

**Los Cerros Limited  
ACN 119 759 349**

**Notice of General Meeting**

**The General Meeting of the Company will be held at  
Suite 12, Level 1, 11 Ventnor Avenue, West Perth WA 6005, on 30 March 2020 at  
11:00am (WST).**

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

***Should you wish to discuss any matter, please do not hesitate to contact the Joint Company Secretaries by telephone on +61 8 6245 2050***

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

**Los Cerros Limited  
ACN 119 759 349  
(Company)**

## **Notice of General Meeting**

Notice is hereby given that a general meeting of Shareholders of Los Cerros Limited will be held at the offices of the Company at Suite 12, Level 1, 11 Ventnor Avenue, West Perth WA 6005, on 30 March 2020 at 11:00am (WST) (**Meeting**).

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

The Directors have determined pursuant to regulation 7.11.37 of the *Corporations Regulations 2001* (Cth) that the persons eligible to vote at the Meeting are those who are registered as Shareholders on 28 March 2020 at 11:00am (WST).

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

## **Agenda**

### **Resolution 1 – Ratification of prior issue of Tranche 1 Placement Shares under Listing Rule 7.1**

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

*'That, pursuant to and in accordance with Listing Rule 7.4 and for all other purposes, Shareholders ratify the issue of 24,939,860 Shares on the terms and conditions in the Explanatory Memorandum.'*

#### **Voting Exclusion**

The Company will disregard any votes cast in favour of this Resolution by or on behalf of a person who participated in the issue or is a counterparty to the agreement being approved.

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

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

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

## **Resolution 2 – Approval of issue of Tranche 2 Placement Shares**

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

*'That, pursuant to and in accordance with Listing Rule 7.1 and for all other purposes, Shareholders approve the issue of up to 27,560,140 Shares on the terms and conditions in the Explanatory Memorandum.'*

### **Voting Exclusion**

The Company will disregard any votes cast in favour of this 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 Shareholder) or an associate of those persons.

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

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

## **Resolution 3 – Approval of issue of Placement Options**

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

*'That, pursuant to and in accordance with Listing Rule 7.1 and for all other purposes, Shareholders approve the issue of up to 26,250,000 Options on the terms and conditions in the Explanatory Memorandum.'*

### **Voting Exclusion**

The Company will disregard any votes cast in favour of this 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 Shareholder) or an associate of those persons.

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

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

### **Resolution 4(a) and (b) – Approval of issue of Placement Shares and Placement Options to Director Ross Ashton**

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

*'That, pursuant to and in accordance with Listing Rule 10.11 and for all other purposes, Shareholders approve the issue of the following Securities to Director Ross Ashton (or his nominee):*

- (a) *up to 1,875,000 Shares; and*
- (b) *up to 937,500 Options,*

*on the terms and conditions in the Explanatory Memorandum.'*

### **Voting Exclusion**

The Company will disregard any votes cast in favour of these Resolutions by or on behalf of Ross Ashton (or his nominee), or a person who will obtain a material benefit as a result of, the proposed issue (except a benefit solely by reason of being a Shareholder) or an associate of those persons.

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

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

### **Resolution 5(a) and (b) – Approval of issue of Placement Shares and Placement Options to Director Kevin Wilson**

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

*'That, pursuant to and in accordance with Listing Rule 10.11 and for all other purposes, Shareholders approve the issue of the following Securities to Director Kevin Wilson (or his nominee):*

- (a) *up to 1,250,000 Shares; and*
- (b) *up to 625,000 Options,*

*on the terms and conditions in the Explanatory Memorandum.'*

#### **Voting Exclusion**

The Company will disregard any votes cast in favour of these Resolutions by or on behalf of Kevin Wilson (or his nominee), or a person who will obtain a material benefit as a result of, the proposed issue (except a benefit solely by reason of being a Shareholder) or an associate of those persons.

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

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

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

## **Resolution 6 – Approval of issue of SPP Options**

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

*'That, pursuant to and in accordance with Listing Rule 7.1 and for all other purposes, Shareholders approve the issue of up to 693,000,000 Options on the terms and conditions in the Explanatory Memorandum.'*

### **Voting Exclusion**

The Company will disregard any votes cast in favour of this 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 Shareholder) or an associate of those persons.

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

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

## **Resolution 7 – Approval of issue of SPP Options to Director Jason Stirbinskis**

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

*'That, pursuant to and in accordance with Listing Rule 10.11 and for all other purposes, Shareholders approve the issue of up to 375,000 Options to Director Jason Stirbinskis (or his nominee) on the terms and conditions in the Explanatory Memorandum.'*

### **Voting Exclusion**

The Company will disregard any votes cast in favour of this Resolution by or on behalf of Jason Stirbinskis (or his nominee) or a person who will obtain a material benefit as a result of, the proposed issue (except a benefit solely by reason of being a Shareholder) or an associate of those persons.

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

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

### **Resolution 8(a), (b) and (c) – Approval of issue of Shares to S3 Consortium**

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

*'That, pursuant to and in accordance with Listing Rule 7.1 and for all other purposes, Shareholders approve the issue of the following Shares to S3 Consortium (or its nominee):*

- (a) *up to 687,500 Shares;*
- (b) *up to 962,500 Shares; and*
- (c) *up to 1,375,000 Shares,*

*on the terms and conditions in the Explanatory Memorandum.'*

### **Voting Exclusion**

The Company will disregard any votes cast in favour of these Resolutions by or on behalf of S3 Consortium (or its nominee), or a person who will obtain a material benefit as a result of, the proposed issue (except a benefit solely by reason of being a Shareholder) or an associate of those persons.

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

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

## **Resolution 9 – Approval of issue of Shares to Ausenco**

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

*'That, pursuant to and in accordance with Listing Rule 7.1 and for all other purposes, Shareholders approve the issue of up to 7,500,000 Shares to Ausenco (or its nominee) on the terms and conditions in the Explanatory Memorandum.'*

### **Voting Exclusion**

The Company will disregard any votes cast in favour of this Resolution by or on behalf of Ausenco (or its nominee) or a person who will obtain a material benefit as a result of, the proposed issue (except a benefit solely by reason of being a Shareholder) or an associate of those persons.

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

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



- (ii) the holder votes on the resolution in accordance with directions given by the beneficiary to the holder to vote in that way.

## **Resolution 10 – Approval of issue of Shares to Bellanhouse**

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

*'That, pursuant to and in accordance with Listing Rule 7.1 and for all other purposes, Shareholders approve the issue of up to 1,250,000 Shares to Bellanhouse (or its nominee) on the terms and conditions in the Explanatory Memorandum.'*

### **Voting Exclusion**

The Company will disregard any votes cast in favour of this Resolution by or on behalf of Bellanhouse (or its nominee) or a person who will obtain a material benefit as a result of, the proposed issue (except a benefit solely by reason of being a Shareholder) or an associate of those persons.

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

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

## **Resolution 11 – Approval of issue of Shares to Accosec**

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

*'That, pursuant to and in accordance with Listing Rule 7.1 and for all other purposes, Shareholders approve the issue of up to 337,500 Shares to Accosec (or its nominee) on the terms and conditions in the Explanatory Memorandum.'*

### **Voting Exclusion**

The Company will disregard any votes cast in favour of this Resolution by or on behalf of Accosec (or its nominee) or a person who will obtain a material benefit as a result of, the proposed issue (except a benefit solely by reason of being a Shareholder) or an associate of those persons.

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

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

## **Resolution 12 – Approval of issue of Shares to Stuart Moller**

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

*'That, pursuant to and in accordance with Listing Rule 7.1 and for all other purposes, Shareholders approve the issue of up to 226,725 Shares to Stuart Moller (or his nominee) on the terms and conditions in the Explanatory Memorandum.'*

### **Voting Exclusion**

The Company will disregard any votes cast in favour of this Resolution by or on behalf of Stuart Moller (or his nominee) or a person who will obtain a material benefit as a result of, the proposed issue (except a benefit solely by reason of being a Shareholder) or an associate of those persons.

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

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

- (ii) the holder votes on the resolution in accordance with directions given by the beneficiary to the holder to vote in that way.

### **Resolution 13 – Approval of issue of Shares to Stephen Belben**

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

*'That, pursuant to and in accordance with Listing Rule 7.1 and for all other purposes, Shareholders approve the issue of up to 166,666 Shares to Stephen Belben (or his nominee) on the terms and conditions in the Explanatory Memorandum.'*

#### **Voting Exclusion**

The Company will disregard any votes cast in favour of this Resolution by or on behalf of Stephen Belben (or his nominee) or a person who will obtain a material benefit as a result of, the proposed issue (except a benefit solely by reason of being a Shareholder) or an associate of those persons.

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

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

### **Resolution 14 – Ratification of prior issue of Shares to Sandfire**

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

*'That, pursuant to and in accordance with Listing Rule 7.4 and for all other purposes, Shareholders ratify the issue of 224,161 Shares to Sandfire (or its nominee) on the terms and conditions in the Explanatory Memorandum.'*

#### **Voting Exclusion**

The Company will disregard any votes cast in favour of this Resolution by or on behalf of a person who participated in the issue or is a counterparty to the agreement being approved or an associate of those persons.

