

# **Indiana Resources Limited**

**ACN 009 129 560**

## **NOTICE OF ANNUAL GENERAL MEETING AND EXPLANATORY MEMORANDUM**

**Wednesday, 30 November 2022**

**2:30pm (WST)**

**To be held by at**

**Suite 3, 339 Cambridge Street**

**Wembley WA 6014**

The Annual Report is available online at [www.indianaresources.com.au](http://www.indianaresources.com.au)

This Notice of Annual General Meeting and Explanatory Memorandum should be read in its entirety. If Shareholders are in doubt as to how to vote, they should seek advice from their accountant, solicitor, or other professional adviser without delay.

Should you wish to discuss any matter please do not hesitate to contact the Company Secretary by telephone on +61 408 909 588.

# NOTICE OF MEETING

Notice is given that the Annual General Meeting of Shareholders of Indiana Resources Limited (ACN 009 129 560) (**Company**) will be held at Suite 3, 339 Cambridge Street, Wembley WA 6014 on Wednesday, 30 November 2022 commencing at 2:30pm WST (**Meeting**).

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

The Directors have determined pursuant to regulation 7.11.37 of the Corporations Regulations 2001 (Cth) that the persons eligible to vote at the Meeting are those who are registered as Shareholders at 4:00pm WST on Monday, 28 November 2022.

Terms and abbreviations used in this Notice and Explanatory Memorandum are defined in Schedule 1.

## AGENDA

### Annual Report

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To table and consider the Annual Report of the Company and its controlled entities for the financial year ended 30 June 2022, which includes the Financial Report, the Directors' Report, and the Auditor's Report.

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

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

*“That, for the purposes of section 250R(2) of the Corporations Act and for all other purposes, the Remuneration Report that forms part of the Directors' Report for the financial year ended 30 June 2022 be adopted by the Shareholders on the terms and conditions in the Explanatory Memorandum.”*

Please note that a vote on this Resolution is advisory only and does not bind the Directors or the Company.

#### Voting Prohibition

In accordance with section 250R of the Corporations Act, a vote on this Resolution must not be cast (in any capacity) by, or on behalf of:

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

However, a vote may be cast by such person if:

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

## 2. Resolution 2 – Re-election of Director – Ms Bronwyn Barnes

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

*“That, for the purpose of clause 46 of the Constitution and for all other purposes, Ms Bronwyn Barnes, a Director who was last re-elected on 29 November 2019, retires, and being eligible for re-election, is elected as a Director with immediate effect.”*

## 3. Resolution 3 – Re-election of Director – Mr David Ward

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

*“That for the purpose of clause 45.2 of the Constitution, ASX Listing Rule 14.4 and for all other purposes, David Ward, a Director who was appointed to fill a casual vacancy on 18 October 2022, retires, and being eligible, is re-elected as a Director”*

## 4. Resolution 4 – Approval of 10% Placement Facility

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

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

## 5. Resolution 5 – Ratification of Prior Issue of Placement Shares

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

*“That, for the purpose of ASX Listing Rule 7.4 and for all other purposes, Shareholders ratify the issue of 35,011,645 Shares issued pursuant to the Company’s placement capacity under Listing Rule 7.1, on the terms and conditions set out in the Explanatory Memorandum.”*

### **Voting Exclusion**

The Company will disregard any votes cast in favour of this Resolution by or on behalf of:

- (a) a person who participated in the issue or is a counterparty to the agreement being approved (namely Placement Participants); or
- (b) any 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 directions given to the proxy or attorney to vote on the Resolution in that way;
- (b) the Chair of the meeting 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.

## 6. Resolutions 6(a), 6(b) and 6(c) – Approval to Issue Placement Shares to Directors (Ms Bronwyn Barnes, Ms Felicity Repacholi-Muir and Mr Robert Adam)

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

*“That for the purposes of section 195(4) and section 208 of the Corporations Act, ASX Listing Rule 10.11, and for all other purposes, approval is given for the Company to issue:*

- (a) *1,200,000 Director Placement Shares to Ms Bronwyn Barnes (and/or her nominee(s));*
- (b) *400,000 Director Placement Shares to Ms Felicity Repacholi-Muir (and/or her nominee(s)); and*
- (c) *600,000 Director Placement Shares to Mr Robert Adam (and/or his nominee(s)),*

*on the terms and conditions set out in the Explanatory Memorandum.”*

### **Voting Exclusion Statement**

The Company will disregard any votes cast in favour of:

- (a) Resolution 6(a) by or on behalf of:
  - (i) Ms Bronwyn Barnes (and/or her nominees(s)) and any other persons 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
  - (ii) an associate of that person or those persons;
- (b) Resolution 6(b) by or on behalf of:
  - (i) Ms Felicity Repacholi-Muir (and/or her nominees(s)) and any other persons 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
  - (ii) an associate of that person or those persons.
- (c) Resolution 6(c) by or on behalf of:
  - (i) Mr Robert Adam (and/or his nominee(ss) 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
  - (ii) an associate of that person or those persons.

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

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

### **Voting Prohibition Statement:**

In accordance with section 224 of the Corporations Act, a vote on this Resolution must not be cast (in any capacity) by or on behalf of a related part of the Company to whom the Resolution would permit a financial benefit to be given, or an associate of such a related party (**Resolution 6(a)-6(c) Excluded Party**). However, this prohibition does not apply if the vote is cast by a person as proxy appointed by writing that specifies how the proxy is to vote on the Resolution and it is not cast on behalf of a Resolution 6(a) - 6(c) Excluded Party).

In accordance with section 250BD of the Corporations Act, a person appointed as a proxy must not vote, on the basis of that appointment, on this Resolution if:

- (a) the proxy if 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.

Provided the Chair is not a Resolution 6(a)-6(c) Excluded Party, 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.

## 7. Resolution 7 – Approval of Employee Securities Incentive Plan

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To consider and, if thought fit, to pass 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 approve the establishment of a new employee securities plan, to be called the “IDA Employee Securities Incentive Plan” (Plan), and the issue of Securities under the Plan, in accordance with the terms of the Plan described in the Explanatory Memorandum.”*

### Voting Exclusion

The Company will disregard any votes cast in favour of this Resolution by or on behalf of:

- (a) a person who is eligible to participate in the employee incentive scheme or
- (b) any 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 directions given to the proxy or attorney to vote on the Resolution in that way;
- (b) the Chair of the meeting 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 if 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;
- (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.

## 8. Resolutions 8(a), 8(b) and 8(c) – Approval to Issue Incentive Options to Directors (Mr David Ward, Mr Robert Adam and Ms Bronwyn Barnes)

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

*“That, subject to the passing of Resolution 7, for the purposes of section 195(4) and section 208 of the Corporations Act, Listing Rule 10.14, and for all other purposes, approval is given for the Company to issue:*

- (a) 4,000,000 Incentive Options to Mr David Ward (and/or his nominee/s);
- (b) 2,000,000 Incentive Options to Mr Robert Adam (and/or his nominee/s); and
- (c) 3,000,000 Incentive Options to Ms Bronwyn Barnes (and/or her nominee/s),

*on the terms and conditions set out in the Explanatory Memorandum.”*

#### **Voting Exclusion**

The Company will disregard any votes cast in favour of:

- (a) Resolution 8(a) by or on behalf of
  - (i) Mr David Ward (and/or his nominee(s)) 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
  - (ii) an Associate of that person or those persons.
- (b) Resolution 8(b): by or on behalf of:
  - (i) Mr Robert Adam (and/or his nominee/s) 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
  - (ii) an Associate of that person or those persons;
- (c) Resolution 8(c): by or on behalf of:
  - (i) Ms Bronwyn Barnes (and/or her nominee/s) 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
  - (ii) an Associate of that person or those persons;

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

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

In accordance with section 224 of the Corporations Act, a vote on this Resolution must not be cast (in any capacity) by or on behalf of a related part of the Company to whom the Resolution would permit a financial benefit to be given, or an associate of such a related party (**Resolutions 8(a)-(c) Excluded Party**). However, this prohibition does not apply if the vote is cast by a person as proxy appointed by writing that specifies how the proxy is to vote on the Resolution and it is not cast on behalf of a Resolutions 8(a)-(c) Excluded Party).

In accordance with section 250BD of the Corporations Act, a person appointed as a proxy must not vote, on the basis of that appointment, on this Resolution if:

- (a) the proxy if 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.

Provided the Chair is not a Resolutions 8(a)-(c) Excluded Party, 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.

## 9. Resolution 9 – Ratification of Prior Issue of Lead Manager Options

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

*“That, for the purposes of ASX Listing Rule 7.4 and for all other purposes, Shareholders ratify the issue of 4,000,000 Options issued pursuant to the Company’s placement capacity under Listing Rule 7.1, on the terms and conditions set out in the Explanatory Memorandum.”*

### **Voting Exclusion Statement**

The Company will disregard any votes cast in favour of this Resolution by or on behalf of:

- (a) a person who participated in the issue or is a counterparty to the agreement being approved (namely, the Lead Manager); or
- (b) an associate of that person or those persons.

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

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

Dated 26 October 2022

**BY ORDER OF THE BOARD**



**Kate Stoney**  
**Company Secretary**

# EXPLANATORY MEMORANDUM

## 1. Introduction

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This Explanatory Memorandum has been prepared for the information of Shareholders of the Company in connection with the business to be conducted at the Meeting to be held at Suite 3, 339 Cambridge Street, Wembley WA 6014 on Wednesday, 30 November 2022 commencing at 2:30pm WST (**Meeting**).

This Explanatory Memorandum should be read in conjunction with and forms part of the accompanying Notice. The purpose of this Explanatory Memorandum is to provide information to Shareholders in deciding whether or not to pass the Resolutions in the Notice.

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

## 2. Action to be taken by Shareholders

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

### 2.1 Proxies

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

Please note that:

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

Shareholders and their proxies should be aware that:

- (a) If proxy holders vote, they must cast all directed proxies as they are directed to; and
- (b) Any directed proxies which are not voted will automatically default to the Chair, who must vote the proxies as directed.

Further details are set out below.



### ***Proxy vote if appointment specifies way to vote***

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

- (a) the proxy need not vote on a show of hands, but if the proxy does so, the proxy must vote that way (i.e. as directed); and
- (b) if the proxy has 2 or more appointments that specify different ways to vote on the resolution – the proxy must not vote on a show of hands; and
- (c) if the proxy is the Chair of the meeting at which the resolution is voted on – the proxy must vote on a poll, and must vote that way (i.e. as directed); and
- (d) if the proxy is not the Chair – the proxy need not vote on the poll, but if the proxy does so, the proxy must vote that way (i.e. as directed).

