
ENTERPRISE METALS LIMITED**ACN 123 567 073****NOTICE OF ANNUAL GENERAL MEETING**

TIME: 9:30am (WST)**DATE:** Tuesday, 24 November 2020**PLACE:** Meeting Room, The Country Women's Association of WA, 1176 Hay St. West
Perth, WA 6005

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

Should you wish to discuss the matters in this Notice of Annual General Meeting please do not hesitate to contact the Company Secretary on +61 8 6381 0392.

ENTERPRISE METALS LIMITED
ACN 123 567 073
NOTICE OF ANNUAL GENERAL MEETING

Notice is hereby given that the Annual General Meeting of the Shareholders of Enterprise Metals Limited (“Enterprise” or “the Company”) will be held as follows:

TIME: 9:30am (WST)

DATE: Tuesday , 24 November 2020

LOCATION: Meeting Room, The Country Women’s Association of WA, 1176 Hay St. West Perth, WA 6005

**This Notice of Annual General Meeting should be read in its entirety.
If Shareholders are in doubt as to how they should vote, they should seek advice from their
professional advisers without delay.**

**If you wish to discuss any aspects of this document with the Company, please contact
the Company Secretary on +61 8 6381 0392.**

Words and phrases used in the Resolutions are defined in Section 11 of the accompanying Explanatory Memorandum and these words and phrases have the same meaning in this Notice of Annual General Meeting as defined in the Explanatory Memorandum.

AGENDA

ORDINARY BUSINESS

Financial Statements and Reports

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

Resolution 1 - Adoption of Remuneration Report

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

“That, for the purpose of section 250R(2) of the Corporations Act, approval is given for the adoption of the Remuneration Report as contained in the Company’s annual financial report for the financial year ended 30 June 2020.”

Note: Pursuant to section 250R(3) of the Corporations Act, the vote on this Resolution is advisory only and does not bind the Directors or the Company.

Voting Exclusion Statement

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

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

However, a person described above may vote on this Resolution if:

- (a) the person is acting as proxy and the proxy form specifies how the proxy is to vote, and the vote is cast on behalf of a person who is otherwise excluded from voting on this Resolution as described in sub paragraphs (a) or (b) above; or
- (b) the person is the chair of the Annual General Meeting voting an undirected proxy which expressly authorises the chair to vote the proxy on a resolution connected with the remuneration of a member of Key Management Personnel.

Resolution 2 - Re-election of Director – Dr Allan Trench

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

"That Dr Allan Trench, a Director of the Company who retires by rotation in accordance with clause 13.2 of the Company's Constitution and Listing Rule 14.4 and, being eligible, offers himself for re-election, be re-elected as a Director of the Company."

Resolution 3 - Election of Director – Dr Changshun Jia

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

"That for the purposes of clause 13.4 of the Company's Constitution and Listing Rule 14.4 and for all other purposes, Dr Changshun Jia, who was appointed by the board on 2 June 2020, is elected as a Director."

Resolution 4 – Ratification of issue of Shares

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

"That, pursuant to and in accordance with Listing Rule 7.4 and for all other purposes, Shareholders ratify the issue of 30,000,000 Shares and 15,000,000 Options (exercisable at \$0.015 and expiring on 30 June 2021) on the terms and conditions in the Explanatory Memorandum."

Voting Exclusion Statement:

The entity will disregard any votes cast in favour of this resolution by or on behalf of:

- any person who participated in the issue; or
- an associate of that person; and
- any other person who will obtain a material benefit as a result of the issue of securities (except a benefit solely by reason of being a holder or ordinary securities in the Company) or an associate of that person or those persons.

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

- 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
- 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
- a holder acting solely in a nominee, trustee, custodial or other fiduciary capacity on behalf of a beneficiary provided the following conditions are met:
 - 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
 - the holder votes on the resolution in accordance with directions given by the beneficiary to the holder to vote in that way.

Resolution 5 – Approval of 10% Placement Capacity

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

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

Resolution 6 – Replacement of Constitution

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

“That, for the purposes of section 136(2) of the Corporations Act, approval is given for the Company to repeal its existing Constitution and adopt the new constitution tabled at the meeting and signed by the Chair of the Meeting for the purposes of identification, with effect from the close of the Meeting.”

Resolution 7 – Approval of Issue of Options – Dr Allan Trench

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

“That, pursuant to and in accordance with Listing Rule 10.11 and for all other purposes, Shareholders approve the issue of up to 3,000,000 options to Dr Allan Trench (or his nominee) at an issue price of \$0.03 per Share, expiring on 30 November 2023 and on the terms and conditions set out in the Explanatory Memorandum”.

Voting Exclusion Statement:

The entity will disregard any votes cast in favour of this resolution by or on behalf of:

- Dr Allan Trench; or
- An associate of Dr Allan Trench; and
- any other person who will obtain a material benefit as a result of the issue of securities (except a benefit solely by reason of being a holder of ordinary securities in the Company) or an associate of that person or those persons.

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

- 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
- 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
- a holder acting solely in a nominee, trustee, custodial or other fiduciary capacity on behalf of a beneficiary provided the following conditions are met:
 - 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
 - the holder votes on the resolution in accordance with directions given by the beneficiary to the holder to vote in that way.

Resolution 8 – Approval of Issue of Options – Mr Dermot Ryan

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

"That, pursuant to and in accordance with Listing Rule 10.11 and for all other purposes, Shareholders approve the issue of up to 3,000,000 options to Dermot Ryan (or his nominee) at an issue price of \$0.03 per Share, expiring on 30 November 2023 and on the terms and conditions set out in the Explanatory Memorandum".

Voting Exclusion Statement:

The entity will disregard any votes cast in favour of this resolution by or on behalf of:

- Dermot Ryan; or
- An associate of Dermot Ryan; and
- any other person who will obtain a material benefit as a result of the issue of securities (except a benefit solely by reason of being a holder of ordinary securities in the Company) or an associate of that person or those persons.