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

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

## **Resolution 15 – Approval of issue of BHC Options**

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

*'That, pursuant to and in accordance with Listing Rule 7.1 and for all other purposes, Shareholders approve the issue of up to 2,925,000 Options to BHC (or its nominees) on the terms and conditions in the Explanatory Memorandum.'*

### **Voting Exclusion**

The Company will disregard any votes cast in favour of this Resolution by or on behalf of BHC (or its nominees) or a person who will obtain a material benefit as a result of, the proposed issue (except a benefit solely by reason of being a Shareholder) or an associate of those persons.

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

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

- (ii) the holder votes on the resolution in accordance with directions given by the beneficiary to the holder to vote in that way.

**BY ORDER OF THE BOARD**



**Julia Beckett**  
**Joint Company Secretary**  
**Los Cerros Limited**  
Dated: 20 February 2020

**Los Cerros Limited**  
**ACN 119 759 349**  
**(Company)**

## Explanatory Memorandum

### 1. Introduction

The Explanatory Memorandum has been prepared for the information of Shareholders in connection with the business to be conducted at the offices of the Company at Suite 12, Level 1, 11 Ventnor Avenue, West Perth WA 6005, on 30 March 2020 at 11:00am (WST).

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

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

Section 1	Introduction
Section 2	Action to be taken by Shareholders
Section 3	Resolution 1 – Ratification of prior issue of Tranche 1 Placement Shares under Listing Rule 7.1
Section 4	Resolution 2 – Approval of issue of Tranche 2 Placement Shares
Section 5	Resolution 3 – Approval of issue of Placement Options
Section 6	Resolution 4(a) and (b) – Approval of issue of Placement Shares and Placement Options to Director Ross Ashton
Section 7	Resolution 5(a) and (b) – Approval of issue of Placement Shares and Placement Options to Director Kevin Wilson
Section 8	Resolution 6 – Approval of issue of SPP Options
Section 9	Resolution 7– Approval of issue of SPP Options to Director Jason Stirbinskis
Section 10	Resolution 8(a), (b) and (c) – Approval of issue of Shares to S3 Consortium
Section 11	Resolution 9 – Approval of issue of Shares to Ausenco
Section 12	Resolution 10 – Approval of issue of Shares to Bellanhouse
Section 13	Resolution 11 – Approval of issue of Shares to Accosec
Section 14	Resolution 12 – Approval of issue of Shares to Stuart Moller

Section 15	Resolution 13 – Approval of issue of Shares to Stephen Belben
Section 16	Resolution 14 – Ratification of prior issue of Shares to Sandfire
Section 17	Resolution 15 – Approval of issue of BHC Options
Schedule 1	Definitions
Schedule 2	Terms of Placement Options and SPP Options
Schedule 3	Terms of BHC Options

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

## 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 on the date and at the place set out above.

### 2.2 Proxies

#### (a) Voting by proxy

A Proxy Form is attached to the Notice. This is to be used by Shareholders if they wish to appoint a representative (a 'proxy') to vote in their place. All Shareholders are invited and encouraged to attend the Meeting or, if they are unable to attend in person, sign and return the Proxy Form to the Company in accordance with the instructions thereon. Lodgement of a Proxy Form will not preclude a Shareholder from attending and voting at the Meeting in person.

Please note that:

- (i) a member of the Company entitled to attend and vote at the Meeting is entitled to appoint a proxy;
- (ii) a proxy need not be a member of the Company; and
- (iii) a member of the Company entitled to cast two or more votes may appoint two proxies and may specify the proportion or number of votes each proxy is appointed to exercise, but where the proportion or number is not specified, each proxy may exercise half of the votes.

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

(b) Proxy vote if appointment specifies way to vote

Section 250BB(1) of the Corporations Act provides that an appointment of a proxy may specify the way the proxy is to vote on a particular resolution and, if it does:

- (i) the proxy need not vote on a show of hands, but if the proxy does so, the proxy must vote that way (ie as directed);
- (ii) if the proxy has two or more appointments that specify different ways to vote on the resolution – the proxy must not vote on a show of hands;
- (iii) if the proxy is the chair of the meeting at which the resolution is voted on – the proxy must vote on a poll, and must vote that way (ie as directed); and
- (iv) if the proxy is not the chair – the proxy need not vote on the poll, but if the proxy does so, the proxy must vote that way (ie as directed).

(c) Transfer of non-chair proxy to chair in certain circumstances

Section 250BC of the Corporations Act provides that, if:

- (i) an appointment of a proxy specifies the way the proxy is to vote on a particular resolution at a meeting of the Company's members;
- (ii) the appointed proxy is not the chair of the meeting;
- (iii) at the meeting, a poll is duly demanded on the resolution; and
- (iv) either the proxy is not recorded as attending the meeting or the proxy does not vote on the resolution,

the chair of the meeting is taken, before voting on the resolution closes, to have been appointed as the proxy for the purposes of voting on the resolution at the meeting.

## 2.3 Chair's voting intentions

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

## 3. Resolution 1 – Ratification of prior issue of Tranche 1 Placement Shares under Listing Rule 7.1

### 3.1 General

On 5 February 2020, the Company announced that it had received binding commitments for a placement to raise a total of \$2,100,000 (before costs) (**Placement**) by the issue of a total of 52,500,000 Shares at \$0.04 each (**Placement Shares**) to sophisticated and professional investors (**Placement Participants**).

Hartleys Limited acted as lead manager to the Placement.

The Placement is comprised of two tranches as follows:



- (a) on 13 February 2020, the Company issued 14,814,860 Placement Shares and on 18 February 2020, the Company issued a further 10,125,000 Placement Shares, totalling 24,939,860 Placement Shares, to the Placement Participants using the Company's placement capacity under Listing Rule 7.1 (**Tranche 1 Placement Shares**); and
- (b) the Company proposes to issue, subject to Shareholder approval, 27,560,140 Placement Shares to the Placement Participants (**Tranche 2 Placement Shares**).

The Company also proposes to issue, subject to Shareholder approval under Resolution 3, one free-attaching unquoted Option for every two Placement Shares subscribed for under the Placement, with each Option having an exercise price of \$0.10 and an expiry date of two years from the date of issue (**Placement Options**).

Resolution 1 seeks the approval of Shareholders pursuant to Listing Rule 7.4 to ratify the issue of the Tranche 1 Placement Shares.

Resolution 1 is an ordinary resolution.

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

### 3.2 **Listing Rules 7.1 and 7.4**

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.

The issue of the Tranche 1 Placement Shares does not fit within any of these exceptions and, as it has not yet been approved by Shareholders, it effectively uses up part of the 15% limit in Listing Rule 7.1, reducing the Company's capacity to issue further Equity Securities without Shareholder approval under Listing Rule 7.1 for the 12 month period following the issue date.

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

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

To this end, Resolution 1 seeks Shareholder approval to the issue of the Tranche 1 Placement Shares under and for the purposes of Listing Rule 7.4.

If Resolution 1 is passed, the issue of the Tranche 1 Placement Shares will be excluded in calculating the Company's 15% limit in Listing Rule 7.1, effectively increasing the number of Equity Securities it can issue without Shareholder approval over the 12 month period following the issue date.

If Resolution 1 is not passed, the issue of the Tranche 1 Placement Shares will be included in calculating the Company's 15% limit in listing Rule 7.1, effectively decreasing the number of Equity Securities it can issue without Shareholder approval over the 12 month period following the issue date.

### 3.3 **Specific information required by Listing Rule 7.5**

Pursuant to and in accordance with Listing Rule 7.5, the following information is provided in relation to the ratification of the issue of the Tranche 1 Placement Shares:

- (a) the Tranche 1 Placement Shares were issued to the Placement Participants (or their respective nominees), who were sophisticated and professional investors introduced to the Company by Hartleys Limited and none of whom is considered to be a 'material investor' for the purposes of section 7.4 of ASX Guidance Note 21;
- (b) a total of 24,939,860 Tranche 1 Placement Shares were issued pursuant to the Company's placement capacity under Listing Rule 7.1;
- (c) the Tranche 1 Placement Shares issued were fully paid ordinary shares in the capital of the Company and rank equally in all respects with the Company's existing Shares on issue;
- (d) the Tranche 1 Placement Shares were issued on 13 and 18 February 2020;
- (e) the Tranche 1 Placement Shares were issued at an issue price of \$0.04 each;
- (f) the proceeds of the Tranche 1 Placement Shares will be used to continue and expand the drilling programme within the Quinchia and Andes portfolio as well as for costs of the Placement and general working capital; and
- (g) a voting exclusion statement is included in the Notice.

## 4. **Resolution 2 – Approval of issue of Tranche 2 Placement Shares**

### 4.1 **General**

A summary of the Placement is set out in Section 3.1.

Resolution 2 seeks the approval of Shareholders pursuant to Listing Rule 7.1 for the issue of the Tranche 2 Placement Shares.

Resolution 2 is an ordinary resolution.

The Board recommends that Shareholders vote in favour of Resolution 2.

### 4.2 **Listing Rule 7.1**

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 shares it had on issue at the start of that period.

The issue of the Tranche 2 Placement Shares does not fall within any of these exceptions and exceeds the 15% limit in Listing Rule 7.1. It therefore requires the approval of Shareholders under Listing Rule 7.1.

Resolution 2 seeks the required Shareholder approval to the issue of the Tranche 2 Placement Shares under and for the purposes of Listing Rule 7.1.

If Resolution 2 is passed, the Company will be able to proceed with the issue of the Tranche 2 Placement Shares and will issue the Tranche 2 Placement Shares no later than three months after the date of the Meeting.

