

# Magmatic Resources Limited ACN 615 598 322

## Notice of Annual General Meeting and Explanatory Memorandum

Date of Meeting: Monday, 29 November 2021

Time of Meeting: 10.30am AWST

Place of Meeting: Level 2, 22 Mount Street, Perth WA 6000

This is an important document. Please read it carefully.

If you are unable to attend the Meeting, please complete your proxy form and return it in accordance with the instructions set out on that form.

With regards to the COVID-19 pandemic, the Company will adhere to all social distancing measures prescribed by government authorities at the Annual General Meeting, and Shareholders attending the Annual General Meeting will need to ensure they comply with the protocols. We are concerned for the safety and health of Shareholders, staff and advisers, so we will put in place certain measures including social distancing requirements.

If Shareholders wish to attend the Meeting in person they will need to contact the Company Secretary Ms Andrea Betti (email: [abetti@magmaticresources.com](mailto:abetti@magmaticresources.com)) in order for the Company to ensure it is able to maintain compliance with COVID related restrictions applicable as at the Annual General Meeting date.

As a precaution in relation to COVID-19 and in compliance with ASX guidelines, each Resolution will be decided by poll, based on proxy votes and by votes from Shareholders in attendance at the Annual General Meeting. Shareholders are strongly encouraged to vote by lodging the proxy form attached to this Notice of Meeting in accordance with the instructions set out on that form by no later than 10.30am AWST on 27 November 2021.

# Notice of Annual General Meeting

Notice is given that an Annual General Meeting of shareholders of Magmatic Resources Limited ACN 615 598 322 (Company) will be held at Level 2, 22 Mount Street, Perth WA 6000 on 29 November 2021 at 10.30am AWST.

## Agenda

### Ordinary business

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### Financial Statements and Reports

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

### 1. Resolution 1: Adoption of Remuneration Report

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

*"That, for the purposes of section 250R(2) of the Corporations Act and for all other purposes, approval is given for the adoption of the Remuneration Report as contained in the Company's annual financial report for the financial year ended 30 June 2021."*

Note: the vote on this Resolution 1 is advisory only and does not bind the Directors or the Company.

#### **Voting Exclusion Statement:**

A vote on this Resolution 1 must not be cast (in any capacity) by or on behalf of either of the following persons:

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

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

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

#### **Voting Intentions of Chair:**

Shareholders should be aware that any undirected proxies given to the Chair will be cast by the Chair and counted in favour of the Resolution the subject of this Meeting, including Resolution 1, subject to compliance with the Corporations Act.

Further details, in relation to the ability of the Chair to vote on undirected proxies are set out in the accompanying Explanatory Memorandum.

### 2. Resolution 2: Re-election of Director – Mr David Berrie

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

*"That, for the purpose of clause 39.6 of the Constitution, ASX Listing Rule 14.4 and for all other purposes, Mr David Berrie retires, and being eligible, be re-elected as a Director."*

### 3. Resolution 3: Issue of Options to a Related Party – Mr David Richardson

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

*"That, for the purpose of ASX Listing Rule 10.11 and for all other purposes, approval is given for the Company to issue 4,000,000 Options to Mr David Richardson (or his nominee), on the terms and conditions set out in the Explanatory Memorandum accompanying this Notice of Meeting."*

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## **Voting Exclusion Statement:**

The Company will disregard any votes cast in favour of Resolution 3 by or on behalf of Mr David Richardson (or his nominee) and any other person who will obtain a material benefit as a result of the issue of the securities (except a benefit solely by reason of being a holder of ordinary securities in the Company) or an associate of that person or those persons. However, this does not apply to a vote cast in favour of the Resolution by:

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

## **Voting Prohibition Statement:**

A person appointed as a proxy must not vote on the basis of that appointment on this Resolution if:

- (a) the proxy is either a member of key management personnel or a closely related party of such a member; or
- (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 person Chairing the meeting; and
- (b) the appointment expressly authorises the person chairing the meeting to exercise the proxy even if the Resolution is connected directly or indirectly with the remuneration of a member of the key management personnel for the company.

## **4. Resolution 4: Issue of Options to a Related Party – Mr David Berrie**

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

*“That, for the purpose of ASX Listing Rule 10.11 and for all other purposes, approval is given for the Company to issue 2,000,000 Options to Mr David Berrie (or his nominee), on the terms and conditions set out in the Explanatory Memorandum accompanying this Notice of Meeting.*”

## **Voting Exclusion Statement:**

The Company will disregard any votes cast in favour of Resolution 4 by or on behalf of Mr David Berrie (or his nominee) and any other person who will obtain a material benefit as a result of the issue of the securities (except a benefit solely by reason of being a holder of ordinary securities in the Company) or an associate of that person or those persons. However, this does not apply to a vote cast in favour of the Resolution by:

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

## **Voting Prohibition Statement:**

A person appointed as a proxy must not vote on the basis of that appointment on this Resolution if:

- (a) the proxy is either a member of key management personnel or a closely related party of such a member; or
- (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 person Chairing the meeting; and
- (b) the appointment expressly authorises the person chairing the meeting to exercise the proxy even if the Resolution is connected directly or indirectly with the remuneration of a member of the key management personnel for the company.

