

**ASX ANNOUNCEMENT****4 November 2020**

## **Notice of Annual General Meeting & Proxy Form**

De Grey Mining Limited (ASX: **DEG**, **De Grey** or **Company**) invites you to attend an Annual General Meeting of shareholders, which is to be held at 11.00AM WST on Friday 4 December 2020, at Vibe Hotel, 9 Alvan Street, Subiaco Western Australia, 6008.

An investor presentation will also be given at this meeting.

In accordance with section 5(1)(f) of the Corporations (Coronavirus Economic Response) Determination (No. 1) 2020 made by the Commonwealth Treasurer on 5 May 2020, the Notice of General Meeting, accompanying Explanatory Statement and Schedules (**Meeting Materials**) are being made available to shareholders electronically. You are able to view and download the Meeting Materials online from the Company website, and specifically the announcements page [www.degremining.com.au/asx-announcements](http://www.degremining.com.au/asx-announcements).

If you have nominated an email address and have elected to receive electronic communications with the Company's share registry, Automic Group Pty Ltd, you will receive an email to your nominated email address with a link to an electronic copy of the Meeting Materials.

In order to be able to receive electronic communications from the Company in the future, please update your shareholder details online at [www.investor.automic.com.au/#/signup](http://www.investor.automic.com.au/#/signup) by registering with your unique shareholder identification number you can find on your Personalised Proxy form or log in using your existing log in details.

Once logged in you can complete your proxy vote online [www.investor.automic.com.au/#/loginsah](http://www.investor.automic.com.au/#/loginsah). If you prefer not to vote online, please return the proxy form in accordance with the instructions contained within the Meeting Materials and the Personalised Proxy form.

If you have any difficulties obtaining a copy of the Notice of Meeting please contact the Company's share registry, Automic Group Pty Ltd, on 1300 288 664 (within Australia) or +61 2 9698 5414 (Overseas).

A copy of both the abovementioned Meeting Materials and Proxy Form are attached herewith.

*This announcement has been authorised for release by the Chairman of De Grey.*

**For further information, please contact:**

**Glenn Jardine**  
Managing Director  
+61 8 6117 9328  
[admin@degremining.com.au](mailto:admin@degremining.com.au)

**Craig Nelmes/Patrick Holywell**  
Company Secretaries  
+61 8 6117 9328  
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**DE GREY MINING LTD**

**ACN 094 206 292**

**NOTICE OF ANNUAL GENERAL MEETING**

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Notice is given that the Meeting will be held at:

**TIME:** 11.00am (WST)

**DATE:** Friday 4 December 2020

**PLACE:** Vibe Hotel  
9 Alvan Street, Subiaco  
Western Australia, 6008

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

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

***The Directors have determined pursuant to Regulation 7.11.37 of the Corporations Regulations 2001 (Cth) that the persons eligible to vote at the Meeting are those who are registered Shareholders at 11am WST on Saturday, 28 November 2020.***

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## BUSINESS OF THE MEETING

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### AGENDA

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#### 1. FINANCIAL STATEMENTS AND REPORTS

To receive and consider the annual financial report of the Company for the financial year ended 30 June 2020 together with the declaration of the Directors, the Director's report, the Remuneration Report and the auditor's report.

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#### 2. RESOLUTION 1 – ADOPTION OF REMUNERATION REPORT

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

*"That, for the purposes of section 250R(2) of the Corporations Act and for all other purposes, approval is given for the adoption of the Remuneration Report as contained in the Company's annual financial report for the financial year ended 30 June 2020."*

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

**Voting Prohibition Statement:**

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

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

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

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

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#### 3. RESOLUTION 2 – RE-ELECTION OF DIRECTOR – SIMON LILL

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

*"That, for the purpose of clause 14.2 of the Constitution, ASX Listing Rule 14.4 and for all other purposes, Mr Simon Lill, a Director, retires by rotation, and being eligible, is re-elected as a Director."*

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#### 4. RESOLUTION 3 – RE-ELECTION OF DIRECTOR – ANDREW BECKWITH

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

*"That, for the purpose of clause 14.2 of the Constitution, ASX Listing Rule 14.4 and for all other purposes, Mr Andrew Beckwith, a Director, retires by rotation, and being eligible, is re-elected as a Director."*

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## 5. RESOLUTION 4 – ELECTION OF DIRECTOR – GLENN JARDINE

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

*“That, for the purpose of clause 14.4 of the Constitution, and for all other purposes, Glenn Jardine, a Director who was appointed casually on 11 May 2020, retires, and being eligible, is elected as a Director.”*

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## 6. RESOLUTION 5 – RATIFICATION OF PRIOR ISSUE OF SHARES (PLACEMENT)

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

*“That, for the purposes of ASX Listing Rule 7.4 and for all other purposes, Shareholders ratify the issue of 73,116,666 Shares on the terms and conditions set out in the Explanatory Statement.”*

### **Voting Exclusion Statement:**

In accordance with Listing Rule 14.11, the Company will disregard any votes cast in favour of the resolution set out below by or on behalf of a person who participated in the issue or is a counterparty to the agreement being approved (namely participants in the placement) or an associate of that person or those persons.

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

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

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## 7. RESOLUTION 6 – APPOINTMENT OF AUDITOR AT AGM TO FILL VACANCY

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

*“That, for the purposes of section 327B of the Corporations Act and for all other purposes, Ernst & Young having been nominated by a Shareholder and having consented in writing to act in the capacity of auditor, be appointed as auditor of the Company with effect from the close of the Meeting.”*

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## 8. RESOLUTION 7 – RE-APPROVAL OF PERFORMANCE RIGHTS PLAN

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

*“That, for the purposes of Listing Rule 7.2 (Exception 13(b)) and for all other purposes, Shareholders re-approve the Company's Incentive Performance Rights Plan and for the issue of securities under that Plan, on the terms and conditions set out in the Explanatory Statement.”*

### **Voting Prohibition Statement**

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

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

However, the above prohibition does not apply if:

- (a) the proxy is the Chair; and
- (b) the appointment expressly authorises the Chair to exercise the proxy even though this Resolution is connected directly or indirectly with remuneration of a member of the Key Management Personnel.

### **Voting Exclusion Statement**

In accordance with Listing Rule 14.11, the Company will disregard any votes cast in favour of the resolution set out below by or on behalf of a person who is eligible to participate in the employee incentive scheme or an associate of that person or those persons.

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

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

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## **9. RESOLUTION 8 – RE-APPROVAL FOR THE ISSUE OF PERFORMANCE RIGHTS (WITH CORRECTED TERMS) TO RELATED PARTY – GLENN JARDINE**

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

*"That, for the purposes of Listing Rule 10.14 and for all other purposes, approval is given for the Company to issue Performance Rights to Glenn Jardine (or his nominee) under the Incentive Performance Rights Plan on the terms and conditions set out in the Explanatory Statement."*

### **Voting Prohibition Statement**

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

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

However, the above prohibition does not apply if:

- (a) the proxy is the Chair; and
- (b) the appointment expressly authorises the Chair to exercise the proxy even though this Resolution is connected directly or indirectly with remuneration of a member of the Key Management Personnel.

### **Voting Exclusion Statement**

In accordance with Listing Rule 14.11, the Company will disregard any votes cast in favour of the resolution set out below by or on behalf of any person referred to in Listing Rule 10.14.1, 10.14.2 or 10.14.3 who is eligible to participate in the employee incentive scheme in question (including Glenn Jardine) or an associate of that person or those persons.

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

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

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## **10. RESOLUTION 9 – APPROVAL TO ISSUE ZERO EXERCISE PRICE OPTIONS TO DIRECTOR – GLENN JARDINE**

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

*“That, for the purposes of Listing Rule 10.11 and for all other purposes, approval is given for the Company to issue \$585,000 worth of Zero Exercise Price Options to Glenn Jardine (or his nominee) on the terms and conditions set out in the Explanatory Statement.”*

**Voting Exclusion Statement:** The Company will disregard any votes cast in favour of the Resolution by or on behalf of Mr Glenn Jardine (or his nominee) and any other person who will obtain a material benefit as a result of the issue of the securities (except a benefit solely by reason of being a holder of ordinary securities in the Company) or an associate of that person or those persons.