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

- 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
- 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
- a holder acting solely in a nominee, trustee, custodial or other fiduciary capacity on behalf of a beneficiary provided the following conditions are met:
 - 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
 - the holder votes on the resolution in accordance with directions given by the beneficiary to the holder to vote in that way.

Resolution 9 – Approval of Issue of Options – Dr Changshun Jia

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

"That, pursuant to and in accordance with Listing Rule 10.11 and for all other purposes, Shareholders approve the issue of up to 3,000,000 options to Dr Changshun Jia Ryan (or his nominee) at an issue price of \$0.03 per Share, expiring on 30 November 2023 and on the terms and conditions set out in the Explanatory Memorandum".

Voting Exclusion Statement:

The entity will disregard any votes cast in favour of this resolution by or on behalf of:

- Dr Changshun Jia; or
- An associate of Dr Changshun Jia; and
- any other person who will obtain a material benefit as a result of the issue of securities (except a benefit solely by reason of being a holder of ordinary securities in the Company) or an associate of that person or those persons.

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

- 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
- 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
- a holder acting solely in a nominee, trustee, custodial or other fiduciary capacity on behalf of a beneficiary provided the following conditions are met:

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

Resolution 10 – Ratification of Appointment of Auditor

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

"That, Shareholders ratify the appointment of Pitcher Partners BA&A Pty Ltd as auditor of the Company".

EXPLANATORY MEMORANDUM

Shareholders are referred to the Explanatory Memorandum accompanying and forming part of this Notice of Annual General Meeting for further explanation of the Resolutions.

PROXIES

Members are encouraged to attend the meeting, but if you are unable to attend the meeting, we encourage you to complete and return the enclosed Proxy Form.

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

- each Shareholder has the right to appoint a proxy;
- the proxy need not be a Shareholder of the Company; and
- a Shareholder who is 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.

To vote by proxy, please complete and sign the enclosed Proxy Form and return by:

- Mail to: Automic C/- GPO Box 5193, Sydney NSW 2001
- By hand to: Automic C/- Level 5, 126 Phillip Street, Sydney NSW 2000

To be effective, a Proxy Form and, if the Proxy Form is signed by the shareholder's attorney, the authority under which the appointment is signed (or a certified copy of that authority) must be received by the Company not later than 48 hours before the time specified for the commencement of the Annual General Meeting.

CORPORATE REPRESENTATIVES

A body corporate that is a Shareholder, or which has been appointed as proxy, may appoint an individual to act as its representative at the Annual General Meeting. The appointment must comply with the requirements of section 250D of the Corporations Act. The representative should bring to the meeting evidence of his or her appointment, including any authority under which it is signed, unless it has previously been given to the Company.

DATE FOR DETERMINING HOLDERS OF SHARES

In accordance with Regulation 7.11.37 of the *Corporations Regulations 2001* (Cth), the Directors have set a date to determine the identity of those entitled to attend and vote at the Annual General Meeting. For the purposes of determining voting entitlements at the Annual General Meeting, Shares will be taken to be held by the persons who are registered as holding at 9:30am (WST) on 22 November 2020. Accordingly, transactions registered after that time will be disregarded in determining entitlements to attend and vote at the Annual General Meeting.

Dated this 23 October 2020

By order of the Board

Graeme Smith
Company Secretary

ENTERPRISE METALS LIMITED
ACN 123 567 073

EXPLANATORY MEMORANDUM TO SHAREHOLDERS

1. ACTION TO BE TAKEN BY SHAREHOLDERS

This Explanatory Memorandum sets out information about the Resolutions to be considered by the Shareholders at the Annual General Meeting. Defined terms used in this Explanatory Memorandum are set out in Section 10. Accompanying this Explanatory Memorandum is the Notice of Annual General Meeting convening the Annual General Meeting and a Proxy Form.

Shareholders are encouraged to attend and vote on the Resolutions to be put to the Annual General Meeting. If a Shareholder is not able to attend and vote at the Annual General Meeting, the Shareholder may complete the Proxy Form and return it not later than 48 hours before the time specified for the commencement of the Annual General Meeting.

2. ANNUAL FINANCIAL REPORTS

The Corporations Act requires the Company's financial statements and reports of the Directors and of the auditor for the year ended 30 June 2020 to be laid before the Annual General Meeting. The financial statements and the reports of the Directors and of the auditor are contained in the Company's 2020 Annual Report, a copy of which is available on the Company's website at www.enterprisemetals.com.au.

Whilst no Resolution is required in relation to this item, Shareholders should consider the documents and raise any matters of interest with the Directors when this item is being considered.

A representative from the Company's auditors will be invited to the meeting and Shareholders will have an opportunity to ask the auditor questions in relation to the conduct of the audit, the auditor's report, the Company's accounting policies and the independence of the auditor.

3. RESOLUTION 1: ADOPTION OF REMUNERATION REPORT

The Remuneration Report is required to be considered for adoption in accordance with section 250R of the Corporations Act. The Remuneration Report sets out the Company's remuneration arrangements for the Directors and senior management of the Company. The Remuneration Report is part of the Directors' Report contained in the annual financial report of the Company for the financial year ending 30 June 2020.

A reasonable opportunity will be given for the discussion of the Remuneration Report at the Annual General Meeting. Shareholders should note that the vote on this Resolution is advisory only and does not bind the Company or the Directors.

The Company's Shareholders have approved the Remuneration Report at each previous annual general meeting.

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

4. RESOLUTION 2: RE-ELECTION OF DIRECTOR – DR ALLAN TRENCH

4.1 Background

Clause 13.2 of the Constitution requires that at the Company's annual general meeting every year, one-third of the Directors, except the Managing Director, must retire from office provided that no Director may hold office without re-election past the third AGM following the Director's appointment or three years, whichever is longer.