If Resolution 2 is not passed, the Company will not be able to proceed with the issue of the Tranche 2 Placement Shares until such time as further Shareholder approval is obtained or such issuance can be made pursuant to the Company's existing placement capacity under Listing Rules 7.1 or 7.1A.

#### 4.3 **Specific information required by Listing Rule 7.3**

Pursuant to and in accordance with Listing Rule 7.3, the following information is provided in relation to the proposed issue of the Tranche 2 Placement Shares:

- (a) the Tranche 2 Placement Shares will be issued to the Placement Participants (or their respective nominees) who are sophisticated and professional investors introduced to the Company by Hartleys Limited and none of whom is considered to be a 'material investor' for the purposes of section 7.4 of ASX Guidance Note 21;
- (b) a total of 27,560,140 Tranche 2 Placement Shares will be issued;
- (c) the Tranche 2 Placement Shares will be fully paid ordinary shares in the capital of the Company and will rank equally in all respects with the Company's existing Shares on issue;
- (d) the Tranche 2 Placement Shares will be issued no later than three months after the date of the Meeting (or such later date as permitted by any ASX waiver or modification of the Listing Rules);
- (e) the Tranche 2 Placement Shares will be issued at an issue price of \$0.04 each;
- (f) the Tranche 2 Placement Shares are being issued under a term sheet pursuant to which the Placement Participants have provided binding commitments to subscribe for the Tranche 2 Placement Shares on the terms set out in this Notice and otherwise on terms considered standard for agreements of this nature;
- (g) the proceeds of the Tranche 2 Placement Shares will be used to continue and expand the drilling programme within the Quinchia and Andes portfolio as well as for costs of the Placement and general working capital;
- (h) a voting exclusion statement is included in the Notice.

### 5. **Resolution 3 – Approval of issue of Placement Options**

#### 5.1 **General**

A summary of the Placement is set out in Section 3.1.

Resolution 3 seeks the approval of Shareholders pursuant to Listing Rule 7.1 for the issue of the Placement Options.

Resolution 3 is an ordinary resolution.

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

## 5.2 **Listing Rule 7.1**

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 shares it had on issue at the start of that period.

The issue of the Placement Options does not fall within any of these exceptions and exceeds the 15% limit in Listing Rule 7.1. It therefore requires the approval of Shareholders under Listing Rule 7.1.

Resolution 3 seeks the required Shareholder approval to the issue of the Placement Options under and for the purposes of Listing Rule 7.1.

If Resolution 3 is passed, the Company will be able to proceed with the issue of the Placement Options and will issue the Placement Options no later than three months after the date of the Meeting.

If Resolution 3 is not passed, the Company will not be able to proceed with the issue of the Placement Options until such time as further Shareholder approval is obtained or such issuance can be made pursuant to the Company's existing placement capacity under Listing Rules 7.1 or 7.1A.

## 5.3 **Specific information required by Listing Rule 7.3**

Pursuant to and in accordance with Listing Rule 7.3, the following information is provided in relation to the proposed issue of the Placement Options:

- (a) the Placement Options will be issued to the Placement Participants (or their respective nominees) who are sophisticated and professional investors introduced to the Company by Hartleys Limited and none of whom is considered to be a 'material investor' for the purposes of section 7.4 of ASX Guidance Note 21;
- (b) a total of 26,250,000 Placement Options will be issued;
- (c) the Placement Options will be exercisable at \$0.10 each on or before the date that is two years from the date of issue and will otherwise be on the terms and conditions set out in Schedule 2;
- (d) the Placement Options will be issued no later than three months after the date of the Meeting (or such later date as permitted by any ASX waiver or modification of the Listing Rules);
- (e) the Placement Options will be issued for nil cash consideration as free-attaching Options on the basis of one Placement Option for every two Placement Shares subscribed for under the Placement, and as such no funds will be raised from their issue;
- (f) the Placement Options are not being issued under an agreement; and
- (g) a voting exclusion statement is included in the Notice.

## 6. **Resolution 4(a) and (b) – Approval of issue of Placement Shares and Placement Options to Director Ross Ashton**

## 6.1 General

A summary of the Placement is set out in Section 3.1.

Pursuant to Resolution 4(a) and Resolution 4(b), the Company is seeking Shareholder approval pursuant to Listing Rule 10.11 for the issue of up to 1,875,000 Tranche 2 Placement Shares and 937,500 Placement Options respectively, to Director Mr Ross Ashton (or his nominee) arising from his participation in the Placement.

Resolution 4(a) and Resolution 4(b) are each an ordinary resolution.

The Board (other than Mr Ross Ashton, who has a material person interest in the outcome of the Resolutions) recommends that Shareholders vote in favour of Resolution 4(a) and Resolution 4(b).

## 6.2 Listing Rule 10.11

Listing Rule 10.11 requires shareholder approval to be obtained where an entity issues, or agrees to:

- (a) a related party;
- (b) a person who is or was at any time in the 6 months before the issue or agreement to issue, a substantial (30%+) holder in the entity;
- (c) a person who is or was at any time in the 6 months before the issue or agreement to issue, a substantial (10%+) holder in the entity and who has nominated a director to the board of the entity pursuant to a relevant agreement which gives them a right or expectation to do so;
- (d) an associate of any of the persons referred to above; or
- (e) a person who 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 Listing Rule 10.12 applies.

Resolution 4(a) and Resolution 4(b) seek the required Shareholder approval to the issue of up to 1,875,000 Tranche 2 Placement Shares and 937,500 Placement Options respectively to Mr Ross Ashton (or his nominee) under and for the purposes of Listing Rule 10.11.

Mr Ashton is a related party of the Company by virtue of his position as Director. As his participation in the Placement involves the issue of Securities to a related party 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.

Approval pursuant to Listing Rule 7.1 is not required as approval is being obtained under Listing Rule 10.11. Accordingly, the issue of Securities to Mr Ashton (or his nominee) will not be included in the use of the Company's 15% annual placement capacity pursuant to Listing Rule 7.1.

If Resolution 4(a) and Resolution 4(b) are passed, the Company will be able to proceed with the issue of the Securities to Mr Ashton and will issue the Securities to Mr Ashton no later than one month after the date of the Meeting.

If Resolution 4(a) and Resolution 4(b) are not passed, the Company will not be able to proceed with the issue of the Securities to Mr Ashton until such time as further Shareholder approval is obtained.

### 6.3 **Specific information required by Listing Rule 10.13**

Pursuant to and in accordance with Listing Rule 10.13, the following information is provided in relation to the proposed issue of Securities to Mr Ashton arising from his participation in the Placement:

- (a) up to 1,875,000 Tranche 2 Placement Shares and 937,500 Placement Options will be issued to Mr Ross Ashton (or his nominees) pursuant to Resolution 4(a) and Resolution 4(b) respectively;
- (b) Mr Ross Ashton is a director of the Company and as such falls within the category stipulated under Listing Rule 10.11.1;
- (c) the Tranche 2 Placement Shares will be fully paid ordinary shares in the capital of the Company and will rank equally in all respects with the Company's existing Shares on issue;
- (d) the Tranche 2 Placement Shares will be issued at an issue price of \$0.04 each;
- (e) the proceeds of the Tranche 2 Placement Shares will be used to continue and expand the drilling programme within the Quinchia and Andes portfolio as well as for costs of the Placement and general working capital;
- (f) the Placement Options will be exercisable at \$0.10 each on or before the date that is two years from the date of issue and will otherwise be on the terms and conditions set out in Schedule 2;
- (g) the Placement Options will be issued for nil cash consideration as free-attaching Options on the basis of one Placement Option for every two Placement Shares subscribed for under the Placement, and as such no funds will be raised from their issue;
- (h) the Tranche 2 Placement Shares and Placement Options will be issued to Mr Ashton (or his nominee) no later than one month after the date of the Meeting (or such later date as permitted by any ASX waiver or modification of the Listing Rules);
- (i) the Tranche 2 Placement Shares and Placement Options are not being issued under an agreement; and
- (j) a voting exclusion statement is included in the Notice.

### 6.4 **Chapter 2E of the Corporations Act**

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

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

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

Mr Ashton's participation in the Placement will result in the issue of Shares and Options which constitutes giving a financial benefit and Mr Ashton is a related party of the Company by virtue of being a Director.

The Board considers that Shareholder approval pursuant to Chapter 2E of the Corporations Act is not required in respect of Mr Ashton's participation in the Placement because the Securities will be issued to Mr Ashton on the same terms as Securities issued to non-related party participants in the Placement and as such the giving of the financial benefit is on arm's length terms.

## **7. Resolution 5(a) and (b) – Approval of issue of Placement Shares and Placement Options to Director Kevin Wilson**

### **7.1 General**

A summary of the Placement is set out in Section 3.1.

Pursuant to Resolution 5(a) and Resolution 5(b), the Company is seeking Shareholder approval pursuant to Listing Rule 10.11 for the issue of up to 1,250,000 Tranche 2 Placement Shares and 625,000 Placement Options respectively, to Director Mr Kevin Wilson (or his nominee) arising from his participation in the Placement.

Resolution 5(a) and Resolution 5(b) are each an ordinary resolution.

The Board (other than Mr Kevin Wilson, who has a material person interest in the outcome of the Resolutions) recommends that Shareholders vote in favour of Resolution 5(a) and Resolution 5(b).

### **7.2 Listing Rule 10.11**

A summary of Listing Rule 10.11 is set out in Section 6.2.