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

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

### **Voting Prohibition Statement:**

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

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

However, the above prohibition does not apply if:

- (a) the proxy is the Chair; and
- (b) the appointment expressly authorises the Chair to exercise the proxy even though this Resolution is connected directly or indirectly with remuneration of a member of the Key Management Personnel

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**11. RESOLUTION 10 – APPROVAL TO ISSUE ZERO EXERCISE PRICE OPTIONS TO DIRECTOR – ANDREW BECKWITH**

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

*"That, for the purposes of Listing Rule 10.11 and for all other purposes, approval is given for the Company to issue \$525,000 worth of Zero Exercise Price Options to Andrew Beckwith (or his nominee) on the terms and conditions set out in the Explanatory Statement."*

**Voting Exclusion Statement:** The Company will disregard any votes cast in favour of the Resolution by or on behalf of Mr Andrew Beckwith (or his nominee) and any other person who will obtain a material benefit as a result of the issue of the securities (except a benefit solely by reason of being a holder of ordinary securities in the Company) or an associate of that person or those persons.

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

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

**Voting Prohibition Statement:**

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

- (a) the proxy is either:
    - (i) a member of the Key Management Personnel; or
    - (iii) a Closely Related Party of such a member; and
  - (b) the appointment does not specify the way the proxy is to vote on this Resolution.
- However, the above prohibition does not apply if:
- (a) the proxy is the Chair; and
  - (b) the appointment expressly authorises the Chair to exercise the proxy even though this Resolution is connected directly or indirectly with remuneration of a member of the Key Management Personnel

**Dated: 3 November 2020**

**By order of the Board**



**Simon Lill  
Chairman**

## Voting by proxy

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Your proxy voting instructions must be received by the time and in accordance with the instructions as set out on the enclosed Proxy Form.

### Guidance on Appointing a Proxy

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

- each Shareholder has a right to appoint a proxy;
- the proxy need not be a Shareholder of the Company; and
- a Shareholder who is entitled to cast two (2) or more votes may appoint two (2) proxies and may specify the proportion or number of votes each proxy is appointed to exercise. If the member appoints two (2) proxies and the appointment does not specify the proportion or number of the member's votes, then in accordance with section 249X(3) of the Corporations Act, each proxy may exercise one-half of the votes.

Shareholders and their proxies should be aware that:

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

### Submit your Proxy Vote Online

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Vote online at <https://investor.automic.com.au/#/loginsah>, and simply follow the instructions on the enclosed proxy form.

Or, alternatively;

### Submit your Proxy Vote by Paper

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If you do not wish to vote online, then it is necessary to complete in accordance with the detailed instructions set out on the enclosed Proxy Form

The return of your completed form (ONLY if you do NOT vote online) can be done by one of the following ways;

#### BY MAIL

Automic  
GPO Box 5193  
Sydney NSW 2001

#### IN PERSON

Automic  
Level 5, 126 Phillip Street  
Sydney NSW 2000

#### BY EMAIL

[meetings@automicgroup.com.au](mailto:meetings@automicgroup.com.au)

## Voting in person

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

Please bring your personalised Proxy Form with you as it will help you to register your attendance at the meeting. If you do not bring your Proxy Form with you, you can still attend the meeting but the Company will need to verify your identity.

***Should you wish to discuss the matters in this Notice of Meeting please do not hesitate to contact the Company Secretary on +61 8 6117 9328.***



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## EXPLANATORY STATEMENT

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

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### 1. FINANCIAL STATEMENTS AND REPORTS

In accordance with the Constitution, the business of the Meeting will include receipt and consideration of the annual financial report of the Company for the financial year ended 30 June 2020 together with the declaration of the Directors, the Directors' report, the Remuneration Report and the auditor's report.

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

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### 2. RESOLUTION 1 – ADOPTION OF REMUNERATION REPORT

#### 2.1 General

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

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

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

#### 2.2 Voting consequences

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

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

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

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

## **2.3 Previous voting results**

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

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## **3. RESOLUTIONS 2 AND 3 – RE-ELECTION OF DIRECTORS – SIMON LILL AND ANDREW BECKWITH**

### **3.1 General**

Listing Rule 14.4 and clause 14.2 of the Constitution provide that, other than a managing director, a director of an entity must not hold office (without re-election) past the third annual general meeting following the director's appointment or 3 years, whichever is the longer. However, where there is more than one managing director, only one is entitled to be exempt from this rotation requirement.

#### **Simon Lill**

Simon Lill, who has served as a Director since October 2013 and was last re-elected on 30 November 2017, retires by rotation and seeks re-election.

#### **Andrew Beckwith**

Andrew Beckwith, who has served as a Director since October 2017 and was last re-elected on 30 November 2017, retires by rotation and seeks re-election.

### **3.2 Qualifications and other material directorships**

#### **Simon Lill**

Mr Lill has previously worked with Anaconda Nickel Limited through engineering studies, financing and construction phases of the Murrin Murrin Nickel mine. He also has extensive experience since the 1980's with ASX listed companies, spanning small cap companies to larger concerns, involving restructuring, corporate, compliance, marketing, company secretarial and management activities, resulting in his role at De Grey Mining Ltd.

#### **Andrew Beckwith**

Mr Beckwith is a successful and experienced exploration geologist who has previously held senior technical roles with AngloGold Ashanti, Acacia Resources, Helix Resources, Normandy NFM, North Flinders Mines, BP Minerals Australia, and Westgold Resources. At Westgold, Mr Beckwith initially held the role of exploration manager before appointment as Managing Director. Additionally, Mr Beckwith was an Executive director of Bulletin Resources Limited until June 2014. During his time at Westgold, he was intimately involved in the Explorer 108 Pb-Zn-Ag and the Au-Cu Rover 1 (1.2Moz) discoveries in the Northern Territory as well as the acquisition of the Central Murchison Gold Project located in Western Australia.

### **3.3 Independence**

#### **Simon Lill**

If elected the Board considers Mr Lill will not be an independent director.

#### **Andrew Beckwith**

If elected the Board considers Mr Beckwith will not be an independent director.

### **3.4 Board recommendation**

#### **Simon Lill**

The Board has reviewed Simon Lill's performance since his appointment to the Board and considers that Simon Lill's skills and experience will continue to enhance the Board's ability to perform its role. Accordingly, the Board supports the re-election of Simon Lill and recommends that Shareholders vote in favour of Resolution 2.

#### **Andrew Beckwith**

The Board has reviewed Andrew Beckwith's performance since his appointment to the Board and considers that Andrew Beckwith's skills and experience will continue to enhance the Board's ability to perform its role. Accordingly, the Board supports the re-election of Andrew Beckwith and recommends that Shareholders vote in favour of Resolution 3.

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## **4. RESOLUTION 4 – ELECTION OF DIRECTOR – GLENN JARDINE**

### **4.1 General**

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

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

Glenn Jardine, having been appointed by the other Directors on 11 May 2020 in accordance with the Constitution, will retire in accordance with the Constitution and being eligible, seeks election from Shareholders.

### **4.2 Qualifications and other material directorships**

Mr. Jardine is a senior mining executive with direct experience growing resource companies from early stage exploration through to multi-operation entities. This includes taking projects through feasibility studies, equity funding, debt financing, project development and operations.

Commodity experience includes precious metals, base metals and bulk commodities across underground and open pit operations. Processing methods utilised at these projects and operations include CIP/CIL, DMS, sulphide flotation, BIOX, pressure oxidation and SX/EW. Projects developed have received Australian State and Federal recognition for environmental best practice and health and safety and human resources systems.

#### **4.3 Independence**

If elected the Board considers Glenn Jardine will not be an independent Director by virtue of him being the Managing Director of the Company.

#### **4.4 Other material information**

The Company conducts appropriate checks on the background and experience of candidates before their appointment to the Board. These include checks as to a person's experience, educational qualifications, character, criminal record and bankruptcy history. The Company undertook such checks prior to the appointment of Glenn Jardine, which returned no material or adverse results.

The Company confirms that it is not aware of any other information that would be material to Shareholders in deciding whether to appoint Glenn Jardine to the Board.

#### **4.5 Board recommendation**

The Board has reviewed Glenn Jardine's performance since his appointment to the Board and considers that Glenn Jardine's skills and experience will continue to enhance the Board's ability to perform its role. Accordingly, the Board supports the election of Glenn Jardine and recommends that Shareholders vote in favour of Resolution 4.

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### **5. RESOLUTION 5 – RATIFICATION OF PRIOR ISSUE OF SHARES (PLACEMENT)**

#### **5.1 General**

On 18 September 2020, the Company issued 73,116,666 Shares at an issue price of \$1.20 per Share to raise \$87,739,999.

The Company engaged the services of Argonaut Securities Pty Ltd (ACN 108 330 650) (**Argonaut**) and Canaccord Genuity (Australia) Limited (ACN 075 071 466) (**Canaccord**) to manage the issue of the Shares. The Company has paid Argonaut and Canaccord a fee of \$3,509,600 (being, 4% of the amount raised under the issue of the Shares).