### ***Transfer of non-chair proxy to Chair in certain circumstances***

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

- (a) an appointment of a proxy specifies the way the proxy is to vote on a particular resolution at a meeting of the Company's members; and
- (b) the appointed proxy is not the Chair of the meeting; and
- (c) at the meeting, a poll is duly demanded, or is otherwise required under section 250JA, on the question that the resolution be passed; and
- (d) either of the following applies:
  - (i) if a record of attendance is made for the meeting - the proxy is not recorded as attending;
  - (ii) the proxy does not vote on the resolution,

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

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

## **2.2 Voting Prohibition by Proxy Holders**

In accordance with sections 250BD and 250R of the Corporations Act, a vote on Resolution 1, Resolutions 6(a)-6(c), Resolution 7 and Resolutions 8(a)-8(c) must not be cast (in any capacity) by, or on behalf of:

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

However, a person described above may cast a vote on Resolution 1, Resolutions 6(a)-6(c), Resolution 7 and Resolutions 8(a)-8(c) as proxy if the vote is not cast behalf of a person described in subparagraphs (a) or (b) above and either:

- (a) the person does so as a proxy appointed by writing that specifies how the proxy is to vote on Resolution 1, Resolutions 6(a)-6(c), Resolution 7 and Resolutions 8(a)-8(c); or
- (b) the person is the Chair and the appointment of the Chair as proxy:
  - (i) does not specify the way the proxy is to vote on Resolution 1, Resolutions 6(a)-6(c), Resolution 7 and Resolutions 8(a)-8(c); and
  - (ii) expressly authorises the Chair to exercise the proxy even if Resolution 1, Resolutions 6(a)-6(c), Resolution 7 and Resolutions 8(a)-8(c) is connected directly or indirectly with the remuneration of Key Management Personnel.

### 2.3 Submit your Proxy Vote

- (a) Online

Vote online at [www.investorvote.com.au](http://www.investorvote.com.au) and simply follow the instructions on the enclosed proxy form.

- (b) By Paper

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:

<b>BY MAIL</b>	Computershare Investor Services Pty Limited GPO Box 242 Melbourne VIC 3001 Australia
<b>BY FAX</b>	1800 783 447 (within Australia) +61 3 9473 2555 (outside Australia)

## 3. Annual Report

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

Shareholders will be offered the following opportunities:

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

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

- (a) the preparation and the content of the Auditor's Report;

- (b) the conduct of the audit;
- (c) accounting policies by the Company in relation to the preparation of the financial statements; and
- (d) the independence of the auditor in relation to the conduct of the audit,

may be submitted no later than 5 Business Days before the Meeting to the Company Secretary at the Company's registered office.

## **4. Resolution 1 – Adoption of Remuneration Report**

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Section 250R(2) of the Corporations Act provides that the Company is required to put the Remuneration Report to the vote of Shareholders. The Directors' Report contains the Remuneration Report which sets out the remuneration policy for the Company and reports the remuneration arrangements in place for the executive Directors, specified executives and non-executive Directors.

Section 250R(3) of Corporations Act provides that Resolution 1 is advisory only and does not bind the Directors of the Company of itself, a failure of Shareholders to pass Resolution 1 will not require the Directors to alter any of the arrangements in the Remuneration Report.

However, the Corporations Act also gives Shareholders the opportunity to remove the Board if the Remuneration Report receives a 'no' vote of 25% or more at two consecutive annual general meetings (**Two Strikes Rule**).

Under the Two Strikes Rule, where a resolution on the Remuneration Report receives a 'no' vote of 25% or more at two consecutive annual general meetings, the Company will be required to put to Shareholders at the second annual general meeting a resolution on whether another meeting should be held (within 90 days) at which all Directors (other than the managing director) who were in office at the date of approval of the applicable Directors' Report will cease to hold office immediately before that further meeting but may stand for re-election.

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, a further resolution relating to the Two Strikes Rule is not relevant for this Annual General Meeting.

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

The Chair intends to exercise all undirected proxies in favour of Resolution 1. If the Chair of the Meeting is appointed as your proxy and you have not specified the way the Chair is to vote on Resolution 1, by signing and returning the Proxy Form, the Shareholder is considered to have provided the Chair with an express authorisation for the Chair to vote the proxy in accordance with the Chair's intention.

## **5. Resolution 2 – Re-election of Director – Ms Bronwyn Barnes**

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### **5.1 General**

Clause 46 of the Constitution requires that at the Company's annual general meeting in every year, one-third of the Directors, or, if their number is not a multiple of 3, then the number nearest to but not more than one-third of the Directors, must retire.

The Directors to retire by rotation at an annual general meeting are those Directors who have been in longest in office since their last election.

A Director who retires by rotation under clause 46 of the Constitution is eligible for re-election.

Ms Bronwyn Barnes (**Ms Barnes**) will retire in accordance with clause 46 of the Constitution and being eligible, seeks re-election.

## **5.2 Qualifications and other material directorships**

Ms Barnes has had an extensive career in the resources sector, having worked with companies ranging from BHP Billiton to emerging juniors in directorships, executive leadership, and operational roles in Australia and internationally. Ms Barnes is a member of the South Australian Government's Minerals and Energy Advisory Council (MEAC) and during the year was also a council member of the Association of Mining and Exploration Companies (retired March 2021). Ms Barnes has extensive experience in working with junior exploration companies and an extensive career in ASX listed company boards.

Ms Barnes also holds the following directorships:

- Scorpion Minerals Ltd (ASX: SCN);
- Aerison Group Ltd (ASX: AE1);
- Finder Energy Ltd (ASX: FDR); and
- Synergy (Electricity Generation and Retail Corporation).

## **5.3 Independence**

If re-elected, the Board considers Ms Barnes will not be an independent director.

## **5.4 Board recommendation**

The Board (excluding Ms Barnes) recommends that Shareholders vote in favour of Resolution 2. The Chair of the meeting intends to vote undirected proxies in favour of Resolution 2.

# **6. Resolution 3 – Re-election of Director – Mr David Ward**

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## **6.1 General**

Clause 45 of the Constitution allows the Directors to appoint any person as a Director 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.

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

ASX Listing Rule 14.4 requires that a Director appointed to fill a casual vacancy or as an addition to the Board must not hold office (without re-election) past the next annual general meeting of the Company.

Mr David Ward (**Mr Ward**), having been appointed to fill a casual vacancy on 18 October 2022, will retire in accordance with clause 45 of the Constitution and ASX Listing Rule 14.4, and being eligible, seeks re-election.

## 6.2 Qualifications and other material directorships

Mr. Ward is a geologist with over 25 years' experience covering a wide range of deposit styles and commodities in mineral exploration and mining within Australia and is a Member of the Australasian Institute of Mining and Metallurgy (AusIMM).

Mr Ward currently is the Chief Geologist for Private Company Bacchus Resources Pty Ltd (since 2016) and a Founding Non-Executive Director of Coolabah Metals (ASX:CBH).

Prior to the above Mr Ward has held senior geological positions in the junior exploration sector, including roles with Clancy Exploration, Tellus Resources and Thomson Resources plus resource definition and production roles at Newcrest Mining's Cadia Valley Operations.

## 6.3 Independence

If re-elected, the Board considers Mr Ward will be an independent director.

## 6.4 Board recommendation

The Board (excluding Mr Ward) recommends that Shareholders vote in favour of Resolution 3. The Chair of the meeting intends to vote undirected proxies in favour of Resolution 3.

# 7. Resolution 4 – Approval of 10% Placement Facility

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## 7.1 General

Listing Rule 7.1A enables eligible entities to issue Equity Securities up to 10% of its issued share capital through placements commencing from the date of the Meeting where the Company obtains the approval until the earlier of the following:

- (a) the date that is 12 months after the date of the Meeting at which the approval is obtained;
- (b) the time and date of the Company's next annual general meeting; or
- (c) the time and date of the approval of Shareholders of a transaction under Listing Rule 11.1.2 or 11.2 in respect of the Company,

**(10% Placement Facility).** The 10% Placement Facility is in addition to the Company's 15% placement capacity under Listing Rule 7.1.

An eligible entity for the purposes of Listing Rule 7.1A is an entity that is not included in the S&P/ASX 300 Index and has a market capitalisation of \$300 million or less. The Company currently has a market capitalisation of \$28,060,679 and is an eligible entity.

The Company is now seeking Shareholder approval by way of a special resolution to have the ability to issue Equity Securities under the 10% Placement Facility.

The exact number of Equity Securities to be issued under the 10% Placement Facility will be determined in accordance with the formula prescribed in Listing Rule 7.1A.2 (refer Section 7.2(c) below).

## 7.2 Description of Listing Rule 7.1A

(a) Shareholder approval

The ability to issue Equity Securities under the 10% Placement Facility is subject to shareholder approval by way of a special resolution at an annual general meeting. Accordingly, at least 75% of votes cast by Shareholders present and eligible to vote at the Meeting must be in favour of Resolution 4 for it to be passed.

(b) Equity Securities

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

The Company, as at the date of the Notice, has on issue one class of quoted Equity Securities, being Shares (ASX: IDA).

(c) Formula for calculating 10% Placement Facility

Listing Rule 7.1A.2 provides that eligible entities which have obtained shareholder approval at an annual general meeting may issue or agree to issue, during the 12 month period after the annual general meeting, a number of Equity Securities calculated in accordance with the following formula:

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

Where:

**A** is the number of fully paid ordinary securities on issue at the commencement of the relevant period:

- (1) plus the number of fully paid ordinary securities issued in the relevant period under an exception in Listing Rule 7.2 other than Exception 9, 16 or 17;
- (2) plus the number of fully paid ordinary securities issued in relevant period on the conversion of convertible securities within Listing Rule 7.2 Exception 9 where:
  - (a) the convertible securities were issued or agreed to be issued before the commencement of the relevant period; or
  - (b) the issue of, or agreement to issue, the convertible securities approved, or taken to have been approved, under Listing Rule 7.1 or 7.4;
- (3) plus the number of fully paid ordinary securities issued in relevant period under an agreement to issue securities within Listing Rule 7.2 Exception 16 where:
  - (a) the agreement was entered into before the commencement of the relevant period; or
  - (b) the agreement or issue was approved, or taken under these rules to have been approved, under rule 7.1 or rule 7.4;

- (4) plus the number of any other fully paid ordinary securities issued in the relevant period with approval under rule 7.1 or rule 7.4;
- (5) plus the number of partly paid ordinary securities that became fully paid in the relevant period;
- (6) less the number of fully paid shares cancelled in the relevant period.

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

**D** is 10%.

**E** is the number of Equity Securities issued or agreed to be issued under Listing Rule 7.1A.2 in the relevant period where the issue or agreement has not been subsequently approved by the holders of its ordinary securities under Listing Rule 7.4. Listing Rule 7.1A and Listing Rule 7.3A.

The ability of an entity to issue Equity Securities under Listing Rule 7.1A is in addition to the entity's 15% placement capacity under Listing Rule 7.1.

At the date of this Notice, the Company has on issue 483,804,819 Shares and therefore has a capacity to issue:

- (i) 72,570,722 Equity Securities under Listing Rule 7.1; and
- (ii) 48,380,481 Equity Securities under Listing Rule 7.1A.

The actual number of Equity Securities that the Company will have capacity to issue under Listing Rule 7.1A will be calculated at the date of issue of the Equity Securities in accordance with the formula prescribed in Listing Rule 7.1A.2 (refer to Section 7.2(c) above).

(d) Minimum Issue Price

The issue price of Equity Securities issued under Listing Rule 7.1A must be not less than 75% of the VWAP of Equity Securities in the same class calculated over the 15 Trading Days on which trades in that class were recorded immediately before:

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

(e) 10% Placement Period

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

- (i) the date that is 12 months after the date of the Meeting;
- (ii) the time and date of the Company's next annual general meeting; or
- (iii) the time and date of the approval by shareholders of the eligible entity's ordinary securities of a transaction under Listing Rules 11.1.2 (a significant

change to the nature or scale of activities) or 11.2 (disposal of main undertaking),

**(10% Placement Period).**

### **7.3 Listing Rule 7.1A**

The effect of Resolution 4 will be to allow the Directors to issue the Equity Securities under Listing Rule 7.1A during the 10% Placement Period without using the Company's 15% placement capacity under Listing Rule 7.1.

