company is an eligible entity as it is not included in the S&P/ASX 300 Index and has a market capitalisation of approximately \$72.5 million, based on the closing price of Shares \$0.525 on 19 October 2021.

(b) What Equity Securities can be issued?

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

As at the date of the Notice, the Company has on issue one quoted class of Equity Securities; Shares.

(c) How many Equity Securities can be issued?

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

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

Where:

A is the number of Shares on issue at the commencement of the Relevant Period:

- (A) plus the number of fully paid Shares issued in the Relevant Period under an exception in Listing Rule 7.2 other than exception 9, 16 or 17;
- (B) plus the number of fully paid Shares issued in the Relevant Period on the conversion of convertible securities within Listing Rule 7.2 exception 9 where:
 - (1) the convertible securities were issued or agreed to be issued before the commencement of the Relevant Period; or
 - (2) the issue of, or agreement to issue, the convertible securities was approved, or taken under the Listing Rules to have been approved, under Listing Rule 7.1 or Listing Rule 7.4;
- (C) plus the number of fully paid Shares issued in the Relevant Period under an agreement to issue securities within Listing Rule 7.2 exception 16 where:

- (1) the agreement was entered into before the commencement of the Relevant Period; or
- (2) the agreement or issue was approved, or taken under the Listing Rules to have been approved, under Listing Rule 7.1 or Listing Rule 7.4;
- (D) plus the number of partly paid Shares that became fully paid Shares in the Relevant Period;
- (E) plus the number of fully paid Shares issued in the Relevant Period with approval under Listing Rules 7.1 and 7.4; and

less the number of fully paid Shares cancelled in the Relevant Period.

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

D is 10%.

E is the number of Equity Securities issued or agreed to be issued under Listing Rule 7.1A.2 in the Relevant Period where the issue or agreement has not been subsequently approved by the holders of its ordinary securities under rule 7.4.

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

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

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

Any Equity Securities issued under Listing Rule 7.1A must be issued for a cash consideration per security which is not less than 75% of the VWAP of Equity Securities in the same class calculated over the 15 Trading Days on which trades in that class were recorded immediately before:

- (i) the date on which the price at which the Equity Securities are to be issued is agreed by the Company and the recipient of the Equity Securities; or
- (ii) if the Equity Securities are not issued within 10 Trading Days of the date in paragraph (i) above, the date on which the Equity Securities are issued,

(Minimum Issue Price).

(f) When can Equity Securities be issued?

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

- (i) the date that is 12 months after the date of the Meeting;
- (ii) the time and date of the Company's next annual general meeting; or

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

(10% Placement Period).

(g) What is the effect of Resolution 3?

The effect of Resolution 3 will be to allow the Directors to issue the Equity Securities under Listing Rule 7.1A during the 10% Placement Period without further Shareholder approval or using the Company's 15% annual placement capacity under Listing Rule 7.1.

7.3 Specific information required by Listing Rule 7.3A

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

(a) Final date for issue

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

(b) Minimum issue price

Where the Company issues Equity Securities under the 10% Placement Facility, it will only do so for cash consideration and the issue price will be not less than the Minimum Issue Price (refer to Section 7.2(e) above).

(c) Purposes of issues under 10% Placement Facility

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

(d) Risk of economic and voting dilution

Shareholders should note that there is a risk that:

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

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

If this Resolution is approved by Shareholders and the Company issues Equity Securities under the 10% Placement Facility, the existing Shareholders' economic and voting power in the Company may be diluted as shown in the below table (in the case of Options, only if the Options are converted into Shares).

The below table shows the dilution of existing Shareholders based on the current market price of Shares and the current number of Shares for 'A' calculated in accordance with the formula in Listing Rule 7.1A.2 (see Section 7.2(c)) as at the date of the Notice (**Variable A**), with:

- (i) two examples where Variable A has increased, by 50% and 100%; and
- (ii) two examples of where the issue price of Shares has decreased by 50% and increased by 100% as against the current market price.

