

**CANYON RESOURCES LIMITED**

**ACN 140 087 261**

**NOTICE OF ANNUAL GENERAL MEETING**

Notice is given that the Annual General Meeting will be held at:

**TIME:** 3pm (WST)  
**DATE:** Monday, 29 November 2021  
**PLACE:** Meeting Room 1  
QV1 Conference Centre  
Level 2, 250 St Georges Terrace  
Perth, WA, 6000

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

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

***The Directors have determined pursuant to Regulation 7.11.37 of the Corporations Regulations 2001 (Cth) that the persons eligible to vote at the Meeting are those who are registered Shareholders at 3pm (WST time) on 27 November 2021.***

Based on the information available at the date of the Notice of Meeting, the Board considers that it will be in a position to hold a physical meeting with appropriate measures in place to comply with Federal and State COVID-19 restrictions regarding gatherings. However, the Company strongly encourages Shareholders to submit completed Proxy Forms prior to the Meeting in accordance with the instructions set out in the Proxy Form and the Notice of Meeting.

In accordance with the *Treasury Laws Amendment (2021 Measures No. 1) Act 2021* (Cth), the Company will not be sending hard copies of the Notice of Meeting to Shareholders. Instead, Shareholders can access a copy of the Notice at the following link:

<https://www.canyonresources.com.au/announcement-category/asx-announcements/>

### **How Shareholders Can Participate**

1. Shareholders are urged to appoint the Chair as their proxy. Shareholders can complete the Proxy Form to provide specific instructions on how a Shareholder's vote is to be cast on each item of business and the Chair must follow the Shareholder's instructions. Lodgement instructions (which include the ability to lodge proxies electronically) are set out in the Proxy Form attached to the Notice of Meeting. If a person other than the Chair is appointed as proxy, the proxy will revert to the Chair in the absence of the appointed proxy holder's attendance at the Meeting. Your proxy voting instructions must be received by 3pm (WST) on 27 November 2021.
2. Shareholders may submit questions in advance of the Meeting by email to the Company Secretary at [info@canyonresources.com.au](mailto:info@canyonresources.com.au). Responses will be provided at the Meeting in respect of all valid questions received prior to 5pm (WST) on 27 November 2021. Shareholders who physically attend the Meeting, will also have the opportunity to submit questions during the Meeting.

Shareholders should contact the Company Secretary on +61 8 6382 3342 or by email at [info@canyonresources.com.au](mailto:info@canyonresources.com.au) if they have any queries in relation to the Meeting arrangements.

If the above arrangements with respect to the Meeting change, Shareholders will be updated via the ASX Market Announcements Platform and on the Company's website at:

<https://www.canyonresources.com.au/announcement-category/asx-announcements/>

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## BUSINESS OF THE MEETING

### AGENDA

#### 1. FINANCIAL STATEMENTS AND REPORTS – PERIOD JUNE 2020 – JUNE 2021

To receive and consider the Annual Financial Statements, the Directors' Report and the audit report of the Company for the year ended 30 June 2021.

Note: there is no requirement for Shareholders to approve these reports.

#### 2. RESOLUTION 1 – ADOPTION OF REMUNERATION REPORT (NON-BINDING RESOLUTION)

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

*"That, for the purpose of section 250R(2) of the Corporations Act and for all other purposes, the Company adopts the annual remuneration report as set out in the Directors' Report for the financial year ended 2021."*

##### Voting exclusion

The Company will disregard any votes cast on Resolution 1 by any member of the Key Management Personnel of the Company whose remuneration is included in the Remuneration Report, or a Closely Related Party of such member. However, the Company will not disregard any votes cast on Resolution 1 by such person if:

- (a) the person is acting as proxy and the Proxy Form specifies how the proxy is to vote on the Resolution, and the vote is not cast on behalf of a person who is otherwise excluded from voting on this Resolution as described above; or
- (b) the person is the Chair voting an undirected proxy and their appointment expressly authorises the Chair to exercise the proxy even though Resolution 1 is connected with the remuneration of the Key Management Personnel of the Company.

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

#### 3. RESOLUTION 2 – ELECTION OF CLIFF LAWRENSEN AS NON-EXECUTIVE DIRECTOR

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

*"That Cliff Lawrensen, a Director who was appointed by the Board on 10 December 2020, retires in accordance with ASX Listing Rule 14.4 and clause 12.7 of the Company's Constitution and, being eligible for election, be elected as Director."*

4. **RESOLUTION 3 – RE-ELECTION OF STEVEN ZANINOVICH AS A NON-EXECUTIVE DIRECTOR**

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

*“That Steven Zaninovich, a Director of the Company who retires by rotation in accordance with ASX Listing Rule 14.4 and clause 12.3(a)(i) of the Company’s Constitution, and being eligible, offers himself for re-election, be re-elected as a Director.”*