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

### **7.4 Specific information required by Listing Rule 7.3A**

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

- (a) The Equity Securities will be issued at an issue price of not less than 75% of the VWAP for the Company's Equity Securities over the 15 Trading Days on which trades in that class were recorded immediately before:
  - (i) the date on which the price at which the Equity Securities are to be issued is agreed; or
  - (ii) if the Equity Securities are not issued within 10 Trading Days of the date in paragraph (i) above, the date on which the Equity Securities are issued.
- (b) If Resolution 4 is approved by Shareholders and the Company issues Equity Securities under the 10% Placement Facility, the existing Shareholders' voting power in the Company will be diluted as shown in the below table (in the case of Options, only if the Options are exercised). There is a risk that:
  - (i) the market price for the Company's Equity Securities in that class may be significantly lower on the date of the issue of the Equity Securities than of the date of the Meeting; and
  - (ii) the Equity Securities may be issued at a price that is at a discount to the market price for the Company's Equity Securities on the issue date,

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

The below table shows the dilution of existing Shareholders on the basis of the current market price of Shares and the current number of ordinary securities for variable "A" calculated in accordance with the formula in Listing Rule 7.1A(2) as at the date of this Notice.

The table shows:

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



- (b) two examples of where the issue price or ordinary securities has decreased by 50% and increased by 100% as against the current market price.

Variable "A" in Listing Rule 7.1A.2		Dilution		
		\$0.0300 50% decrease in Issue Price	\$0.060 Issue Price	\$0.12 100% increase in Issue Price
<b>Current Variable "A"</b> <b>483,804,819 Shares</b>	10% Voting Dilution	48,380,482 Shares	48,380,482 Shares	48,380,482 Shares
	Funds raised	\$1,451,414	\$2,902,829	\$5,805,658
<b>50% increase in current Variable "A"</b> <b>725,707,229 Shares</b>	10% Voting Dilution	72,570,723 Shares	72,570,723 Shares	72,570,723 Shares
	Funds raised	\$2,177,122	\$4,354,243	\$8,708,487
<b>100% increase in current Variable "A"</b> <b>967,609,638 Shares</b>	10% Voting Dilution	96,760,964 Shares	96,760,964 Shares	96,760,964 Shares
	Funds raised	\$2,902,829	\$5,805,658	\$11,611,316

**Note**

The table has been prepared on the following assumptions:

1. The Company issues the maximum number of Equity Securities available under the 10% Placement Facility.
  2. No Options (including any Options issued under the 10% Placement Facility) are exercised into Shares before the date of the issue of the Equity Securities;
  3. The 10% voting dilution reflects the aggregate percentage dilution against the issued share capital at the time of issue. This is why the voting dilution is shown in each example at 10%.
  4. The table does not show an example of dilution that may be caused to a particular Shareholder by reason of placements under the 10% Placement Facility, based on the Shareholder's holding at the date of the Meeting.
  5. The table shows only the effect of issue of Equity Securities under Listing Rule 7.1A, not under the 15% placement capacity under Listing Rule 7.1.
  6. The issue of Equity Securities under the 10% Placement Facility consists only of Shares. If the issue of Equity Securities includes Listed Options, it is assumed that those Listed Options are exercised into Shares for the purpose of calculating the voting dilution effect on existing Shareholders.
  7. The issue price is \$0.060, being the closing price of the Shares on ASX on 5 October 2022.
- (c) The Company will only issue and allot the Equity Securities during the 10% Placement Period. The approval under Resolution 4 for the issue of the Equity Securities will cease to be valid in the event that Shareholders approve a transaction under Listing Rule 11.1.2 (a significant change to a significant change to the nature or scale of activities) or 11.2 (disposal of main undertaking).
- (d) The Company can only issue Equity Securities for cash consideration. In such circumstances, the Company intends to use the funds raised towards an acquisition of new assets or investments (including expenses associated with such acquisition), continued exploration and general working capital
- (e) The Company will comply with the disclosure obligations under the Listing Rule 7.1A(4) upon issue of any Equity Securities.

- (f) The Company's allocation policy is dependent on the prevailing market conditions at the time of any proposed issue pursuant to the 10% Placement Facility. The identity of the allottees of the Equity Securities will be determined on a case-by-case basis having regard to the factors including but not limited to the following:
- (i) the methods of raising funds that are available to the Company, including but not limited to, rights issue or other issue in which existing security holders can participate;
  - (ii) the effect of the issue of the Equity Securities on the control of the Company;
  - (iii) the financial situation and solvency of the Company; and
  - (iv) advice from corporate, financial and broking advisers (if applicable).

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

Further, if the Company is successful in acquiring new assets or investments, it is likely that the allottees under the 10% Placement Facility will be the vendors of the new assets or investments.

- (g) The Company previously obtained Shareholder approval under Listing Rule 7.1A at its annual general meeting held on 26 November 2021. In the 12 months preceding the date of the 2021 Annual General Meeting, the Company has not issued any Equity Securities under Listing Rule 7.1A capacity.
- (h) For the purpose of ASX Listing Rule 14.1A (and in addition to the disclosure in clause 7.4(b) above):
- (i) if Resolution 4 is passed, the Directors will be able to issue the Equity Securities under Listing Rule 7.1A during the 10% Placement Period without using the Company's 15% placement capacity under Listing Rule 7.1; and
  - (ii) if Resolution 4 is not passed, the Directors will not be able to issue the Equity Securities under Listing Rule 7.1A, and will have to either rely on the Company's existing 15% placement capacity under Listing Rule 7.1 (from time to time), or (in the event that the Company's 15% placement capacity is exhausted) the Company will be required to obtain prior shareholder approval under Listing Rules 7.1 before being able to issue such Equity Securities (which may result in the Company incurring further time and expense).

At the date of the Notice, the Company has not approached any particular existing Shareholder or security holder or an identifiable class of existing security holder to participate in the issue of the Equity Securities. As such, no voting exclusion statement has been included in the Notice.

The Directors of the Company believe Resolution 4 is in the best interest of the Company and its Shareholders and unanimously recommend that the Shareholders vote in favour of this Resolution.

## 8. Resolution 5 – Ratification of Prior Issue of Placement Shares

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### 8.1 General

On 28 June 2022 the Company issued 35,011,645 Shares at an issue price of \$0.05 per Share (**Placement Shares**) to raise approximately \$1,750,582 (before costs) (**Placement**).

Merchant Capital Partners Pty Ltd acted as lead manager and advisor to the Placement (**Lead Manager**) and will receive a fee of 6% of the funds raised. In addition, the Company issued Merchant with 4,000,000 unlisted Options with an exercise price of \$0.08 per Option and an expiry date of two (2) years from the date of issue of the Options (this being the subject of Resolution 9).

Resolution 5 Seeks Shareholder ratification pursuant to ASX Listing Rule 7.4 for the issue of the Placement Shares issued pursuant to the Company's placement capacity under Listing Rule 7.1

### 8.2 ASX Listing Rules 7.1 and 7.4

ASX Listing Rule 7.1 provides that a company must not, subject to specified exceptions, issue or agree to issue more equity securities during any 12 month period than that amount which represents 15% of the number of fully paid ordinary securities on issue at the commencement of that 12 month period.

ASX Listing Rule 7.4 sets out an exception to ASX Listing Rule 7.1. It provides that where a company in general meeting ratifies the previous issue of securities made pursuant to ASX Listing Rule 7.1 (and provided that the previous issue did not breach ASX Listing Rule 7.1) those securities will be deemed to have been made with shareholder approval for the purpose of ASX Listing Rule 7.1.

### 8.3 Technical information required by ASX Listing Rule 14.1A

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

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

### 8.4 Technical information required by ASX Listing Rule 7.5

Pursuant to and in accordance with ASX Listing Rule 7.5, the following information is provided in relation to Resolution 5:

- (a) the Placement Shares were issued to sophisticated and professional investors who are clients of the Lead Manager (**Placement Participants**), none of whom are related parties, members of the Key Management Personnel, a substantial holder or an advisor to the Company (or an associate of any of these persons) and they are being issued more than 1% of the Company's current issued capital. The recipients were identified through a book build process, which involved the Lead Manager seeking expressions of interest to participate in the Placement;

- (b) 35,011,645 Placement Shares were issued pursuant to the Company's placement capacity under ASX Listing Rule 7.1;
- (c) the Placement 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 Placement Shares were issued on 28 June 2022;
- (e) the issue price was \$0.05 per Placement Share;
- (f) the purpose of the issue was to raise approximately \$1,750,582 (before costs). Funds raised will be used to advance exploration activities at the Company's Central Gawler Craton project;
- (g) the Placement Shares were not issued pursuant to an agreement; and
- (h) a voting exclusion statement is included in Resolution 5 of this Notice.

The Directors of the Company believe Resolution 5 is in the best interest of the Company and its Shareholders and unanimously recommend that the Shareholders vote in favour of this Resolution 5.

## **9. Resolutions 6(a), 6(b) and 6(c) – Approval to Issue Placement Shares to Directors (Ms Bronwyn Barnes, Ms Felicity Repacholi-Muir and Mr Robert Adam)**

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### **9.1 General**

Resolutions 6(a), 6(b) and 6(c) seek approval of Shareholder for the issue of 2,200,000 Shares to Directors (**Director Placement Shares**) comprising:

- (a) 1,200,000 Director Placement Shares to Ms Bronwyn Barnes (and/or her nominee(s));
- (b) 400,000 Director Placement Shares to Ms Felicity Repacholi-Muir (and/or her nominee(s)); and
- (c) 600,000 Director Placement Shares to Mr Robert Adam (and/or his nominees(s)),

in accordance with sections 195(4) and 208 of the Corporations Act and Listing Rule 10.11.

### **9.2 Section 195(4) of the Corporations Act**

Each of Ms Barnes, Ms Repacholi-Muir and Mr Adam have a material person interest in the outcome of Resolutions 6(a)-6(c) (as applicable to each director) by virtue of the fact that Resolutions 6(a)-6(c) are concerned with the issue of the Director Placement Shares to each of them. Section 195 of the Corporations Act essentially provides that a director of a public company may not vote or be present during a meeting of directors when matters in which that director holds a material personal interest are being considered. In the absence of Shareholder approval under section 195(4) of the Corporations Act, the Directors may not be able to form a quorum at Board meeting necessary to carry out the terms of these Resolutions. The Directors have accordingly exercised their right under section 195(4) of the Corporations Act to put the issue to Shareholders to determine.

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

Chapter 2E of the Corporations Act regulates the provision of financial benefits to related parties by a public company. Section 208 of the Corporations Act prohibits a public company giving a financial benefit to a related part of that public company unless one of a number of exceptions applies.

A “financial benefit” is defined in the Corporations Act in broad terms and includes the issue of securities. For the purpose of the Meeting, a Related Party includes a director of the Company.

For the purposes of Chapter 2E of the Corporations Act, the Directors are related parties of the Company by virtue of the fact that they are Directors of the Company.

Section 208 of the Corporations Act provides that for a public company, or an entity that a public company controls, to give a financial benefit to a related third 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 section 217 to 277 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 section 210 to 216 of the Corporations Act.

Given that all of the Directors at the time of the Placement had a material personal interest, the Directors cannot form a quorum to determine whether the giving of the financial benefit falls within an exception set out in section 210 to 216 of the Corporations Act. Shareholder approval is therefore also sought for the purposes of Chapter 2E of the Corporations Act.