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 Shares does not fit within any of the exceptions set out in Listing Rule 7.2 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 date of issue of the Shares.

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

The Company wishes to retain as much flexibility as possible to issue additional equity securities in the future without having to obtain Shareholder approval for such issues under Listing Rule 7.1. Accordingly, the Company is seeking Shareholder ratification pursuant to Listing Rule 7.4 for the issue of the Shares.

Resolution 5 seeks Shareholder ratification pursuant to Listing Rule 7.4 for the issue of the Shares.

## **5.2 Technical information required by Listing Rule 14.1A**

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

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

## **5.3 Technical 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 Resolution 5:

- (a) the Shares were issued to professional and sophisticated investors who are clients of Argonaut and Canaccord. The recipients were identified through a bookbuild process, which involved Argonaut and Canaccord seeking expressions of interest to participate in the capital raising from non-related parties of the Company;
- (b) in accordance with paragraph 7.4 of ASX Guidance Note 21, the Company confirms that none of the recipients were:
  - (i) related parties of the Company, members of the Company's Key Management Personnel, substantial holders of the Company, advisers of the Company or an associate of any of these parties; and
  - (ii) issued more than 1% of the issued capital of the Company;
- (c) 73,116,666 Shares were issued and the Shares issued were all fully paid ordinary shares in the capital of the Company issued on the same terms and conditions as the Company's existing Shares;
- (d) the Shares were issued on 18 September 2020;
- (e) the issue price was \$1.20 per Shares. The Company has not and will not receive any other consideration for the issue of the Shares;

- (f) the purpose of the issue of the Shares was to raise \$87,739,999, which will be applied towards exploration including active drilling programs, project de-risking studies, upgrading site infrastructure and working capital; and
- (g) the Shares were not issued under an agreement.

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## 6. RESOLUTION 6 – APPOINTMENT OF AUDITOR AT AGM TO FILL VACANCY

Butler Settineri (Audit) Pty Ltd, the Company's current auditor, has given notice of its intention to resign as auditor of the Company to ASIC in accordance with section 329(5) of the Corporations Act.

Upon receipt of ASIC's consent to their resignation, Butler Settineri (Audit) Pty Ltd has advised that it will submit a notice of resignation to the Company in accordance with section 329(5) of the Corporations Act, such resignation to take effect from the date of the Meeting.

In accordance with section 328B(1) of the Corporations Act, the Company has sought and obtained a nomination from a Shareholder for Ernst & Young to be appointed as the Company's auditor. A copy of this nomination is attached to this Notice as Annexure A.

Ernst & Young has given its written consent to act as the Company's auditor in accordance with section 328A(1) of the Corporations Act, subject to Shareholder approval and the resignation of Butler Settineri.

If Resolution 6 is passed, the appointment of Ernst & Young as the Company's auditors will take effect from the close of the Annual General Meeting.

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## 7. RESOLUTION 7 – ADOPTION OF INCENTIVE PERFORMANCE RIGHTS PLAN

### 7.1 General

Resolution 7 seeks Shareholder re-approval for the adoption of the employee incentive scheme titled "Incentive Performance Rights Plan" (**Performance Rights Plan**) and for the issue of Performance Rights under the Performance Rights Plan in accordance with Listing Rule 7.2 (Exception 13(b)).

The objective of the Performance Rights Plan when it was first adopted was to attract, motivate and retain key employees and the Company considers that the adoption of the Performance Rights Plan and the future issue of Performance Rights under the Performance Rights Plan will provide selected employees with the opportunity to participate in the future growth of the Company.

As summarised in Section 5.1 above, 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.

Listing Rule 7.2 (Exception 13(b)) provides that Listing Rule 7.1 does not apply to an issue of securities under an employee incentive scheme if, within three years before the date of issue of the securities, the holders of the entity's ordinary securities have approved the issue of equity securities under the scheme as exception to Listing Rule 7.1.

Exception 13(b) is only available if and to the extent that the number of equity securities issued under the scheme does not exceed the maximum number set out in the entity's notice of meeting dispatched to shareholders in respect of the meeting at which shareholder approval was obtained pursuant to Listing Rule 7.2 (Exception 13(b)). Exception 13(b) also ceases to be available if there is a material change to the terms of the scheme from those set out in the notice of meeting.

If Resolution 7 is passed, the Company will be able to issue Performance Rights under the Performance Rights Plan to eligible participants over a period of 3 years. The issue of any Performance Rights to eligible participants under the Performance Rights Plan (up to the maximum number of Performance Rights stated in Section (c) below) will be excluded from the calculation of the number of equity securities that the Company can issue without Shareholder approval under Listing Rule 7.1.

For the avoidance of doubt, the Company must seek Shareholder approval under Listing Rule 10.14 in respect of any future issues of Performance Rights under the Plan to a related party or a person whose relationship with the company or the related party is, in ASX's opinion, such that approval should be obtained.

If Resolution 7 is not passed, the Company will be able to proceed with the issue of Performance Rights under the Performance Rights Plan to eligible participants, but any issues of Performance Rights will reduce, to that extent, the Company's capacity to issue equity securities without Shareholder approval under Listing Rule 7.1 for the 12 month period following the issue of the Performance Rights.

## **7.2 Technical information required by Listing Rule 7.2 (Exception 13)**

Pursuant to and in accordance with Listing Rule 7.2 (Exception 13), the following information is provided in relation to Resolution 7:

- (a) a summary of the key terms and conditions of the Performance Rights Plan is set out in Annexure B;
- (b) the Company has issued 6,700,000 Performance Rights under the Performance Rights Plan since the Performance Rights Plan was last approved by Shareholders on 30 November 2017; and
- (c) the maximum number of Securities proposed to be issued under the Performance Rights Plan, following Shareholder approval, is 63,720,003 Performance Rights. It is not envisaged that the maximum number of Securities for which approval is sought will be issued immediately.

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## **8. RESOLUTION 8 – RE-APPROVAL FOR THE ISSUE OF PERFORMANCE RIGHTS (ON CORRECTED TERMS) TO RELATED PARTY – GLENN JARDINE**

### **8.1 Previous Approval**

At the Company's general meeting of Shareholders on 10 June 2020 (**Prior Meeting**) the Company sought approval for the issue of Performance Rights to Glenn Jardine in accordance with his employment agreement. In Resolution 6 of the Notice of Meeting pertaining to the Prior Meeting (**Prior Notice of Meeting**), the vesting periods for the Performance Rights were incorrectly stated, as detailed further below.

In order to ensure that Shareholder approval for the issue of the Performance Rights is consistent with the employment contract between the parties, the Company is seeking fresh Shareholder approval for the issue of the Performance Rights pursuant to this Resolution.

## 8.2 General

Mr Jardine commenced work on 4 May 2020 and was appointed as the Managing Director of the Company on 11 May 2020.

Under the terms of his employment agreement with the Company (**Employment Agreement**), as announced to the ASX on 20 March 2020, and subject to the receipt of Shareholder approval, the Company has agreed to issue Performance Rights to Glenn Jardine (or his nominee) pursuant to the Company's Performance Rights Plan and on the terms and conditions set out below.

Mr Jardine is entitled to receive such number of Performance Rights on an annual basis, as determined by the following formula:

$$A = B / C$$

Where:

**A** = The number of Performance Rights Mr Jardine is entitled to receive (on an annual basis).

**B** = \$100,000.

**C** = The VWAP over the last 10 trading days prior to the grant date, being 15 September 2021 for the Tranche 1 Performance Rights and 15 September 2022 for the Tranche 2 Performance Rights (**Grant Date**).

The first tranche of the Performance Rights (**Tranche 1**) was approved by Shareholders on 10 July 2020. On 18 September 2020, the Company issued 140,846 Performance Rights to Mr Jardine under Tranche 1.

The second tranche of Performance Rights will be issued on or about 15 September 2021 (**Tranche 2**) and the third tranche of Performance Rights on or about 15 September 2022 (**Tranche 3**).

The Performance Rights issued to Mr Jardine shall vest upon satisfaction of the following milestones:

- (a) the Company's Shares reaching a price equal to or greater than 120% of the VWAP for the 10 trading days prior to the Grant Date, within the following period (**Vesting Period**):
  - (i) Tranche 2 – from the Grant Date to 15 September 2022 (this was incorrectly stated as 15 September 2021 in the Prior Notice of Meeting); and
  - (ii) Tranche 3 – from the Grant Date to 15 September 2023 (this was incorrectly stated as 15 September 2022 in the Prior Notice of Meeting).
- (b) Mr Jardine remaining employed by the Company as Managing Director on expiry of the applicable Vesting Period.