5. **RESOLUTION 4 – APPROVAL OF ADDITIONAL 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 all other purposes, Shareholders approve the issue of Equity Securities up to 10% of the issued capital of the Company (at the time of the issue) calculated in accordance with ASX Listing Rule 7.1A.2 and on the terms and conditions set out in the Explanatory Memorandum accompanying this Notice of Annual General Meeting.”*

**Voting Exclusion**

The Company will disregard any votes cast in favour of Resolution 4 by or on behalf of any person who is expected to participate in, or who will obtain a material benefit as a result of, the proposed issue (except a benefit solely by reason of being a holder of ordinary securities) or an Associate of those persons. However, the Company will not disregard a vote if it is cast by:

- (a) a person as proxy or attorney for a person who is entitled to vote on Resolution 4, in accordance with the directions on the Proxy Form given to the proxy or attorney to vote on Resolution 4 in that way; or
- (b) the Chair acting as proxy or attorney for a person who is entitled to vote on Resolution 4, in accordance with a direction given to the Chair to vote on Resolution 4 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 Resolution 4; and
  - (ii) the holder votes on Resolution 4 in accordance with directions given by the beneficiary to the holder to vote in that way.

**Important note:** The proposed allottees of any Equity Securities under the Additional 10% Placement Facility are not as yet known or identified. In these circumstances (and in accordance with the note set out in ASX Listing Rule 14.11.1 relating to ASX Listing Rules 7.1 and 7.1A), for a person’s vote to be excluded, it must be known that that person will participate in the proposed issue. Where it is not known who will participate in the proposed issue (as is the case in respect of any Equity Securities issued under the Additional 10% Placement Facility), Shareholders must consider the

proposal on the basis that they may or may not get a benefit and that it is possible that their holding will be diluted, and there is no reason to exclude their votes.

## 6. RESOLUTION 5 – CONDITIONAL SPILL RESOLUTION

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

*"That, subject to and conditional on at least 25% of the votes validly cast on Resolution 1 being cast against the Remuneration Report:*

- a) *An extraordinary general meeting of the Company (Spill Meeting) be held within 90 days of the passing of Resolution 5;*
- b) *All of the Directors who were directors of the Company when the resolution to make the Directors' Report for the year financial year ended 30 June 2021 was passed and who remain in office at the time of the Spill Meeting, cease to hold office immediately before the end of the Spill Meeting; and*
- c) *Resolutions to appoint persons to offices that will be vacated immediately before the end of the Spill Meeting be put to the vote at the Spill Meeting."*

### **Voting exclusion**

The Company will disregard any votes cast on Resolution 5 by any member of the Key Management Personnel of the Company whose remuneration is included in the Remuneration Report, or a Closely Related Party of such member. However, the Company will not disregard any votes cast on Resolution 5 by such person if:

- (a) the person is acting as proxy and the Proxy Form specifies how the proxy is to vote on the Resolution, and the vote is not cast on behalf of a person who is otherwise excluded from voting on this Resolution as described above; or
- (b) the person is the Chair voting an undirected proxy and their appointment expressly authorises the Chair to exercise the proxy even though Resolution 1 is connected with the remuneration of the Key Management Personnel of the Company.

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

**Dated: 27 October 2021**

**By order of the Board**



**Matt Worner**  
**Company Secretary**

## EXPLANATORY MEMORANDUM

This Explanatory Memorandum has been prepared to provide information which the Directors believe to be material to Shareholders in deciding whether or not to pass the Resolutions.

### 1. 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 Meeting Room 1, QV1 Conference Centre, Level 2, 250 St Georges Terrace, Perth, Western Australia, 6000 on Monday, 29 November 2021 at 3.00 pm (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 on and a Proxy Form is located at the end of the Explanatory Memorandum.

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

Section 2	Action to be taken by Shareholders
Section 3	Financial Statements and Reports – Period 1 July 2020 – 30 June 2021
Section 4	Resolution 1 – Adoption of Remuneration Report (Non-Binding Resolution)
Section 5	Resolution 2 – Election of Cliff Lawrenson As Non-Executive Chairman
Section 6	Resolution 3 – Re-Election of Steven Zaninovich As A Non-Executive Director
Section 7	Resolution 4 – Approval of Additional 10% Placement Capacity
Section 8	Resolution 5 – Conditional Spill Resolution

### 2. ACTION TO BE TAKEN BY SHAREHOLDERS

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

#### 2.1. Voting in person

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

#### 2.2. Voting by proxy

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

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

- each Shareholder has a right to appoint a proxy;
- the proxy need not be a Shareholder of the Company; and
- a Shareholder who is entitled to cast 2 or more votes may appoint 2 proxies and may specify the proportion or number of votes each proxy is appointed

to exercise. If the member appoints 2 proxies and the appointment does not specify the proportion or number of the member's votes, then in accordance with section 249X(3) of the Corporations Act, each proxy may exercise one-half of the votes.