### **9.4 ASX Listing Rule 14.1A**

If Resolutions 6(a), 6(b) and 6(c) are passed, the Company will be able to proceed with issuing the 2,200,000 Director Placement Shares. This will occur within one (1) month after the date of the Meeting (or such later date as permitted by an ASX waiver or modification of the Listing Rules). As approval pursuant to Listing Rule 7.1 is not required for the issue of the Director Placement Shares (because approval is being obtained under Listing Rule 10.11), the issue of the Director Placement Shares will not use up any of the Company’s 15% placement capacity under Listing Rule 7.1

If Resolutions 6(a), 6(b) and 6(c) are not passed, the Company will not be able to proceed with the issue of the 2,200,000 Director Placement Shares to Ms Barnes, Ms Repacholi-Muir and Mr Adam.

### **9.5 ASX 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:

- (a) a related party;
- (b) a person who is, or was at any time in the six (6) months before the issue or agreement, a substantial (30%+) holder in the Company;
- (c) a person who is, or was at any time in the six (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;

- (d) an associate of a person referred to in Listing Rules 10.11.1 to 10.11.3; or
- (e) 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.

As the participation of Ms Barnes, Ms Repacholi-Muir and Mr Adam by way of being issued the Directors Placement Shares involves the issue of Shares to Related Parties (Ms Barnes and Mr Adam being current Directors of the Company, and Ms Repacholi-Muir having held the position of a director of the Company at the time of the Placement and within the last six(6) months) of the Company, Shareholder approval pursuant to ASX Listing Rule 10.11 is required unless an exception applies. It is the view of the Directors that the exceptions set out in ASX Listing Rule 10.12 do not apply in the current circumstances.

## **9.6 Technical information required by Listing Rule 10.13 and section 219 of the Corporations Act**

Pursuant to and in accordance with Listing Rule 10.13 and section 219 of the Corporations Act, the following information is provided in relation to Resolutions 6(a), 6(b) and 6(c):

- (a) the Director Placement Shares will be issued to current and previous Directors of the Company, being Ms Bronwyn Barnes, Ms Felicity Repacholi-Muir and Mr Robert Adam (and/or their respective nominees);
- (b) each of Ms Barnes, Ms Repacholi-Muir and Mr Adam fall within the category of Listing Rule 10.11.1 by virtue of Ms Barnes and Mr Adam being current Directors of the Company, and Ms Repacholi-Muir being a previous director of the Company (within the past 6 months);
- (c) the total number of Director Placement Shares to be issued to the Directors are 2,200,000 Director Placement Shares, comprising:
  - (i) 1,200,000 Director Placement Shares to be issued to Ms Bronwyn Barnes (and/or her nominees);
  - (ii) 400,000 Director Placement Shares to be issued to Ms Felicity Repacholi-Muir (and/or her nominees); and
  - (iii) 600,000 Director Placement Shares to be issued to Mr Robert Adam (and/or his nominees);
- (d) the Director Placement Shares to be issued are all fully paid ordinary shares in the capital of the Company, and will be issued on the same terms and conditions as the Company's existing Shares;
- (e) the Director Placement Shares will be granted to the Directors no later than one (1) month after the date of the Meeting (or such later date as permitted by any ASX waiver or modification of the ASX Listing Rules) and it is anticipated the Director Placement Shares will be allocated on one date;
- (f) the issue price will be \$0.05 per Director Placement Share, being the same price paid by the non-related Placement Participants;

- (g) the purpose of the issue is to raise approximately \$110,000 (before costs), as part of the Placement. Funds raised will be used to advance exploration activities at the Company's Central Gawler Craton project;
- (h) the Director Placement Shares are not being issued to remunerate the Directors;
- (i) the Director Placement Shares are not being issued pursuant to any agreement;
- (j) the value of the Director Placement Shares, based on the issue price of \$0.05, is \$110,000;
- (k) the relevant interests of the Directors (or their nominees) in securities of the Company as at the date of this Notice are:

Related Party	Shares	Options
Ms Bronwyn Barnes	28,032,434	5,100,000
Ms Felicity Repacholi-Muir <sup>1</sup>	-	-
Mr Robert Adam	3,236,037	3,300,000

1. Ms Repacholi-Muir resigned as a director of the Company on 18 October 2022.

- (l) a total of 2,200,000 Shares would be allotted and issued, which will increase the number of Shares on issue from 483,804,819 to 486,004,819 (assuming that no other Options are exercised and no other Shares are issued) with the effect that the shareholding of existing shareholders would be diluted by an aggregate of 0.45%;
- (m) the Board (except for Ms Barnes and Mr Adam) believe that Resolutions 6(a)-6(c) are in the best interest of the Company and its Shareholders and recommend that Shareholders vote in favour of these Resolutions 6(a)-6(c);
- (n) the Board is not aware of any other information that would be reasonably required by Shareholders to allow them to make a decision whether it is in the best interests of the Company to pass these Resolutions; and
- (o) a voting exclusion statement is included in these Resolutions.

## 10. Resolution 7 – Approval of Employee Securities Incentive Plan

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### 10.1 General

The Company considers that it is desirable to adopt an updated employee incentive scheme to be called the "IDA Employee Securities Incentive Plan" (**Plan**).

The Plan is intended to provide an opportunity to eligible participants to participate in the Company's future. Further, the Plan acts as a mechanism to ensure the interest of Shareholders and the management and employees of the Company are aligned.

Resolution 7 seeks Shareholder approval for the adoption of the Plan in accordance with Listing Rule 7.2 Exception 13(b).

A Summary of the Plan is set out in Schedule 2.

The Plan incorporates recent amendments to the Corporations Act for employee share schemes (**New Legislation**).

## 10.2 Summary of New Legislation

The *Treasury Laws Amendment (Cost of Living Support and Other Measures) Act 2022* (Cth) introduced a new Division 1A into Part 7.12 of the Corporations Act in relation to employee share schemes (**New Rules**). The legislation came into effect on 1 October 2022.

The New Rules will eventually replace the existing ASIC Class Order [CO 14/1000] and ASIC Class Order [CO 14/1001] (together, the **Class Orders**).

A summary of the key changes applicable to the Company under the New Rules are set out below.

### (a) Expanded eligibility

Class Order relief is only available for issues to directors, full time and part time employees and casual employees or contractors that are 40% or more full time equivalent.

Under the New Rules, an offer may only be made to specified “primary participants” (being directors, employees and service providers, with no minimum requirements of hours of service provided) or certain related persons of a primary participant (including a spouse, parent, child or sibling of the primary participant; controlled bodies corporate of the primary participant or bodies corporate that are trustees of the primary participant’s self-managed superannuation fund).

### (b) Issue cap

The Class Orders provide for an issue cap of 5% of a listed entity’s fully paid shares over a rolling period of 3 years (irrespective of whether monetary consideration is required).

Under the New Rules, there is no cap on issues made for no monetary consideration. Caps only apply to issues made for monetary consideration (being the cap set out in the company’s constitution or if there is no such cap in the constitution, then 5% for listed entities unless a higher cap is specified in the relevant regulations (if any)).

Further, offers of eligible interests to participants under an employee securities incentive plan which would not ordinarily require disclosure, such as offers to senior managers or small-scale offerings are not required to comply with the issue cap.

### (c) Disclosure requirements

The Class Order does not distinguish between offers for monetary consideration and those without, with the same disclosure requirements for both offers.

Under the New Rules, offers made for no monetary consideration do not have any specific disclosure requirements. In the case of offers made for monetary consideration, an offer document is required (with specific disclosure requirements) and participants cannot acquire their interests until 14 days after receiving the necessary offer disclosure from the entity.



(d) Quotation and suspension requirements

Class Order relief is only available where an entity meets the minimum quotation period of 3 months prior to making an offer of eligible interests. In addition, relief is prohibited if an entity is suspended from quotation for over 5 days in the preceding 12-month period.

Under the New Rules, listed entities can offer eligible interests without first meeting any minimum quotation period, and regardless of any suspensions to the trading of securities.

(e) On-sale relief

The Class Order provides relief from the on-sale provisions for securities issued under the Class Order.

Pursuant to the New Rules, listed entities must issue a cleansing notice to ensure that any Shares issued (including following the exercise of any options and performance rights) may be on-sold within 12 months of issue.

(f) Criminal offences

A number of new offences created under the New Rules, including misleading and deceptive statement offences and offences relating to holding participants' money. In addition, regulatory relief can be revoked if any of the below are breached:

- (i) compliance with the monetary cap;
- (ii) compliance with the issue cap; and
- (iii) providing disclosure documents at the required time.

### **10.3 Regulatory requirements and ASX Listing Rules 7.1 and 7.2, exception 13(b)**

Shareholder approval is not required under the Corporations Act or the Listing Rules for the operation of the Plan. However, Shareholder approval is being sought to allow the Company to rely on an exception to the calculation of the Listing Rules 7.1 and 7.1A on the number of securities that may be issued without Shareholder Approval. Listing Rule 7.2 exception 13(b) provides that Listing Rules 7.1 and 7.1A do not apply to an issue of securities under an employee incentive scheme that has been approved by Shareholders, where the issue of securities is within 3 years from that date of Shareholder approval of the issue of securities under the employee incentive scheme.

The Plan participation is limited to Directors, employees and service providers of the Company. If an issue is to be made to Directors, then separate Shareholder approval will need to be obtained.

### **10.4 Pursuant to and in accordance with ASX listing rule 7.2 Exception 13, the following information is provided in relation to this Resolution:**

- (a) a summary of the key terms of the Plan is set out in Schedule 2;
- (b) as this a new plan being put to Shareholders, no Securities have been issued under it to date;
- (c) the Company is seeking Shareholder approval to adopt the Plan to include the new terms and conditions required by Division 1A of Part 7.12 of the Corporations Act,

which replaced the previous relief provided by ASIC Class Order 14/1000 (Employee Incentive Scheme); and

- (d) a maximum of 75,570,722 Securities would be available to be issued under the Plan if approved by Shareholders (being representing approximately 15% of the number of Shares on issue as at the date of this Notice). This maximum number is not intended to be a prediction of the actual number of Securities to be issued under the Plan, but simply a maximum number for the purposes of setting a ceiling on the number of Securities to be issued under the Plan for the purposes of Listing Rule 7.2, exception 13(b). In any event, no Securities will be issued if to do so would contravene any applicable laws, including the issue cap under the New Rules which applies to issues for monetary consideration (refer to Section 10.2(b) above).

The passing of Resolution 7 will allow the Company to issue securities for the benefit of participants of the Plan whilst preserving the Company's placement limits for issuing securities and provide flexibility in the manner in which the Plan is managed.

If Resolution 7 is not passed, the Company may still issue securities to key personnel other than Directors on the terms as set out in Schedule 2, however those securities will count towards the Company's 15% placement capacity under Listing Rule 7.1.

A voting exclusion statement is included for Resolution 7 of this Notice.

The Board recommends that Shareholders vote in favour of Resolution 7. The Chair intends to vote all undirected Proxies in favour of Resolution 7.