Share on issue (Variable A in Listing Rule 7.1A.2)	Dilution			
	Issue price per Share	\$0.263 50% decrease in Current Market Price	\$0.525 Current Market Price	\$1.05 100% increase in Current Market Price
138,034,219 Shares Variable A	10% Voting Dilution	13,803,422 Shares	13,803,422 Shares	13,803,422 Shares
	Funds raised	\$3,623,398	\$7,246,796	\$14,493,593
207,051,328 Shares 50% increase in Variable A	10% Voting Dilution	20,705,133 Shares	20,705,133 Shares	20,705,133 Shares
	Funds raised	\$5,435,097	\$10,870,195	\$21,740,389
276,068,438 Shares 100% increase in Variable A	10% Voting Dilution	27,606,844 Shares	27,606,844 Shares	27,606,844 Shares
	Funds raised	\$7,246,796	\$14,493,593	\$28,987,186

Notes:

1. The table has been prepared on the following assumptions:
 - (a) the issue price is the current market price \$0.525, being the closing price of the Shares on ASX on 19 October 2021, being the last day that the Company's Shares traded on the ASX before this Notice was signed;
 - (b) Variable A is 138,034,219, comprising 138,034,219 existing Shares on issue as at the date of this Notice, assuming the Company has not issued any Shares in the 12 months prior to the Meeting that were not issued under an exception in Listing Rule 7.2 or with Shareholder approval under Listing Rule 7.1 and 7.4;
 - (c) the Company issues the maximum number of Equity Securities available under the 10% Placement Facility;

- (d) no convertible securities (including any issued under the 10% Placement Facility) are exercised or converted into Shares before the date of the issue of the Equity Securities; and
- (e) the issue of Equity Securities under the 10% Placement Facility consists only of Shares. If the issue of Equity Securities includes quoted Options, it is assumed that those quoted Options are exercised into Shares for the purpose of calculating the voting dilution effect on existing Shareholders.
2. The number of Shares on issue (ie Variable A) may increase as a result of issues of Shares that do not require Shareholder approval (for example, a pro rata entitlements issue, scrip issued under a takeover offer or upon exercise of convertible securities) or future specific placements under Listing Rule 7.1 that are approved at a future Shareholders' meeting.
 3. The 10% voting dilution reflects the aggregate percentage dilution against the issued share capital at the time of issue. This is why the voting dilution is shown in each example as 10%.
 4. The table does not show an example of dilution that may be caused to a particular Shareholder by reason of placements under the 10% Placement Facility, based on that Shareholder's holding at the date of the Meeting.
 5. The table shows only the effect of issues of Equity Securities under Listing Rule 7.1A, not under the 15% placement capacity under Listing Rule 7.1.

(e) Allocation policy

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

- (i) the methods of raising funds that are available to the Company, including but not limited to, rights issue or other issue in which existing security holders can participate;
- (ii) the effect of the issue of the Equity Securities on the control of the Company;
- (iii) financial situation and solvency of the Company; and
- (iv) advice from corporate, financial and broking advisers (if applicable).

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

(f) Issues in the past 12 months

The Company issued 10,363,637 Shares in the last 12 months at 55 cents per share under Listing Rule 7.1A (defined in Section 9.1 as the Placement Shares). As at 29 November 2020, the Company had 127,670,582 Shares on issue. The issue of the Placement Shares under 7.1A represented 8.1% of the total Shares on issue as at 29 November 2021.

The names of the allottees or the basis on which those persons were identified or selected	The Placement Shares were issued to sophisticated and institutional investors who were introduced to the Company by the Petra Capital Pty Ltd who were the managers of the relevant capital raising. None of the investors is a related party of the Company or considered to be a 'material investor' for the purposes of section 7.4 of ASX Guidance Note 21.
The number and class of Equity Securities agreed to be issued	10,363,637 fully paid ordinary Shares
Price and the discount (if any) that the issue price represented to the closing market price of the date of the issue or agreement	The Shares were issued at a 2.8% premium the closing price of the Shares on 25 June 2021.
Total cash consideration received, the amount of cash that has been spent, what it was spent on, and what is the intended use for the remaining amount of that cash (if any).	The Company raised \$5,700,000 (before costs). Approximately \$342,000 was paid in respect of the costs of the Placement. Since the Placement, the Company has applied approximately \$2,200,000 towards progressing the Kalgoorlie Nickel Project feasibility study work streams. The Company has applied a further \$170,000 to working capital. The balance of the funds, being \$2,988,000, will be applied towards ongoing work on the Kalgoorlie Nickel Project and working capital.