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

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

***Should you wish to discuss the matters in this Notice of Meeting please do not hesitate to contact the Company Secretary on +61 8 6382 3342.***

### **3. FINANCIAL STATEMENTS AND REPORTS – PERIOD 1 JULY 2020 – 30 JUNE 2021**

The Corporations Act requires the annual financial report, Directors' Report and the auditor's report (**Annual Financial Statements**) be received and considered at the Annual General Meeting. The Annual Financial Statements for the period ended 30 June 2021 are included in the Company's annual financial report, a copy of which can be accessed on-line at [www.canyonresources.com.au](http://www.canyonresources.com.au). Alternatively, a hard copy will be made available on request.

There is no requirement for Shareholders to approve these reports and no vote will be taken on the Annual Financial Statements. However, Shareholders attending the Annual General Meeting will be given a reasonable opportunity to ask questions about, or make comments on, the Annual Financial Statements and the management of the Company.

The Company's auditor, HLB Mann Judd (WA Partnership), will be present at the Annual General Meeting and Shareholders will have the opportunity ask the auditor questions in relation to the conduct of the audit, the auditor's report, the Company's accounting policies, and the independence of the auditor.

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 Annual Financial Statements; and
- (d) the independence of the auditor in relation to the conduct of the audit,

may be submitted no later than 5 business days before the meeting date to Company Secretary at [info@canyonresources.com.au](mailto:info@canyonresources.com.au).

### **4. RESOLUTION 1 – ADOPTION OF REMUNERATION REPORT (NON-BINDING RESOLUTION)**

#### **4.1. Background**

Pursuant to Section 250R(2) of the Corporations Act, the Company submits to Shareholders for consideration and adoption, by way of a non-binding resolution, its remuneration report for the year ended 30 June 2021 (the **Remuneration Report**). The Remuneration Report is a distinct section of the annual directors' report (the **Directors' Report**) which deals with the remuneration of Directors, executives and senior managers of the Company. More particularly, the Remuneration Report can be found within the Directors' Report in the Company's 2021 Annual Report. The Annual Report is available on the Company's website at [www.canyonresources.com.au](http://www.canyonresources.com.au).

By way of summary, the Remuneration Report:

- (a) explains the Company's remuneration policy and the process for determining the remuneration of its Directors and executive officers;
- (b) addresses the relationship between the Company's remuneration policy and the Company's performance; and
- (c) sets out the remuneration details for each Director and executive officer named in the Remuneration Report for the financial year ended 30 June 2021.

The remuneration levels for Directors, executives and senior managers are competitively set to attract and retain appropriate Directors and Key Management Personnel.

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

#### 4.2. Regulatory Requirements

The Corporations Act provides that Resolution 1 need only be an advisory vote of Shareholders and does not bind the Directors. However, the Corporations Act provides that if the Company's Remuneration Report resolution receives a "no" vote of 25% or more of votes cast at the Annual General Meeting, the Company's subsequent Remuneration Report must explain the Board's proposed action in response or, if the Board does not propose any action, the Board's reasons for not making any changes. The Board will take into account the outcome of the vote when considering the remuneration policy, even if it receives less than a 25% "no" vote.

In addition, sections 250U and 250V of the Corporations Act sets out a "two strikes" re-election process, pursuant to which:

- (a) if, at a subsequent annual general meeting (**Later Annual General Meeting**), at least 25% of the votes cast on a resolution that the remuneration report be adopted are against the adoption of that remuneration report;
- (b) at the immediately preceding annual general meeting (**Earlier Annual General Meeting**), at least 25% of the votes cast on a resolution that the remuneration report be adopted were against the adoption of that remuneration report; and
- (c) a resolution was not put to the vote at the Earlier Annual General Meeting under an earlier application of section 250V of the Corporations Act,

then the Company must put to vote at the Later Annual General Meeting a resolution, requiring Shareholders to vote on whether the Company must hold another general meeting (**Spill Meeting**) to consider the appointment of all of the Directors at the time the Directors Report was approved by the Board who must stand for re-appointment (other than the Managing Director) (**Spill Resolution**). The Spill Resolution may be passed as an ordinary resolution.

If the Spill Resolution is passed, the Spill Meeting must be held within 90 days after the Spill Resolution is passed. All of the Company's Directors who were Directors at the time when the resolution to make the Directors' Report was passed (excluding the Managing Director of the Company who may, in accordance with the ASX Listing Rules, continue to hold office indefinitely without being re-elected to the office) cease to hold office immediately before the end the Spill Meeting and may stand for re-election at the Spill Meeting.

At the 2020 annual general meeting of the Company, 25% or more of the votes cast in respect of the 2020 remuneration report were cast against the adoption of the 2020 remuneration report.

Accordingly, if at least 25% of the votes cast in respect of the 2021 Remuneration Report are cast against the adoption of the 2021 Remuneration Report, the Spill Resolution will be put to the Meeting as the final item of business (see Resolution 5 below).

Further detail is included in the Explanatory Memorandum to the Spill Resolution (see Resolution 5 below).

#### **4.3. Board Recommendation**

The Board unanimously recommends that Shareholders vote in favour of Resolution 1.