## 11. Resolutions 8(a), 8(b) and 8(c) – Approval to Issue Incentive Options to Director (Mr David Ward, Mr Robert Adam and Ms Bronwyn Barnes)

### 11.1 General

Subject to obtaining Shareholder approval for the adoption of the Plan (refer to Resolution 7), Resolutions 8(a)-(c) seek the approval of Shareholders for the issue of a total of 9,000,000 Options to Directors (**Director Incentive Options**) comprising:

Director	Tranche 1	Tranche 2	Total
Mr David Ward (and/or his nominees)	2,000,000	2,000,000	4,000,000
Mr Robert Adam (and/or his nominees)	2,000,000	-	2,000,000
Ms Bronwyn Barnes (and/or her nominees)	3,000,000	-	3,000,000

in, accordance with sections 195(4) and 208 of the Corporations Act and Listing Rule 10.14.

The Director Incentive Options have the following vesting conditions, expiring date and exercise price:

<b>Tranche</b>	<b>Vesting Conditions</b>	<b>Exercise/ Expiry Date</b>	<b>Exercise Price</b>
1	Upon ASX quoted shares of the Company achieving a 30 day volume weighted average price (VWAP) price of \$0.10 (10 cents).	2 years from the date of issue	\$0.10
2	Upon ASX quoted shares of the Company achieving a 30 day volume weighted average price (VWAP) price of \$0.15 (15 cents)	3 years from the date of issue	\$0.15

## **11.2 Section 195(4) of the Corporations Act**

All of the current Directors of the Company have a material person interest in the outcome of Resolutions 8(a)-8(c) (as applicable to each director) by virtue of the fact that Resolutions 8(a)-8(c) are concerned with the issue of the Director Placement Shares to each of them. Section 195 of the Corporations Act essentially provides that a director of a public company may not vote or be present during a meeting of directors when matters in which that director holds a material personal interest are being considered. In the absence of Shareholder approval under section 195(4) of the Corporations Act, the Directors may not be able to form a quorum at a Board meeting necessary to carry out the terms of these Resolutions. The Directors have accordingly exercised their right under section 195(4) of the Corporations Act to put the issue to Shareholders to determine.

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

Chapter 2E of the Corporations Act regulates the provision of financial benefits to related parties by a public company. Section 208 of the Corporations Act prohibits a public company giving a financial benefit to a related part of that public company unless one of a number of exceptions applies.

A “financial benefit” is defined in the Corporations Act in broad terms and includes the issue of securities. For the purpose of the Meeting, a Related Party includes a director of the Company.

For the purposes of Chapter 2E of the Corporations Act, the Directors are related parties of the Company by virtue of the fact that they are Directors of the Company.

Section 208 of the Corporations Act provides that for a public company, or an entity that a public company controls, to give a financial benefit to a related third 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 section 217 to 277 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 section 210 to 216 of the Corporations Act.

Given that all of the current Directors have a material personal interest, the Directors cannot form a quorum to determine whether the giving of the financial benefit falls within an exception set out in section 210 to 216 of the Corporations Act. Shareholder approval is therefore also sought for the purposes of Chapter 2E of the Corporations Act.

#### **11.4 ASX Listing Rule 14.1A**

If Resolutions 8(a)-8(c) are passed, the Company will be able to proceed with issuing the 9,000,000 Director Incentive Options. This will occur within one (1) month after the date of the Meeting (or such later date as permitted by an ASX waiver or modification of the Listing Rules). As approval pursuant to Listing Rule 7.1 is not required for the issue of the Director Incentive Options (because approval is being obtained under Listing Rule 10.14), the issue of the Director Incentive Options will not use up any of the Company's 15% placement capacity under Listing Rule 7.1.

If Resolutions 8(a)-8(c) are not passed, the Company will not be able to proceed with the issue of the 9,000,000 Director Incentive Options to Mr Ward, Mr Adam and Ms Barnes and the Company may consider alternative forms of remuneration in lieu of such issue.

#### **11.5 ASX Listing Rule 10.14**

ASX Listing Rule 10.14 provides that a listed company must not permit any of the following persons to acquire equity securities under an employee incentive scheme unless it obtains the approval of its shareholders:

- (a) Listing Rule 10.14.1: a director of the company;
- (b) Listing Rule 10.14.2: an Associate of a director of the company; or
- (c) Listing Rule 10.14.3: a person whose relationship with the company or a person referred to in Listing Rule 10.14.1 or 10.14.2 is such that, in ASX's opinion, the acquisition should be approved by shareholders.

The issue of the Director Incentive Options falls within Listing Rule 10.14.1 as the Company intends to issue the Director Incentive Options under the Plan. Accordingly, Resolutions 8(a)-8(c) seek the required Shareholder approval for the issue of the Director Incentive Options to Mr Ward, Mr Adam and Ms Barnes (or their respective nominee(s)) for the purpose of Listing Rule 10.14.

#### **11.6 Technical information required by Listing Rule 10.15 and section 219 of the Corporations Act**

Pursuant to and in accordance with ASX Listing Rule 10.15 and section 219 of the Corporations Act, the following information is provided in relation to Resolutions 8(a)-8(c):

- (a) the Director Incentive Options will be issued to Mr Ward, Mr Adam and Ms Barnes (and/or their respective nominee(s));
- (b) each Mr Ward, Mr Adam and Ms Barnes fall within the category of Listing Rule 10.14.1 by virtue of each being a Director of the Company;
- (c) a total of 9,000,000 Director Incentive Options will be issued to Mr Ward, Mr Adam and Ms Barnes as follows:

<b>Director</b>	<b>Tranche 1</b>	<b>Tranche 2</b>	<b>Total</b>
Mr David Ward (and/or his nominees)	2,000,000	2,000,000	4,000,000
Mr Robert Adam (and/or his nominees)	2,000,000	-	2,000,000
Ms Bronwyn Barnes (and/or her nominees)	3,000,000	-	3,000,000

- (d) the remuneration from the Company to each Director and their respective associates for the prior financial year and the proposed remuneration for the current financial year are set out below:

<b>Related Party</b>	<b>Current Financial Year (ending 30 June 2023)<sup>1</sup></b>	<b>Prior Financial year (ending 30 June 2022)<sup>2</sup></b>
Mr David Ward <sup>3</sup>	\$60,000	-
Mr Robert Adam	\$60,000	\$60,000
Ms Bronwyn Barnes	\$143,000	\$238,334

1 Including director fees, and superannuation.

2 Including director fees, and superannuation.

3 Mr Ward was appointed as a non-executive Director on 18 October 2022.

- (e) as the Plan is a new plan being put to Shareholders for approval (being the subject of Resolution 7) no Securities have been issued to the Directors under the Plan;
- (f) a summary of the material terms of the Director Incentive Options is set out in Schedule 3;
- (g) it is considered that the issue of the Director Incentive Options is a reasonable and appropriate method to provide benefits to the Directors as the non-cash form of this benefit will allow the Company to spend a greater portion of its cash reserves on its operations than it would if alternative cash benefits were given to the Directors;
- (h) the Director Incentive Options have been independently valued in accordance with AASB2: Share Based Payments, as shown in Schedule 5;
- (i) the Director Incentive Options will be granted to the Directors on a date that is no later than three (3) years after the date of the Meeting (or such later date as permitted by any ASX waiver or modification of the ASX Listing Rules);
- (j) the Director Incentive Options will be issued for nil cash consideration and accordingly no funds will be raised. The Company will not receive any consideration in respect of the issue of the Director Incentive Options (other than in respect of funds received on exercise of the Director Incentive Options);
- (k) the purpose of the issue is to remunerate and incentivise Mr Ward, Mr Adam and Ms Barnes for their performance of future services;

- (l) a summary of the material terms of the Plan are set out in Schedule 2;
- (m) there is no loan being made in respect of the Securities;
- (n) details of the Director Incentive Options issued under the Plan will be published in the Company's annual report relating to the period in which they were issued, along with a statement confirming that approval for the issue of the Director Incentive Options was sought and obtained under Listing Rule 14.1. Any additional persons covered by Listing Rule 14.1 who become entitled to participate in an issue of Securities under the Plan after this Resolution is approved and who were not named in the Notice, will not participate until approval is obtained under the relevant Listing Rule;
- (o) the relevant interests of the Directors in securities of the Company as at the date of this Notice are:

Related Party	Shares	Options
Mr David Ward <sup>3</sup>	175,000 <sup>1</sup>	-
Mr Robert Adam	3,236,037	3,300,000
Ms Bronwyn Barnes	28,032,434	5,100,000

1. Held indirectly by Rathwood Resources Pty Ltd (an entity of which Mr Ward is a director)

- (p) if the Director Incentive Options granted to the Directors are exercised, a total of 2,600,000 Shares would be allotted and issued. This will increase the number of Shares on issue from 483,804,819 to 492,804,819 (assuming that no other Options are exercised and no other Shares are issued) with the effect that the shareholding of existing shareholders would be diluted by an aggregate of 1.83%;

The market price of Shares during the term of the Director Incentive Options would normally determine whether or not the Director Incentive Options are exercised. If, at any time any of the Director Incentive Options are exercised and the Shares are trading on ASX at a price that is higher than the exercise price of the Director Incentive Options, there may be a perceived cost to the Company

- (q) the trading history of the Shares on ASX in the twelve (12) months before the date of this Notice of Annual General Meeting is set out below:

	Price	Date
Highest	\$0.07	12/01/2022
Lowest	\$0.05	07/07/2022
Last	\$0.053	20/10/2022

- (r) if Mr Ward, Mr Adam and Ms Barnes exercise all Director Incentive Options the subject of Resolutions 8(a), 8(b) and 8(c) and no other Shares were issued by the Company, they would hold 0.85%, 1.06% and 6.30% respectively of the issue capital of the Company, on an undiluted basis;
- (s) in respect of Resolutions 8(a), 8(b) and 8(c):

- (i) the primary purpose of the grant of the Director Incentive Options is to reward the Directors and to provide cost effective consideration to the Directors for their ongoing commitment and contribution to the Company in their respective roles as Directors, whilst allowing the Company to maintain cash reserves for acquisitions and operations. In addition, the Board considers the grant of the Director Incentive Options to the Directors to be reasonable, given the necessity to attract high calibre professionals to the Company whilst maintaining the Company's cash reserves; and
- (ii) the Board does not consider there are any significant opportunity costs to the Company in issuing the Director Incentive Options to the Directors;
- (t) each of the Directors (that being Mr Ward, Mr Adam and Ms Barnes) has a material personal interest in the outcome of Resolutions 8(a)-8(c) on the basis that all the Directors (or their nominees) are to be issued Director Incentive Options. For this reason, the Directors do not believe that it is appropriate to make recommendations on Resolutions 8(a)-8(c);
- (u) the Board is not aware of any other information that would be reasonably required by Shareholders to allow them to make a decisions whether it is in the best interest of the Company to pass these Resolutions 8(a)-8(c); and
- (v) a voting exclusion is included for Resolution 8(a)-8(c).

## 12. Resolution 9 – Ratification of Prior Issue of Lead Manager Options

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### 12.1 General

On 28 June 2022, the Company issued 4,000,000 Options to Merchant Capital Partners Pty Ltd (**Lead Manager**) in consideration for lead manager and advisory services in respect of the Placement (**Lead Manager Options**), pursuant to an agreement between the Company and the Lead Manager (as summarised at Section 12.2 below).

Resolution 9 seeks Shareholder ratification pursuant to ASX Listing Rule 7.4 for the issue of the Lead Manager Options issued pursuant to the Company's placement capacity under Listing Rule 7.1.