The Directors to retire at an annual general meeting are those who have been longest in office since their last appointment, but, as between persons who became Directors on the same day, those to retire shall (unless they otherwise agreed amongst themselves) be determined by drawing lots. A Director who retires by rotation under clause 13.2 of the Constitution is eligible for re-election.

ASX Listing Rule 14.4 also provides that a Director (excluding the Managing Director) must not hold office (without re-election) past the third annual general meeting following the Director's appointment, or three years, whichever is longer.

In accordance with clause 13.2 of the Constitution and ASX Listing Rule 14.4, Dr Allan Trench is required to retire and being eligible for election, offers himself for re-election.

Dr Trench is a mineral economist, geophysicist and business management consultant with a BSc (Hons) Geology from the Royal School of Mines, London, a Ph.D (Geophysics) from Glasgow University, an MBA (Distinction) from Oxford University and an MSc (Distinction) in Mineral Economics from the WA School of Mines (WASM). His former roles include management of nickel and gold/base metal exploration teams in the Yilgarn region of WA, initially for WMC and subsequently for a group of junior ASX listed companies.

Dr Trench worked as a business consultant for McKinsey and Company, then as a manager at KCGM Pty Ltd and Woodside Petroleum, and more lately as a consultant with CRU Group, providing business analysis and intelligence on the global mining and metals and markets. He is currently Research Professor, Progressive Risk & Value, Centre for Exploration Targeting, University of Western Australia and Professor, UWA Business School. He is also Non-Executive independent Director of a number of emerging overseas and Australian-listed resources companies.

Dr Trench is considered by the Board to be an independent Director.

4.2 Directors' Recommendation

The Directors (other than Dr Trench) unanimously supports the re-election of Dr Trench.

5. RESOLUTION 3 – ELECTION OF DIRECTOR – DR CHANGSHUN JIA

5.1 Background

Clause 13.4 of the Constitution requires that any Director appointed by the Board, either to fill a casual vacancy or as an addition to the Board, must retire at the next general meeting following his or her appointment, but is eligible for re-election at that general meeting (and is not be taken into account in determining the number of directors for the purposes of retirement by rotation under clause 13.4 of the Constitution).

ASX Listing Rule 14.4 also provides that a Director (excluding the Managing 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 following the Director's appointment.

In accordance with clause 13.4 of the Constitution and ASX Listing Rule 14.4, since he was appointed as an addition to the Board on 2 June 2020, Dr Jia is required to retire and being eligible for election, offers himself for re-election.

Dr Jia is a geologist with extensive global mineral and mining industry experience in Asia, South America, Africa and Australia. Dr Jia has been pivotal in the successful exploration of the Sandstone Greenstone Belt by Alto Metals Ltd, which has attracted strong corporate interest and resulted in multiple takeover offers for Alto Metals Ltd from third parties. Dr Jia was previously General Manager of Minera Altamira Chile, South America and senior management of Enterprise Metals Ltd. Dr Jia is a member of the Australian Institute of Geoscientists and registered geologist of the China Nonferrous Metals Industry Association, with expertise in mineral exploration and mining. Dr Jia is also a founder and director of Luna Resources Pty Ltd, providing corporate and technical advisory services to public and private entities. Dr Jia has a BSc in Hydrogeology & Engineering Geology from North China University of Water Resources and Electric Power, China, and a PhD in Economic Geology from the University of Science & Technology, Beijing.

Dr Jia is considered by the Board to be an independent Director.

5.2 Directors' Recommendation

The Directors (other than Dr Jia) unanimously supports the election of Dr Jia.

6. RESOLUTION 4: RATIFICATION OF ISSUE OF SHARES

6.1 Background

On 28 April 2020, the Company announced that it had raised \$300,000 from Sophisticated Investors through the issue of 30 million New Shares at an issue price of \$0.01 per New Share, with one free attaching Option for every two New Shares issued.

The Company issued the share without prior Shareholder approval under Listing Rule 7.1.

Resolution 4 seeks Shareholder approval pursuant to Listing Rule 7.4 for the ratification of the issue of the New Shares.

Resolution 4 is an ordinary resolution.

6.2 ASX Listing Rule 7.1

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.

By ratifying this issue the subject of Resolution 4, the Company will retain the flexibility to issue equity securities in the future up to the 15% annual placement capacity set out in ASX Listing Rule 7.1 without the requirement to obtain prior Shareholder approval. The Company confirms that the issue and allotment of the Placement Shares, the subject of Resolution 4 did not breach ASX Listing Rule 7.1.

If Resolution 4 is not passed the issue of the Placement Shares is still valid however it will reduce, to that extent, the Company's capacity to issue equity securities without shareholder approval under Listing Rule 7.1 for 12 months following the issue.

6.3 ASX Listing Rule 7.5

The following information is provided to Shareholders for the purposes of obtaining Shareholder approval of the share issue, the subject of Resolution 4 in accordance with ASX Listing Rule 7.5:

(a) the New Shares & Options were issued to:

	NEW SHARES	OPTIONS
WESTDAY ENTERPRISES PTY LTD	4,000,000	2,000,000
BOUCHI PTY LTD	4,000,000	2,000,000
UNDERLEX PTY LTD	6,500,000	3,250,000
MR G K DUNN & MRS J J DUNN	1,500,000	750,000
REYNE NOMINEES PTY LTD	6,500,000	3,250,000
CANTORI PTY LTD	2,500,000	1,250,000
MR R MCKENNA	5,000,000	2,500,000
	30,000,000	15,000,000

none of which are related parties of the Company;

- (b) 30,000,000 fully paid ordinary shares and 15,000,000 options exercisable at \$0.015 and expiring on 30 June 2021 were issued;
- (c) The New Shares rank equally with all other fully paid ordinary Shares on issue;
- (d) terms and conditions of the options may be found in Schedule 1;
- (e) the New Shares and Options were issued and allotted on 28 April 2020;
- (f) the New Shares and Options were issued at a price \$0.01;
- (g) the New Shares are fully paid ordinary shares in the capital of the Company, ranking equally in all respects with the Company's existing Shares on issue;

- (h) \$300,000 was raised from the issue and this was used for exploration activities such as drilling, assaying and sampling at the Mandilla Prospect, and the completion of due diligence on the Bullfinch North project; and
- (i) a voting exclusion statement is included in the Notice.