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## 5. Resolution 5: Approval of 10% Placement Capacity

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To consider and, if thought fit, to pass the following resolution as a **special resolution**:

*“That, for the purposes of Listing Rule 7.1A and for all other purposes, approval is given for the Company to issue up to that number of Equity Securities equal to 10% of the issued capital of the Company at the time of issue, calculated in accordance with the formula prescribed in ASX Listing Rule 7.1A.2 and otherwise on the terms and conditions set out in the Explanatory Memorandum.”*

**Voting Exclusion Statement:**

The Company will disregard any votes cast in favour of the Resolution by or on behalf of a person who is expected to participate in, or who will obtain a material benefit as a result of, the proposed issue (except a benefit solely by reason of being a holder of ordinary securities in the Company) or an associate of that person (or those persons).

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

- (a) a person as a proxy or attorney for a person who is entitled to vote on the Resolution, in accordance with the directions given to the proxy or attorney to vote on the Resolution in that way; or
- (b) the Chair as proxy or attorney for a person who is entitled to vote on the Resolution, in accordance with a direction given to the Chair to vote on the Resolution as the Chair decides; or
- (c) a holder acting solely in a nominee, trustee, custodial or other fiduciary capacity on behalf of a beneficiary provided the following conditions are met:
  - (1) 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
  - (2) the holder votes on the Resolution in accordance with directions given by the beneficiary to the holder to vote in that way.

## 6. General Business

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To consider any other business as may be lawfully put forward in accordance with the Constitution of the Company.

**By order of the Board**

**Ms Andrea Betti**  
**Company Secretary**  
18 October 2021

# Notice of Annual General Meeting

## Proxies and representatives

Shareholders are entitled to appoint a proxy to attend and vote on their behalf. Where a shareholder is entitled to cast two or more votes at the meeting, they may appoint two proxies. Where more than one proxy is appointed, each proxy may be appointed to represent a specific proportion or number of votes the shareholder may exercise. If the appointment does not specify the proportion or number of votes each proxy may exercise, each proxy may exercise half of the votes. The proxy may, but need not, be a shareholder of the Company.

Shareholders who are a body corporate are able to appoint representatives to attend and vote at the meeting under Section 250D of the *Corporations Act 2001* (Cth). The proxy form must be signed by the shareholder or his/her attorney duly authorised in writing or, if the shareholder is a corporation, in a manner permitted by the *Corporations Act*.

The proxy form (and the power of attorney or other authority, if any, under which the proxy form is signed) or a copy or facsimile which appears on its face to be an authentic copy of the proxy form (and the power of attorney or other authority) must be **deposited at, posted to, scanned and emailed or sent by facsimile transmission to the address listed below** not less than 48 hours before the time for holding the meeting, or adjourned meeting as the case may be, at which the individual named in the proxy form proposes to vote.

<b>BY MAIL</b> Computershare Investor Services Pty Limited GPO Box 242 Melbourne VIC 3001 Australia  <b>BY FAX</b> 1800 783 447 within Australia or +61 3 9473 2555 outside Australia	<b>ONLINE</b> Lodge your vote online at <a href="http://www.investorvote.com.au">www.investorvote.com.au</a> using your secure access information as provided in your proxy  <b>ALL ENQUIRIES TO</b> 1300 850 505 (within Australia) +61 3 9415 4000 (outside Australia)
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If a representative of the corporation is to attend the meeting the appropriate "Certificate of Appointment of Corporate Representative" should be produced prior to admission. A form of the certificate may be obtained from the Company's share registry.

## Voting entitlement

For the purposes of determining voting entitlements at the Meeting, shares will be taken to be held by the persons who are registered as holding the shares at 10.30am AWST on 27 November 2021.

Accordingly, transactions registered after that time will be disregarded in determining entitlements to attend and vote at the Meeting.