(g) **Voting exclusion statement**

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

In the event that between the date of the Notice and the date of the Meeting, the Company proposes to make an issue of Equity Securities under Listing Rule 7.1A to one or more existing Shareholders, those Shareholders' votes will be excluded under the voting exclusion statement in the Notice.

7.4 Additional information

Resolution 3 is a special resolution and therefore requires approval of 75% of the votes cast by Shareholders present and eligible to vote (in person, by proxy, by attorney or, in the case of a corporate Shareholder, by a corporate representative).

The Board recommends that Shareholders vote in favour of Resolution 3.

8. Resolutions 4(a), (b) and (c) - Approval to issue Performance Rights to Directors

8.1 General

The Company is proposing to issue up to a total of 1,000,000 Performance Rights to the Directors or their respective nominees, as follows:

Director	Performance Rights Class K
Mathew Longworth	300,000
Andrew Penkethman	400,000
Ian Buchhorn	300,000
TOTAL	1,000,000

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 Performance Rights is a prudent means of conserving the Company's available cash reserves. The Board believes it is important to offer these Performance Rights to continue to attract and maintain highly experienced and qualified Board members in a competitive market.

The Performance Rights are to be issued under the Ardea Resources Employee Securities Incentive Plan which was approved at the 2020 Annual General Meeting with a Summary of the Plan described in Schedule 2. Performance Rights will vest upon satisfaction of the milestones described in Schedule 3.

Resolution 4(a) to (c) (inclusive) seek Shareholder approval pursuant to Listing Rule 10.14, and sections 195(4) and 208 of the Corporations Act for the issue of up to a total of 1,000,000 Performance Rights under the Plan to the Directors, or their respective nominees.

8.2 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, unless Shareholder approval is provided:

- (a) a director of the company (Listing Rule 10.14.1);

- (b) an associate of a director 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).

The proposed issue of the Performance Rights falls within Listing Rule 10.14.1 (or Listing Rule 10.14.2 if a Director elects for the Performance Rights to be issued to his nominee) and therefore requires the approval of 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(a) to (c) (inclusive) are passed, the Company will be able to proceed with the issue of the Performance Rights to the Directors.

If Resolution 4(a) to (c) (inclusive) are not passed, the Company will not be able to proceed with the issue of the Performance Rights to the Directors and the Company will proceed with other forms of performance-based remuneration, which may include incentives in the form of cash bonuses.

8.3 Specific information required by Listing Rule 10.15

Pursuant to and in accordance with Listing Rule 10.15, the following information is provided in relation to the proposed issue of the Performance Rights:

- (a) The Performance Rights will be issued to Messrs Longworth, Penkethman and Buchhorn (or their respective nominees).
- (b) Each of the Directors is a related party of the Company by virtue of being a Director and falls into the category stipulated by Listing Rule 10.14.1. In the event the Performance Rights are issued to a nominee of a Director, that person will fall into the category stipulated by Listing Rule 10.14.2.
- (c) The maximum number of Performance Rights to be issued to the Directors (or their respective nominees) is 1,000,000 in the proportions set out in Section 8.1 above.
- (d) The current total remuneration package for each of the Directors at the date of this Notice is set out below:

Director	Salary and fees (including superannuation)
Mathew Longworth	\$90,563
Andrew Penkethman	\$385,000
Ian Buchhorn	\$350,658

- (e) A total of 3,041,000 Securities have previously been issued under the Plan, of which 400,000 performance rights were issued to Mathew Longworth, 500,000 performance rights were issued to Andrew Penkethman and 400,000 performance rights were issued to Ian Buchhorn following approval at the 2020 Annual General Meeting,

issued for nil consideration as an incentive component of the respective Directors remuneration packages.

- (f) The Performance Rights will be issued on the terms and conditions in Schedule 3.
- (g) The Board considers that Performance Rights, rather than Shares, are an appropriate form of incentive because the Performance Rights granted will generally only be of benefit if the Directors perform to the level whereby the milestones to the Performance Rights are satisfied. The issue of the Performance Rights will therefore further align the interests of the Directors with Shareholders.
- (h) A valuation of the Performance Rights is in Schedule 4, with a summary for each of the Directors below:

Director	Class K
Mathew Longworth	\$114,737
Andrew Penkethman	\$152,983
Ian Buchhorn	\$114,737