6.4 Directors' Recommendation

The Directors of the Company believe that Resolutions 4 is in the best interests of the Company and unanimously recommend that Shareholders vote in favour of Resolution 4.

7. RESOLUTION 5 – APPROVAL OF 10% PLACEMENT CAPACITY

7.1 General

Broadly speaking, and subject to a number of exceptions, Listing Rule 7.1 limits the amount of equity securities that a listed company can issue without the approval of its shareholders over any 12 month period to 15% of the fully paid ordinary securities it had on issue at the start of that period.

Listing Rule 7.1A enables eligible entities to issue Equity Securities up to 10% of its issued share capital through placements over a 12-month period after the annual general meeting at which a resolution for the purpose of Listing Rules 7.1A is passed by special resolution (**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 has a market capitalisation of approximately \$10,000,000 as at 14 October 2020. The Company 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 provided for in Listing Rule 7.1A to issue equity securities without shareholder approval.

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.

The Company may use the 10% Placement Facility to continue its exploration activities at the Sandstone Gold Project, Western Australia and/or to acquire new resource assets or investments.

7.2 Description of Listing Rule 7.1A

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.

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 Ordinary Shares.

Listing Rule 7.1 and Listing Rule 7.1A

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 544,181,847 Shares.

Subject to the approval of Resolution 4, the Company will be able to issue a total of:

- (i) 81,627,277 Equity Securities under Listing Rule 7.1; and
- (ii) 54,418,184 quoted 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. That formula is:

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

- A is number of fully paid ordinary securities on issue at the commencement of the relevant period,
- plus the number of fully paid ordinary securities issued in the relevant period under an exception in rule 7.2 other than exception 9, 16 or 17,

- plus the number of fully paid ordinary securities issued in the relevant period on the +conversion of convertible securities within rule 7.2 exception 9 where:
 - the convertible securities were issued or agreed to be issued before the commencement of the relevant period; or
 - the issue of, or agreement to issue, the convertible securities was approved, or taken under these rules to have been approved, under rule 7.1 or rule 7.4,
- plus the number of fully paid ordinary securities issued in the relevant period under an agreement to issue securities within rule 7.2 exception 16 where:
 - the agreement was entered into before the commencement of the relevant period; or
 - the agreement or issue was approved, or taken under these rules to have been approved, under rule 7.1 or rule 7.4,
- 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,

Note: This may include fully paid ordinary securities issued in the relevant period under an agreement to issue securities within rule 7.2 exception 17 where the issue is subsequently approved under rule 7.1.

- plus the number of partly paid ordinary securities that became fully paid in the relevant period,
- less the number of fully paid ordinary securities cancelled in the relevant period.

Note that 'A' is 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 rule 7.4; and

“relevant period” has the same meaning as in rule 7.1

10% Placement Period

Shareholder approval of the 10% Placement Facility under Listing Rule 7.1A is valid from the date of the annual general meeting at which the approval is obtained and expires on the earlier to occur of:

- (i) the date that is 12 months after the date of the annual general meeting at which the approval is obtained;
- (ii) the time and date of the entity's next annual general meeting; or
- (iii) the time and date of the approval by Shareholders 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**).

Listing Rule 7.1A

The effect of Resolution 5 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 5 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).

If Resolution 5 is not passed, the Company will not be able to access the additional 10% capacity to issue equity securities to issue equity securities without shareholder approval provided for in Listing Rule 7.1A and will remain subject to the 15% limit on issuing equity securities without shareholder approval set out in Listing Rule 7.1.

7.3 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:

- (i) 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 immediately before:
 - (a) the date on which the price at which the Equity Securities are to be issued is agreed by the entity and the recipient of the securities; or
 - (b) if the Equity Securities are not issued within 10 Trading Days of the date in paragraph (a) above, the date on which the Equity Securities are issued.
- (ii) If Resolution 5 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. There is a risk that:

- (a) the market price for the Company's Equity Securities may be significantly lower on the date of the issue of the Equity Securities than on the date of the Meeting; and
 - (b) 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.
- (iii) 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 also 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 of ordinary securities has decreased by 50% and increased by 50% as against the current market price.

Variable "A" in Listing Rule 7.1A.2		Dilution		
		\$0.01 50% decrease in Issue Price	\$0.02 Issue Price/Current Market Price	\$0.04 100% increase in Issue Price
Current 544,181,847 Shares	Number of shares	54,418,184	54,418,184	54,418,184
	Funds raised	\$544,182	\$1,088,364	\$2,176,727
50% increase 816,272,771 Shares	Number of shares	81,627,277	81,627,277	81,627,277
	Funds raised	\$816,273	\$1,632,546	\$3,265,091
100% increase 1,088,363,694 Shares	Number of shares	108,836,369	108,836,369	108,836,369
	Funds raised	\$1,088,364	\$2,176,727	\$4,353,455

The table has been prepared on the following assumptions:

- (i) The Company issues the maximum number of Equity Securities available under the 10% Placement Facility.
 - (ii) No convertible securities (including any convertible securities issued under the 10% Placement Facility) are exercised into Shares before the date of the issue of the Equity Securities;
 - (iii) The 10% voting dilution reflects the aggregate percentage dilution against the issued share capital at the time of issue. This is why the voting dilution is shown in each example as 10%.
 - (iv) Resolution 5 is passed and variable "A" in Listing Rule 7.1A.2 is 544,181,847.
 - (v) 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 that Shareholder's holding at the date of the Meeting.
 - (vi) The table shows only the effect of issues of Equity Securities under Listing Rule 7.1A, not under the 15% placement capacity under Listing Rule 7.1.
 - (vii) The issue of Equity Securities under the 10% Placement Facility consists only of Shares. If the issue of Equity Securities includes convertible securities, it is assumed that those convertible securities are exercised into Shares for the purpose of calculating the voting dilution effect on existing Shareholders.
 - (viii) The issue price is \$0.02, being the closing price of the Shares on ASX on 14 October 2020.
- (iv) The Company will only issue and allot the Equity Securities during the 10% Placement Period.
 - (v) The Company may only seek to issue the Equity Securities for cash consideration. In such circumstances, the Company intends to use the funds raised towards exploration activities in Western Australia, the acquisition of new assets or investments (including expense associated with such acquisitions), feasibility study expenditure on the Company's current assets and/or general working capital.
 - (vi) The Company will comply with the disclosure obligations under Listing Rules 7.1A(4) and 3.10.5A upon issue of any Equity Securities.