### **5. RESOLUTION 2 – ELECTION OF CLIFF LAWRENSON AS NON-EXECUTIVE DIRECTOR**

#### **5.1 Background**

Cliff Lawrenson was appointed as a Non-Executive Director of the Company on 10 December 2020.

In accordance with ASX Listing Rule 14.4 and clause 12.7 of the Company's Constitution, a director appointed to fill a casual vacancy must not hold office (without re-election) past the next annual general meeting.

For these reasons, Cliff Lawrenson retires by way of rotation and, being eligible, offers himself for re-election as a Director.

Mr Lawrenson is an experienced mining professional who was previously the Managing Director of Atlas Iron Ltd from 2017 until its acquisition by Hancock Prospecting Pty Ltd. Prior to Atlas Iron, Mr Lawrenson was Managing Director of a number of ASX listed companies in the mining and mining services sectors. He was a senior executive of CMS Energy Corporation in the United States of America and Singapore and this was preceded by an investment banking career. Mr Lawrenson holds an Honours degree in Commerce from the University of Western Australia and a Graduate Diploma in Applied Finance and Investment with the Financial Services Institute of Australasia.

Further details about Cliff Lawrenson are set out in the Company's 2021 Annual Report which is available at [www.canyonresources.com.au](http://www.canyonresources.com.au).

#### **5.2 Board Recommendation**

The Directors (other than Cliff Lawrenson) unanimously recommend that Shareholders vote in favour of Resolution 2.

### **6. RESOLUTION 3 – RE-ELECTION OF STEVEN ZANINOVICH AS A NON-EXECUTIVE DIRECTOR**

#### **6.1 Background**

In accordance with ASX Listing Rules 14.5 and clause 12.3(b) of the Company's Constitution, at every annual general meeting an election of Directors must take place.

ASX Listing Rule 14.4 and clause 12.3(a)(i) of the Company's Constitution prevent a Director from holding office (without re-election) past the third annual general meeting following the Director's appointment or 3 years, whichever is longer.

For these reasons, Steven Zaninovich retires by way of rotation and, being eligible, offers himself for re-election as a Director.

Mr Zaninovich has spent more than 20 years in project development, maintenance and operational readiness in the mining industry including, most recently, as Project Director of Tawana Resources, responsible for the delivery of the Bald Hill Lithium Project.

Prior to that, he served as Chief Operating Officer with Gryphon Minerals before assuming the role of Vice President of Major Projects, and becoming part of the Executive Management Team at Teranga Gold Corporation, following its acquisition of Gryphon Minerals.

Further details about Steven Zaninovich are set out in the Company's 2021 Annual Report which is available at [www.canyonresources.com.au](http://www.canyonresources.com.au).

## 6.2 Board Recommendation

The Directors (other than Steven Zaninovich) unanimously recommend that Shareholders vote in favour of Resolution 3.

## 7. RESOLUTION 4 – APPROVAL OF ADDITIONAL 10% PLACEMENT CAPACITY

### 7.1 Background

ASX Listing Rule 7.1A enables eligible entities to issue Equity Securities of up to 10% of its issued ordinary share capital through placements over a 12-month period following the entity's annual general meeting (**Additional 10% Placement Facility**). The Additional 10% Placement Facility is in addition to the Company's 15% placement capacity under ASX Listing Rule 7.1.

An 'eligible entity' for the purposes of ASX 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, as at the time of the entity's annual general meeting (**Eligible Entity**). The Company is an Eligible Entity as at the time of this Notice of Annual General Meeting and is expected to be an Eligible Entity as at the time of the Annual General Meeting.

Resolution 4 seeks Shareholder approval to enable the Company to issue Equity Securities under the Additional 10% Placement Facility. The effect of Resolution 4 will be to allow the Directors to issue Equity Securities under ASX Listing Rule 7.1A during the period set out below.

Resolution 4 is a special resolution and therefore requires approval of 75% of the votes cast by Shareholders present and eligible to vote at the Annual General Meeting (in person, by proxy, by attorney or, in the case of a corporate Shareholder, by a corporate representative).

The exact number of Equity Securities that the Company may issue under the Additional 10% Placement Facility will be determined in accordance with the formula prescribed in ASX Listing Rule 7.1A.2 (refer to section 7.2(d) of this Notice of Annual General Meeting below). The Company is seeking a mandate to issue Equity Securities under the Additional 10% Placement Capacity to enable the Company to pursue its growth strategy with the flexibility to act quickly as potential business opportunities arise.

If Resolution 4 is passed, the Company will be able to issue Equity Securities up to a combined 25% limit under ASX Listing Rules 7.1 and 7.1A without any further shareholder approval.

If Resolution 4 is not passed, the Company will not be able to access the additional 10% capacity to issue Equity Securities under ASX Listing Rule 7.1A without shareholder approval and will remain subject to the 15% limit on issuing Equity Securities without shareholder approval set out in ASX Listing Rule 7.1.