- (i) The Performance Rights are intended to be issued as soon as practicable following the receipt of approval at the Meeting and in any event, will be issued no later than three years after the date of the Meeting if the required approval is received.
- (j) The Performance Rights will have an issue price of nil as they will be issued as part of each Director's remuneration package.
- (k) A summary of the material terms of the Plan is in Schedule 2.
- (l) No loan will be provided to the Directors in relation to the issue of the Performance Rights.
- (m) Details of any Securities issued under the Plan will be published in the annual report of the Company relating to a period in which they were issued, along with a statement that approval for the issue was obtained under Listing Rule 10.14. Any additional persons covered by Listing Rule 10.14 who become entitled to participate in the Plan after Resolution 4(a) to (c) (inclusive) are approved and who were not named in the Notice will not participate until approval is obtained under Listing Rule 10.14.
- (n) A voting exclusion statement is included in the Notice.

8.4 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(a) to (c) (inclusive) permit financial benefits to be given**

The Performance Rights will be issued to Messrs Mathew Longworth, Andrew Penkethman and Ian Buchhorn or their respective nominees.

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

Resolution 4(a) to (c) (inclusive) seeks approval from Shareholders to allow the Company to issue the Performance Rights in the amounts specified in Section 8.1 above to the Directors or their nominees. The Performance Rights 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 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**

A valuation of the Performance Rights is in Schedule 4, with a summary for each Director in Section 8.3(h) above.

(d) **Remuneration of Directors**

The total annual remuneration arrangements current for each of the Directors as at the date of this Notice are set out in Section 8.3(d) above.

(e) **Existing relevant interests**

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

Director	Shares	Convertible Securities
Mathew Longworth	Nil	200,000 Class H Performance Rights 200,000 Class I Performance Rights
Andrew Penkethman	123,829	400,000 Class D Performance Rights 400,000 Class E Performance Rights 250,000 Class H Performance Rights 250,000 Class I Performance Rights
Ian Buchhorn	12,830,585	200,000 Class F Performance Rights 200,000 Class G Performance Rights 200,000 Class H Performance Rights 200,000 Class I Performance Rights

Assuming that each of the resolutions which form part of Resolution 4 are 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 interests of the Directors in the Company would be as follows:

- (i) Mr Longworth's interest would represent approximately 0.22% of the Company's expanded capital;

- (ii) Mr Penkethman's interest would represent approximately 0.38% of the Company's expanded capital; and
- (iii) Mr Buchhorn's interest would represent approximately 9.44% of the Company's expanded capital.

(f) **Trading history**

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

Highest:	\$0.63 per Share on 15 February 2021
Lowest:	\$0.40 per Share on 31 December 2020

The latest available closing market sale price of the Shares on ASX prior to the date of this Notice was \$0.525 per Share on 19 October 2021.

(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. The potential dilution effect is summarised below:

Performance Rights	Dilutionary effect
1,000,000	0.72%

The above table assumes the current Share capital structure as at the date of this Notice being 138,034,219 Shares on 20 October 2021 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 0.72% (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**

Messrs Andrew Penkethman and Ian Buchhorn are Executive Directors of the Company and therefore the Board believes that the grant of the Performance Rights is in line with Recommendation 8.2 of the 3rd and 4th editions of the ASX Corporate Governance Council's Corporate Governance Principles and Recommendations.

The Board acknowledges the grant of the Performance Rights to the Non-Executive Chairman, Mr Mathew Longworth is contrary to Recommendation 8.2 of the 3rd and 4th editions of the ASX Corporate Governance Council's Corporate Governance Principles and Recommendations. However, the Board considers the grant of Performance Rights to the Non-Executive Chairman is reasonable in the circumstances for the reasons set out in Section 8.1. The Board also considers that the grant does not affect the independence of the Non-Executive Chairman, as there is no performance based milestone attaching to the Performance Rights, other than share price performance and continued service.

(i) **Taxation consequences**

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

(j) **Director recommendations**

The Directors decline to make a recommendation to Shareholders in relation to Resolution 4(a) to (c) (inclusive) due to their personal interests in the outcome of the Resolutions.

(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(a) to (c) (inclusive).

8.5 **Additional information**

Resolution 4(a) to (c) (inclusive) are ordinary resolutions.

The Board declines to make a recommendation to Shareholders in relation to Resolution 4(a) to (c) (inclusive) due to their personal interests in the outcome of the Resolutions.