- (vii) 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 Equity Securities will be determined on a case-by-case basis having regard to the factors including but not limited to the following:
- 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;
 - the effect of the issue of the Equity Securities on the control of the Company;
 - the financial situation and solvency of the Company; and
 - 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.

- (viii) The Company previously obtained approval under ASX Listing Rule 7.1A at its last annual general meeting on 29 November 2019.

In accordance with Listing Rule 7.3A.6 the total number of Equity Securities issued in the 12 months preceding the date of this Notice of Meeting under LR 7.1A.2 was nil.

- (ix) A voting exclusion statement is included in the Notice. 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. No existing Shareholder's votes will therefore be excluded under the voting exclusion in the Notice.

7.4 Directors' Recommendation

The Directors unanimously recommend Shareholders vote in favour of Resolution 5.

8. RESOLUTION 6 – REPLACEMENT OF CONSTITUTION

8.1 General

A company may modify or repeal its constitution or a provision of its constitution by special resolution of Shareholders.

Resolution 6 is a special resolution which will enable the Company to repeal its existing Constitution and adopt a new constitution which is of the type required for a public company limited by shares, updated to ensure it reflects the current provisions of the Corporations Act and the ASX Listing Rules as well as changes to the ASX Listing Rules which took effect on 1 December 2019 in relation to the issue of restricted securities pursuant to transactions to which ASX Listing Rules 10.1 or 11.1.3 apply (**Proposed Constitution**).

The Proposed Constitution will incorporate amendments to the Corporations Act and ASX Listing Rules since the current Constitution was adopted in 2012.

In addition, ASX has introduced a number of rule changes to make aspects of the listing process and ongoing compliance with the listing rules more efficient for issuers and for ASX.

ASX has introduced a two-tier escrow regime where ASX can (and will) require certain more significant holders of restricted securities and their controllers to execute a formal escrow agreement in the form of Appendix 9A, as is currently the case. However, for less significant holdings, ASX will instead permit entities to rely on a provision in their constitution imposing appropriate escrow restrictions on the holder of restricted securities and to simply give a notice to the holder of restricted securities in the form of a new Appendix 9C advising them of those restrictions.

The new listing rules came into effect on 1 December 2019. A company now cannot issue restricted securities unless the constitution is amended to include the wording below. Given the Company is already admitted to the official list of ASX, the circumstances in which the Company may issue restricted securities is limited, and would most likely relate to transactions requiring approval under ASX Listing Rule 10.1 or if the Company was required to re-comply with Chapters 1 and 2 of the ASX Listing Rules because of the application of ASX Listing Rule 11.1.3 (i.e. a significant change to the Company's nature or scale of activities).

The Directors believe that it is preferable in the circumstances to replace the existing Constitution with the Proposed Constitution rather than to amend a multitude of specific provisions of the existing Constitution. The Proposed Constitution is broadly consistent with the provisions of the existing Constitution. Many of the proposed changes are administrative or minor in nature.

The Directors believe these amendments are neither material nor will they have any significant impact on Shareholders. It is not practicable to list all the changes to the Constitution in detail in this Explanatory Memorandum, however, a summary of the proposed material changes is set out below in section 9.2.

A copy of the proposed Constitution is available for review by Shareholders at the office of the Company. A copy of the proposed Constitution can also be sent to Shareholders upon request to the Company Secretary.

The Chair intends to exercise all available proxies in favour of Resolution 6.

8.2 Summary of Material Proposed Changes

Dividends (clause 11)

Section 254T of the Corporations Act was amended effective 28 June 2010.

There is now a three-tiered test that a company will need to satisfy before paying a dividend replacing the previous test that dividends may only be paid out of profits.

The amended requirements provide that a company must not pay a dividend unless:

- 1 the company's assets exceed its liabilities immediately before the dividend is declared and the excess is sufficient for the payment of the dividend;
- 2 the payment of the dividend is fair and reasonable to the company's shareholders as a whole; and
- 3 the payment of the dividend does not materially prejudice the company's ability to pay its creditors.

The Proposed Constitution is updated to reflect the new requirements of the Corporations Act. The Directors consider it appropriate to update the Constitution for this amendment to allow more flexibility in the payment of dividends in the future should the Company be in a position to pay dividends.

Partial (proportional) takeover provisions (clause 4.13)

A proportional takeover bid is a takeover bid where the offer made to each shareholder is only for a proportion of that shareholder's shares.

Pursuant to section 648G of the Corporations Act, the Company has included in the Proposed Constitution a provision whereby a proportional takeover bid for Shares may only proceed after the bid has been approved by a meeting of Shareholders held in accordance with the terms set out in the Corporations Act.

This clause of the Proposed Constitution will cease to have effect on the third anniversary of the date of the adoption or last renewal of the clause.

Information required by section 648G of the Corporations Act

Effect of proposed proportional takeover provisions

Where offers have been made under a proportional off-market bid in respect of a class of securities in a company, the registration of a transfer giving effect to a contract resulting from the acceptance of an offer made under such a proportional off-market bid is prohibited unless and until a resolution to approve the proportional off-market bid is passed.