## Signing instructions

You must sign the proxy form as follows in the spaces provided:

<b>Individual:</b>	Where the holding is in one name, the holder must sign.
<b>Joint Holding:</b>	Where the holding is in more than one name, either holder may sign.
<b>Power of Attorney:</b>	To sign under Power of Attorney, please attach a certified photocopy of the Power of Attorney to this form when you return it.
<b>Companies:</b>	Where the company has a Sole Director who is also the Sole Company Secretary, this form must be signed by that person. If the company (pursuant to section 204A of the Corporations Act 2001) does not have a Company Secretary, a Sole Director can sign alone.  Otherwise this form must be signed by a Director jointly with either another Director or a Company Secretary.  Please indicate the office held by signing in the appropriate place.

# Explanatory Memorandum

## 1. Introduction

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This Explanatory Memorandum is provided to shareholders Magmatic Resources Limited ACN 615 598 322 (**MAG** or **Company**) to explain the resolutions to be put to Shareholders at the Annual General Meeting to be held at Level 2, 22 Mount Street, Perth WA 6000 on 29 November 2021 commencing at 10.30am AWST.

The Directors recommend Shareholders read the accompanying Notice of Meeting and this Explanatory Memorandum in full before making any decision in relation to the resolutions.

Subject to the abstentions noted below, the Directors unanimously recommend that Shareholders vote in favour of all Resolutions. The Chair of the Meeting intends to vote all available undirected proxies in favour of each resolution.

Terms used in this Explanatory Memorandum are defined in Section 8.

## 2. Financial Statements and Reports

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In accordance with the Constitution, the business of the Annual General Meeting will include receipt and consideration of the annual financial report of the Company for the financial year ended 30 June 2021 together with the declaration of the Directors, the Directors' report, the Remuneration Report, and the auditor's report.

There is no requirement for shareholders to approve these reports. However, time will be allowed during the annual general meeting for consideration by shareholders of the financial statements and the associated directors' and auditors' reports.

The Company will not provide a hard copy of the Company's annual financial report to Shareholders unless specifically requested to do so. The Company's annual financial report is available on its website at [magmaticresources.com](http://magmaticresources.com).

The Company's Annual Report is placed before the Shareholders for discussion.

No voting is required for this item.

## 3. Resolution 1: Adoption of Remuneration Report

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### 3.1 General

The Corporations Act requires that at a listed company's annual general meeting, a resolution that the remuneration report be adopted must be put to the shareholders. However, such a resolution is advisory only and does not bind the company or the directors of the company.

The remuneration report sets out the Company's remuneration arrangements for the directors and senior management of the Company. The remuneration report is part of the directors' report contained in the annual financial report of the company for a financial year.

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

### 3.2 Voting Consequences

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

If more than 50% of votes cast are in favour of the Spill Resolution, the company must convene a shareholder meeting (**Spill Meeting**) within 90 days of the second annual general meeting.

All of the directors of the Company who were in office when the directors' report (as included in the Company's annual financial report for the most recent financial year) was approved, other than the managing director of the company, will cease to hold office immediately before the end of the Spill Meeting but may stand for re-election at the Spill Meeting.

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

## 3.3 Previous Voting Results

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

## 4. Resolution 2: Re-election of Director – Mr David Berrie

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### 4.1 General

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

The Constitution allows the Directors to appoint at any time a person to be a Director either to fill a casual vacancy or as an addition to the existing Directors, but only where the total number of Directors does not at any time exceed the maximum number specified by the Constitution.

Pursuant to the Constitution and ASX Listing Rule 14.4, any Director so appointed holds office only until the next annual general meeting and is then eligible for election by Shareholders but shall not be taken into account in determining the Directors who are to retire by rotation (if any) at that meeting.

Mr Berrie was last elected at the 2018 annual general meeting. Accordingly, Mr Berrie retires at this Annual General Meeting and offers himself for re-election.

### 4.2 Qualifications and Other Material Directorships

Mr Berrie has over 30 years' experience in the mining industry and has extensive public company experience. He worked as a solicitor in the mining team at Clayton Utz before joining the international mining house Western Mining Corporation in 1987 with much of that time spent in the exploration division before transitioning over to BHP Billiton. Mr Berrie has a Bachelor of Laws and a Bachelor of Jurisprudence from the University of Western Australia.

Mr Berrie has no other current directorships outside the Company. Mr Berrie was previously a director of Hylea Metals Limited.

Mr Berrie is not considered to be independent due to his substantial shareholder interest in the securities of the Company.

### 4.3 Board Recommendation

The Board supports the election of Mr Berrie as a Director of the Company and recommends (with Mr Berrie abstaining) that Shareholders vote in favour of Resolution 2.