9. **Resolution 5- Ratification of prior issue of Placement Shares**

9.1 **General**

On 28 June 2021, the Company announced that it had binding commitments for a placement to raise \$5.7 million before costs (**Placement**) by the issue of Shares at \$0.55 each (**Placement Shares**) to sophisticated and professional investors.

On 6 July 2021, the Company issued 10,363,637 Placement Shares using the Company's placement capacity under Listing Rule 7.1.

Resolution 5 seeks the approval of Shareholders pursuant to Listing Rule 7.4 to ratify the issue of the Placement Shares.

9.2 **Listing Rules 7.1 and 7.4**

A summary of Listing Rule 7.1 is in Section 7.1 above.

The issue of the Placement Shares does not fit within any of the exceptions to Listing Rule 7.1 and, as it has not yet been approved by Shareholders, effectively uses up part of the Company's 15% placement capacity under Listing Rule 7.1. This reduces the Company's capacity to issue further Equity Securities without Shareholder approval under that Listing Rule for the 12 month period following the issue of the Placement Shares.

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

The Company wishes to retain as much flexibility as possible to issue additional Equity Securities into the future without having to obtain Shareholder approval for such issues under Listing Rule 7.1.

If Resolution 5 is passed, the issue of Placement Shares will be excluded in calculating the Company's 15% limit in Listing Rule 7.1, effectively increasing the number of Equity Securities it can issue without Shareholder approval over the 12 month period following the issue of those Placement Shares.

If Resolution 5 is not passed, the issue of Placement Shares will be included in calculating the Company's 15% limit in Listing Rule 7.1, effectively decreasing the number of Equity Securities it can issue without Shareholder approval over the 12 month period following the issue of the Placement Shares.

9.3 **Specific information required by Listing Rule 7.5**

Pursuant to and in accordance with Listing Rule 7.5, the following information is provided in relation to the ratification of the issue of the Placement Shares:

- (a) The Placement Shares were issued to sophisticated and institutional investors who were introduced to the Company by Petra Capital Pty Ltd who were the managers of the capital raising. None of the investors is a related party of the Company or considered to be a 'material investor' for the purposes of section 7.4 of ASX Guidance Note 21.
- (b) 10,363,637 Placement Shares were issued. The Placement Shares are fully paid ordinary shares in the capital of the Company and rank equally in all respects with the Company's existing Shares on issue.
- (c) The Placement Shares were issued on 6 July 2021.
- (d) The Placement Shares were issued at \$0.55 per Share.
- (e) The proceeds from the issue of the Placement Shares are intended to be used towards progressing the Kalgoorlie Nickel Project feasibility study work streams as well as for costs of the Placement and general working capital.
- (f) There are no other material terms upon which the Placement Shares were issued.
- (g) A voting exclusion statement is included in the Notice.

9.4 **Additional information**

Resolution 5 is an ordinary resolution.

The Board recommends that Shareholders vote in favour of Resolution 5.

Schedule 1 Definitions

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

\$ or A\$	means Australian Dollars.
10% Placement Facility	has the meaning given in Section 7.1.
10% Placement Period	has the meaning given in Section 7.2(f).
Annual Report	means the Directors' Report, the Financial Report, and Auditor's Report, in respect to the year ended 30 June 2021.
Article	means an article of the Constitution.
ASX	means the ASX Limited (ABN 98 008 624 691) and, where the context permits, the Australian Securities Exchange operated by ASX Limited.
Auditor's Report	means the auditor's report on the Financial Report.
Board	means the board of Directors.
Chair	means the person appointed to chair the Meeting of the Company convened by the Notice.
Change of Control Event	occurs when: <ul style="list-style-type: none">(a) takeover bid: the occurrence of the offeror under a takeover offer in respect of all shares announcing that it has achieved acceptances in respect of more than 50.1% of shares and that takeover bid has become unconditional; or(b) scheme of arrangement: the announcement by the Company that the Shareholders have at a Court-convened meeting of Shareholders voted in favour, by the necessary majority, of a proposed scheme of arrangement under which all Company securities are to be either cancelled transferred to a third party, and the Court, by order, approves the proposed scheme of arrangement.
Closely Related Party	means: <ul style="list-style-type: none">(a) a spouse or child of the member; or(b) has the meaning given in section 9 of the Corporations Act.
Company	means Ardea Resources Limited ACN 614 289 342.
Constitution	means the constitution of the Company as at the date of the Meeting.
Corporations Act	means the <i>Corporations Act 2001</i> (Cth).
Director	means a director of the Company.