### 12.2 Summary of Lead Manager Mandate

The Company entered into an agreement dated 16 June 2022 with the Lead Manager for lead manager and corporate advisory services (**Lead Manager Mandate**). A summary of the material terms of the Lead Manager Mandate are:

- (a) (**Services**): the Lead Manager agrees to provide the Company with corporate advisory services, and the Company agrees to grant the Lead Manager the first right of refusal to act as a lead manager on any equity capital raisings for the Company for the duration of the Term;
- (b) (**Term**): the Lead Manager Mandate will continue for a period of 12 months from the date of the agreement;
- (c) (**Fees**): the Company agrees to pay the Lead Manager the following fees:
  - (i) (**Corporate Advisory Fee**): a monthly retainer fee of \$5,000.00 plus GST, for the term of 12 months, commencing on 1 July 2022;

- (ii) **(Management and Placement Fee)**: 6% plus GST of the total amount raised under any capital raising; and
- (iii) **(Broker Options)**: a success fee of 4,000,000 unlisted options with a strike price of \$0.08 and expiry of 24 months from the date of issue;
- (d) **(Termination)**: either Party can terminate the Lead Manager Mandate at any time without cause, by giving three (3) months written notice to the other party.

The Lead Manager Mandate otherwise contains terms considered standard for an agreement of this nature.

### **12.3 ASX Listing Rules 7.1 and 7.4**

A summary of ASX Listing Rules 7.1 and 7.4 is provided at Section 8.2 above.

### **12.4 Technical Information required by ASX Listing Rule 14.1A**

If Resolution 9 is passed, the Lead Manager Options will be excluded in calculating the Company's 15% limit in Listing Rule 7.1, effectively increasing the number of equity securities it can issue without Shareholder approval over the 12 month period following the issue date.

If Resolution 9 is not passed, the Lead Manager Options will be included in calculating the Company's 15% limit in Listing Rule 7.1, effectively decreasing the number of equity securities it can issue without Shareholder approval over the 12 month period following the issue date.

### **12.5 Technical Information required by ASX Listing Rule 7.5**

Pursuant to and in accordance with ASX Listing Rule 7.5, the following information is provided in relation Resolution 9:

- (a) the Lead Manager Options were to Merchant Capital Partners Pty Ltd (and/or its nominees) as lead manager to the Placement;
- (b) 4,000,000 Lead Manager Options were issued pursuant to the Company's placement capacity under Listing Rule 7.1;
- (c) the Lead Manager Options were issued on the terms and conditions set out in Schedule 4;
- (d) the Lead Manager Options were issued on 28 June 2022;
- (e) the Lead Manager Options were issued for nil cash consideration;
- (f) the Lead Manager Options were issued for the purpose of satisfying the Company's obligation to pay the required fees under the Lead Manager Mandate;
- (g) the Lead Manager Options were issued pursuant to the Lead Manager Mandate, a summary of the material terms of this agreement is set out in Section 12.2 above;
- (h) the Lead Manager Options were not issued under, or to fund, a reverse takeover; and
- (i) a voting exclusion statement is set out for this Resolution.



The Directors of the Company believe Resolution 9 is in the best interest of the Company and its Shareholders and unanimously recommend that the Shareholders vote in favour of this Resolution.

# Schedule 1 – Definitions

In this Notice and the Explanatory Memorandum:

**\$** means Australian Dollars.

**10% Placement Facility** has the meaning given in Section 7.1.

**10% Placement Period** has the meaning given in Section 7.2.

**Annual Report** means the Directors' Report, the Financial Report and the Auditor's Report in respect to the financial year ending 30 June 2022.

**Associate** has the meaning given in sections 12 and 16 of the Corporations Act. Section 12 is to be applied as if paragraph 12(1)(a) included a reference to the Listing Rules and on the basis that the Company is the "designated body" for the purposes of that section. A related party of a director or officer of the Company or of a Child Entity of the Company is to be taken to be an associate of the director or officer unless the contrary is established.

**ASX** means ASX Limited (ACN 008 624 691) and, where the context permits, the Australian Securities Exchange operated by ASX.

**Auditor's Report** means the auditor's report on the Financial Report.

**Board** means the board of Directors.

**Business Day** means:

- (a) for determining when a notice, consent or other communication is given, a day that is not a Saturday, Sunday or public holiday in the place to which the notice, consent or other communication is sent; and
- (b) for any other purpose, a day (other than a Saturday, Sunday or public holiday) on which banks are open for general banking business in Perth.

**Chair** means the person appointed to chair the Meeting convened by this Notice.

**Closely Related Party** means:

- (a) a spouse or child of the member; or
- (b) has the meaning given in section 9 of the Corporations Act.

**Company** means Indiana Resources Limited (ACN 009 129 560).

**Constitution** means the constitution of the Company as at the commencement of the Meeting.

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

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

**Director Incentive Options** has the meaning given to it in Section 10.1.

**Director Placement Shares** has the meaning given to it in Section 9.1.

**Directors' Report** means the annual directors' report prepared under chapter 2M of the Corporations Act for the Company and its controlled entities contained in the Annual Report.

**Equity Securities** has the same meaning as in the Listing Rules.

**Explanatory Memorandum** means the explanatory memorandum attached to the Notice.

**Financial Report** means the annual financial report prepared under Chapter 2M of the Corporations Act of the Company and its controlled entities.

**Key Management Personnel** means persons having authority and responsibility for planning, directing and controlling the activities of the Company, directly or indirectly, including any Director (whether executive or otherwise) of the Company.

**Lead Manager** has the meaning given in Section 11.1.

**Lead Manager Mandate** has the meaning given in Section 11.2.

**Lead Manager Options** has the meaning given to is in Section 11.1.

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

**Meeting** has the meaning in the introductory paragraph of the Notice.

**Notice** means this notice of meeting.

**Option** means an option which entitles the holder to subscribe for one Share.

**Placement Participants** has the meaning given in Section 8.4.

**Placement Shares** has the meaning given in Section 8.1.

**Proxy Form** means the proxy form attached to the Notice.

**Remuneration Report** means the remuneration report of the Company contained in the Directors' Report.

**Resolution** means resolution contained in the Notice.

**Schedule** means a schedule to this Notice.

**Section** means a section contained in this Explanatory Memorandum.

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

**Shareholder** means a shareholder of the Company.

**Trading Day** means a day determined by ASX to be a trading day in accordance with the Listing Rules.

**Two Strikes Rule** has the meaning in Section 4.

**VWAP** means volume weight average price.

**WST** means Western Standard Time, being the time in Perth, Western Australia.

In this Notice and the Explanatory Memorandum words importing the singular include the plural and vice versa.

## Schedule 2 – Summary of Employee Incentive Securities Plan

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

- (a) **(Eligible Participant):** Eligible Participant means a person that:
- (i) is an 'ESS participant' (as that term is defined in Division 1A of Part 7.12 of the Corporations Act) in relation to the Company for an Invitation made on or after 1 October 2022; and
  - (ii) has been determined by the Board to be eligible to participate in the Plan from time to time.
- (b) **(Purpose):** The purpose of the Plan is to:
- (i) assist in the reward, retention and motivation of Eligible Participants;
  - (ii) link the reward of Eligible Participants to Shareholder value creation; and
  - (iii) align the interests of Eligible Participants with shareholders of the Group (being the Company and each of its Associated Bodies Corporate), by providing an opportunity to Eligible Participants to receive an equity interest in the Company in the form of Securities.
- (c) **(Plan administration):** The Plan will be administered by the Board. The Board may exercise any power or discretion conferred on it by the Plan rules in its sole and absolute discretion except to the extent that it prevents the Company relying on the deferred tax concessions under Subdivision B3A-C of the *Income Tax Assessment Act 1997* (Cth). The Board may delegate its powers and discretion.
- (d) **(Eligibility, invitation and application):** The Board may from time to time determine that an Eligible Participant may participate in the Plan and make an invitation to that Eligible Participant to apply for Securities on such terms and conditions as the Board decides.

On receipt of an Invitation, an Eligible Participant may apply for the Securities the subject of the invitation by sending a completed application form to the Company. The Board may accept an application from an Eligible Participant in whole or in part. If an Eligible Participant is permitted in the invitation, the Eligible Participant may, by notice in writing to the Board, nominate a party in whose favour the Eligible Participant wishes to renounce the invitation.

- (e) **(Grant of Securities):** The Company will, to the extent that it has accepted a duly completed application, grant the Participant the relevant number of Securities, subject to the terms and conditions set out in the invitation, the Plan rules and any ancillary documentation required.
- (f) **(Terms of Convertible Securities):** Each 'Convertible Security' represents a right to acquire one or more Shares (for example, under an option or performance right), subject to the terms and conditions of the Plan.

Prior to a Convertible Security being exercised a Participant does not have any interest (legal, equitable or otherwise) in any Share the subject of the Convertible Security by virtue of holding the Convertible Security. Unless in 'Special Circumstances' (as defined in the Plan) with the consent of the Board, a Participant may not sell, assign, transfer, grant a security interest over, collateralise a margin loan against, utilise for the purposes of short selling, enter into a Derivative with reference to, or otherwise deal with a Convertible Security that has

been granted to them. A Participant must not enter into any arrangement for the purpose of hedging their economic exposure to a Convertible Security that has been granted to them.

- (g) **(Vesting of Convertible Securities):** Any vesting conditions applicable to the grant of Convertible Securities will be described in the invitation. If all the vesting conditions are satisfied and/or otherwise waived by the Board, a vesting notice will be sent to the Participant by the Company informing them that the relevant Convertible Securities have vested. Unless and until the vesting notice is issued by the Company, the Convertible Securities will not be considered to have vested. For the avoidance of doubt, if the vesting conditions relevant to a Convertible Security are not satisfied and/or otherwise waived by the Board, that Convertible Security will lapse.
- (h) **(Exercise of Convertible Securities and cashless exercise):** To exercise an Convertible Security, the Participant must deliver a signed notice of exercise and, subject to a cashless exercise of Convertible Securities (see below), pay the exercise price (if any) to or as directed by the Company, at any time prior to the earlier of any date specified in the vesting notice and the expiry date as set out in the invitation.

A Convertible Security may not be exercised unless and until that Convertible Security has vested in accordance with the Plan rules, or such earlier date as set out in the Plan rules.

- (i) **(Cashless exercise of Convertible Securities):** At the time of exercise of the Convertible Securities, subject to Board approval at that time, the Participant may elect not to be required to provide payment of the exercise price for the number of Convertible Securities specified in a notice of exercise, but that on exercise of those Convertible Securities the Company will transfer or issue to the Participant that number of Shares equal in value to the positive difference between the Market Value of the Shares at the time of exercise and the exercise price that would otherwise be payable to exercise those Convertible Securities.

**Market Value** means, at any given date, the volume weighted average price per Share traded on the ASX over the 5 trading days immediately preceding that given date, unless otherwise specified in an invitation.

If the difference between the total exercise price otherwise payable for the Convertible Securities being exercised and the then market Value of the Share at the time of exercise and the exercise price is zero or negative, then the Eligible Participant will not be entitled to use the cashless exercise facility.

- (j) **(Delivery of Shares on exercise of Convertible Securities):** As soon as practicable after the valid exercise of a Convertible Security by a Participant, the Company will issue or cause to be transferred to that Participant the number of Shares to which the Participant is entitled under the Plan rules and issue a substitute certificate for any remaining unexercised Convertible Securities held by that Participant.
- (k) **(Forfeiture of Convertible Securities):** Where a Participant who holds Convertible Securities ceases to be an Eligible Participant or becomes insolvent, all unvested Convertible Securities will automatically be forfeited by the Participant, unless the Board otherwise determines in its discretion to permit some or all of the Convertible Securities to vest.