## 5. Resolutions 3 and 4: Issue of Options to Related Parties – Mr David Richardson and Mr David Berrie

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### 5.1 General

The Company has agreed, subject to obtaining Shareholder approval, to issue an aggregate of 6,000,000 Options (**Related Party Options**) to Mr David Richardson and Mr David Berrie (or their nominees) (**Related Parties**) as part of the remuneration package for each of the Related Parties on the terms and conditions set out below.

The primary purpose of the grant of the Related Party Options to the Related Parties is to provide a performance linked incentive component in the remuneration package for the Related Parties to motivate and reward the performance of the Related Parties in their respective roles as Directors.

In addition, the Company considers that the issue of the Related Party Options:

- (a) will align the interests of the Related Parties with those of Shareholders; and
- (b) is a reasonable and appropriate method to provide cost effective remuneration as the non-cash form of this benefit will allow the Company to spend a greater proportion of its cash reserves on

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its operations that it would if alternative cash forms of remuneration were given to the Related Parties.

Resolutions 3 and 4 seek Shareholder approval for the grant of the Related Party Options to the Related Parties, as follows:

Director (or nominee)	Number of Options
Mr David Richardson	4,000,000
Mr David Berrie	2,000,000

Resolutions 3 and 4 are ordinary resolutions.

The Chair intends to exercise all available proxies in favour of Resolutions 3 and 4.

If the Chair is appointed as your proxy and you have not specified the way the Chair is to vote on Resolutions 3 and 4, by signing and returning the Proxy Form, you are giving your express authorisation to allow the Chair to vote in accordance with the Chair's intention, even though the Resolution is connected directly or indirectly with the remuneration of a member of the Key Management Personnel.

## 5.2 Chapter 2E of the Corporations Act

For a public company, or an entity that the public company controls, to give a financial benefit to a related party of the public company, the public company or entity must:

- (a) obtain the approval of the public company's members in the manner set out in sections 217 to 227 of the Corporations Act; and
- (b) give the benefit within 15 months following such approval,

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

The grant of Related Party Options constitutes giving a financial benefit and Mr David Richardson and Mr David Berrie are related parties of the Company by virtue of being Directors.

The Directors (other than Mr David Richardson who has a material personal interest in Resolution 3) consider that Shareholder approval pursuant to Chapter 2E of the Corporations Act is not required in respect of Resolution 3 because the agreement to issue the Related Party Options, reached as part of the remuneration package for Mr David Richardson, is considered reasonable remuneration in the circumstances and was negotiated on an arm's length basis.

The Directors (other than Mr David Berrie who has a material personal interest in Resolution 4) consider that Shareholder approval pursuant to Chapter 2E of the Corporations Act is not required in respect of Resolution 4 because the agreement to issue the Related Party Options, reached as part of the remuneration package for Mr David Berrie, is considered reasonable remuneration in the circumstances and was negotiated on an arm's length basis.

## 5.3 ASX Listing Rule 10.11

ASX Listing Rule 10.11 also requires shareholder approval to be obtained where an entity issues, or agrees to issue, securities to a related party, or a person whose relationship with the entity or a related party is, in ASX's opinion, such that approval should be obtained unless an exception in ASX Listing Rule 10.12 applies.

As the grant of the Related Party Options involves the issue of securities to related parties of the Company, shareholder approval pursuant to Listing Rule 10.11 is required unless an exception applies. It is the view of the Directors that the exceptions set out in Listing Rule 10.12 do not apply in the current circumstances.

Further, pursuant to Listing Rule 7.2 Exception 14, the effect of passing Resolutions 3 and 4 will be to allow the Company to issue up to 6,000,000 Options to Mr David Richardson and Mr David Berrie (and/or their nominees) without using up the Company's 15% placement capacity under Listing Rule 7.1.

If Resolutions 3 and 4 are passed, the Company will be able to proceed with the grant of options and Mr Richardson and Mr Berrie (or their nominees) will be granted the Related Party Options.



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If Resolutions 3 and 4 are not passed, the Company will not be able to proceed with the grant and Mr Richardson and Mr Berrie will not be granted Related Party Options. The Company may then need to consider increasing the levels of cash remuneration to Mr Richardson and Mr Berrie.