Directors' Report	means the annual directors' report prepared under Chapter 2M of the Corporations Act for the Company and its controlled entities.
Equity Security	has the same meaning as in the Listing Rules.
Explanatory Memorandum	means the explanatory memorandum which forms part of the Notice.
Financial Report	means the annual financial report prepared under Chapter 2M of the Corporations Act for the Company and its controlled entities.
Key Management Personnel	has the same meaning as in the accounting standards issued by the Australian Accounting Standards Board and means those persons having authority and responsibility for planning, directing and controlling the activities of the Company, or if the Company is part of a consolidated entity, of the consolidated entity, directly or indirectly, including any Director (whether executive or otherwise) of the Company, or if the Company is part of a consolidated entity, of an entity within the consolidated group.
Listing Rules	means the listing rules of ASX.
Meeting	has the meaning given in the introductory paragraph of the Notice.
Minimum Issue Price	has the meaning given in Section 7.2(e).
Notice	means this notice of annual general meeting.
Option	means an option to acquire a Share.
Performance Rights	means up to 1,000,000 performance rights to be issued to the Directors on the terms and conditions in Schedule 3, which are the subject of Resolution 4(a) to (c) (inclusive).
Placement	has the meaning given in Section 9.1.
Placement Shares	has the meaning given in Section 9.1.
Plan	means the Company's Employee Securities Incentive Plan, a summary of which is in Schedule 2.
Proxy Form	means the proxy form attached to the Notice.
Relevant Period	has the same meaning as in the Listing Rules.
Remuneration Report	means the remuneration report of the Company contained in the Directors' Report.
Resolution	means a resolution referred to in the Notice.
Schedule	means a schedule to the Notice.
Section	means a section of the Explanatory Memorandum.

Securities	means any Equity Securities of the Company (including Shares, Options and/or Performance Rights).
Share	means a fully paid ordinary share in the capital of the Company.
Shareholder	means the holder of a Share.
Strike	means a 'no' vote of 25% or more on the resolution approving the Remuneration Report.
Trading Day	has the meaning given in the Listing Rules.
VWAP	means volume weighted average market price.
WST	means Western Standard Time, being the time in Perth, Western Australia.

Schedule 2 Summary of Ardea Resources Employee Securities Incentive Plan

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

1. **(Eligible Participant):** Eligible Participant means a person that:
 - (a) 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
 - (b) has been determined by the Board to be eligible to participate in the Plan from time to time.
2. **(Purpose):** The purpose of the Plan is to:
 - (a) assist in the reward, retention and motivation of Eligible Participants;
 - (b) link the reward of Eligible Participants to Shareholder value creation; and
 - (c) 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.
3. **(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.
4. **(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.
5. **(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.
6. **(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.

7. **(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.

8. **(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.

9. **(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.
10. **(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:

- (a) 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
 - (b) any Convertible Securities which have not yet vested will be automatically forfeited on the expiry date specified in the invitation.
11. **(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.

12. **(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.
13. **(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:

- (a) transfer, encumber or otherwise dispose of, or have a security interest granted over that Plan Share; or
 - (b) 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.
14. **(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.
15. **(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.
16. **(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.

17. **(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 3 Terms and Conditions of Performance Rights

A summary of the terms and conditions of the Performance Rights is below:

1. **(Vesting Conditions):** The Performance Rights shall vest as follows:
 - (a) Class 'K' Performance Rights: upon:
 - (i) the Company's Shares reaching a 30 day VWAP which is 30% above the 5 day VWAP prior to the date of the Meeting; and
 - (ii) continuous service of the Performance Rights holder in their capacity as a Director or Executive of the Company, or in a role as otherwise agreed by the Board of the Company, from the date of issue of the Performance Rights to 30 November 2023,