The Performance Rights will otherwise be issued on the terms and conditions set out in Annexure C.

Resolution 8 seeks Shareholder re-approval for the issue of the Tranche 2 and 3 Performance Rights, for the purposes of Listing Rule 10.14.

The grant of the Performance Rights was agreed as part of Mr Jardine's remuneration package under the terms and conditions of the Employment Agreement. The material terms and conditions of Mr Jardine's employment agreement were included in the Company's announcement on 20 March 2020.

The Board has to balance the interests of Shareholders, while ensuring that the team working to achieve the outcomes sought are incentivised and rewarded for achieving the most significant value milestones for the Company. In this regard in so far as it relates to Mr Jardine, the Board has determined that these Performance Rights are linked to criteria relating to the performance of the Company and hurdles which the Board believes will deliver the most value to Shareholders at this juncture in the Company's growth. It also ensures that Mr Jardine has the opportunity to accumulate equity in the business which not only ensures a better alignment with our Shareholders, but has a retentive benefit as well.

The Board considers the granting of the Performance Rights to be a cost-effective reward for the Company to make to appropriately incentivise the continued performance of Mr Jardine and is consistent with the strategic goals and targets of the Company.

The Performance Rights will be issued under the Company's existing employee incentive scheme titled "Incentive Performance Rights Plan" (**Performance Rights Plan**) but will not be issued in reliance of ASIC Class Order 14/1000 Employee incentive schemes: Listed bodies. No disclosure document is required to be issued to the recipients of the Performance Rights as the offer is exempt under section 708(12) of the Corporations Act.

### 8.3 Chapter 2E of the Corporations Act and Listing Rule 10.14

Chapter 2E of the Corporations Act requires that for a public company, or an entity that the public company controls, to give a financial benefit to a related party of the public company, the public company or entity must:

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

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

The grant of the Performance Rights constitutes giving a financial benefit and Mr Jardine is a related party of the Company by virtue of being a Director.

It is the view of the Directors (other than Mr Jardine due to his material personal interest in the Resolution) consider that Shareholder approval pursuant to Chapter 2E of the Corporations Act is not required because the grant of the Performance Rights, reached as part of the remuneration package for Mr Jardine, is considered to be reasonable remuneration in the circumstances and was negotiated on an arm's length basis.

In addition, Listing Rule 10.14 provides that, subject to certain exceptions, an entity must not permit any of the following persons to acquire equity securities under an employee incentive scheme without the approval of the holders of its ordinary securities:

- 10.14.1 a director of the entity;
- 10.14.2 an associate of a director of the entity; or
- 10.14.3 a person whose relationship with the entity or a person referred to in Listing Rules 10.14.1 to 10.14.2 is such that, in ASX's opinion, the acquisition should be approved by security holders.

The issue of Performance Rights to Mr Jardine falls within Listing Rule 10.14.1 and therefore requires the approval of Shareholders under Listing Rule 10.14.

It is the view of the Directors that none of the exceptions in Listing Rule 10.16 apply to this proposed issue.

#### **8.4 Technical information required by Listing Rule 14.1A**

If Resolution 8 is passed, the Company will be able to proceed with the issue of the Tranche 2 and 3 Performance Rights to Mr Jardine within three years after the date of the Meeting (or such later date as permitted by any ASX waiver or modification of the Listing Rules). As approval pursuant to Listing Rule 7.1 is not required for the issue of the Performance Rights (because approval is being obtained under Listing Rule 10.14), the issue of the Performance Rights will not use up any of the Company's 15% annual placement capacity.

If Resolution 8 is not passed, the Company will not be able to proceed with the issue of the Performance Rights to Mr Jardine. Pursuant to Mr Jardine's Employment Agreement, if Shareholder approval is not received for the issue of the Performance Rights, the Company will seek to determine alternative long term incentive arrangements for Mr Jardine which as closely as possible align with the intention of the proposed issue of Performance Rights.

#### **8.5 Technical Information required by ASX Listing Rule 10.15**

Pursuant to and in accordance with Listing Rule 10.15, the following information is provided in relation to Resolution 8:

- (a) the total number of Performance Rights to be issued to Mr Glenn Jardine (or his nominee/s) will be determined in accordance with the formula set out in Section 8.1 above. As Mr Jardine is a Director, the Company is required to seek Shareholder approval for the issue of the Performance Rights pursuant to Listing Rule 10.14.1;
- (b) the Performance Rights will be issued on the terms and conditions set out in Annexure C. Any Shares issued on conversion of the Performance Rights will be fully paid ordinary shares in the capital of the Company issued on the same terms and conditions as the Company's existing Shares;

- (c) as detailed further in Section 9.3 below, from November 2020, Mr Jardine's total remuneration package will be \$840,000, comprising his Directors' salary of \$420,000 (inclusive of superannuation), a short term incentive cash bonus of up to \$125,000 (on achievement of key performance indicators which are still to be agreed by the Board) and \$295,000 worth of long term incentives in the form of Performance Rights and Zero Exercise Price Options (subject to Shareholder approval);
- (d) 140,846 Performance Rights have been previously issued to Mr Jardine under the Performance Rights Plan (being the Tranche 1 Performance Rights);
- (e) the grant of the Performance Rights was agreed as part of Mr Jardine's remuneration package under the terms and conditions of his Employment Agreement;
- (f) the Board has to balance the interests of Shareholders, while ensuring that the team working to achieve the outcomes sought are incentivised and rewarded for achieving the most significant value milestones for the Company. In this regard in so far as it relates to Mr Jardine, the Board has determined that these Performance Rights are linked to criteria relating to the performance of the Company and hurdles which the Board believes will deliver the most value to Shareholders at this juncture in the Company's growth. It also ensures that Mr Jardine has the opportunity to accumulate equity in the business which not only ensures a better alignment with our Shareholders, but has a retentive benefit as well;
- (g) a valuation of the Performance Rights is included in Annexure D;
- (h) the Performance Rights will be issued on an annual basis, as detailed in Section 8.1 above. The latest date that a Performance Right may be issued is 3 years after the date of the Meeting (or such later date to the extent permitted by any ASX waiver or modification of the Listing Rules);
- (i) the Performance Rights are being issued for nil issue price;
- (j) a summary of the material terms of the Performance Rights Plan is set out in Annexure B;
- (k) no loan is being made to Mr Jardine in connection with the issue;
- (l) details of any securities issued under the Performance Rights Plan will be published in the annual report of the Company relating to the period in which they were issued, along with a statement that approval for the issue was obtained under Listing Rule 10.14;
- (m) any additional persons covered by Listing Rule 10.14 who become entitled to participate in an issue of Performance Rights under the Performance Rights Plan after Resolution 8 is approved and who were not named in this Notice will not participate until approval is obtained under Listing Rule 10.14; and
- (n) and a voting exclusion statement is included in Resolution 8 of the Notice.

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## 9. RESOLUTIONS 9 AND 10 – APPROVAL OF ISSUE OF ZERO EXERCISE PRICE OPTIONS TO DIRECTORS

### 9.1 General

The Company has agreed, subject to obtaining Shareholder approval, to issue up to an aggregate of \$1,110,000 worth of zero exercise price Options (**ZEPOs**) (calculated based on a 10 day VWAP immediately prior to the Meeting) to the following Directors of the Company (together, the **Related Parties**):

- (a) pursuant to Resolution 9, \$585,000 of ZEPOs to Glenn Jardine (or his nominee), with the number of ZEPOs to be calculated based on a 10 day VWAP immediately prior to the Meeting, on the terms and conditions set out in Annexure F (**Jardine ZEPOs**); and
- (b) pursuant to Resolution 10, \$525,000 of ZEPOs to Andrew Beckwith (or his nominee), with the number of ZEPOs to be calculated based on a 10 day VWAP immediately prior to the Meeting, on the terms and conditions set out in Annexure F (**Beckwith ZEPOs**).

Resolutions 9 and 10 seek Shareholder approval for the issue of the ZEPOs.

### 9.2 Rationale behind the issue

#### (a) Resolution 9 – Glenn Jardine

Mr Glenn Jardine agreed to employment conditions on 18 March 2020. Mr Jardine's agreed employment conditions at that time were announced to the ASX and comprised:

Base Salary	\$362,500 (inclusive of Superannuation)
Short Term Incentives (STI)	\$50,000
Long Term Incentives (LTI)	\$100,000

The Company's remuneration committee (**REM Committee**), which comprise Mr Eduard Eshuys (Chairman), Mr Bruce Parncutt, Mr. Peter Hood and Mr Simon Lill sought independent advice from remuneration consultants (**REM Consultant**), BDO to determine the appropriateness of the incumbents total remuneration package, being cognisant of the market and other factors which includes the Company's growth stage.