Resolution 5(a) and Resolution 5(b) seek the required Shareholder approval to the issue of up to 1,250,000 Tranche 2 Placement Shares and 625,000 Placement Options respectively to Mr Kevin Wilson (or his nominee) under and for the purposes of Listing Rule 10.11.

Mr Wilson is a related party of the Company by virtue of his position as Director. As his participation in the Placement involves the issue of Securities to a related party 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.

Approval pursuant to Listing Rule 7.1 is not required as approval is being obtained under Listing Rule 10.11. Accordingly, the issue of Securities to Mr Wilson (or his nominee) will not be included in the use of the Company's 15% annual placement capacity pursuant to Listing Rule 7.1.

If Resolution 5(a) and Resolution 5(b) are passed, the Company will be able to proceed with the issue of the Securities to Mr Wilson and will issue the Securities to Mr Wilson no later than one month after the date of the Meeting.

If Resolution 5(a) and Resolution 5(b) are not passed, the Company will not be able to proceed with the issue of the Securities to Mr Wilson until such time as further Shareholder approval is obtained.

### 7.3 **Specific information required by Listing Rule 10.13**

Pursuant to and in accordance with Listing Rule 10.13, the following information is provided in relation to the proposed issue of Securities to Mr Wilson arising from his participation in the Placement:

- (a) up to 1,250,000 Tranche 2 Placement Shares and 625,000 Placement Options will be issued to Mr Kevin Wilson (or his nominees) pursuant to Resolution 5(a) and Resolution 5(b) respectively;
- (b) Mr Kevin Wilson is a director of the Company and as such falls within the category stipulated under Listing Rule 10.11.1;
- (c) the Tranche 2 Placement Shares will be fully paid ordinary shares in the capital of the Company and will rank equally in all respects with the Company's existing Shares on issue;
- (d) the Tranche 2 Placement Shares will be issued at an issue price of \$0.04 each;
- (e) the proceeds of the Tranche 2 Placement Shares will be used to continue and expand the drilling programme within the Quinchia and Andes portfolio as well as for costs of the Placement and general working capital;
- (f) the Placement Options will be exercisable at \$0.10 each on or before the date that is two years from the date of issue and will otherwise be on the terms and conditions set out in Schedule 2;
- (g) the Placement Options will be issued for nil cash consideration as free-attaching Options on the basis of one Placement Option for every two Placement Shares subscribed for under the Placement, and as such no funds will be raised from their issue;
- (h) the Tranche 2 Placement Shares and Placement Options will be issued to Mr Wilson (or his nominee) no later than one month after the date of the Meeting (or such later date as permitted by any ASX waiver or modification of the Listing Rules);
- (i) the Tranche 2 Placement Shares and Placement Options are not being issued under an agreement; and
- (j) a voting exclusion statement is included in the Notice.

### 7.4 **Chapter 2E of the Corporations Act**

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

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



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

Mr Wilson's participation in the Placement will result in the issue of Shares and Options which constitutes giving a financial benefit and Mr Wilson is a related party of the Company by virtue of being a Director.

The Board considers that Shareholder approval pursuant to Chapter 2E of the Corporations Act is not required in respect of Mr Wilson's participation in the Placement because the Securities will be issued to Mr Wilson on the same terms as Securities issued to non-related party participants in the Placement and as such the giving of the financial benefit is on arm's length terms.

## **8. Resolution 6 – Approval of issue of SPP Options**

### **8.1 General**

As announced on 5 February 2020, the Company has undertaken a Share Purchase Plan in conjunction with the Placement to allow existing Shareholders of the Company to participate in the capital raising on the same terms as the Placement (**SPP**).

The SPP offers eligible shareholders an opportunity to purchase Shares at an issue price of \$0.04 per Share (**SPP Shares**), with 1 unquoted Option for every 2 SPP Shares issued and on the same terms as the Placement Options (**SPP Options**).

Resolution 6 seeks Shareholder approval pursuant to Listing Rule 7.1 for the issue of up to 693,000,000 SPP Options. The SPP Shares will be issued regardless of whether Shareholder approval for this Resolution is obtained. For further information, please refer to the SPP Offer Booklet, announced to ASX on 12 February 2020.

Resolution 6 is an ordinary resolution.

The Board recommends that Shareholders vote in favour of Resolution 6.

### **8.2 Listing Rule 7.1**

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 shares it had on issue at the start of that period.

The issue of the SPP Options does not fall within any of these exceptions and exceeds the 15% limit in Listing Rule 7.1. It therefore requires the approval of Shareholders under Listing Rule 7.1.

Resolution 6 seeks the required Shareholder approval to the issue of the SPP Options under and for the purposes of Listing Rule 7.1.

If Resolution 6 is passed, the Company will be able to proceed with the issue of the SPP Options and will issue the SPP Options no later than three months after the date of the Meeting.

If Resolution 6 is not passed, the Company will not be able to proceed with the issue of the SPP Options until such time as further Shareholder approval is obtained or such issuance can be made pursuant to the Company's existing placement capacity under Listing Rule 7.1.

### 8.3 **Specific information required by Listing Rule 7.3**

Pursuant to and in accordance with Listing Rule 7.3, the following information is provided in relation to the proposed issue of the SPP Options:

- (a) the SPP Options will be issued to existing Shareholders under the SPP (or their respective nominees), none of whom is considered to be a 'material investor' for the purposes of section 7.4 of ASX Guidance Note 21;
- (b) a total of 693,000,000 SPP Options will be issued;
- (c) the SPP Options will be exercisable at \$0.10 each on or before the date that is two years from the date of issue and will otherwise be on the terms and conditions set out in Schedule 2;
- (d) the SPP Options will be issued no later than three months after the date of the Meeting (or such later date as permitted by any ASX waiver or modification of the Listing Rules);
- (e) the SPP Options will be issued for nil cash consideration as free-attaching Options on the basis of one SPP Option for every two SPP Shares subscribed for under the SPP, and as such no funds will be raised from their issue;
- (f) the SPP Options are being issued under the SPP Offer Booklet, announced to ASX on 12 February 2020; and
- (g) a voting exclusion statement is included in the Notice.

## 9. **Resolution 7– Approval of issue of SPP Options to Director Jason Stirbinskis**

### 9.1 **General**

A summary of the SPP is set out in Section 8.1.

Pursuant to Resolution 7, the Company is seeking Shareholder approval pursuant to Listing Rule 10.11 for the issue of up to 375,000 SPP Options, to Director Mr Jason Stirbinskis (or his nominee) arising from his participation in the SPP.

Resolution 7 is an ordinary resolution.

The Board (other than Mr Jason Stirbinskis, who has a material person interest in the outcome of the Resolution) recommends that Shareholders vote in favour of Resolution 7.

### 9.2 **Listing Rule 10.11**

A summary of Listing Rule 10.11 is set out in Section 6.2.

Resolution 7 seeks the required Shareholder approval to the issue of up to 375,000 SPP Options to Mr Jason Stirbinskis (or his nominee) under and for the purposes of Listing Rule 10.11.

Mr Stirbinskis is a related party of the Company by virtue of his position as Director. As his participation in the SPP involves the issue of Securities to a related party 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.

Approval pursuant to Listing Rule 7.1 is not required as approval is being obtained under Listing Rule 10.11. Accordingly, the issue of Securities to Mr Stirbinskis (or his nominees) will not be included in the use of the Company's 15% annual placement capacity pursuant to Listing Rule 7.1.

If Resolution 7 is passed, the Company will be able to proceed with the issue of the Securities to Mr Stirbinskis and will issue the Securities to Mr Stirbinskis no later than one month after the date of the Meeting.

If Resolution 7 is not passed, the Company will not be able to proceed with the issue of the Securities to Mr Stirbinskis until such time as further Shareholder approval is obtained.

### 9.3 **Specific information required by Listing Rule 10.13**

Pursuant to and in accordance with Listing Rule 10.13, the following information is provided in relation to the proposed issue of Securities to Mr Stirbinskis arising from his participation in the SPP:

- (a) up to 375,000 SPP Options will be issued to Mr Jason Stirbinskis (or his nominees);
- (b) Mr Jason Stirbinskis is a director of the Company and as such falls within the category stipulated under Listing Rule 10.11.1;
- (c) the SPP Options will be exercisable at \$0.10 each on or before the date that is two years from the date of issue and will otherwise be on the terms and conditions set out in Schedule 2;
- (d) the SPP Options will be issued for nil cash consideration as free-attaching Options on the basis of one SPP Option for every two SPP Shares subscribed for under the SPP, and as such no funds will be raised from their issue;
- (e) the SPP Options will be issued to Mr Stirbinskis (or his nominee) no later than one month after the date of the Meeting (or such later date as permitted by any ASX waiver or modification of the Listing Rules);
- (f) the SPP Options are being issued under the SPP Offer Booklet, announced to ASX on 12 February 2020; and
- (g) a voting exclusion statement is included in the Notice.

## 9.4 Chapter 2E of the Corporations Act

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

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

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

Mr Stirbinskis' participation in the SPP will result in the issue of SPP Options which constitutes giving a financial benefit and Mr Stirbinskis is a related party of the Company by virtue of being a Director.

The Board considers that Shareholder approval pursuant to Chapter 2E of the Corporations Act is not required in respect of Mr Stirbinskis' participation in the SPP because the SPP Options will be issued to Mr Stirbinskis on the same terms as SPP Options issued to non-related party participants in the SPP and as such the giving of the financial benefit is on arm's length terms.