prior to 31 December 2023.
2. **(Conversion):** Once vested, each Performance Right will, at the election of the holder, convert into one Share. The holder will be entitled to give notice to the Company Secretary in writing that the relevant Performance Rights have vested and, provided that the holder remains employed by the Company at the time of giving such notice, the Company shall, unless otherwise directed by the holder, issue the associated number of Shares within 5 Business Days of receipt of such notice.
3. **(Consideration):** The Performance Rights will be issued for nil cash consideration and no consideration will be payable upon the conversion of the Performance Rights.
4. **(Share ranking):** All Shares issued upon the conversion of the Performance Rights will upon issue rank pari passu in all respects with other Shares.
5. **(Quotation of Shares on ASX):** The Performance Rights will not be quoted on ASX. Upon conversion of the Performance Rights into Shares, the Company will apply for quotation of all Shares issued upon conversion of the Performance Rights within the period required by ASX.
6. **(Dividend and Voting Rights):** A Performance Right does not confer upon the holder an entitlement to notice of, or to vote or attend at, a meeting of the Shareholders of the Company or receive dividends declared by the Company.
7. **(Share Buy-back/ Capital Return):** In the event that there is a share buy-back or capital return to Shareholders undertaken by the Company which has a material impact on the Company's market capitalisation and upon the achievability of the performance criteria in respect of the Performance Rights, set out in paragraph 1 above, the parties will agree on a pro rata adjustment of the market capitalisation targets required to be met as part of the performance criteria. Any such changes to the performance criteria of the Performance Rights will be subject to Shareholder approval and any other restrictions imposed by ASX. The Performance Rights do not confer any right to a return of capital, whether in a winding up, upon a reduction in capital or otherwise.
8. **(Participation in new issues):** There are no participation rights or entitlements inherent in the Performance Rights and holder will not be entitled to participate in new issues of capital offered to Shareholders during the currency of the Performance Rights.

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9. **(Reorganisation of capital):** If, at any time, the issued capital of the Company is reorganised (including consolidation, subdivision, reduction or return), all rights of the holder of the Performance Rights are to be changed in a manner consistent with the Corporations Act and the ASX Listing Rules at the time of the reorganisation.
 10. **(Change in Control Event):** Notwithstanding any other provision of these terms and conditions, if a Change in Control Event (as defined in the Plan) occurs, the Performance Rights will be deemed to have vested and must be converted into Shares within 5 Business Days of the Change in Control Event occurring.
 11. **(Plan terms)** The Performance Rights are issued pursuant to and are subject to the Plan. In the event of conflict between a provision of these terms and conditions and the Plan, these terms and conditions prevail to the extent of that conflict.

Schedule 4 Valuation of Performance Rights

The Performance Rights to be issued to the Directors pursuant to Resolution 4(a) to (c) (inclusive) have been independently valued by Stantons International Securities using the Black Scholes option pricing model that simulates the Company's share price at the expiry date.

The variables required to value the Performance Rights are as follows:

Item	Class K
Underlying Security Spot Price	\$0.455
Exercise Price	Nil
Share Price Barrier	\$0.5853
Assumed Grant Date	12 October 2021
Expiration Date	31 December 2023
Life of Rights (years)	2
Volatility	75%
Risk free rate	0.1001%

Using the above variables, Stantons International Securities Pty Ltd have calculated the value of the Performance Rights as follows:

Director	Performance Rights Class H		TOTAL
	Number	Value per Right	
Mathew Longworth	300,000	\$0.3825	\$114,737
Andrew Penkethman	400,000	\$0.3825	\$152,983
Ian Buchhorn	300,000	\$0.3825	\$114,737
TOTAL	1,000,000	\$0.3825	\$382,457

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 **11.00am (WST) on Saturday 27 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 VOTE ONLINE

Vote online at <https://investor.automic.com.au/#/loginsah>

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

- ✓ **Save Money:** help minimise unnecessary print and mail costs for the Company.
- ✓ **It's Quick and Secure:** provides you with greater privacy, eliminates any postal delays and the risk of potentially getting lost in transit.
- ✓ **Receive Vote Confirmation:** instant confirmation that your vote has been processed. It also allows you to amend your vote if required.



SUBMIT YOUR PROXY VOTE BY PAPER

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>.

SIGNATURE OF SECURITYHOLDERS – THIS MUST BE COMPLETED		
Individual or Securityholder 1	Securityholder 2	Securityholder 3
Sole Director and Sole Company Secretary	Director	Director / Company Secretary
Contact Name:		
Email Address:		
Contact Daytime Telephone		Date (DD/MM/YY)

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