Reasons for proportional takeover provisions

A proportional takeover bid may result in control of the Company changing without Shareholders having the opportunity to dispose of all their Shares. By making a partial bid, a bidder can obtain practical control of the Company by acquiring less than a majority interest. Shareholders are exposed to the risk of being left as a minority in the Company and the risk of the bidder being able to acquire control of the Company without payment of an adequate control premium. These amended provisions allow Shareholders to decide whether a proportional takeover bid is acceptable in principle, and assist in ensuring that any partial bid is appropriately priced.

Knowledge of any acquisition proposals

As at the date of this Notice of Meeting, no Director is aware of any proposal by any person to acquire, or to increase the extent of, a substantial interest in the Company.

Potential advantages and disadvantages of proportional takeover provisions

The Directors consider that the proportional takeover provisions have no potential advantages or disadvantages for them and that they remain free to make a recommendation on whether an offer under a proportional takeover bid should be accepted.

The potential advantages of the proportional takeover provisions for Shareholders include:

- (i) the right to decide by majority vote whether an offer under a proportional takeover bid should proceed;
- (ii) assisting in preventing Shareholders from being locked in as a minority;
- (iii) increasing the bargaining power of Shareholders which may assist in ensuring that any proportional takeover bid is adequately priced; and

- (iv) each individual Shareholder may better assess the likely outcome of the proportional takeover bid by knowing the view of the majority of Shareholders which may assist in deciding whether to accept or reject an offer under the takeover bid.

The potential disadvantages of the proportional takeover provisions for Shareholders include:

- (i) proportional takeover bids may be discouraged;
- (ii) lost opportunity to sell a portion of their Shares at a premium; and
- (iii) the likelihood of a proportional takeover bid succeeding may be reduced.

Unmarketable Parcels (clause 2.10)

Clause 2.10 of the Constitution outlines how the Company can manage shareholdings which represent an “unmarketable parcel” of shares, being a shareholding that is less than \$500 based on the closing price of the Company’s Shares on ASX as at the relevant time.

The Proposed Constitution is in line with the requirements for dealing with “unmarketable parcels” outlined in the Corporations Act such that where the Company elects to undertake a sale of unmarketable parcels, the Company is only required to give one notice to holders of an unmarketable parcel to elect to retain their shareholding before the unmarketable parcel can be dealt with by the Company, saving time and administrative costs incurred by otherwise having to send out additional notices.

Clause 2.10 of the Proposed Constitution continues to outline in detail the process that the Company must follow for dealing with unmarketable parcels.

Fee for registration of off market transfers (clause 4.4)

In 2011, ASX amended ASX Listing Rule 8.14 with the effect that the Company may now charge a “reasonable fee” for registering paper-based transfers, sometimes referred to as “off-market transfers”.

Clause 7.4 of the Proposed Constitution enables the Company to charge a reasonable fee when it is required to register off-market transfers from Shareholders. The fee is intended to represent the cost incurred by the Company in upgrading its fraud detection practices specific to off-market transfers.

Before charging any fee, the Company is required to notify ASX of the fee to be charged and provide sufficient information to enable ASX to assess the reasonableness of the proposed amount.

Restricted Securities (clause 2.9)

The Company shall comply in all respects with the requirements of the Listing Rules with respect to Restricted Securities. Without limiting the generality of the above:

- a. a holder of Restricted Securities must not dispose of, or agree or offer to dispose of, the securities during the escrow period applicable to those securities except as permitted by the Listing Rules or ASX;
- b. if the Restricted Securities are in the same class as quoted securities, the holder will be taken to have agreed in writing that the Restricted Securities are to be kept on the Company’s issuer sponsored subregister and are to have a holding lock applied for the duration of the escrow period applicable to those securities.
- c. the Company will refuse to acknowledge any disposal (including, without limitation, to registering any transfer), assignment or transfer of Restricted Securities during the escrow period applicable to those securities except as permitted by the Listing Rules or the ASX;
- d. a holder of Restricted Securities will not be entitled to participate in any return of capital on those securities during the escrow period applicable to those securities except as permitted by the Listing Rules or ASX; and

if a holder of Restricted Securities breaches a restriction deed or a provision of this Constitution restricting a disposal of those securities, the holder will not be entitled to any dividend or distribution, or to exercise any voting rights, in respect of those securities for so long as the breach continues.

8.3 Directors’ Recommendation

The Directors do not believe the potential disadvantages outweigh the potential advantages of adopting the proportional takeover provisions and as a result consider that the proportional takeover provision in the Proposed Constitution is in the interest of Shareholders and unanimously recommend that Shareholders vote in favour of Resolution 6.

9. RESOLUTIONS 7 to 9 – ISSUE OF OPTIONS

9.1 Background

The Company proposes to issue Options to Directors Dr Allan Trench, Dr Changshun Jia and Dermot Ryan (or their nominee(s)).

Table 1 - Details of options to be issued to Related Parties

Holder	Options	Quantity	Exercise Price	Expiry	Deemed Issue Price
Dr Allan Trench	\$0.03 Options	3,000,000	\$0.03	30 Nov 2023	\$0.00133
Dermot Ryan	\$0.03 Options	3,000,000	\$0.03	30 Nov 2023	\$0.00133
Dr Changshun Jia	\$0.03 Options	3,000,000	\$0.03	30 Nov 2023	\$0.00133
	Total	9,000,000			

The primary purpose of the grant of the above Options to the Directors is to motivate and reward their performance as Directors of the Company. Having considered the alternatives to an issue of Options (such as a higher cash-based component of remuneration), the Board considers that the grant of the Options is an effective way to remunerate the Directors for their services as the Options issued to each director preserves the Company's cash resources.