Based on the independent advice, the Company's Remuneration Committee approved the Company's remuneration approach which was approved by the Board. This approach took into account the:

- size of the Group;
- size of the management team for the Group
- The nature and stage of development of the Group's current operations. In this regard and not limited to, the Hemi discovery has been transformational to De Grey Mining. This has resulted in an increase in complexity and scale of Mr Jardine's role from that originally contemplated. The increase in scale and complexity includes a substantial increase in exploration and project development activities which results in greater external and internal responsibilities, which includes number of reports, total employees and annual budget.

- Market conditions and comparable salary levels for companies of a similar size and operating in similar sectors. The increasingly positive outlook of the global gold market in conjunction with the reduced number of senior gold leader's in Australia supports the review of the incumbent's remuneration package from a retention, recognition and long term incentivisation perspective. It is not improbable that these KMP's may be lured elsewhere to further maximise their earnings. The Company has considered the impact of these KMP's leaving, whether other employees would 'follow suit' and the market 'fall-out' of this occurring, all of which may influence the project plan and value of the business.

Utilising the advice of the REM Consultant, the REM Committee agreed new employment conditions with Mr Jardine which are aligned to the remuneration policy as follows:

Total Fixed Remuneration	\$420,000 (inclusive of Superannuation)
Short Term Incentives (STI)	\$125,000
Long Term Incentives (LTI)	\$295,000 (inclusive of existing LTI incentives of \$100,000 pa already approved by shareholders)
<b>Total Annual Package</b>	<b>\$840,000</b>

Resolution 9 relates to the aforementioned LTI component of the employment agreement whereby the Long Term Incentive Plan (**LTIP**) be supplemented with an additional LTI opportunity. This is to ensure adherence to the remuneration policy and specifically, that a greater proportion of the Total remuneration package is based on long term performances. The additional LTI opportunity is as follows:

- (i) the grant of additional LTIP benefits of \$195,000 per annum (**GJ LTIP Top Up**);
- (ii) In order to ensure the invited Executive KMP's have the ability to participate in the value that is being created and delivered over the entire 3 year period evidenced by the identified milestones (see below), it is envisaged that a 3 year allocation be awarded at the beginning of the current period in Zero Exercise Price Options (ZEPOs) to each Executive KMP. The GJ LTIP Top Up is to be aggregated upfront as 3 years multiplied by \$195,000, totalling \$585,000.
- (iii) The LTIP Top Up be conferred as the grant of ZEPOs (on the terms and conditions set out in Annexure F) following shareholder approval at the Meeting.

(b) **Resolution 10 – Andrew Beckwith**

The independent advice from REM Consultant, BDO also determined the appropriateness of other executives' total remuneration package, being cognisant of the market and other factors which includes the Company's growth stage.

Based on the advice of the REM Consultant, Resolution 10 relates to the LTI component of Mr Beckwith's employment agreement whereby the existing STI component be supplemented with an additional LTIP opportunity as follows:

- (i) the grant of LTIP benefits of \$175,000 per annum (**AB LTIP Top Up**);
- (ii) the AB LTIP Top Up be aggregated upfront as 3 years multiplied by \$175,000, totalling \$525,000;
- (iii) the AB LTIP Top Up be conferred as the grant of ZEPOs (on the terms and conditions set out in Annexure F) following shareholder approval at Meeting;

Utilising the advice of the REM Consultant, the REM Committee agreed new employment conditions with Mr Beckwith which are aligned to the remuneration policy as follows:

Total Fixed Remuneration	\$280,000 (inclusive of Superannuation)
Short Term Incentives (STI)	\$40,000
Long Term Incentives (LTI)	\$175,000
<b>Total Annual Package</b>	<b>\$495,000</b>

### 9.3 Chapter 2E of the Corporations Act

A summary of Chapter 2E of the Corporations Act is set out in Section 8.3 above.

The grant of the ZEPOs constitutes giving a financial benefit and Messrs Jardine and Beckwith are related parties of the Company by virtue of being Directors.

The Directors (other than Mr Jardine with respect to Resolution 9 and Mr Beckwith with respect to Resolution 10, due to their material personal interest in the respective Resolutions) consider that Shareholder approval pursuant to Chapter 2E of the Corporations Act is not required in respect of the grant of the ZEPOs because the agreement to issue the Options, reached as part of the remuneration package for the Relevant Parties, is considered reasonable remuneration in the circumstances and was negotiated on an arm's length basis.

### 9.4 Listing Rule 10.11

Listing Rule 10.11 provides that unless one of the exceptions in Listing Rule 10.12 applies, a listed company must not issue or agree to issue equity securities to:

- 10.11.1 a related party;
- 10.11.2 a person who is, or was at any time in the 6 months before the issue or agreement, a substantial (30%+) holder in the company;
- 10.11.3 a person who is, or was at any time in the 6 months before the issue or agreement, a substantial (10%+) holder in the company and who has nominated a director to the board of the company pursuant to a relevant agreement which gives them a right or expectation to do so;

- 10.11.4 an associate of a person referred to in Listing Rules 10.11.1 to 10.11.3;  
or
- 10.11.5 a person whose relationship with the company or a person referred to in Listing Rules 10.11.1 to 10.11.4 is such that, in ASX's opinion, the issue or agreement should be approved by its shareholders,

unless it obtains the approval of its shareholders.

The issue of ZEPOs falls within Listing Rule 10.11.1 and does not fall within any of the exceptions in Listing Rule 10.12. It therefore requires the approval of Shareholders under Listing Rule 10.11.

## 9.5 Technical information required by Listing Rule 14.1A

If Resolutions 9 and 10 are passed, the Company will be able to proceed with the issue of the ZEPOs to the Related Parties within one month after the date of the Meeting (or such later date as permitted by any ASX waiver or modification of the Listing Rules). As approval pursuant to Listing Rule 7.1 is not required for the issue of the ZEPOs (because approval is being obtained under Listing Rule 10.11), the issue of the ZEPOs will not use up any of the Company's 15% annual placement capacity.

If Resolutions 9 and 10 are not passed, the Company will not be able to proceed with the issue of the Jardine ZEPOs and Beckwith ZEPOs. In such circumstances, the Company will seek to determine alternative long term incentive arrangements for Messrs Jardine and Beckwith which as closely as possible align with the intention of the proposed issue of the ZEPOs.

## 9.6 Technical 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 Resolutions 9 and 10:

- (a) the ZEPOs will be issued to the Related Parties, as detailed in Section 9.1 above. Each of the Related Parties falls within the category set out in Listing Rule 10.11.1 by virtue of being a Director;
- (b) the maximum number of ZEPOs to be issued to the Related Parties (being the nature of the financial benefit proposed to be given) is detailed in Section 9.1 above. The below table sets out the number of ZEPOs that will be issued based on various VWAP scenarios:

		10 day VWAP prior to Meeting				
	Value of ZEPOs	\$1.00	\$1.05	\$1.10	\$1.15	\$1.20
<b>Mr Jardine (Resolution 9)</b>	\$585,000	585,000	557,143	531,818	508,696	487,500
<b>Mr Beckwith (Resolution 10)</b>	\$525,000	525,000	500,000	477,273	456,522	437,500

- (c) the terms and conditions of the ZEPOs are set out in Annexure F;

- (d) the ZEPOs will be issued as soon as practicable following the Meeting and no later than 1 month after the date of the Meeting (or such later date to the extent permitted by any ASX waiver or modification of the Listing Rules). It is intended that issue of the ZEPOs will occur on the same date;
- (e) the issue price of the ZEPOs will be nil. The Company will not receive any other consideration in respect of the issue of the ZEPOs;
- (f) the purpose of the issue of the ZEPOs is to provide a performance linked incentive component in the remuneration package for the Related Parties to motivate and reward their performance as a Director and to provide cost effective remuneration to the Related Parties, enabling the Company to spend a greater proportion of its cash reserves on its operations than it would if alternative cash forms of remuneration were given to the Related Parties;
- (g) the total remuneration package for each of the Related Parties for the previous financial year and the proposed total remuneration package for the current financial year are set out below (which, for the avoidance of doubt, includes the value of the ZEPOs the subject of Resolutions 9 and 10):

Related Party	Current 2020-2021 Financial Year	Previous 2019-2020 Financial Year
Glenn Jardine (commenced 4 May 2020) <sup>1</sup>	\$840,000	\$60,417
Andrew Beckwith <sup>2</sup>	\$510,827	\$316,203

**Notes:**

1. 2020-21: From November 2020, comprising \$420,000 salary & super plus \$125,000 in STI's and \$295,000 in LTI's (refer to section 9.2 for further details). 2019-20: Comprising \$55,175 salary and \$5,242 superannuation.
2. 2020-21: Comprising \$280,000 salary & super plus \$40,000 in STI's and \$175,000 in LTI's as well as \$15,287 from past performance rights issued (refer to section 9.2 for further details) and currently subject to review. 2019-20: Comprising \$228,324 salary, \$10,000 bonus, \$22,641 superannuation and \$55,238 performance rights.