## 5.4 Technical Information required by ASX Listing Rule 10.13

Pursuant to and in accordance with Listing Rule 10.13, the following information is provided in relation to Resolutions 3 and 4:

- (a) the Related Party Options will be granted to Mr David Richardson and Mr David Berrie (or their nominees);
- (b) Mr Richardson and Mr Berrie fall within the category set out in Listing Rule 10.11.1 by virtue of being Directors. If the Options are issued to a nominee of either Mr Richardson or Mr Berrie, then the nominee will be an Associate of either Mr Richardson or Mr Berrie (as applicable) and fall under Listing Rule 10.11.4;
- (c) the number of Related Party Options to be issued is 6,000,000 comprising of:
  - (i) 4,000,000 to Mr David Richardson (Resolution 3);
  - (ii) 2,000,000 to Mr David Berrie (Resolution 4);
- (d) the terms and conditions of the Related Party Options are set out in Schedule 1;
- (e) the Related Party Options will be granted no later than 1 month after the date of the Meeting (or such later date to the extent permitted by any ASX waiver or modification of the ASX Listing Rules) and it is intended that issue of the Options will occur on the same date;
- (f) the Related Party Options will be issued for nil cash consideration, accordingly no funds will be raised;
- (g) the purpose of the issue of the Related Party Options is to provide an equity component in the remuneration packages for Mr Richardson and Mr Berrie to align their interests with those of Shareholders, to motivate and reward the performance of Mr Richardson and Mr Berrie in their roles as Directors and to provide a cost effective way from the Company to remunerate Mr Richardson and Mr Berrie which will allow the Company to spend a greater proportion of its cash reserves on its operations than it would if alternative cash forms of remuneration were given to them.
- (h) the Related Parties current total remuneration packages inclusive of superannuation are as follows:

Director (or nominee)	Current Total Remuneration Package
Mr David Richardson	\$231,000
Mr David Berrie	\$110,000

- (i) voting exclusion statement is included in the Notice for Resolutions 3 and 4.

## 6. Resolution 5: Approval of 10% Placement Capacity

### 6.1 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.

However, under Listing Rule 7.1A, an eligible entity may seek shareholder approval by way of a special resolution passed at its annual general meeting to increase this 15% limit by an extra 10% to 25% (**10% Placement Capacity**).

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An 'eligible entity' means an entity which is not included in the S&P/ASX 300 Index and has a market capitalisation of \$300,000,000 or less. The Company is an eligible entity for these purposes.

Resolution 5 seeks Shareholder approval by way of special resolution for the Company to have the additional 10% placement capacity provided for in Listing Rule 7.1A to issue Equity Securities without Shareholder approval.

If Resolution 5 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 5 is not passed, the Company will not be able to access the additional 10% capacity to issue Equity Securities without Shareholder approval under 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.

## 6.2 Information on 10% Placement Capacity

### (a) Quoted securities

Any Equity Securities issued under the 10% placement capacity must be in the same class as an existing class of Equity Securities of the Company that are quoted on ASX.

As at the date of this Notice, the Company currently has one class of Equity Securities quoted on ASX, being Ordinary Shares (ASX Code: MAG).

### (b) Formula for 10% placement capacity

If this Resolution 5 is passed, the Company may issue or agree to issue, during the 12 month period after this Meeting, the number of Equity Securities calculated in accordance with the following formula.

$$\text{Additional Placement Capacity} = (A \times D) - E$$

A = the number of fully-paid ordinary securities on issue at the commencement of the Relevant Period:

- 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;
- plus the number of fully-paid ordinary securities issued in the Relevant Period on the conversion of convertible securities within Listing Rule 7.2 exception 9 where:
  - the convertible securities were issued or agreed to be issued before the commencement of the Relevant Period; or
  - 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 7.4;
- plus the number of fully-paid ordinary securities issued in the Relevant Period under an agreement to issue securities within rule 7.2 exception 16 where:
  - the agreement was entered into before the commencement of the Relevant Period; or
  - the agreement or issue was approved, or taken under the Listing Rules to have been approved under Listing Rule 7.1 or 7.4;
- plus the number of fully paid ordinary securities issued in the Relevant Period with approval under Listing Rule 7.1 or ASX Listing Rule 7.4;
- plus the number of partly-paid ordinary securities that became fully-paid in the Relevant Period;
- less the number of fully-paid ordinary securities cancelled in the Relevant Period;

D = 10%; and

E = 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 Shareholders under Listing Rule 7.4.

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## 6.3 Listing Rule Requirements

Pursuant to and in accordance with ASX Listing Rule 7.3A, the information below is provided in relation to this Resolution 5:

### (a) Period for which the 10% placement capacity is valid

The 10% placement capacity will commence on the date of the Meeting at which the Shareholder approval is obtained and expire on the first to occur of the following:

- (i) the date that is 12 months after the date of this Meeting (i.e. 29 November 2022), presuming Shareholder approval is obtained;
- (ii) the time and date of the Company's next annual general meeting; and
- (iii) the time and date of approval by Shareholders of any transaction under Listing Rule 11.1.2 (a significant change in the nature or scale of activities) or Listing Rule 11.2 (disposal of the main undertaking).