In determining the number, value and term of the Options to be granted, the Board considered:

- the responsibilities involved in Dr Trench's position as Chair of the Company and his experience and knowledge;
- the responsibilities involved in Mr Ryan's position as a non-Executive Director, and his experience and knowledge;
- the responsibilities involved in Dr Jia's position as a non-Executive Director, and his experience and knowledge;
- that it aligns remuneration with the future growth and prospects of Renegade and the interests of Shareholders by encouraging Director share ownership;
- what it considered to be an appropriate assessment of the overall reasonable remuneration for Directors for an organisation of the Company's size and geographical location;
- the issue of options in lieu of cash payments preserves the Company's cash resources and reduces ongoing costs; and
- the significant contribution that the Directors are likely to have to the Company's success.

The Options will be exercisable and have the expiry dates as set out in the table above. The Options will not be listed on the ASX. The full terms of the Options are set out in **Schedule 1**, of this Explanatory Memorandum.

9.2 Corporations Act requirements

Chapter 2E of the Corporations Act prohibits an Australian public company from providing a financial benefit to a related party unless a specific statutory exception applies or prior shareholder approval is obtained to the giving of the financial benefit. A related party under the Corporations Act includes all directors of a public company. "financial benefit" has a wide meaning and includes the issue of securities by a public company to a director. The issue of Options to Messrs Trench, Ryan and Jia amounts to the provision of a "financial benefit" to a related party.

One of the exceptions to the requirement to obtain Shareholder approval in accordance with Chapter 2E of the Corporations Act applies where the financial benefit constitutes part of the related party's "reasonable remuneration".

The Board (other than Dr Trench who was not able to consider the matter due to his interest in the issue of the Options to himself) considers that the issue of the Options to Dr Trench constitutes part of Dr Trench's remuneration as Chair of the Company and to give this remuneration is reasonable given the circumstances of both the Company and Dr Trench. Accordingly, the Board (excluding Dr Trench) has decided that Shareholder approval for the purposes of Chapter 2E of the Corporations Act is not required for the issue of the options to Dr Trench.

The Board (other than Mr Ryan who was not able to consider the matter due to his interest in the issue of the Options to himself) considers that the issue of the Options to Mr Ryan constitutes part of Mr Ryan's remuneration as an officer of the Company and to give this remuneration is reasonable given the circumstances of both the Company and Mr Ryan (including the responsibilities involved in the office that Mr Ryan holds as a non-executive Director of the Company). Accordingly, the Board (excluding Mr Ryan) has decided that Shareholder approval for the purposes of Chapter 2E of the Corporations Act is not required for the issue of the options to Mr Ryan.

The Board (other than Dr Jia who was not able to consider the matter due to his interest in the issue of the Options to himself) considers that the issue of the Options to Dr Jia constitutes part of Dr Jia's remuneration as an officer of the Company and to give this remuneration is reasonable given the circumstances of both the Company and Dr Jia (including the responsibilities involved in the office that Dr Jia holds as a non-executive Director of the Company). Accordingly, the Board (excluding Dr Jia) has decided that Shareholder approval for the purposes of Chapter 2E of the Corporations Act is not required for the issue of the options to Dr Jia.

It is the view of the Directors that the issue of Options to Directors under Resolutions 7 to 9 fall under the arms' length exception in Section 210 of the Corporations Act and accordingly, Shareholder approval is only being sought under Listing Rule 10.11 and approval is not required under Listing Rule 7.1.

9.3 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 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 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 Section 6.3(a) to 6.3(c); or
- (e) a person whose relationship with the company or a person referred to in Sections 6.3(a) to Section 6.3(d) is such that, in ASX's opinion, the issue or agreement should be approved by its shareholders,

unless it obtains shareholder approval.

The issue of the Shares to Messrs Kirtlan, Wallace & Voulgaris (or their nominees) falls within Listing Rule 10.11.1, as they are all a related party to the Company, and do not fall within any of the exceptions in Listing Rule 10.12. The Company therefore requires the approval of the Company's Shareholders under Listing Rule 10.11.

Resolution 7 seeks the requisite Shareholder approval to issue Shares to Dr Allan Trench (or his nominee) under and for the purposes of Listing Rule 10.11.

Resolution 8 seeks the requisite Shareholder approval to issue Shares to Mr Dermot Ryan (or his nominee) under and for the purposes of Listing Rule 10.11.

Resolution 9 seeks the requisite Shareholder approval to issue Shares to Dr Changshun Jia (or his nominee) under and for the purposes of Listing Rule 10.11.

If Resolutions 7 to 9 are passed, the Company will be able to proceed with the issue of Shares to Dr Trench, Mr Ryan & Dr Jia (or their nominees) and pursuant to Listing Rule 7.2, exception 14, the Company may issue the Shares without using up the Company's 15% placement capacity under Listing Rule 7.1.

If Resolutions 7 to 9 are not passed, the Company will not be able to proceed with the issue of Shares to Dr Trench, Mr Ryan & Dr Jia (or their respective nominees).

9.4 Listing Rule Notice Requirements

Listing Rule 10.13 contains certain requirements as to the contents of a Notice sent to Shareholders for the purposes of Listing Rule 10.11 and the following information is included in this Explanatory Memorandum for that purpose:

- (a) the Options will be granted to Dr Trench, Mr Ryan & Dr Jia (or their respective nominees), who fall within the category set out in Listing Rule 10.11.1, by virtue of them being a Director;
- (b) the maximum number of Options to be granted pursuant to Resolutions 7 to 9 is 9,000,000, comprising:
 - (i) 3,000,000 Options to Dr Allan Trench;
 - (ii) 3,000,000 Options to Dermot Ryan; and

- (iii) 3,000,000 Options to Dr Changshun Jia;
- (c) the deemed issue price of the Options is as noted in Table 1 above;
- (d) the exercise price of the Options is as noted in Table 1;
- (e) the Directors current remuneration package is:
 - (i) Dr Allan Trench – \$30,000
 - (ii) Dermot Ryan - \$25,000
 - (iii) Dr Changshun Jia - \$25,000
- (f) the Options will be allotted and granted on a date which will be no later than 1 month after the date of the meeting;
- (g) the Options will not rank equally with other fully paid Shares until they are exercised;
- (h) the exercise price and other terms and conditions of the Options are set out in Schedule 1 to this Explanatory Memorandum;
- (i) the Options will be granted for no consideration and accordingly no funds will be raised by the grant of the Options;
- (j) the purpose of the issue of the Options is to provide Dr Allan Trench, Dermot Ryan and Dr Changshun Jia with a reward for their performance as directors, enabling the Company to spend a greater proportion of its cash reserves on its operations than it would if alternative cash forms of remuneration were given to them; and
- (k) a voting exclusion statement is included in this Notice.