## 10. Resolution 8(a), (b) and (c) – Approval of issue of Shares to S3 Consortium

### 10.1 General

Subject to shareholder approval, the Company has agreed to issue S3 Consortium (or its nominees) the following Securities:

- (a) as partial consideration for investor relations and marketing services provided to the Company prior to the Placement:
  - (i) 687,500 Shares; and
  - (ii) the number of Shares calculated as \$38,500 (being the amount of outstanding fees payable to S3 Consortium) divided by the greater of:
    - (A) the volume weighted average price of Shares recorded over the 5 trading days prior to the date of issue (**5-day VWAP**); and
    - (B) \$0.04; and
- (b) in consideration for investor relations and marketing services provided in connection with the Placement, 1,375,000 Shares,

(together, the **S3 Shares**).

Resolution 8(a), (b) and (c) seek the approval of Shareholders pursuant to Listing Rule 7.1 for the issue of the S3 Shares referred to in Sections 10.1(a)(i), 10.1(a)(ii) and 10.1(b) respectively to S3 Consortium (or its nominees).

Resolution 8(a), (b) and (c) are each an ordinary resolution.

The Board recommends that Shareholders vote in favour of Resolution 8(a), (b) and (c).

## 10.2 **Listing Rule 7.1**

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 shares it had on issue at the start of that period.

The issue of the S3 Shares does not fall within any of these exceptions and exceeds the 15% limit in Listing Rule 7.1. It therefore requires the approval of Shareholders under Listing Rule 7.1.

Resolution 8(a), (b) and (c) seek the required Shareholder approval to the issue of the S3 Shares under and for the purposes of Listing Rule 7.1.

If Resolution 8(a), (b) and (c) are passed, the Company will be able to proceed with the issue of the S3 Shares and will issue the S3 Shares no later than three months after the date of the Meeting.

If Resolution 8(a), (b) and (c) are not passed, the Company will not be able to proceed with the issue of the S3 Shares until such time as further Shareholder approval is obtained or such issuance can be made pursuant to the Company's existing placement capacity under Listing Rules 7.1 or 7.1A.

## 10.3 **Specific information required by Listing Rule 7.3**

Pursuant to and in accordance with Listing Rule 7.3, the following information is provided in relation to the proposed issue of the S3 Shares:

- (a) the S3 Shares will be issued to S3 Consortium (or its nominees);
- (b) a maximum of 3,025,000 S3 Shares will be issued as follows:
  - (i) pursuant to Resolution 8(a), 687,500 Shares; and
  - (ii) up to 962,500 Shares pursuant to Resolution 8(b), being the number of Shares calculated as \$38,500 (being the amount of outstanding fees payable to S3 Consortium) divided by the greater of:
    - (A) the volume weighted average price of Shares recorded over the 5-day VWAP; and
    - (B) \$0.04; and
  - (iii) Pursuant to Resolution 8(c), 1,375,000 Shares.
- (c) the S3 Shares will be fully paid ordinary shares in the capital of the Company and will rank equally in all respects with the Company's existing Shares on issue;
- (d) the S3 Shares will be issued no later than three months after the date of the Meeting (or such later date as permitted by any ASX waiver or modification of the Listing Rules);

- (e) the S3 Shares will be issued for nil cash consideration in part consideration for investor relations and marketing services provided to the Company and as such no funds will be raised from their issue;
- (f) the S3 Shares are being issued pursuant to a mandate entered into between S3 Consortium and the Company on standard commercial terms and under which the Company has agreed to issue S3 Consortium the S3 Shares in consideration for investor relations and marketing services; and
- (g) a voting exclusion statement is included in the Notice.

## 11. Resolution 9 – Approval of issue of Shares to Ausenco

### 11.1 General

Subject to shareholder approval, the Company has agreed to issue Ausenco (or its nominees) 7,500,000 Shares as partial consideration for consultancy services provided by Ausenco Chile Limited to the Company in connection with the development of the Miraflores Project (**Ausenco Shares**).

Resolution 9 seeks the approval of Shareholders pursuant to Listing Rule 7.1 for the issue of the Ausenco Shares to Ausenco (or its nominees).

Resolution 9 is an ordinary resolution.

The Board recommends that Shareholders vote in favour of Resolution 9.

### 11.2 Listing Rule 7.1

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 shares it had on issue at the start of that period.

The issue of the Ausenco Shares does not fall within any of these exceptions and exceeds the 15% limit in Listing Rule 7.1. It therefore requires the approval of Shareholders under Listing Rule 7.1.

Resolution 9 seeks the required Shareholder approval to the issue of the Ausenco Shares under and for the purposes of Listing Rule 7.1.

If Resolution 9 is passed, the Company will be able to proceed with the issue of the Ausenco Shares and will issue the Ausenco Shares no later than three months after the date of the Meeting.

If Resolution 9 is not passed, the Company will not be able to proceed with the issue of the Ausenco Shares until such time as further Shareholder approval is obtained or such issuance can be made pursuant to the Company's existing placement capacity under Listing Rules 7.1 or 7.1A.

### 11.3 Specific information required by Listing Rule 7.3

Pursuant to and in accordance with Listing Rule 7.3, the following information is provided in relation to the proposed issue of the Ausenco Shares:

- (a) the Ausenco Shares will be issued to Ausenco (or its nominees);
- (b) a maximum of 7,500,000 Shares will be issued;
- (c) the Ausenco Shares will be fully paid ordinary shares in the capital of the Company and will rank equally in all respects with the Company's existing Shares on issue;
- (d) the Ausenco Shares will be issued no later than three months after the date of the Meeting (or such later date as permitted by any ASX waiver or modification of the Listing Rules);
- (e) the Ausenco Shares will be issued for nil cash consideration in part consideration for consultancy services provided to the Company in connection with the development of the Miraflores Project and as such no funds will be raised from their issue;
- (f) the Ausenco Shares are being issued pursuant to a letter agreement entered into between Ausenco and the Company under which the Company has agreed to pay a total sum of \$559,000 to Ausenco (or its nominee) as follows:
  - (i) a cash payment of \$55,900;
  - (ii) the Ausenco Shares (having a value of \$300,000 and a deemed issue price of \$0.04 each); and
  - (iii) \$203,100 to be satisfied by way of offset of fees for future consultancy services to be provided by Ausenco; and
- (g) a voting exclusion statement is included in the Notice.

## 12. Resolution 10 – Approval of issue of Shares to Bellanhouse

### 12.1 General

The Board has agreed, subject to obtaining Shareholder approval, to issue up to 1,250,000 Shares to Bellanhouse Pty Ltd (**Bellanhouse**) (or its nominees) in partial satisfaction of fees for legal services previously provided to the Company by Bellanhouse in connection with the Company's takeover of Andes Resources Limited in 2019 (**BH Shares**).

A total of \$50,000 is payable to Bellanhouse, which is to be satisfied by the issuance of the BH Shares to Bellanhouse (or its nominees) at a deemed issue price of \$0.04 each.

Pursuant to Resolution 10, the Company is seeking Shareholder approval pursuant to Listing Rule 7.1 for the issue of the BH Shares to Bellanhouse (or its nominees).

Resolution 10 is an ordinary resolution.

The Board recommends that Shareholders vote in favour of Resolution 10.

### 12.2 Listing Rule 7.1

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 shares it had on issue at the start of that period.

The issue of the BH Shares does not fall within any of these exceptions and exceeds the 15% limit in Listing Rule 7.1. It therefore requires the approval of Shareholders under Listing Rule 7.1.

Resolution 10 seeks the required Shareholder approval to the issue of the BH Shares under and for the purposes of Listing Rule 7.1.

If Resolution 10 is passed, the Company will be able to proceed with the issue of the BH Shares and will issue the BH Shares no later than three months after the date of the Meeting.

If Resolution 10 is not passed, the Company will not be able to proceed with the issue of the BH Shares until such time as further Shareholder approval is obtained or such issuance can be made pursuant to the Company's existing placement capacity under Listing Rules 7.1 or 7.1A.

### 12.3 **Specific information required by Listing Rule 7.3**

Pursuant to and in accordance with Listing Rule 7.3, the following information is provided in relation to the proposed issue of the BH Shares:

- (a) the BH Shares will be issued to Bellanhouse (or its nominees);
- (b) a maximum of 1,250,000 Shares will be issued;
- (c) the BH Shares will be fully paid ordinary shares in the capital of the Company and will rank equally in all respects with the Company's existing Shares on issue;
- (d) the BH Shares will be issued no later than three months after the date of the Meeting (or such later date as permitted by any ASX waiver or modification of the Listing Rules);
- (e) the BH Shares will be issued for nil cash consideration in part consideration for legal services previously provided to the Company by Bellanhouse in connection with the Company's takeover of Andes Resources Limited in 2019 and as such no funds will be raised from their issue;
- (f) the BH Shares are being issued in satisfaction of outstanding fees derived pursuant to a costs agreement entered into between the Company and Bellanhouse on standard commercial terms; and
- (g) a voting exclusion statement is included in the Notice.

## 13. **Resolution 11 – Approval of issue of Shares to Accosec**

### 13.1 **General**

Subject to shareholder approval, the Company has agreed to issue Accosec (or its nominees) 337,500 Shares as partial consideration for corporate services provided to the Company (**Accosec Shares**).