### (b) Minimum price at which equity securities may be issued

Any Equity Securities issued under the 10% placement capacity will be in an existing quoted class of Equity Securities and be issued at a minimum price of 75% of the volume weighted average price of Equity Securities in that 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 entity and the recipient of the Equity Securities; or
- (ii) if the Equity Securities are not issued within 10 trading days of the date in Section 10.1(b)(i), the date on which the Equity Securities are issued.

### (c) Use of funds raised under 10% placement capacity

The Company intends to use funds raised from issues of Equity Securities under the 10% placement capacity for:

- (i) the acquisition of new resources, assets and investments (including expenses associated with such an acquisition);
- (ii) continued exploration expenditure on the Company's current assets/or projects (funds would then be used for project, feasibility studies and ongoing project administration);
- (iii) the development of the Company's current business; and
- (iv) general working capital.

### (d) Risk of voting dilution

If Resolution 5 is passed and the Company issues securities under the 10% placement capacity, then there is a risk to existing Shareholders of economic and voting dilution, including the risk that:

- (i) the market price for Equity Securities in the same class may be significantly lower on the issue date of the new Equity Securities than on the date Shareholder approval is obtained for this Resolution; and
- (ii) the new Equity Securities may be issued at a price that is at a discount to the market price for Equity Securities in the same class on the issue date.

The table below shows the potential dilution of existing Shareholders following the issue of Equity Securities under the 10% placement capacity (based on the formula set out above) using difference variables for the number of issued Ordinary Shares and the market price of Ordinary Shares. The table below is calculated using the closing market price of Shares and the number of Equity Securities on issue as at 7 October 2021.

The table also shows the voting dilution impact where the number of Shares on issue (Variable A in the formula) changes and the economic dilution where there are changes in the issue price of Shares issued under the 10% placement capacity.

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Number of Shares on Issue (Variable 'A' in ASX Listing Rule 7.1A2)	Dilution			
	Issue Price (per Share)	\$0.05 (50% decrease in current issue price)	\$0.10 (Current issue price)	\$0.15 (50% increase in current issue price)
254,486,798 (Current Variable A)	Shares issued – 10% voting dilution	25,448,680	25,448,680	25,448,680
	Funds raised	\$1,272,434	\$2,544,868	\$3,817,302
381,730,197 (50% increase in Variable A)	Shares issued – 10% voting dilution	38,173,020	38,173,020	38,173,020
	Funds raised	\$1,908,651	\$3,817,302	\$5,725,953
508,973,596 (100% increase in Variable A)	Shares issued – 10% voting dilution	50,897,360	50,897,360	50,897,360
	Funds raised	\$2,544,868	\$5,089,736	\$7,634,604

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

The table above uses the following assumptions:

- (i) There are currently 254,486,798 existing Shares on issue as at the date of this Notice of Meeting.
- (ii) The issue price set out above is the closing price of the Shares on the ASX on 7 October 2021.
- (iii) The Company issues the maximum possible number of Equity Securities under the 10% Placement Capacity.
- (iv) The Company has not issued any Equity Securities in the 12 months prior to the Meeting that were not issued under an exception in ASX Listing Rule 7.2 or with approval under ASX Listing Rule 7.1.
- (v) The issue of Equity Securities under the 10% Placement Capacity consists only of Shares. It is assumed that no Options are exercised into Shares before the date of issue of the Equity Securities.
- (vi) The calculations above do not show the dilution that any one particular Shareholder will be subject to. All Shareholders should consider the dilution caused to their own shareholding depending on their specific circumstances.
- (vii) This table does not set out any dilution pursuant to approvals under ASX Listing Rule 7.1 unless otherwise disclosed.
- (viii) 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%.
- (ix) 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 Capacity, based on that Shareholder's holding at the date of the Meeting.

Shareholders should note that there is a risk that:

- (1) the market price for the Company's Shares may be significantly lower on the issue date than on the date of the Meeting; and
- (2) the Shares may be issued at a price that is at a discount to the market price for those Shares on the date of issue.

## (e) Allocation under the 10% placement capacity

The recipients of the Equity Securities to be issued under the 10% Placement Capacity have not yet been determined. However, the recipients of Equity Securities could consist

# Explanatory Memorandum

of current Shareholders or new investors (or both), none of whom will be related parties of the Company.

The Company will determine the recipients at the time of the issue under the 10% Placement Capacity, having regard to the following factors:

- (1) the purpose of the issue;
- (2) alternative methods for raising funds available to the Company at that time, including, but not limited to, an entitlement issue or other offer where existing Shareholders may participate;
- (3) the effect of the issue of the Equity Securities on the control of the Company;
- (4) the circumstances of the Company, including, but not limited to, the financial position and solvency of the Company;
- (5) prevailing market conditions; and
- (6) advice from corporate, financial and broking advisers (if applicable).