### 7.2 Regulatory Requirements

In compliance with the information requirements of ASX Listing Rule 7.3A, Shareholders are advised of the following information:

#### (a) Issue Period

If Shareholders approve Resolution 4, the Company will have a mandate to issue Equity Securities under the Additional 10% Placement Facility under ASX

Listing Rule 7.1A from the date of the Annual General Meeting until the earlier of the following to occur:

- (i) the date that is 12 months after the date of the Annual General Meeting;
- (ii) the time and date of the Company's next annual general meeting; and
- (iii) the time and date of the approval by Shareholders of a transaction under ASX Listing Rule 11.1.2 (a significant change to the nature or scale of activities) or 11.2 (disposal of main undertaking),

(the **Additional 10% Placement Period**).

The Company will only issue and allot Equity Securities during the Additional 10% Placement Period.

(b) **Minimum Issue Price**

Equity securities issued under the Additional 10% Placement Facility must be in the same class as an existing class of quoted Equity Securities of the Company. As at the date of this Notice of Annual General Meeting, the Company has on issue one class of quoted Equity Securities – Shares.

The issue price of Equity Securities issued under the Additional 10% Placement Facility must not be lower than 75% of the volume weighted average price for securities in the same class calculated over the 15 trading days on which trades in that class were conducted immediately before:

- (i) the date on which the Equity Securities are issued; or
- (ii) the date on which the price of Equity Securities is agreed, provided that the issue is thereafter completed within 10 trading days.

(c) **Purpose of Issues**

The Company may seek to issue the Equity Securities to raise funds in connection with an acquisition of new assets or investments (including expense associated with such acquisition), continued exploration and bankable feasibility study expenditure on the Company's Minim Martap Bauxite Project and / or general working capital.

The Company will provide further information at the time of issue of any Equity Securities under the Additional 10% Placement Facility in compliance with its disclosure obligations under ASX Listing Rules 7.1A.4 and 3.10.5A.

(d) **Dilution**

As at the date of this Notice of Annual General Meeting, the Company has 701,160,709 Shares on issue. Accordingly, if Shareholders approve Resolution 4, the Company will have the capacity to issue approximately 70,116,070 Equity Securities under the Additional 10% Placement Facility in accordance with ASX Listing Rule 7.1A.

The precise number of Equity Securities that the Company will have capacity to issue under ASX Listing Rule 7.1A will be calculated at the date of issue of the Equity Securities in accordance with the following formula:

**(A x D) – E**

**A =** the number of fully paid ordinary securities on issue at the commencement of the relevant period,

- (i) plus the number of fully paid ordinary securities issued in the relevant period under an exception in ASX Listing Rule 7.2 other than exception 9, 16 or 17;

- (ii) plus the number of fully paid ordinary securities issued in the relevant period on the conversion of convertible securities within ASX Listing Rule 7.2 exception 9 where:
  - (a) the convertible securities were issued or agreed to be issued before the commencement of the relevant period; or
  - (b) the issue of, or agreement to issue, the convertible securities was approved, or taken under the ASX Listing Rules to have been approved, under ASX Listing Rule 7.1 or ASX Listing Rule 7.4,
- (iii) plus the number of fully paid ordinary securities issued in the relevant period under an agreement to issue securities within ASX Listing Rule 7.2 exception 16 where:
  - (a) the agreement was entered into before the commencement of the relevant period; or
  - (b) the agreement or issue was approved, or taken under these rules to have been approved, under ASX Listing Rule 7.1 or ASX Listing Rule 7.4
- (iv) plus the number of any other fully paid ordinary securities issued in the relevant period within approval under ASX Listing Rule 7.1 or ASX Listing Rule 7.4
- (v) plus the number of partly paid ordinary securities that became fully paid in the relevant period; and
- (vi) less the number of fully paid ordinary securities cancelled in the relevant period.

*Note that A is has the same meaning in ASX Listing Rule 7.1 when calculating an entity's 15% placement capacity.*

**D =** 10%

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

If Resolution 4 is approved by Shareholders and the Company issues Equity Securities under the Additional 10% Placement Facility, existing Shareholders' voting power in the Company will be diluted as shown in the table below (in the case of Listed Options, only if the Listed Options are exercised). 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 Annual General Meeting; and
- (c) 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.

The below table 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 ASX Listing Rule 7.1A(2) as at the date of this Notice of Annual General Meeting.

The table also shows:

- (d) two examples where variable "A" has increased, by 50% and 100%. Variable "A" is based on the number of ordinary securities the Company has on issue. The number of ordinary securities on issue may increase as a result of issues of ordinary securities that do not require Shareholder approval (for example, a pro rata entitlements issue or scrip issued under a takeover offer) or future specific placements under ASX Listing Rule 7.1 that are approved at a future Shareholders' meeting; and
- (e) two examples of where the issue price of ordinary securities has decreased by 50% and increased by 50% as against the current market price.