Resolution 11 seeks the approval of Shareholders pursuant to Listing Rule 7.1 for the issue of the Accosec Shares to Accosec (or its nominees).

Resolution 11 is an ordinary resolution.



The Board recommends that Shareholders vote in favour of Resolution 11.

### 13.2 **Listing Rule 7.1**

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 shares it had on issue at the start of that period.

The issue of the Accosec Shares does not fall within any of these exceptions and exceeds the 15% limit in Listing Rule 7.1. It therefore requires the approval of Shareholders under Listing Rule 7.1.

Resolution 11 seeks the required Shareholder approval to the issue of the Accosec Shares under and for the purposes of Listing Rule 7.1.

If Resolution 11 is passed, the Company will be able to proceed with the issue of the Accosec Shares and will issue the Accosec Shares no later than three months after the date of the Meeting.

If Resolution 11 is not passed, the Company will not be able to proceed with the issue of the Accosec Shares until such time as further Shareholder approval is obtained or such issuance can be made pursuant to the Company's existing placement capacity under Listing Rules 7.1 or 7.1A.

### 13.3 **Specific information required by Listing Rule 7.3**

Pursuant to and in accordance with Listing Rule 7.3, the following information is provided in relation to the proposed issue of the Accosec Shares:

- (a) the Accosec Shares will be issued to Accosec (or its nominees);
- (b) a maximum of 337,500 Shares will be issued;
- (c) the Accosec Shares will be fully paid ordinary shares in the capital of the Company and will rank equally in all respects with the Company's existing Shares on issue;
- (d) the Accosec Shares will be issued no later than three months after the date of the Meeting (or such later date as permitted by any ASX waiver or modification of the Listing Rules);
- (e) the Accosec Shares will be issued for nil cash consideration in part consideration for corporate services provided to the Company and as such no funds will be raised from their issue;
- (f) the Accosec Shares are being issued pursuant to a mandate entered into between Accosec and the Company on standard commercial terms and under which the Company has agreed to issue Accosec the Accosec Shares and pay fees of approximately \$13,500 to Accosec in consideration for company secretarial services; and
- (g) a voting exclusion statement is included in the Notice.

## 14. **Resolution 12 – Approval of issue of Shares to Stuart Moller**

## 14.1 General

The Board has agreed, subject to obtaining Shareholder approval, to issue up to 226,725 Shares to Mr Stuart Moller in satisfaction of fees for services previously provided and expenses incurred by Mr Moller as a director of Andes Resources Limited, a wholly owned subsidiary of the Company, for the period between 16 November 2018 and 12 August 2019 (**Moller Shares**).

A total of \$9,069 is payable to Mr Moller, which is to be satisfied by the issuance of the Moller Shares at a deemed issue price of \$0.04 each.

In the event Shareholders do not approve the issue of the Moller Shares, Mr Moller will be entitled to receive up to \$9,069 in cash for the services and expenses referred to above.

Pursuant to Resolution 12, the Company is seeking Shareholder approval pursuant to Listing Rule 7.1 for the issue of the Moller Shares to Mr Moller (or his nominees).

Resolution 12 is an ordinary resolution.

The Board recommends that Shareholders vote in favour of Resolution 12.

## 14.2 Listing Rule 7.1

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 shares it had on issue at the start of that period.

The issue of the Moller Shares does not fall within any of these exceptions and exceeds the 15% limit in Listing Rule 7.1. It therefore requires the approval of Shareholders under Listing Rule 7.1.

Resolution 12 seeks the required Shareholder approval to the issue of the Moller Shares under and for the purposes of Listing Rule 7.1.

If Resolution 12 is passed, the Company will be able to proceed with the issue of the Moller Shares and will issue the Moller Shares no later than three months after the date of the Meeting.

If Resolution 12 is not passed, the Company will not be able to proceed with the issue of the Moller Shares until such time as further Shareholder approval is obtained or such issuance can be made pursuant to the Company's existing placement capacity under Listing Rules 7.1 or 7.1A.

## 14.3 Specific information required by Listing Rule 7.3

Pursuant to and in accordance with Listing Rule 7.3, the following information is provided in relation to the proposed issue of the Moller Shares:

- (a) the Moller Shares will be issued to Stuart Moller (or his nominees);
- (b) a maximum of 226,725 Shares will be issued;
- (c) the Moller Shares will be fully paid ordinary shares in the capital of the Company and will rank equally in all respects with the Company's existing Shares on issue;

- (d) the Moller Shares will be issued no later than three months after the date of the Meeting (or such later date as permitted by any ASX waiver or modification of the Listing Rules);
- (e) the Moller Shares will be issued for nil cash consideration in satisfaction of fees for services previously provided and expenses incurred by Mr Moller as a director of Andes Resources Limited, a wholly owned subsidiary of the Company and as such no funds will be raised from their issue;
- (f) the Moller Shares are being issued pursuant to a letter of appointment between Andes Resources Limited and Mr Moller on standard commercial terms and under which Mr Moller is entitled to receive director fees of \$10,000 per annum; and
- (g) a voting exclusion statement is included in the Notice.

## 15. **Resolution 13 – Approval of issue of Shares to Stephen Belben**

### 15.1 **General**

The Board has agreed, subject to obtaining Shareholder approval, to issue up to 166,666 Shares to Mr Stephen Belben in satisfaction of fees for services previously provided by Mr Belben as a director of Andes Resources Limited, a wholly owned subsidiary of the Company, for the period between 1 January 2019 and 12 August 2019 (**Belben Shares**).

A total of \$6,666.64 is payable to Mr Belben, which is to be satisfied by the issuance of the Belben Shares at a deemed issue price of \$0.04 each.

In the event Shareholders do not approve the issue of the Belben Shares, Mr Belben will be entitled to receive up to \$6,666.64 in cash for the services referred to above.

Pursuant to Resolution 13, the Company is seeking Shareholder approval pursuant to Listing Rule 7.1 for the issue of the Belben Shares to Mr Belben (or his nominees).

Resolution 13 is an ordinary resolution.

The Board recommends that Shareholders vote in favour of Resolution 13.

### 15.2 **Listing Rule 7.1**

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 shares it had on issue at the start of that period.

The issue of the Belben Shares does not fall within any of these exceptions and exceeds the 15% limit in Listing Rule 7.1. It therefore requires the approval of Shareholders under Listing Rule 7.1.

Resolution 13 seeks the required Shareholder approval to the issue of the Belben Shares under and for the purposes of Listing Rule 7.1.

If Resolution 13 is passed, the Company will be able to proceed with the issue of the Belben Shares and will issue the Belben Shares no later than three months after the date of the Meeting.

If Resolution 13 is not passed, the Company will not be able to proceed with the issue of the Belben Shares until such time as further Shareholder approval is obtained or such issuance can be made pursuant to the Company's existing placement capacity under Listing Rules 7.1 or 7.1A.

### 15.3 **Specific information required by Listing Rule 7.3**

Pursuant to and in accordance with Listing Rule 7.3, the following information is provided in relation to the proposed issue of the Belben Shares:

- (a) the Belben Shares will be issued to Stephen Belben (or his nominees);
- (b) a maximum of 166,666 Shares will be issued;
- (c) the Belben Shares will be fully paid ordinary shares in the capital of the Company and will rank equally in all respects with the Company's existing Shares on issue;
- (d) the Belben Shares will be issued no later than three months after the date of the Meeting (or such later date as permitted by any ASX waiver or modification of the Listing Rules);
- (e) the Belben Shares will be issued for nil cash consideration in satisfaction of fees for services previously provided and expenses incurred by Mr Belben as a director of Andes Resources Limited, a wholly owned subsidiary of the Company and as such no funds will be raised from their issue;
- (f) the Belben Shares are being issued pursuant to a letter of appointment between Andes Resources Limited and Mr Belben on standard commercial terms and under which Mr Belben is entitled to receive director fees of \$10,000 per annum; and
- (g) a voting exclusion statement is included in the Notice.

## 16. **Resolution 14 – Ratification of prior issue of Shares to Sandfire**

### 16.1 **General**

On 9 January 2020, the Company issued 224,161 Shares to Sandfire Resources Limited (**Sandfire**) (**Sandfire Shares**) under the terms and conditions of the Sandfire Collaboration Agreement described in the Prospectus dated 18 June 2019 and Notice of General Meeting dated 14 June 2019.

The Sandfire Shares were issued using the Company's existing placement capacity under Listing Rule 7.1.

Resolution 14 seeks the approval of Shareholders pursuant to Listing Rule 7.4 to ratify the issue of the Sandfire Shares.

Resolution 14 is an ordinary resolution.

The Board recommends that Shareholders vote in favour of Resolution 14.

## 16.2 **Listing Rules 7.1 and 7.4**

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.

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

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

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

To this end, Resolution 14 seeks Shareholder approval to the issue of the Sandfire Shares under and for the purposes of Listing Rule 7.4.

If Resolution 14 is passed, the issue of the Sandfire Shares will be excluded in calculating the Company's 15% limit in Listing Rule 7.1, effectively increasing the number of Equity Securities it can issue without Shareholder approval over the 12 month period following the issue date.

If Resolution 14 is not passed, the issue of the Sandfire Shares will be included in calculating the Company's 15% limit in listing Rule 7.1, effectively decreasing the number of Equity Securities it can issue without Shareholder approval over the 12 month period following the issue date.