**(f) Previous approval under ASX Listing Rule 7.1A**

The Company previously obtained approval from its Shareholders pursuant to ASX Listing Rule 7.1A at its annual general meeting held on 18 December 2020 (**Previous Approval**).

The Company has issued 17,541,922 Shares since the last annual general meeting pursuant to the Previous Approval. All of these Shares were issued as part of a placement on 12 March 2021 (see ASX announcement on 3 March 2021).

During the period since the previous Annual General Meeting, being on and from 18 December 2020, the Company issued a total of 17,541,922 Shares under Listing Rule 7.1A which represents approximately 10.12% of the total number of Equity Securities on issue in the Company on 18 December 2020, which was 173,420,298 Shares.

The following additional information for this share issue is provided:

- (1) The shares were issued to professional and sophisticated investors who are clients of Euroz Hartleys Limited and Plutus Capital Advisory. None of the recipients are related parties of the Company.
- (2) The shares issued were fully paid ordinary shares in the capital of the Company issued on the same terms and conditions as the Company's existing Shares (ASX Code: MAG).
- (3) The issue price was 12 cents per share, which represented a 17.2% discount to the Company's previous close on 1 March 2021.
- (4) The total cash consideration was \$2,105,000 which has now been spent by the Company. The funds were used for exploration on the Company's projects, issue costs and working capital purposes.

The Company subsequently obtained ratification for the issue from shareholders at a general meeting held on 27 May 2021. The Company however made no further issues under Listing Rule 7.1A for the remainder of the 12-month period.

## 6.4 Voting Exclusion

A voting exclusion statement is included in this Notice of Meeting. As at the date of this Notice of Meeting, the Company has not invited any existing Shareholder to participate in an issue of Equity Securities under ASX Listing Rule 7.1A. Therefore, no existing Shareholders will be excluded from voting on this Resolution.

## 7. General Business

To consider any other business as may be lawfully put forward in accordance with the Constitution of the Company. Specific comments relating to the Resolution(s) are set out in the Explanatory Memorandum.

# Explanatory Memorandum

## 8. Interpretation

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**10% Placement Capacity** has the meaning given in Section 6.1.

**Annual General Meeting** means the Annual General Meeting of the Company pursuant to this Notice of Meeting.

**ASX** means ASX Limited ACN 008 624 691 or the Australian Securities Exchange (as applicable).

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

**Closely Related Party** has the meaning given in section 9 of the Corporations Act.

**Company or Magmatic or MAG** means Magmatic Resource Limited ACN 615 598 322.

**Constitution** means the constitution of the Company from time to time.

**Corporations Act** means the *Corporations Act 2001 (Cth)* as amended, varied or replaced from time to time.

**Director** means a director of the Company.

**Eligible Entity** means an entity that, at the date of the relevant general meeting:

- (a) is not included in the S&P/ASX 300 Index; and
- (b) has a maximum market capitalisation (excluding restricted securities and securities quoted on a deferred settlement basis) of \$300,000,000.

**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 this explanatory memorandum accompanying the Notice of Meeting.

**Key Management Personnel** has the definition given in the accounting standards as those persons having authority and responsibility for planning, directing and controlling the activities of the entity, directly and indirectly, including any director (whether executive or otherwise) of that entity.

**Listing Rules** means the official listing rules of the ASX as amended from time to time.

**Notice of Meeting** or **Notice** means the notice of meeting giving notice to shareholders of the Meeting, accompanying this Explanatory Memorandum.

**Official List** means the official list of the ASX.

**Option** means an option to acquire a Share.

**Ordinary Resolution** means a resolution passed by more than 50% of the votes cast at a general meeting of shareholders.

**Previous Approval** has the meaning given in section 6.1((f)).

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

**Remuneration Report** means the remuneration report set out in the Director's report section of the Company's annual financial report for the year ended 30 June 2021.

**Resolution** means a resolution proposed at the Meeting.

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

**Shareholder** or **MAG Shareholder** means a holder of Shares in the Company.

**Special Resolution** means a resolution:

- (a) of which notice has been given as set out in paragraph 249L(1)(c) of the Corporations Act; and
- (b) that has been passed by at least 75% of the votes cast by members entitled to vote on the resolution.

# Explanatory Memorandum

## SCHEDULE 1

### TERMS AND CONDITIONS OF RELATED PARTY OPTIONS

(a) **Entitlement**

Each Option entitles the holder to subscribe for one Share upon exercise of the Option.