Where the Board determines that a Participant has acted fraudulently or dishonestly, acted negligently, acted in contravention of a Group policy or wilfully breached his or her duties to the Group, the Board will deem all unvested Convertible Securities held by that Participant to have been forfeited.

Unless the Board otherwise determines, or as otherwise set out in the Plan rules:

- (i) any Convertible Securities which have not yet vested will be forfeited immediately on

the date that the Board determines (acting reasonably and in good faith) that any applicable vesting conditions have not been met or cannot be met by the relevant date; and

- (ii) any Convertible Securities which have not yet vested will be automatically forfeited on the expiry date specified in the invitation.
- (l) **(Change of control)**: If a change of control event occurs in relation to the Company, or the Board determines that such an event is likely to occur, the Board may in its discretion determine the manner in which any or all of the Participant's Convertible Securities will be dealt with, including, without limitation, in a manner that allows the Participant to participate in and/or benefit from any transaction arising from or in connection with the change of control event.
- (m) **(Rights attaching to Plan Shares)**: All Shares issued under the Plan, or issued or transferred to a Participant upon the valid exercise of a Convertible Security, (**Plan Shares**) will rank pari passu in all respects with the Shares of the same class. A Participant will be entitled to any dividends declared and distributed by the Company on the Plan Shares and may participate in any dividend reinvestment plan operated by the Company in respect of Plan Shares. A Participant may exercise any voting rights attaching to Plan Shares.
- (n) **(Disposal restrictions on Plan Shares)**: If the invitation provides that any Plan Shares are subject to any restrictions as to the disposal or other dealing by a Participant for a period, the Board may implement any procedure it deems appropriate to ensure the compliance by the Participant with this restriction.

For so long as a Plan Share is subject to any disposal restrictions under the Plan, the Participant will not:

- (i) transfer, encumber or otherwise dispose of, or have a security interest granted over that Plan Share; or
- (ii) take any action or permit another person to take any action to remove or circumvent the disposal restrictions without the express written consent of the Company.
- (o) **(Adjustment of Convertible Securities)**: If there is a reorganisation of the issued share capital of the Company (including any subdivision, consolidation, reduction, return or cancellation of such issued capital of the Company), the rights of each Participant holding Convertible Securities will be changed to the extent necessary to comply with the Listing Rules applicable to a reorganisation of capital at the time of the reorganisation.

If Shares are issued by the Company by way of bonus issue (other than an issue in lieu of dividends or by way of dividend reinvestment), the holder of Convertible Securities is entitled, upon exercise of the Convertible Securities, to receive an allotment of as many additional Shares as would have been issued to the holder if the holder held Shares equal in number to the Shares in respect of which the Convertible Securities are exercised.

Unless otherwise determined by the Board, a holder of Convertible Securities does not have the right to participate in a pro rata issue of Shares made by the Company or sell renounceable rights.

- (p) **(Participation in new issues)**: There are no participation rights or entitlements inherent in the Convertible Securities and holders are not entitled to participate in any new issue of Shares of the Company during the currency of the Convertible Securities without exercising the Convertible Securities.
- (q) **(Compliance with Applicable Laws)**: Notwithstanding the Plan rules or any terms of a

Security, no Security may be offered, granted, vested or exercised, and no Share may be issued or transferred, if to do so would contravene any applicable laws.

Where monetary consideration is payable by the Eligible Participant, and in respect to Convertible Securities where the Exercise Price on exercise of those Convertible Securities is greater than zero, the Company must reasonably believe when making an Invitation:

- (i) the total number of Plan Shares that are, or are covered by the Securities that may be issued under an Invitation; and
- (ii) the total number of Plan Shares that are, or are covered by the Securities that have been issued, or could have been issued in connection with the Plan in reliance on Division 1A of Part 7.12 of the Corporations Act at any time during the previous 3 year period prior to the date the Invitation is made,

does not exceed:

- (iii) if the Constitution specifies an issue cap percentage, that percentage; or
- (iv) if the Constitution does not specify an issue cap percentage, 5% (or such other maximum permitted under any Applicable Law),

of the total number of Shares on issue at the date of the Invitation.

- (r) **(Amendment of Plan)**: Subject to the following paragraph, the Board may at any time amend any provisions of the Plan rules, including (without limitation) the terms and conditions upon which any Securities have been granted under the Plan and determine that any amendments to the Plan rules be given retrospective effect, immediate effect or future effect.

No amendment to any provision of the Plan rules may be made if the amendment materially reduces the rights of any Participant as they existed before the date of the amendment, other than an amendment introduced primarily for the purpose of complying with legislation or to correct manifest error or mistake, amongst other things, or is agreed to in writing by all Participants.

- (s) **(Plan duration)**: The Plan continues in operation until the Board decides to end it. The Board may from time to time suspend the operation of the Plan for a fixed period or indefinitely, and may end any suspension. If the Plan is terminated or suspended for any reason, that termination or suspension must not prejudice the accrued rights of the Participants.

If a Participant and the Company (acting by the Board) agree in writing that some or all of the Securities granted to that Participant are to be cancelled on a specified date or on the occurrence of a particular event, then those Securities may be cancelled in the manner agreed between the Company and the Participant.

## Schedule 3 – Terms and Conditions of Director Incentive Options

The terms and conditions of the Director Incentive Options are as follows:

- (a) **(Entitlement):** Each Director Incentive Option gives the holder the right to subscribe for one Share, upon the following milestones being achieved (**Vesting Conditions**).
- (b) **(Vesting Conditions):**

Tranche	Vesting Conditions	Exercise/ Expiry Date	Exercise Price
1	Upon ASX quoted shares of the Company achieving a 30 day volume weighted average price (VWAP) price of \$0.10 (10 cents).	2 years from the date of issue	\$0.10
2	Upon ASX quoted shares of the Company achieving a 30 day volume weighted average price (VWAP) price of \$0.15 (15 cents).	3 years from the date of issue	\$0.15

In each case, the Director Incentive Options issued to a holder will only vest if the holder continues to hold an employee or consultant position (as applicable to each holder) of the Company at all times until the Vesting Condition is satisfied. Whether the holder ceases employment, or their engagement is discontinued (for whatever reason), with the Company, any Director Incentive Option that has not been exercised will automatically lapse and be forfeited by the holder (unless otherwise determined by the Board at its absolute discretion).

- (c) **(Exercise):** Subject to the applicable Vesting Conditions being met, as set out in (b) above, a holder may exercise their Director Incentive Options by lodging with the Company, before the Expiry Date:
- (i) a written notice of exercise of Director Incentive Options specifying the number of Director Incentive Options being exercised; and
  - (ii) subject to (i) below, an electronic funds transfer for the Exercise Price for each Director Incentive Option being exercised;
- (d) **(Exercise Notice):** An Exercise Notice is only effective when the Company has received the full amount of the Exercise Price in cleared funds. The Director Incentive Options held by each holder may be exercised in whole or in part, and if exercised in part, at least 1,000 must be exercised on each occasion.
- (e) **(Timing of issue of Shares on exercise):** Subject to the Corporations Act, the Listing Rules and these terms and conditions, within 10 Business Days of receipt of the Exercise Notice accompanied by the appropriate Exercise Price, the Company will issue the number of Shares required under these terms and conditions in respect of the number of Director Incentive Options specified in the Exercise Notice.
- (f) **(Transferability):** The Director Incentive Options are not transferable.
- (g) **(Ranking of Shares):** All Shares allotted upon the exercise of Director Incentive Options will upon allotment be fully paid and rank pari passu in all respects with other Shares.



- (h) (**Quotation**): The Director Incentive Options will not be quoted. The Company will apply for quotation of all Shares allotted pursuant to the exercise of Director Incentive Options on ASX within 5 business days after the date of issue of those Shares.
- (i) (**Reconstruction**): In the event of any re-organisation (including reconstruction, consolidation, subdivision, reduction or return of capital) of the issued capital of the Company, the Director Incentive Options will be re-organised as required by the Listing Rules, but in all other respects the terms of exercise will remain unchanged.
- (j) (**Participation rights**): There are no participating rights or entitlements inherent in the Director Incentive Options and holders will not be entitled to participate in new issues of capital offered to Shareholders during the currency of the Director Incentive Options without exercising the Director Incentive Options.
- (k) (**Amendments**): A Director Incentive Option does not confer the right to a change in the Exercise Price or a change in the number of underlying securities over which the Director Incentive Option can be exercised.
- (l) (**Cashless Exercise**): Subject to the applicable Vesting Conditions being met, as set out in (b) above, the holder may elect for cashless exercise of the Director Incentive Options in accordance with the terms of the Company's Employee Securities Incentive Plan.

## Schedule 4 – Terms and Conditions of Lead Manager Options

The terms and conditions of the Lead Manager Options are as follows: \

- (a) The exercise price of each Lead Manager Option is \$0.08 (**Exercise Price**).
  - (b) The expiry date of each Lead Manager Option is 2 years from the date of issue (**Expiry Date**).
  - (c) Each Lead Manager Option gives the Option holder the right to subscribe for one Share.
  - (d) Any Lead Manager Option not exercised before the Expiry Date will automatically lapse on the Expiry Date.
  - (e) The amount payable upon exercise of each Lead Manager Option is the Exercise Price.
  - (f) The Lead Manager Options held by each Lead Manager Option holder may be exercised in whole or in part, and if exercised in part, multiples of 10,000 must be exercised on each occasion.
  - (g) An Option holder may exercise their Lead Manager Options by lodging with the Company, before the Expiry Date:
    - (i) a written notice of exercise of Lead Manager Options specifying the number and class of options being exercised; and
    - (ii) a cheque or electronic funds transfer for the Exercise Price for the number of Lead Manager Options being exercised,
- (Exercise Notice).**
- (h) An Exercise Notice is only effective when the Company has received the full amount of the Exercise Price in cleared funds.
  - (i) Within 5 Business Days of receipt of the Exercise Notice accompanied by the Exercise Price (and subject to the Company obtaining any necessary prior approvals from Shareholders or regulatory bodies for the issue of the Shares), the Company will issue the number of Shares required under these terms and conditions in respect of the number of Options specified in the Exercise Notice.
  - (j) All Shares issued upon the exercise of Lead Manager Options will upon issue rank pari passu in all respects with other Shares.
  - (k) The Lead Manager Options are transferable subject to any transfer restrictions or escrow arrangements imposed by ASX or under applicable Australian securities laws and subject to meeting minimum quotation requirements under the ASX Listing Rules. The Company will seek Official Quotation of the Lead Manager Options, subject to satisfying the quotation conditions of ASX Listing Rules. If ASX does not grant Official Quotation, the Options will remain unlisted.
  - (l) The Company will apply for quotation of all Shares issued pursuant to the exercise of Lead Manager Options on ASX within 5 Business Days after the date of issue of those Shares.
  - (m) 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.

- (n) There are no participating rights or entitlements inherent in the Lead Manager Options and Option holders will not be entitled to participate in new issues of capital offered to Shareholders during the currency of the Lead Manager Options. However, the Company will ensure that for the purposes of determining entitlements to any such issue, the record date will be at least 4 Business Days after the issue is announced. This will give Option holders the opportunity to exercise their Lead Manager Options prior to the date for determining entitlements to participate in any such issue.
- (o) A Lead Manager Option does not confer the right to a change in exercise price or a change in the number of underlying securities over which the Lead Manager Option can be exercised.