- (h) the ZEPOs are being issued to the Related Parties under their respective Director agreements with the Company. A summary of the material terms of these Agreements are set out in Annexure E.



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## GLOSSARY

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**\$** means Australian dollars.

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

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

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

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

**Business Day** means Monday to Friday inclusive, except New Year's Day, Good Friday, Easter Monday, Christmas Day, Boxing Day, and any other day that ASX declares is not a business day.

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

**Change of Control** means:

- (a) a bona fide Takeover Bid is declared unconditional and the bidder has acquired a Relevant Interest in at least 50.1% of the Company's issued Shares;
- (b) a court approves, under Section 411(4)(b) of the Corporations Act, a proposed compromise or arrangement for the purposes of, or in connection with, a scheme for the reconstruction of the Company or its amalgamation with any other company or companies; or
- (c) in any other case, a person obtains Voting Power in the Company which the Board (which for the avoidance of doubt will comprise those Directors immediately prior to the person acquiring that Voting Power) determines, acting in good faith and in accordance with their fiduciary duties, is sufficient to control the composition of the Board

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

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

**Company** means De Grey Mining Ltd (ACN 094 206 292).

**Constitution** means the Company's constitution.

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

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

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

**Explanatory Statement** means the explanatory statement accompanying the Notice.

**Key Management Personnel** has the same meaning as in the accounting standards issued by the Australian Accounting Standards Board and means those persons having authority and responsibility for planning, directing and controlling the activities of the Company, or if the Company is part of a consolidated entity, of the consolidated entity, directly or indirectly, including any director (whether executive or otherwise) of the Company, or if the Company is part of a consolidated entity, of an entity within the consolidated group.

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

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

**Performance Right** means a right to acquire a Share, subject to satisfaction of any vesting conditions.

**Performance Rights Plan** means the incentive performance rights plan to be adopted by the Company, being the subject of Resolution 7 as summarised in Annexure B.

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

**Relevant Interest** has the meaning given in the Corporations Act.

**Remuneration Report** means the remuneration report set out in the Director's report section of the Company's annual financial report for the year ended June 2019.

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

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

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

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

**Takeover Bid** means a takeover bid (as defined in the Corporations Act) to acquire Shares.

**Voting Power** has the meaning given to that term in Section 9 of the Corporations Act.

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

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## ANNEXURE A – NOMINATION OF AUDITOR LETTER

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Messrs. Craig Nelves and Patrick Holywell  
Joint Company Secretaries  
De Grey Mining Ltd  
Level 3, Suites 24-26  
22 Railway Road  
Subiaco WA 6008

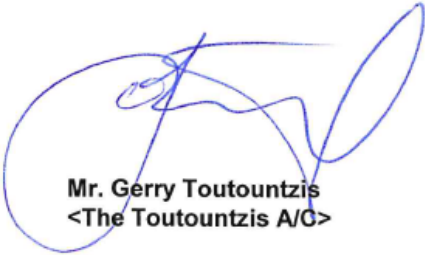
23 October 2020

Dear Craig and Patrick,

I, Gerry Toutountzis, being a member of De Grey Mining Ltd (**Company**), nominate Ernst & Young in accordance with section 328B(1) of the *Corporations Act 2001* (Cth) (**Act**) to fill the office of auditor of the Company.

Please distribute copies of this notice of this nomination as required by section 328B(3) of the Act.

Signed and dated 23 October 2020



Mr. Gerry Toutountzis  
<The Toutountzis A/C>

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## **ANNEXURE B – TERMS AND CONDITIONS OF PERFORMANCE RIGHTS PLAN**

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The material terms and conditions of the Incentive Performance Rights Plan (**Performance Rights Plan**) are summarised below:

### **1. Eligibility**

Participants in the Performance Rights Plan may be:

- (a) a Director (whether executive or non-executive) of the Company or any associate Group Company;
- (b) a full or part time employee of any Group Company;
- (c) a casual employee or contractor of a Group Company to the extent permitted by ASIC Class Order 14/1000 as amended or replaced (Class Order); or
- (d) a prospective participant, being a person to whom the offer is made but who can only accept the offer if an arrangement has been entered into that will result in the person becoming a participant under subparagraphs (i), (ii), or (iii) above,

who is declared by the Board to be eligible to receive grants of Performance Rights under the Performance Rights Plan (**Eligible Participants**).

### **2. Offers**

The Board may, from time to time, at its absolute discretion, make an offer to grant Performance Rights to an Eligible Participant under the Performance Rights Plan and on such additional terms and conditions as the Board determines (**Offer**).

### **3. Plan limit**

Where the Company has relied or intends relying on the Class Order to make an Offer, the Company must have reasonable grounds to believe, when making an offer, that the number of Shares to be received on conversion of Performance Rights offered under an offer, when aggregated with the number of Shares issued or that may be issued as a result of offers made in reliance on the Class Order at any time during the previous 3 year period under an employee incentive scheme covered by the Class Order or an ASIC exempt arrangement of a similar kind to an employee incentive scheme, will not exceed 5% of the total number of Shares on issue at the date of the Offer.

### **4. Consideration**

Performance Rights granted under the Performance Rights Plan will be issued for nil cash consideration.

### **5. Performance Rights**

Each Performance Right, once vested, entitles the holder, on exercise, to the issue of one fully paid ordinary share in the capital of the Company (**Share**).

**6. Not transferrable**

Performance Rights are only transferrable with the prior written consent of the Board of the Company or by force of law upon death to the participant's legal personal representative or upon bankruptcy to the participant's trustee in bankruptcy.

**7. Vesting Conditions**

The Board will determine the vesting conditions (if any) that must be satisfied before a Performance Right vests, and the date by which a vesting condition must be satisfied (**Vesting Condition**).

**8. Vesting**

A Performance Right will vest where Vesting Conditions are satisfied or where, despite Vesting Conditions not being satisfied, the Board resolves that unvested Performance Rights have vested as a result of:

- (a) the participant ceasing to be an Eligible Participant due to certain special circumstances (e.g. due to death, severe financial hardship, total and permanent disability, retirement or redundancy) as set out in the Performance Rights Plan; or
- (b) the Company being wound up.

If the Company undergoes a Change of Control, any Vesting Conditions attaching to the Performance Rights are deemed to be automatically waived.

**9. Shares**

Shares resulting from the vesting of the Performance Rights shall, from the date of issue, rank on equal terms with all other Shares on issue.

**10. Sale Restrictions**

The Board may, in its discretion, determine at any time up until exercise of Performance Rights, that a restriction period will apply to some or all of the Shares issued to an Eligible Participant (or their eligible nominee) on exercise of those Performance Rights (**Restriction Period**).

**11. Quotation of Shares**

If Shares of the same class as those issued under the Performance Rights Plan are quoted on the ASX, the Company will, subject to the Listing Rules, apply to the ASX for those Shares to be quoted on ASX within 10 business days of the later of the date the Shares are issued and the date any Restriction Period applying to the Shares ends.

## **12. Lapse of a Performance Right**

Subject to the terms of an Offer otherwise providing, a Performance Right will lapse upon the earlier to occur of:

- (a) an unauthorised dealing in, or hedging of, the Performance Right;
- (b) a Vesting Condition in relation to the Performance Right not being satisfied by the due date, or becoming incapable of satisfaction, as determined by the Board in its absolute discretion;
- (c) in respect of an unvested Performance Right, a participant (or, where the participant is a nominee of the Eligible Participant, that Eligible Participant) (**Relevant Person**) ceases to be an Eligible Participant, unless the Board exercises its discretion to vest the Performance Right under a good leaver exception;
- (d) in respect of a vested Performance Right, a Relevant Person ceases to be an Eligible Participant and the Performance Right granted in respect of that Relevant Person is not exercised within one (1) month (or such later date as the Board determines) of the date the Relevant Person ceases to be an Eligible Participant;
- (e) the Board deems that a Performance Right lapses due to fraud, dishonesty or other improper behaviour of the holder/Eligible Participant;
- (f) the Company undergoes a change in control or winding up, and the Performance Right has not otherwise vested in accordance with paragraph (h); and
- (g) the expiry date of the Performance Right.