(b) **Exercise Price and Expiry Date**

Subject to paragraph (h), the amount payable upon exercise of each Option will be at a premium to the 5-day volume weighted average price of the Company's Shares on ASX before the date of the Meeting as set out in the table below (**Exercise Price**) and each Option will expire at 5.00pm (WST) on 31 December 2024 (**Expiry Date**). An Option not exercised before the Expiry Date, or when the holder ceases as an employee or officer of the Company, will automatically lapse on that date.

Holder (or their nominee)	Number of Options	Exercise Price	Lapse
Mr David Richardson	2,700,000	50% premium	On expiry or on ceasing employment/being an officer
	1,300,000	100% premium	
Mr David Berrie	1,350,000	50% premium	On expiry or on ceasing employment/being an officer
	650,000	100% premium	

(c) **Exercise Period**

The Options are exercisable at any time on or prior to the Expiry Date (**Exercise Period**).

(d) **Notice of Exercise**

The Options may be exercised during the Exercise Period by notice in writing to the Company in the manner specified on the Option certificate (**Notice of Exercise**) and payment of the Exercise Price for each option being exercised in Australian currency by electronic funds transfer or other means of payment acceptable to the Company. A minimum of 5,000 Options must be exercised at any one time.

(e) **Exercise Date**

A Notice of Exercise is only effective on and from the date of receipt of the Notice of Exercise and the date of receipt of the payment of the Exercise Price for each Option being exercised in cleared funds (**Exercise Date**).

(f) **Timing of Issue of Shares on Exercise**

Within 15 Business Days after the Exercise Date, the Company will:

- issue the number of Shares required under these terms and conditions in respect of the number of Options specified in the Notice of Exercise and for which cleared funds have been received by the Company;
- if required, give ASX a notice that complies with section 708A(5)(e) of the Corporations Act, or, if the Company is unable to issue such a notice, lodge with ASIC a prospectus prepared in accordance with the Corporations Act and do all such things necessary to satisfy section 708A(11) of the Corporations Act to ensure that an offer for sale of the Shares does not require disclosure to investors; and
- if admitted to the official list of the ASX at the time, apply for official quotation on ASX of Shares issued pursuant to the exercise of the Options.

If a notice delivered under paragraph (f)(ii) for any reason is not effective to ensure that an offer for sale of the Shares does not require disclosure to investors, the Company must, no later than 20 Business Days after becoming aware of such notice being ineffective, lodge with ASIC a prospectus prepared in accordance with the Corporations Act and do all such things necessary

# Explanatory Memorandum

to satisfy section 708A(11) of the Corporations Act to ensure that an offer for sale of the Shares does not require disclosure to investors.

**(g) Shares Issued on Exercise**

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

**(h) Reconstruction of Capital**

If at any time the issued capital of the Company is reconstructed, all rights of an Optionholder are to be changed in a manner consistent with the Corporations Act and the ASX Listing Rules at the time of the reconstruction.

**(i) Participation in New Issues**

There are no participation rights or entitlements inherent in the Options and holders will not be entitled to participate in new issues of capital offered to Shareholders during the currency of the Options without exercising the Options.

**(j) Change in Exercise Price**

An Option does not confer the right to a change in Exercise Price or a change in the number of underlying securities over which the Option can be exercised.

**(k) Transferability**

The Options are transferable subject to any restriction or escrow arrangements imposed by ASX or under applicable Australian securities laws.





# MAGMATIC RESOURCES

Magmatic Resources Limited  
ABN 32 615 598 322

## 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 **10:30am (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

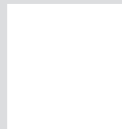
If a representative of a corporate securityholder or proxy is to participate in the meeting you will need to provide the appropriate "Appointment of Corporate Representative". A form may be obtained from Computershare or online at [www.investorcentre.com/au](http://www.investorcentre.com/au) and select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

## Lodge your Proxy Form:

### 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: 186124**  
**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

I/We being a member/s of Magmatic 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 Magmatic Resources Limited to be held at Level 2, 22 Mount Street, Perth, WA 6000 on Monday, 29 November 2021 at 10:30am (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 Items 1, 3 and 4 (except where I/we have indicated a different voting intention in step 2) even though Items 1, 3 and 4 are connected directly or indirectly with the remuneration of a member of key management personnel, which includes the Chairman.

**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 Items 1, 3 and 4 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
Item 1 Adoption of Remuneration Report	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Item 2 Re-election of Director – Mr David Berrie	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Item 3 Issue of Options to a Related Party – Mr David Richardson	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Item 4 Issue of Options to a Related Party – Mr David Berrie	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Item 5 Approval of 10% Placement Capacity	<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. 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

Sole Director & Sole Company Secretary

Securityholder 2

Director

Securityholder 3

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