# Schedule 5 – Director Incentive Options Valuation

20 October 2022

The Directors  
Indiana Resources Limited  
PO Box 476  
Wembley WA 6913

Dear Directors,

## Options Valuation

### 1 Introduction

- 1.1 At the request of Indiana Resources Limited (“**Indiana**” or the “**Company**”), Stantons Corporate Finance Pty Ltd (“**Stantons**”) hereby sets out our technical valuation for the following options<sup>1</sup> (“**Options**”) to be issued to directors (“**Director Options**”) and the lead manager in respect of a placement (“**Lead Manager Options**”) pending shareholder approval at the Annual General Meeting scheduled for 22 November 2022 (the “**Meeting**”).

**Table 1. Options Details**

Security	Recipient	Number	Details	Vesting condition	Exercise price	Expiry date
<b>Tranche 1 Director Options</b>	David Ward	2,000,000	Unlisted Options issued for nil consideration each exercisable into one ordinary share at any time between meeting the vesting condition and the expiry date	The Company's shares achieving a 30-day volume weighted average price (“ <b>VWAP</b> ”) of \$0.10	\$0.10	2 years from the issue date
	Bob Adam	2,000,000				
	Bronwyn Barnes	3,000,000				
<b>Tranche 2 Director Options</b>	David Ward	2,000,000	Unlisted Options issued for nil consideration each exercisable into one ordinary share at any time between meeting the vesting condition and the expiry date	The Company's shares achieving a 30-day VWAP of \$0.15	\$0.15	3 years from the issue date
<b>Lead Manager Options</b>	Merchant Capital Partners Pty Ltd (“ <b>Merchant</b> ”)	4,000,000	Unlisted Options issued for nil consideration each exercisable into one ordinary share at any time prior to the expiry date	n/a	\$0.08	2 years from the issue date

<sup>1</sup> We note the Options are written by the Company and on exercise new shares will be issued, as opposed to being transferred by an existing shareholder. Accordingly, the Options are considered to be “warrants” as typically defined internationally (we note conventional use of the terms “options” and “warrants” differs in Australia) and will have a dilutive effect if exercised.

- 1.2 The valuation has been prepared in accordance with *AASB2: Share Based Payments* (“**AASB 2**”) to support the Company’s inclusion of a value of the Options in a Notice of Meeting to be distributed prior to the Meeting.
- 1.3 This report has been prepared for the internal purposes of the Company and is not to be publicly distributed without the express prior written consent of Stantons.

## 2 Valuation

### Valuation Methodology

- 2.1 As per AASB 2, paragraph 10:

*“For equity settled share-based payment transactions, the entity shall measure the goods and services received, and the corresponding increase in equity, directly, at the fair value of the goods or services received, unless that fair value cannot be estimated reliably.”*

- 2.2 Where the fair value of goods and services received cannot be estimated reliably, including for transactions with employees, advisors and others providing similar services, the entity should measure the value based on the fair value of the equity instruments at the grant date. To achieve this, a valuation technique that indicates what the price of those equity instruments would have been on the grant date in an arm’s length transaction between knowledgeable, willing parties is used. The valuation technique must be consistent with generally accepted valuation methodologies for pricing financial instruments.

### Director Options

- 2.3 The VWAP based vesting conditions on the Director Options are considered market-based conditions. Under AASB 2, the value impact of a market condition should be included in the fair value determination at the grant date. A Monte Carlo simulation was used to incorporate a probability-based value impact of the market condition to determine the fair value of the Director Options.
- 2.4 Using Monte Carlo simulation methodology, we simulated daily Indiana share prices from 20 October 2022 to 20 October 2025 using trading day increments. Based on the simulated share prices, we calculated the 30-day VWAPs as at each trading day for the period from 20 October 2022 to 20 October 2025.
- 2.5 For the valuation purpose we assumed all Director Options will be exercised at their expiry date.
- 2.6 In each iteration, if the vesting condition is met the value of a Director Option is:
- the maximum of:
    - the difference between simulated share price at the expiry date and the exercise price, discounted to present value (at the risk-free rate); and
    - zero.
- 2.7 If the vesting condition was not met the value was zero for that iteration.
- 2.8 The fair value of a Director Option was calculated as the average simulated value over 100,000 iterations.

### Lead Manager Options

- 2.9 The Lead Manager Options are not subject to any vesting conditions. Accordingly, we used the Black Scholes option valuation methodology to value the Lead Manager Options. This methodology was used with the expectation that the majority of the Lead Manager Options will be exercised towards the end of their term, and therefore a European option pricing model is appropriate.

## Valuation Inputs

### *Grant Date*

- 2.10 Under AASB 2, share-based payments should be measured at their grant date, being the date at which there is a mutual understanding of the terms and a legally enforceable agreement. Where shareholder approval is required, the date on which approval is obtained is considered the grant date for financial reporting purposes.
- 2.11 For financial reporting purposes, the grant date will be the date of the Meeting. For the valuation purpose, we assumed the grant date to be 20 October 2022.

### *Expiry Date*

- 2.12 The expiry date of the Tranche 1 Director Options and Lead Manager Options will be 2 years from the date of issue, and for the Tranche 2 Director Options will be 3 years from the date of issue. Based on our assumed grant date, we assumed expiry dates of 20 October 2024 for the Tranche 1 Director Options and Lead Manager Options and 20 October 2025 for the Tranche 2 Director Options.

### *Spot Price*

- 2.13 The closing prices of Indiana shares on the Australian Securities Exchange (“**ASX**”) on 20 October 2022 was \$0.055, and we used this as the deemed spot prices for the valuation purpose.

### *Exercise Price*

- 2.14 The exercise prices of the Options are as per Table 1.

### *VWAP Hurdle*

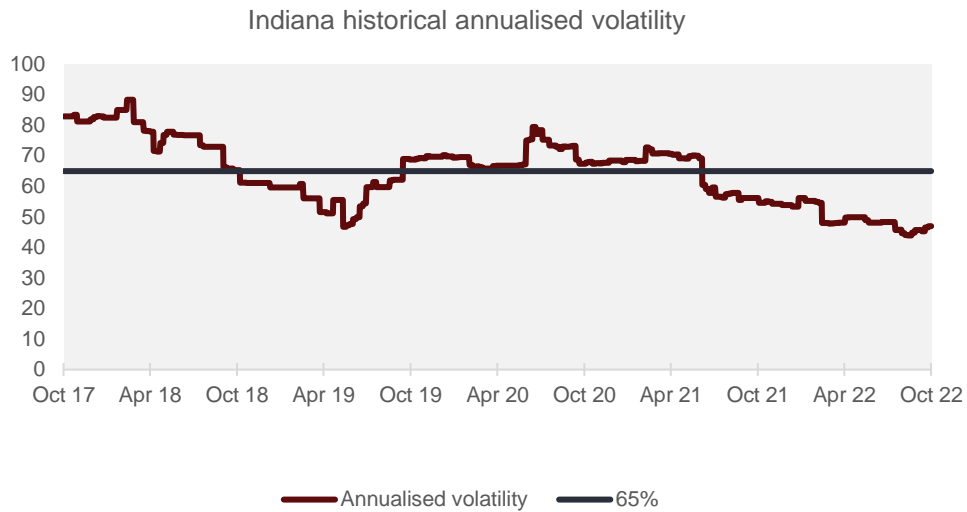
- 2.15 The Tranche 1 Director Options are subject to a 30-day VWAP hurdle of \$0.10 and the Tranche 2 Director Options are subject to a 30-day VWAP hurdle of \$0.15.

### *Risk-Free Rate*

- 2.16 We used the two-year and three-year Australian government bond rates as proxies for the risk-free rates, being approximately 3.370% and 3.500% as at 19 October 2022. We note that under the assumptions of the Black Scholes model and Monte Carlo simulations, the risk-free rate should be on a continuously compounded basis, and accordingly we converted the quoted rates to 3.314% and 3.440%, respectively.

### *Volatility*

- 2.17 In determining the expected volatility of returns on Indiana shares, as per AASB 2, we considered both the historical volatility of the share price over the most recent period commensurate with the expected term of the Options, and the tendency of volatility to revert to its mean.
- 2.18 The historical annualised volatility of Indiana shares based on daily closing price for the two-year and three-year periods to 20 October 2022 were 64.57% and 66.63%, respectively.
- 2.19 The rolling annual volatility (based on prior year weekly closing prices) of Indiana shares from 20 October 2017 to 20 October 2022 is shown below. The average volatility over this period was 64.31%.



Source: S&P Capital IQ

2.20 Based on the above analysis, we used a volatility factor of 65% in our valuations.

### Dividends

2.21 We assumed that no dividends will be declared or paid by the Company during the term of the Options.

### Capital Structure Effects

2.22 Exercise of the Options will result in new shares being issued, which will have a dilutionary impact on the Company's capital structure. The Company currently has 483,804,819 ordinary shares on issue. Conversion of all 13,000,000 Options into ordinary shares would have a dilutionary impact of approximately 2.69%.

2.23 As the market is not currently aware of the potential new issue of Options, the spot price used in our valuation does not reflect the potential dilutionary impact of the Options.

2.24 The dilutionary impact has a negative impact on the value of the Options to the holder, although it does not impact the Company itself. However, we note AASB 2 defines the fair value of equity instruments as:

*"The amount for which an asset could be exchanged, a liability settled, or an equity instrument granted could be exchanged between knowledgeable, willing parties in an arm's length transaction."*

2.25 Based on the above, we consider it unlikely the potential dilutionary impact of exercising the Options will be material to the share price, and we have not adjusted our valuations for a dilution factor.

### Valuation

2.26 Based on the above, our assessed value of the Options as at 20 October 2022 are as follows.



**Table 2. Options Valuation**

	Tranche 1 Director Options			Tranche 2 Director Options	Lead Manager Options
Methodology	Monte Carlo			Monte Carlo	Black Scholes
Iterations	100,000			100,000	n/a
Assumed grant date	20 October 2022			20 October 2022	20 October 2022
Assumed expiry date	20 October 2024			20 October 2025	20 October 2024
Share price at assumed grant date (\$)	0.055			0.055	0.055
Exercise price (\$)	0.100			0.150	0.080
VWAP hurdle (\$)	0.100			0.150	n/a
Risk-free rate (%)	3.314			3.440	3.314
Volatility (%)	65			65	65
Dividend yield (%)	-			-	-
<b>Fair value per Option (\$)</b>	<b>0.0108</b>			<b>0.0105</b>	<b>0.0143</b>
Recipient	David Ward	Bob Adams	Bronwyn Barnes	David Ward	Merchant
Number	2,000,000	2,000,000	3,000,000	2,000,000	4,000,000
<b>Total fair value (\$)</b>	<b>21,687</b>	<b>21,687</b>	<b>32,531</b>	<b>20,997</b>	<b>57,057</b>

### 3 Conclusion

- 3.1 The valuations noted above are not necessarily the market prices that the Options could be traded at and are not necessarily the appropriate values for taxation purposes. Recipients of the Options should seek their own advice as to the tax treatments of receiving the Options.
- 3.2 Should you wish to discuss the above, do not hesitate to contact the undersigned.

Yours faithfully,

**STANTONS CORPORATE FINANCE PTY LTD**



**James Turnbull, CFA**  
**Authorised Representative**