## **13. No Participation Rights**

There are no participating rights or entitlements inherent in the Performance Rights and participants will not be entitled to participate in new issues of capital offered to Shareholders during the currency of the Performance Rights without exercising the Performance Right.

## **14. No Change**

A Performance Right does not confer the right to a change in the number of underlying Shares over which the Performance Right can be exercised.

## **15. Reorganisation**

If, at any time, the issued capital of the Company is reorganised (including consolidation, subdivision, reduction or return), all rights of a holder of a Performance Right are to be changed in a manner consistent with the Corporations Act and the Listing Rules at the time of the reorganisation.

## **16. Inconsistency with Offer**

Notwithstanding any other provision in the Performance Rights Plan, to the extent that any covenant or provision contained in an Offer document is inconsistent with any covenant or provision under the Plan, the deemed covenant or provision under the Offer document shall prevail.

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## ANNEXURE C - TERMS AND CONDITIONS OF PERFORMANCE RIGHTS

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The following is a summary of the key terms and conditions of the Performance Rights, the subject of Resolution 8:

### 1. Vesting

The Performance Rights shall vest upon satisfaction of the following milestones:

- (a) the Company's Shares reaching a price equal to or greater than 120% of the volume weighted average price of the Company's Shares for the 10 trading days prior to the Grant Date (as defined in Section 8.2 above, within the following period (**Vesting Period**):
  - (i) Tranche 2 – from the Grant Date to 15 September 2022; and
  - (ii) Tranche 3 – from the Grant Date to 15 September 2023.
- (b) Mr Jardine remaining employed by the Company as Managing Director as at the expiry of the applicable Vesting Period, unless the Board exercises its discretion:
  - (i) to allow the Performance Rights to remain unvested after departure, in which case, the Performance Rights may vest in accordance with their terms; or
  - (ii) allow some or all of the Performance Rights to vest upon departure, where the Board determines Mr Jardine is a "good leaver" (e.g. in circumstances such as cessation due to retirement, redundancy, permanent or total disability, or death).

(each referred to as a **Vesting Condition**).

### 2. Automatic Vesting on a Change of Control

Where there is a Change of Control, all Vesting Conditions are deemed to be automatically waived and advised by written notice to the holder.

### 3. Notification of holder

The Company shall notify the holder in writing within ten (10) business days when a Vesting Condition has been satisfied.

### 4. Conversion

Once vested, each Performance Right will, at the election of the holder, convert into one Share.

### 5. Lapse of a Performance Right

A Performance Right that has not vested on or before the expiry of the applicable Vesting Period will automatically lapse. Further, if a vested Performance Right has not been converted into a Share prior to the date that is three years from the Grant Date, the Performance Right will automatically lapse.

Vested and unvested Performance Rights will lapse where the Board determines there has been fraud, dishonesty or other improper behaviour by Mr Jardine in contravention of the terms of his employment agreement.

**6. Consideration**

The Performance Rights will be issued for nil consideration and no consideration will be payable upon the conversion of the Performance Rights into Shares.

**7. Share ranking**

All Shares issued upon conversion of the Performance Rights will upon issue rank pari passu in all respects with other Shares.

**8. Listing of Shares on ASX**

The Performance Rights will not be quoted on ASX. Upon conversion of the Performance Rights into Shares, the Company will apply for quotation of all Shares issued upon conversion of the Performance Rights within the period required by ASX.

**9. Timing of issue of Shares on exercise**

Within 10 Business Days after the date that the Performance Rights are exercised, the Company will:

- (a) issue the number of Shares required under these terms and conditions in respect of the number of Performance Rights exercised;
- (b) if required, give ASX a notice that complies with section 708A(5)(e) of the Corporations Act, or, if the Company is unable to issue such a notice, lodge with ASIC a prospectus prepared in accordance with the Corporations Act and do all such things necessary to satisfy section 708A(5)(E) of the Corporations Act to ensure that an offer for sale of the Shares does not require disclosure to investors; and
- (c) apply for official quotation on ASX of Shares issued pursuant to the exercise of the Performance Rights.

**10. Transfer of Performance Rights**

A Performance Right is not transferable (including encumbering the Performance Rights).

**11. Participation in new issues**

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

**12. Adjustment for reconstruction**

If, at any time, the issued capital of the Company is reorganised (including consolidation, subdivision, reduction or return), all rights of a holder of a Performance Right are to be changed in a manner consistent with the Corporations Act and the Listing Rules at the time of the reorganisation.

**13. Dividend and Voting Rights**

A Performance Right does not confer upon the holder an entitlement to notice of, or to vote or attend at, a meeting of the Shareholders of the Company or receive dividends declared by the Company.



## ANNEXURE D – VALUATION OF PERFORMANCE RIGHTS- MR. GLENN JARDINE

The Performance Rights to be issued pursuant to Resolution 8 have been valued using the Monte Carlo Simulation method on the basis of the below key assumptions.

Item	Rights	
	Tranche 2	Tranche 3
Value of the underlying security	\$1.240	\$1.240
Exercise price	Nil	Nil
Valuation date	22-Oct-20	22-Oct-20
10-day VWAP barrier	\$1.453	\$1.531
Commencement of performance/vesting period	15-Sep-21*	15-Sep-22*
Performance measurement/vesting date	15-Sep-22*	15-Sep-23*
Performance/vesting period (years)	1.90	2.90
Expiry date	15-Sep-26	15-Sep-27
Life of the Instruments (years)	5.00	5.00
Volatility	110%	110%
Risk-free rate	0.140%	0.140%
Dividend yield	Nil	Nil
Number of Instruments	108,460	101,523
Valuation per Instrument	\$0.922	\$0.985
Valuation per Tranche	\$100,000	\$100,000

The Performance Rights were ascribed the following value:

Related Party			Value of Performance Rights to be issued
Glenn Jardine			<b>\$200,000</b>
Performance Rights	Notional Number	Value per Right	Total Value
Tranche 2	108,460	\$0.922	\$100,000
Tranche 3	101,523	\$0.985	\$100,000
<b>TOTAL</b>	<b>209,983</b>		<b>\$200,000</b>

## ANNEXURE E – SUMMARY OF DIRECTOR AGREEMENTS

### Glenn Jardine

<b>Commencement date</b>	11 May 2020
<b>Term</b>	No fixed term, employment will be ongoing until terminated by either party in accordance with the agreement.
<b>Fixed Remuneration</b>	\$420,000 per annum inclusive of statutory superannuation contributions.
<b>Short term Incentive Plan (STIP)</b>	A short term incentive (STI) bonus of up to \$125,000 p.a. upon the achievement of Key Performance Indicators to be agreed with the Board.
<b>Long Term Incentive Plan (LTIP)</b>	For the first three years of his employment, the Company will issue Mr Jardine such number of performance rights (on the terms and conditions set out in Annexure D) equivalent to \$100,000, on an annual basis, as detailed at section 8.2.
<b>Long Term Incentive Plan (LTIP) Top Up</b>	Subject to the receipt of shareholder approval (the subject of Resolution 9), the Company is to issue Mr Jardine additional long term incentive benefits of \$195,000 per annum, to be aggregated upfront as 3 years multiplied by \$195,000, totaling \$585,000 ( <b>LTIP Top Up</b> ). The LTIP Top Up are to be conferred as the grant of 'Zero Exercise Price Options', on the terms and conditions set out in Annexure F.
<b>Termination</b>	Either party may terminate the agreement within 12 months' following the cessation of the initial 3 month probationary period, by giving 6 months' notice. Thereafter either party has the right to terminate upon giving 3 months' notice.
<b>Post-employment restraint</b>	Mr Jardine is restricted from competing with the Company and/or soliciting its customers, suppliers and/or employees for up to 12 months following termination of his employment in the Pilbara region within the specific gold sector.