Variable "A" in ASX Listing Rule 7.1A.2		Dilution					
		\$0.043 50% decrease in Issue Price		\$0.086 Issue Price		\$0.13 50% increase in Issue Price	
<b>Current Variable A</b> 701,160,709 Shares	Shares issued (10% Voting Dilution)	70,116,070 Shares	New	70,116,070 Shares	New	70,116,070 Shares	New
	Funds raised	\$3,014,991		\$6,029,982		\$9,115,089	
<b>50% increase in current Variable A</b> 1,051,741,063 Shares	Shares issued (10% Voting Dilution)	105,174,106 Shares	New	105,174,106 Shares	New	105,174,106 Shares	New
	Funds raised	\$4,522,486		\$9,044,973		\$13,672,633	
<b>100% increase in current Variable A</b> 1,402,321,418 Shares	Shares issued (10% Voting Dilution)	140,232,141 Shares	New	140,232,141 Shares	New	140,232,141 Shares	New
	Funds raised	\$6,029,982		\$12,059,964		\$18,230,178	

**The table has been prepared on the following assumptions:**

1. Variable A is 701,160,709 being the number of ordinary securities on issue at the date of this Notice of Meeting.
2. The Company issues the maximum number of Equity Securities available under the Additional 10% Placement Facility.
3. No Options (including any Listed Options issued under the Additional 10% Placement Facility) or Performance Rights are exercised into Shares before the date of issue of the Equity Securities.

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4. The Company has not issued any other Equity Securities using its placement capacity under ASX Listing Rule 7.1 or 7.1A in the 12 months preceding this Notice of Meeting.
5. 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%.
6. The table does not show an example of dilution that may be caused to a particular Shareholder by reason of placements under the Additional 10% Placement Facility, based on that Shareholder's holding at the date of the Meeting. All Shareholders should consider the dilution caused to their own shareholding depending on their specific circumstances.
7. The table shows only the effect of issues of Equity Securities under ASX Listing Rule 7.1A, not under the 15% placement capacity under ASX Listing Rule 7.1.
8. The issue price is \$0.086, being the closing price of the Shares on ASX on 26 October 2021, being the last trading day before the date of this Notice of Annual General Meeting.

### **1.1.2 Allocation Policy**

The Company's allocation policy is dependent on the prevailing market conditions at the time of any proposed issue pursuant to the Additional 10% Placement Facility. The identity of the persons to which the Company will issue the 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 issues in which existing security holders can participate;
- (a) the effect of the issue of the Equity Securities on the control of the Company;
- (b) the financial situation and solvency of the Company; and
- (c) advice from corporate, financial and broking advisers (if applicable).

The persons to whom the Company will issue Equity Securities under the Additional 10% Placement Facility have not been determined as at the date of this Notice but may include existing substantial Shareholders and / or new Shareholders who are not related parties or associates of a related party of the Company.

Further, if the Company is successful in acquiring new resources assets or investments, it is likely that the persons to whom the Company will Equity Securities under the 10% Placement Facility will be the vendors of the new resources assets or investments.

### **1.1.3 Previous issues of Equity Securities under ASX Listing Rule 7.1A**

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

### **1.1.4 Voting exclusion statement**

A voting exclusion statement is included in this Notice. At the date of the Notice of Meeting, the Company has not approached any particular

existing security holder or an identifiable class of existing security holders to participate in the issue of the Equity Securities. Accordingly, the proposed persons to whom any Equity Securities may be issued to under the 10% Placement Facility are not as yet known or identified.

In these circumstances (and in accordance with guidance in ASX Guidance Note 21 relating to ASX Listing Rule 7.1A), ASX considers a material benefit to be one that is likely to induce the recipient of the benefit to vote in favour of the transaction regardless on its impact on ordinary security holders. Where it is not known who will participate in the proposed issue (as is the case in respect of any Equity Securities issued under the 10% Placement Facility), Shareholders must consider the proposal on the basis that they may or may not get a benefit and that it is possible that their holding will be diluted, and there is no reason to exclude their votes.

No existing Shareholders' votes will therefore be excluded from voting on Resolution 4.

## **1.2 Board recommendation**

The Board believes that the Additional 10% Placement Facility is beneficial for the Company as it will give the Company the flexibility to issue further securities representing up to 10% of the Company's share capital during the next 12 months. Accordingly, the Board unanimously recommend that Shareholders approve Resolution 4.

## **2. RESOLUTION 5 – CONDITIONAL SPILL RESOLUTION**

### **2.1 Background**

Resolution 5 is a contingent Resolution and will only be put to the Annual General Meeting and voted on if 25% or more of the votes cast on Resolution 1 are cast against the adoption of the Remuneration Report, which means the Company receives a 'second strike'. If less than 25% of votes cast are against the Remuneration Report at this Annual General Meeting, then there will be no 'second strike' and Resolution 5 will not be put to the Annual General Meeting.

If put forward to the Meeting, the Spill Resolution will be considered as an ordinary resolution. If this Spill Resolution is passed and becomes effective then it will be necessary for the Board to convene a further general meeting of Shareholders (Spill Meeting) within 90 days of the Annual General Meeting in order to consider the composition of the Board.