## 16.3 **Specific information required by Listing Rule 7.5**

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

- (a) the Sandfire Shares were issued to Sandfire;
- (b) a total of 224,161 Sandfire Shares were issued pursuant to the Company's placement capacity under Listing Rule 7.1;
- (c) the Sandfire Shares issued were fully paid ordinary shares in the capital of the Company and rank equally in all respects with the Company's existing Shares on issue;
- (d) the Sandfire Shares were issued on 9 January 2020;
- (e) the Sandfire Shares were issued at an issue price of \$0.08 each;

- (f) the proceeds of the Sandfire Shares will be used to continue and expand the drilling programme within the Quinchia and Andes portfolio as well as for general working capital;
- (g) the Sandfire Shares were issued under the terms and conditions of the Sandfire Collaboration Agreement described in the Prospectus dated 18 June 2019 and Notice of General Meeting dated 14 June 2019; and
- (h) a voting exclusion statement is included in the Notice.

## 17. **Resolution 15 – Approval of issue of BHC Options**

### 17.1 **General**

In December 2019, the Company undertook a bonus issue of quoted Options to eligible Shareholders on the basis of one Option for every five Shares held on the record date of 11 December 2019 for nil consideration (**Bonus Options Offer**).

The Bonus Options Offer was extended to all Shareholders with a registered address in Australia or New Zealand. For further details of the Bonus Options Offer, refer to the prospectus dated 5 December 2019.

The Board has agreed, subject to obtaining Shareholder approval, to issue up to 2,925,000 Options to BHC (or its nominees), a company incorporated in Panama (**BHC Options**), which represents the number of Options that BHC would have been entitled to apply for had it been eligible to participate in the Bonus Options Offer.

Pursuant to Resolution 15, the Company is seeking Shareholder approval pursuant to Listing Rule 7.1 for the issue of the BHC Options to BHC (or its nominees).

Resolution 15 is an ordinary resolution.

The Board recommends that Shareholders vote in favour of Resolution 15.

### 17.2 **Listing Rule 7.1**

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 shares it had on issue at the start of that period.

The issue of the BHC Options does not fall within any of these exceptions and exceeds the 15% limit in Listing Rule 7.1. It therefore requires the approval of Shareholders under Listing Rule 7.1.

Resolution 15 seeks the required Shareholder approval to the issue of the BHC Options under and for the purposes of Listing Rule 7.1.

If Resolution 15 is passed, the Company will be able to proceed with the issue of the BHC Options and will issue the BHC Options no later than three months after the date of the Meeting.

If Resolution 15 is not passed, the Company will not be able to proceed with the issue of the BHC Options until such time as further Shareholder approval is obtained or such issuance can

be made pursuant to the Company's existing placement capacity under Listing Rules 7.1 or 7.1A.

**17.3 Specific information required by Listing Rule 7.3**

Pursuant to and in accordance with Listing Rule 7.3, the following information is provided in relation to the proposed issue of the BHC Options:

- (a) the BHC Options will be issued to BHC (or its nominees);
- (b) a maximum of 2,925,000 Options will be issued;
- (c) the BHC Options will be exercisable at \$0.16 each on or before 16 August 2021 and will otherwise be on the terms and conditions set out in Schedule 3;
- (d) the BHC Options will be issued no later than three months after the date of the Meeting (or such later date as permitted by any ASX waiver or modification of the Listing Rules);
- (e) the BHC Options are not being issued under an agreement;
- (f) the BHC Options will be issued for nil cash consideration on the same terms as Options issued pursuant to other Shareholders under the Bonus Options Offer; and
- (g) a voting exclusion statement is included in the Notice.

## Schedule 1 Definitions

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

<b>\$</b>	means Australian Dollars.
<b>ASX</b>	means the ASX Limited (ABN 98 008 624 691) and, where the context permits, the Australian Securities Exchange operated by ASX Limited.
<b>Accosec</b>	means Accosec Pty Ltd (ACN 126 015 245).
<b>Accosec Shares</b>	has the meaning given in Section 13.1.
<b>Ausenco</b>	means Ausenco Engineering Canada Inc.
<b>Ausenco Shares</b>	has the meaning given in Section 11.1.
<b>Belben Shares</b>	has the meaning given in Section 15.1.
<b>Bellanhouse</b>	means Bellanhouse Pty Ltd (ACN 164 886 088).
<b>BH Shares</b>	has the meaning given in Section 12.1.
<b>Board</b>	means the board of Directors.
<b>BHC</b>	means Bullet Holding Corp, a company incorporated in Panama.
<b>BHC Options</b>	has the meaning given in Section 17.1.
<b>Chair</b>	means the person appointed to chair the Meeting of the Company convened by the Notice.
<b>Company</b>	means Los Cerros Limited (ACN 119 759 349).
<b>Corporations Act</b>	means the <i>Corporations Act 2001</i> (Cth).
<b>Director</b>	means a director of the Company.
<b>Equity Security</b>	has the same meaning as in the Listing Rules.
<b>Explanatory Memorandum</b>	means the explanatory memorandum which forms part of the Notice.
<b>Listing Rules</b>	means the listing rules of ASX.
<b>Meeting</b>	has the meaning given in the introductory paragraph of the Notice.
<b>Moller Shares</b>	has the meaning given in Section 14.1.
<b>Notice</b>	means this notice of general meeting.
<b>Option</b>	means an option to acquire a Share.



<b>Placement</b>	has the meaning given in Section 3.1.
<b>Placement Options</b>	has the meaning given in Section 3.1.
<b>Placement Participants</b>	means the participants in the Placement, being sophisticated and professional investors introduced to the Company by Hartleys Limited.
<b>Placement Shares</b>	has the meaning given in Section 3.1.
<b>Proxy Form</b>	means the proxy form attached to the Notice.
<b>Resolution</b>	means a resolution referred to in the Notice.
<b>Sandfire</b>	means Sandfire Resources Limited (ACN 105 154 185).
<b>Sandfire Shares</b>	has the meaning given in Section 16.1.
<b>Schedule</b>	means a schedule to the Notice.
<b>S3 Consortium</b>	means S3 Consortium Pty Ltd (135 239 968).
<b>S3 Shares</b>	has the meaning given in Section 10.1.
<b>Section</b>	means a section of the Explanatory Memorandum.
<b>Securities</b>	means any Equity Securities of the Company.
<b>Share</b>	means a fully paid ordinary share in the capital of the Company.
<b>Shareholder</b>	means the holder of a Share.
<b>SPP</b>	has the meaning given in Section 8.1.
<b>SPP Options</b>	has the meaning given in Section 8.1.
<b>SPP Shares</b>	has the meaning given in Section 8.1.
<b>Tranche 1 Placement Shares</b>	has the meaning given in Section 3.1.
<b>Tranche 2 Placement Shares</b>	has the meaning given in Section 3.1.
<b>WST</b>	means Western Standard Time being the time in Perth, Western Australia.

## Schedule 2 Terms of Placement Options and SPP Options

The terms of the Placement Options and SPP Options are as follows:

1. **(Entitlement)**: Each Option entitles the holder to subscribe for one Share upon exercise of the Option.
2. **(Issue Price)**: The Options are free attaching and have a nil issue price.
3. **(Exercise Price)**: The Options have an exercise price of \$0.10.
4. **(Expiry Date)**: The Options expire two years after the issue date.
5. **(Exercise Period)**: The Options are exercisable at any time and from time to time on or prior to the Expiry Date.
6. **(Quotation of the Options)**: The Company will not apply for quotation of the Options on ASX.
7. **(Notice of Exercise)**: The Options may be exercised by notice in writing to the Company in the manner specified on the Option certificate (**Notice of Exercise**) and payment of the Exercise Price for each Option being exercised in Australian currency by electronic funds transfer or other means of payment acceptable to the Company.

Any Notice of Exercise of an Option received by the Company will be deemed to be a notice of the exercise of that Option as at the date of receipt of the Notice of Exercise and the date of receipt of the payment of the Exercise Price for each Option being exercised in cleared funds (**Exercise Date**).

8. **(Timing of issue of Shares on exercise)**: Within 15 Business Days after the later of the following:
  - (a) the Exercise Date; and
  - (b) when excluded information in respect to the Company (as defined in section 708A(7) of the Corporations Act) (if any) ceases to be excluded information,

the Company will:

- (c) allot and issue the number of Shares required under these terms and conditions in respect of the number of Options specified in the Notice of Exercise and for which cleared funds have been received by the Company;
  - (d) if required, give ASX a notice that complies with section 708A(5)(e) of the Corporations Act; and
  - (e) if admitted to the official list of ASX at the time, apply for official quotation on ASX of Shares issued pursuant to the exercise of the Options.
9. **(Restrictions on transfer of Shares)**: If the Company is required but unable to give ASX a notice under paragraph 8(d), or such a notice for any reason is not effective to ensure that an offer for sale of the Shares does not require disclosure to investors, Shares issued on exercise of Options may not be traded and will be subject to a holding lock until 12 months after their

issue unless the Company, at its sole discretion, elects to issue a prospectus pursuant to section 708A(11) of the Corporations Act.

10. **(Change of controls):** A change of control occurs where:
  - (a) a person or entity becomes a legal or beneficial owner of 50% or more of the Issued Capital of the Company; or
  - (b) a person or entity becomes entitled to, acquires, holds or has an equitable interest in more than 50% of the Issued Capital of the Company.