### Andrew Beckwith

<b>Commencement date</b>	26 October 2017
<b>Term</b>	No fixed term, employment will be ongoing until terminated by either party in accordance with the agreement.
<b>Fixed Remuneration</b>	<p>\$280,000 per annum inclusive of statutory superannuation contributions.</p> <p>The Level of fixed remuneration is currently under review.</p>
<b>Short term Incentive Plan (STIP)</b>	<p>A short term incentive (STI) bonus of up to \$40,000 p.a. upon the achievement of Key Performance Indicators to be agreed with the Board.</p> <p>The STIP is currently under review.</p>

<b>Long Term Incentive Plan (LTIP) Top Up</b>	Subject to the receipt of shareholder approval (the subject of Resolution 10), the Company is to issue Mr Beckwith LTIP benefits of \$175,000 per annum to be aggregated upfront as 3 years multiplied by \$175,000, totaling \$525,000 ( <b>LTIP Top Up</b> ). The LTIP Top Up are to be conferred as the grant of 'Zero Exercise Price Options' on the terms and conditions set out in Annexure F.
<b>Notice</b>	Mr Beckwith may terminate the agreement without reason upon giving 3 months' notice. The Company has the right to terminate the employment of Mr Beckwith without reason by giving Mr Beckwith 6 months notice.
<b>Post-employment restraint</b>	<p>Mr Beckwith is restricted from engage in or be concerned or interested directly or indirectly in any business or person that:</p> <ul style="list-style-type: none"> <li>i. supplies products or services which are the same as or similar to the Company, acting either alone or in partnership or association with another person in Perth, Western Australia for 3 months after termination of his employment</li> <li>ii. is directly or indirectly entitled to any business which is in anyway similar to the Company, acting as principal, agent, representative, director, officer or employee in Australia for 6 months after termination of his employment; and</li> <li>iii. could be reasonably regarded as a market competitor of the Company, acting as member, shareholder, debenture holder, noteholder or holder of any other security anywhere for 1 year after termination of his employment.</li> </ul>

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## ANNEXURE F – TERMS AND CONDITIONS OF ZEPOS

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(a) **Entitlement**

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

(b) **Exercise Price**

No consideration is payable upon the exercise of each Option.

(c) **Expiry Date**

Each Option will expire at 5:00 pm (AWST) on the four year anniversary of their date of issue (**Expiry Date**).

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

(d) **Vesting Conditions**

The Options will vest upon satisfaction of the following vesting conditions, or where, despite vesting conditions not being satisfied, the Board (in its absolute discretion) resolves that unvested Options have vested:

- (i) upon the satisfaction of the following project milestones (**LTIP Milestones**):
  - (A) delineation of Mineral Resources (as that term is defined in JORC, 2012 Australasian Code for Reporting of Exploration Results, Mineral Resources and Ore Reserves) of not less than 12 million ounces of gold at the Company's Mallina Gold Project (inclusive of the existing regional 2.2 million ounces) as at the date of this Meeting);
  - (B) completion of a Definitive Feasibility Study (**DFS**) confirming feasibility for a 500,000 ounces of gold per annum project through a mine life of no less than 12 years, or such other number as approved by the Board following completion of a Pre-Feasibility Study. The DFS is to be signed off in its entirety by a suitably qualified engineering group (with oversight from the Board); and
  - (C) the Company securing debt and/or equity finance for a Board approved Project arising from the DFS; and
- (ii) upon the executive achieving a score of 65% or more on the annual short term incentive criteria (**STIC**), as determined by the Board annually. If the executive does not achieve the score of 65% or more, 50% of the Options will be cancelled, whilst the balance will vest solely subject to achieving the LTIP Milestones.

The STIC will consist of a weighted scorecard comprising the following wealth preservation measures and wealth creation measures (subject to Board review on an annual basis):

- (A) annual project based milestones;
- (B) all regulatory compliance requirements met;
- (C) meeting budget (as adjusted and approved by Board);
- (D) safety – Total Recordable Injury Frequency Rate;
- (E) maintain and increase institutional shareholder base and undertake successful capital raising activities;
- (F) keeping tenements in good standings; and
- (G) business development.

The Board will also retain discretion to vary or supplement the STIC, following conferral with the executive, to better define and formalise those criteria, having regard to the nature and scale of the business and any other applicable matters.

(e) **Exercise Period**

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

(f) **Vesting on a change of control**

Where there is a Change of Control, all Vesting Conditions are deemed to be automatically waived and advised by written notice to the holder.

(g) **Good Leaver / Bad Leaver**

The Executive's entitlement to any unexercised Options, is conditional upon and subject to the Executive being a "good Leaver" (e.g. in circumstances such as cessation due to retirement, redundancy, permanent or total disability, or death) at the time at which the holder ceases to be a Director of the Company (at the discretion of the Board).

If the holder is not a "good leaver", there is no entitlement to any pro rata conferral of Options which are subject to unsatisfied vesting or exercise conditions, and the Executive must where necessary take all actions necessary to facilitate the relinquishment or cancellation of the Options following the cessation of their employment.

(h) **Notice of Exercise**

The Options may be exercised during the Exercise Period by notice in writing to the Company in the manner specified on the Option certificate (**Notice of Exercise**).

(i) **Exercise Date**

A Notice of Exercise is only effective on and from the date of receipt of the Notice of Exercise (**Exercise Date**).

(j) **Timing of issue of Shares on exercise**

Within 10 Business Days after the Exercise Date, the Company will:

- (i) issue the number of Shares required under these terms and conditions in respect of the number of Options specified in the Notice of Exercise;
- (ii) if required, give ASX a notice that complies with section 708A(5)(e) of the Corporations Act, or, if the Company is unable to issue such a notice, lodge with ASIC a prospectus prepared in accordance with the Corporations Act and do all such things necessary to satisfy section 708A(11) of the Corporations Act to ensure that an offer for sale of the Shares does not require disclosure to investors; and
- (iii) 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.

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

(k) **Shares issued on exercise**

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

(l) **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 ASX Listing Rules at the time of the reconstruction.

(m) **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.

(n) **Change in exercise price**

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

(o) **Transferability**

The Options are not transferable unless in certain specified circumstances detailed in the Company's Employee Incentive Plan (such as death, permanent disability or financial hardship of the holder) and with the consent of the Board. The Options may also be subject to restrictions or escrow arrangements imposed by ASX or under applicable Australian securities laws.

(p) **Deferred Taxation**

Subdivision 83A-C of the *Income Tax Assessment Act 1997* (Cth) applies to the Option offer.

# Proxy Voting Form

**If you are attending the meeting in person, please bring this with you for Securityholder registration.**

**Holder Number:**

Your proxy voting instruction must be received by **11.00am (WST) on Wednesday 2 December 2020**, being **not later than 48 hours** before the commencement of the Meeting. Any Proxy Voting instructions received after that time will not be valid for the scheduled Meeting.

## SUBMIT YOUR PROXY

**Complete the form overleaf in accordance with the instructions set out below.**

### YOUR NAME AND ADDRESS

The name and address shown above is as it appears on the Company's share register. If this information is incorrect, and you have an Issuer Sponsored holding, you can update your address through the investor portal: <https://investor.automic.com.au/#/home> Shareholders sponsored by a broker should advise their broker of any changes.

### STEP 1 – APPOINT A PROXY

If you wish to appoint someone other than the Chair of the Meeting as your proxy, please write the name of that Individual or body corporate. A proxy need not be a Shareholder of the Company. Otherwise if you leave this box blank, the Chair of the Meeting will be appointed as your proxy by default.

### DEFAULT TO THE CHAIR OF THE MEETING

Any directed proxies that are not voted on a poll at the Meeting will default to the Chair of the Meeting, who is required to vote these proxies as directed. Any undirected proxies that default to the Chair of the Meeting will be voted according to the instructions set out in this Proxy Voting Form, including where the Resolutions are connected directly or indirectly with the remuneration of KMP.

### STEP 2 - VOTES ON ITEMS OF BUSINESS

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

### APPOINTMENT OF SECOND PROXY

You may appoint up to two proxies. If you appoint two proxies, you should complete two separate Proxy Voting Forms and specify the percentage or number each proxy may exercise. If you do not specify a percentage or number, each proxy may exercise half the votes. You must return both Proxy Voting Forms together. If you require an additional Proxy Voting Form, contact Automic Registry Services.

### SIGNING INSTRUCTIONS

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

**Joint holding:** Where the holding is in more than one name, all Shareholders should sign.

**Power of attorney:** If you have not already lodged the power of attorney with the registry, please attach a certified photocopy of the power of attorney to this Proxy Voting Form when you return it.

**Companies:** To be signed in accordance with your Constitution. Please sign in the appropriate box which indicates the office held by you.

**Email Address:** Please provide your email address in the space provided.

**By providing your email address, you elect to receive all communications despatched by the Company electronically (where legally permissible) such as a Notice of Meeting, Proxy Voting Form and Annual Report via email.**

### CORPORATE REPRESENTATIVES

If a representative of the corporation is to attend the Meeting the appropriate 'Appointment of Corporate Representative' should be produced prior to admission. A form may be obtained from the Company's share registry online at <https://automic.com.au>.

### Lodging your Proxy Voting Form:

#### Online:

Use your computer or smartphone to appoint a proxy at

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

or scan the QR code below using your smartphone

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



#### BY MAIL:

Automic  
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Sydney NSW 2001

#### IN PERSON:

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