### **2.2 Mechanics of potential Spill Meeting**

Shareholders should note the following if the Spill Resolution is approved and a Spill Meeting is required to be held by the Company:

- (a) The following non-executive Directors would automatically cease to hold office at the end of the Spill Meeting unless they are willing to stand for re-election and are re-elected at that meeting:
  - i. Cliff Lawrenson;
  - ii. David Netherway;
  - iii. Steven Zaninovich; and
  - iv. Peter Su.

The Directors listed above are those who held office on 30 September 2021 when the director's report (including the Remuneration Report) for the year

ended 30 June 2021 was approved. Each of the listed non-executive directors would be eligible to seek re-election at any Spill Meeting.

- (b) If any directors were to be appointed before the Spill Meeting, they would not need to stand for election or re-election at the Spill Meeting to remain in office.
- (c) Resolutions to appoint individuals to the offices that would be vacated immediately before the end of the Spill Meeting would be put to the vote at that meeting. Eligibility for election as a director at any spill meeting would be determined in accordance with the Company's Constitution.

For the Spill Resolution to be passed at the meeting, more than 50% of the votes validly cast on Resolution 5 must be in favour.

The Corporations Act requires the company to have a minimum of three Directors including at least two directors who ordinarily reside in Australia. If, following the Spill Meeting, the Company has fewer than three Directors, then the persons with the highest percentage of votes in favour of their election at the Spill Meeting are taken to be an appointee, even if less than half the votes cast on the Resolution were in favour of their appointment. If two or more persons have the same percentage of votes in favour of their appointment, the other Directors will choose one of those persons as the appointed Director.

In deciding how to vote on Resolution 5, the Board suggests Shareholders take the following factors into account:

- (a) the cost to the Company of holding a Spill Meeting;
- (b) the likelihood of the Spill Meeting disrupting the Board and drawing the Company's focus away from core business operations due to the necessary diversion of resources and time towards organising the Spill Meeting; and
- (c) the uncertainty as to the composition and continuity of the Board until the Spill Meeting is held. Such uncertainty may have a negative effect on the Company's share price.

### **2.3 Voting Exclusion Statement**

The company will disregard any votes cast in favour of Resolution 5 by a Director of the Company or member of the Key Management Personnel whose remuneration details are included in the 2021 Remuneration Report, or an associate or a Closely Related Party of such member; regardless of the capacity in which the vote is cast.

However, the Company will not disregard a vote if it is cast by a person as a proxy for a person who is entitled to vote, in accordance with the directions on the Proxy Form, or, it is cast by the person chairing the meeting as proxy for a person who is entitled to vote, in accordance with a direction on the Proxy Form to vote as the proxy decides.

No Key Management Personnel of the Company or a Closely Related Party of such Key Management Personnel may vote as a proxy on the proposed Resolution 5 unless the person votes as a proxy appointed by writing that specifies how the person is to vote on the proposed Resolution 5 or the person chairing the meeting votes as a proxy appointed by writing that authorises the chair to vote on the proposed Resolution 5 even though the resolution is connected directly or indirectly with the remuneration of the Key Management Personnel of the Company.

**2.4 Director's Recommendation**

If it is required to be put to the Meeting, the Board recommends that Shareholders vote against Resolution 5.

**2.5 Chair's Voting Intention**

The Chair intends to vote all available undirected proxies against Resolution 5.

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## GLOSSARY

\$ means Australian dollars.

**Annual Financial Statements** has the meaning given to that term in section 3.

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

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

**ASX** means ASX Limited (ACN 008 624 691) or the financial market operated by ASX Limited, as the context requires.

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

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

**Chair** means the chair of the Meeting.

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

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

**Company** means Canyon Resources Limited (ACN 140 087 261).

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

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

**Directors' Report** has the meaning given to that term in section 4

**Earlier Annual General Meeting** means the Annual General Meeting immediately preceding this Notice of Annual General Meeting.

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

**Explanatory Memorandum** means the Explanatory Memorandum accompanying the Notice.

**Key Management Personnel** has the meaning given to that term in section 9 of the Corporations Act.

**Later Annual General Meeting** means the Annual General Meeting or Meeting the subject of this Notice.

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

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

**Remuneration Report** has the meaning given to that term in section 4.

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

**Section** means a section of the Explanatory Memorandum.

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

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

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

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## Need assistance?



**Phone:**

1300 850 505 (within Australia)  
+61 3 9415 4000 (outside Australia)



**Online:**

[www.investorcentre.com/contact](http://www.investorcentre.com/contact)



## YOUR VOTE IS IMPORTANT

For your proxy appointment to be effective it must be received by **3:00pm (AWST) on Saturday, 27 November 2021.**

# Proxy Form

## How to Vote on Items of Business

All your securities will be voted in accordance with your directions.