On the occurrence of a Change of Control Event, the Board will determine in its sole and absolute discretion, how unvested Options will be dealt with.
11. **(Shares issued on exercise):** Shares issued on exercise of the Options will rank equally with the then Shares of the Company.
12. **(Quotation of Shares on exercise):** If admitted to the official list of ASX at the time, application will be made by the Company to ASX for quotation of the Shares issued upon the exercise of the Options in accordance with the Listing Rules.
13. **(Reconstruction of capital):** If at any time the issued capital of the Company is reconstructed, all rights of an Option holder are to be changed in a manner consistent with the Corporations Act and the Listing Rules at the time of the reconstruction.
14. **(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.
15. **(Adjustment for bonus issues of Shares):** If the Company makes a bonus issue of Shares or other securities to existing Shareholders (other than an issue in lieu or in satisfaction of dividends or by way of dividend reinvestment):
  - (a) the number of Shares which must be issued on the exercise of an Option will be increased by the number of Shares which the Option holder would have received if the Option holder had exercised the Option before the record date for the bonus issue; and
  - (b) no change will be made to the Exercise Price.

## Schedule 3 Terms of BHC Options

The terms of the BHC Options are as follows:

1. **Entitlement**

Each Option entitles the holder (**Optionholder**) to subscribe for one fully paid ordinary share in the capital of the Company (**Share**) upon exercise of the Option.

2. **Exercise Price and Expiry Date**

Each Option has an exercise price of \$0.16 and will expire on 16 August 2021 (**Expiry Date**).

Any Option not exercised before the Expiry Date will automatically lapse on the Expiry Date.

3. **Exercise Period**

The Options are exercisable at any time and from time to time on or prior to the Expiry Date.

4. **Quotation of the Options**

The Company intends to apply for Official Quotation of the Options.

5. **Transferability of the Options**

The Options will be transferable subject to compliance with the Corporations Act and Listing Rules.

6. **Notice of Exercise**

The Options may be exercised by notice in writing to the Company in a form reasonably acceptable to the Company (**Notice of Exercise**) and payment of the Exercise Price for each Option being exercised in Australian currency by cheque or electronic funds transfer.

Any Notice of Exercise of an Option received by the Company will be deemed to be a notice of the exercise of that option as at the date of receipt.

7. **Shares Issued on Exercise**

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

8. **Timing of Issue of Shares**

Within 15 Business Days after the later of the following:

- (a) receipt of a Notice of Exercise given in accordance with these terms and conditions and payment of the Exercise Price for each Option being exercise; and
- (b) when excluded information in respect to the Company (as defined in section 708A(7) of the Corporations Act) (if any) ceases to be excluded information,

the Company will:

- (c) issue the Shares pursuant to the exercise of the Options;
- (d) give ASX a notice that complies with section 708A(5)(e) of the Corporations Act (to the extent required); and
- (e) apply for official quotation on ASX of Shares issued pursuant to the exercise of the Options.

If the Company is unable to deliver a notice under paragraph (d) or such a notice for any reason is not effective to ensure that an offer for sale of the Shares does not require disclosure to investors, the Company will lodge with ASIC a "cleansing 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. Where a "cleansing prospectus" is required, any Shares issued on exercise of Options will be subject to a holding lock until such time as a prospectus is issued by the Company.

**9. Participation in New Issues**

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

**10. Adjustment for Bonus Issues of Shares**

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

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

**11. Adjustment for Entitlements Issue**

If the Company makes an issue of Shares pro rata to existing Shareholders (other than as a bonus issue to which paragraph 10 will apply) there will be no adjustment of the Exercise Price of an Option or the number of Shares over which the Options are exercisable.

**12. Adjustments for Reorganisation**

If there is any reorganisation of the issued share capital of the Company, the rights of the Optionholders will be varied in accordance with the Listing Rules.

## LODGE YOUR VOTE



### ONLINE

[www.linkmarketservices.com.au](http://www.linkmarketservices.com.au)



### BY MAIL

Los Cerros Limited  
C/- Link Market Services Limited  
Locked Bag A14  
Sydney South NSW 1235 Australia



### BY FAX

+61 2 9287 0309



### BY HAND

Link Market Services Limited  
Level 12, 680 George Street, Sydney NSW 2000



### ALL ENQUIRIES TO

Telephone: 1300 554 474      Overseas: +61 1300 554 474

## LODGEMENT OF A PROXY FORM

This Proxy Form (and any Power of Attorney under which it is signed) must be received at an address given above by **11:00am on Saturday, 28 March 2020**, being not later than 48 hours before the commencement of the Meeting. Any Proxy Form received after that time will not be valid for the scheduled Meeting. Proxy Forms may be lodged using the reply paid envelope or:



### ONLINE

[www.linkmarketservices.com.au](http://www.linkmarketservices.com.au)

Login to the Link website using the holding details as shown on the Proxy Form. Select 'Voting' and follow the prompts to lodge your vote. To use the online lodgement facility, shareholders will need their "Holder Identifier" - Securityholder Reference Number (SRN) or Holder Identification Number (HIN).

## HOW TO COMPLETE THIS SHAREHOLDER PROXY FORM

### YOUR NAME AND ADDRESS

This is your name and address as it appears on the Company's share register. If this information is incorrect, please make the correction on the form. Shareholders sponsored by a broker should advise their broker of any changes. **Please note: you cannot change ownership of your shares using this form.**

### APPOINTMENT OF PROXY

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

### DEFAULT TO CHAIRMAN OF THE MEETING

Any directed proxies that are not voted on a poll at the Meeting will default to the Chairman of the Meeting, who is required to vote those proxies as directed. Any undirected proxies that default to the Chairman of the Meeting will be voted according to the instructions set out in this Proxy Form.

### VOTES ON ITEMS OF BUSINESS – PROXY APPOINTMENT

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

### APPOINTMENT OF A SECOND PROXY

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

To appoint a second proxy you must:

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

### SIGNING INSTRUCTIONS

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

**Individual:** where the holding is in one name, the holder must sign.

**Joint Holding:** where the holding is in more than one name, either shareholder may sign.

**Power of Attorney:** to sign under Power of Attorney, you must lodge the Power of Attorney with the registry. If you have not previously lodged this document for notation, 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 indicate the office held by signing in the appropriate place.

### CORPORATE REPRESENTATIVES

If a representative of the corporation is to attend the Meeting the appropriate "Certificate of Appointment of Corporate Representative" must be produced prior to admission in accordance with the Notice of Meeting. A form of the certificate may be obtained from the Company's share registry or online at [www.linkmarketservices.com.au](http://www.linkmarketservices.com.au).

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

NAME SURNAME  
 ADDRESS LINE 1  
 ADDRESS LINE 2  
 ADDRESS LINE 3  
 ADDRESS LINE 4  
 ADDRESS LINE 5  
 ADDRESS LINE 6



X99999999999

## PROXY FORM

I/We being a member(s) of Los Cerros Limited and entitled to attend and vote hereby appoint:

STEP 1

### APPOINT A PROXY

the Chairman of the Meeting (mark box)

OR if you are NOT appointing the Chairman of the Meeting as your proxy, please write the name of the person or body corporate you are appointing as your proxy

or failing the person or body corporate named, or if no person or body corporate is named, the Chairman of the Meeting, as my/our proxy to act on my/our behalf (including to vote in accordance with the following directions or, if no directions have been given and to the extent permitted by the law, as the proxy sees fit) at the General Meeting of the Company to be held at **11:00am on Monday, 30 March 2020 at Suite 12, Level 1, 11 Ventnor Avenue, West Perth WA 6005** (the Meeting) and at any postponement or adjournment of the Meeting.

**The Chairman of the Meeting intends to vote undirected proxies in favour of each item of business.**

STEP 2

### VOTING DIRECTIONS

Proxies will only be valid and accepted by the Company if they are signed and received no later than 48 hours before the Meeting. Please read the voting instructions overleaf before marking any boxes with an

#### Resolutions

	For	Against	Abstain*		For	Against	Abstain*
1 Ratification of prior issue of Tranche 1 Placement Shares under Listing Rule 7.1	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	8b Approval of issue of Shares to S3 Consortium	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
2 Approval of issue of Tranche 2 Placement Shares	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	8c Approval of issue of Shares to S3 Consortium	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
3 Approval of issue of Placement Options	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	9 Approval of issue of Shares to Ausenco	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
4a Approval of issue of Placement Shares to Director Ross Ashton	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	10 Approval of issue of Shares to Bellanhouse	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
4b Approval of issue of Placement Options to Director Ross Ashton	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	11 Approval of issue of Shares to Accosec	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
5a Approval of issue of Placement Shares to Director Kevin Wilson	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	12 Approval of issue of Shares to Stuart Moller	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
5b Approval of issue of Placement Options to Director Kevin Wilson	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	13 Approval of issue of Shares to Stephen Belben	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
6 Approval of issue of SPP Options	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	14 Ratification of prior issue of Shares to Sandfire	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
7 Approval of issue of SPP Options to Director Jason Stirbinskis	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	15 Approval of issue of BHC Options	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
8a Approval of issue of Shares to S3 Consortium	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>				



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

STEP 3

### SIGNATURE OF SHAREHOLDERS – THIS MUST BE COMPLETED

Shareholder 1 (Individual)

Sole Director and Sole Company Secretary

Joint Shareholder 2 (Individual)

Director/Company Secretary (Delete one)

Joint Shareholder 3 (Individual)

Director

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

LCL PRX2001N