### APPOINTMENT OF PROXY

**Voting 100% of your holding:** Direct your proxy how to vote by marking one of the boxes opposite each item of business. If you do not mark a box your proxy may vote or abstain as they choose (to the extent permitted by law). If you mark more than one box on an item your vote will be invalid on that item.

**Voting a portion of your holding:** Indicate a portion of your voting rights by inserting the percentage or number of securities you wish to vote in the For, Against or Abstain box or boxes. The sum of the votes cast must not exceed your voting entitlement or 100%.

**Appointing a second proxy:** You are entitled to appoint up to two proxies to attend the meeting and vote on a poll. If you appoint two proxies you must specify the percentage of votes or number of securities for each proxy, otherwise each proxy may exercise half of the votes. When appointing a second proxy write both names and the percentage of votes or number of securities for each in Step 1 overleaf.

**A proxy need not be a securityholder of the Company.**

### SIGNING INSTRUCTIONS FOR POSTAL FORMS

**Individual:** Where the holding is in one name, the securityholder must sign.

**Joint Holding:** Where the holding is in more than one name, all of the securityholders 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 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 also 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. Delete titles as applicable.

### PARTICIPATING IN THE MEETING

#### Corporate Representative

If a representative of a corporate securityholder or proxy is to participate in the meeting you will need to provide the appropriate "Appointment of Corporate Representative". A form may be obtained from Computershare or online at [www.investorcentre.com/au](http://www.investorcentre.com/au) and select "Printable Forms".

## Lodge your Proxy Form:

**XX**

### Online:

Lodge your vote online at [www.investorvote.com.au](http://www.investorvote.com.au) using your secure access information or use your mobile device to scan the personalised QR code.

Your secure access information is



**Control Number: 186212**

**SRN/HIN:**

For Intermediary Online subscribers (custodians) go to [www.intermediaryonline.com](http://www.intermediaryonline.com)

### By Mail:

Computershare Investor Services Pty Limited  
GPO Box 242  
Melbourne VIC 3001  
Australia

### By Fax:

1800 783 447 within Australia or  
+61 3 9473 2555 outside Australia



**PLEASE NOTE:** For security reasons it is important that you keep your SRN/HIN confidential.

**Change of address.** If incorrect, mark this box and make the correction in the space to the left. Securityholders sponsored by a broker (reference number commences with 'X') should advise your broker of any changes.

# Proxy Form

Please mark  to indicate your directions

## Step 1 Appoint a Proxy to Vote on Your Behalf

XX

I/We being a member/s of Canyon Resources Limited hereby appoint

the Chairman of the Meeting **OR**

**PLEASE NOTE:** Leave this box blank if you have selected the Chairman of the Meeting. Do not insert your own name(s).

or failing the individual or body corporate named, or if no individual or body corporate is named, the Chairman of the Meeting, as my/our proxy to act generally at the meeting on my/our behalf and 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 Canyon Resources Limited to be held at Meeting Room 1, QV1 Conference Centre, Level 2, 250 St Georges Terrace, Perth, WA 6000 on Monday, 29 November 2021 at 3:00pm (AWST) and at any adjournment or postponement of that meeting.

**Chairman authorised to exercise undirected proxies on remuneration related resolutions:** Where I/we have appointed the Chairman of the Meeting as my/our proxy (or the Chairman becomes my/our proxy by default), I/we expressly authorise the Chairman to exercise my/our proxy on Resolutions 1 and 5 (except where I/we have indicated a different voting intention in step 2) even though Resolutions 1 and 5 are connected directly or indirectly with the remuneration of a member of key management personnel, which includes the Chairman.

**The Chairman of the Meeting intends to vote undirected proxies in favour of each item of business with the exception of Resolution 5 where the Chairman of the Meeting intends to vote against.**

**Important Note:** If the Chairman of the Meeting is (or becomes) your proxy you can direct the Chairman to vote for or against or abstain from voting on Resolutions 1 and 5 by marking the appropriate box in step 2.

## Step 2 Items of Business

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

	For	Against	Abstain
Resolution 1 Adoption of Remuneration Report	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Resolution 2 Election of Cliff Lawrenson as Non-executive Chairman	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Resolution 3 Re-election of Steven Zaninovich as a Non-executive Director	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Resolution 4 Approval of Additional 10% Placement Capacity	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Resolution 5 Conditional Spill Resolution	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>

The Chairman of the Meeting intends to vote undirected proxies in favour of each item of business with the exception of Resolution 5 where the Chairman of the Meeting intends to vote against. In exceptional circumstances, the Chairman of the Meeting may change his/her voting intention on any resolution, in which case an ASX announcement will be made.

## Step 3 Signature of Securityholder(s) *This section must be completed.*

Individual or Securityholder 1  Securityholder 2  Securityholder 3  / /  
 Sole Director & Sole Company Secretary Director Director/Company Secretary Date

**Update your communication details** (Optional)

Mobile Number  Email Address  By providing your email address, you consent to receive future Notice of Meeting & Proxy communications electronically