9.5 Directors' Recommendation

The Directors do not make any recommendation with respect to the issue of Options as such recommendation regarding the remuneration of the Directors of the Company may be a conflict of interest (as set out in ASIC guidance set out on page 25 of ASIC Regulatory Guide 76).

The Chairman of the meeting intends to vote any undirected proxies in favour of Resolutions 7 to 9.

10. RESOLUTION 10 – RATIFICATION OF APPOINTMENT OF AUDITOR

10.1 General

On 17 January 2020, in accordance with section 327C of the Corporations Act, the Company appointed Pitcher Partners BA&A Pty Ltd (**Pitcher Partners**) as auditor following ASIC's consent to the resignation of Grant Thornton Audit Pty Ltd in accordance with section 329(5) of the Corporations Act.

Following the above appointment, Pitcher Partners hold office until the next AGM, being the Meeting the subject of this Notice.

There is no interruption to the appointment of Pitcher Partners as the Company's auditors. The Company now seeks Shareholder approval for the appointment of Pitcher Partners as auditor of the Company and its controlled entities in accordance with section 327B of the Corporations Act.

10.2 Directors' Recommendation

All of the Directors consider that Resolution 10 is in the best interests of the Company and recommend that Shareholders vote in favour of Resolution 10. The Chair intends to vote all undirected proxies in favour of the Resolution.

11. DEFINITIONS

In this Explanatory Memorandum:

Annual General Meeting means the meeting of the Shareholders convened for the purposes of considering the Resolutions contained in the Notice of Annual General Meeting.

ASX means the Australian Securities Exchange or ASX Limited (ABN 98 008 624 691), as the context requires.

Board means the Board of Directors of the Company.

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

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

Company means Enterprise Metals Limited, ACN 123 567 073.

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

Director means a director of the Company.

Enterprise means Enterprise Metals Limited, ACN 123 567 073.

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

Explanatory Memorandum means the Explanatory Memorandum accompanying the Notice of Annual General Meeting.

Key Management Personnel has the same meaning as in the accounting standards and broadly includes those 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.

Listing Rules means the listing rules of the ASX.

Notice of Annual General Meeting or Notice means the notice convening the Annual General Meeting accompanying this Explanatory Memorandum.

Proxy Form means the form of proxy accompanying this Notice of Annual General Meeting.

Remuneration Report means the remuneration report set out in the Directors' report section of the Company's annual financial report for the year ended 30 June 2020.

Resolution means a resolution proposed to be passed at the Annual General Meeting and contained in the Notice of Annual General Meeting.

Section means a section of the Explanatory Memorandum.

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

Shareholder means a person entered in the Company's register as a holder of a Share.

WST means Western Standard Time.

Schedule 1 - Terms and Conditions of Options expiring 30 November 2023

The Options were issued on the following terms:

1. The exercise price of each Option will be \$0.003 ("**Exercise Price**").
2. Each Option entitles the holder to subscribe for one Share in Enterprise Metals Limited ACN 123 567 073 ("**Company**") upon the payment of the Exercise Price per Share subscribed for.
3. The Options will vest on the date of issue.
4. All Options will lapse at 5:00 pm, Western Standard Time on 30 November 2023 ("**Expiry Date**").
5. There are no participating rights or entitlements inherent in these Options and holders of the Options will not be entitled to participate in new issues of capital that may be offered to shareholders during the currency of the Option.
6. Option holders have the right to exercise their Options prior to the date of determining entitlements to any capital issues to the then existing shareholders of the Company made during the currency of the Options, and will be granted a period of at least 10 business days before books closing date to exercise the Options.
7. In the event the Company proceeds with a pro rata issue (except a bonus issue) of securities to the holders of Shares after the date of issue of the Options, the exercise price of the Options will be adjusted in accordance with the formula set out in the ASX Listing Rules;
8. In the event of any re-organisation (including reconstruction, consolidation, subdivision, reduction or return of capital) of the issued capital of the Company, the Options will be re-organised as required by the Listing Rules, but in all other respects the terms of exercise will remain unchanged.
9. Once vested, the Options shall be exercisable at any time until the Expiry Date ("**Exercise Period**") by the delivery to the registered office of the Company of a notice in writing ("**Notice**") stating the intention of the Option holder to exercise all or a specified number of Options held by them accompanied by an Option certificate and a cheque made payable to the Company for the subscription monies for the Shares. The Notice and cheque must be received by the Company during the Exercise Period. An exercise of only some Options shall not affect the rights of the Option holder to the balance of the Options held by it.
10. The Company shall allot the resultant Shares and deliver a statement of shareholdings with a holders' identification number within 5 business days of exercise of the Options.
11. The Shares allotted shall rank, from the date of allotment, equally with the existing ordinary shares of the Company in all respects.
12. The Options are fully transferrable.

Proxy Voting Form

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

Holder Number:

Your proxy voting instruction must be received by **9.30am (WST) on Sunday, 22 November 2020**, being **not later than 48 hours** before the commencement of the Meeting. Any Proxy Voting instructions received after that time will not be valid for the scheduled Meeting.

SUBMIT YOUR PROXY

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

YOUR NAME AND ADDRESS

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

STEP 1 – APPOINT A PROXY

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

DEFAULT TO THE CHAIR OF THE MEETING

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

STEP 2 - VOTES ON ITEMS OF BUSINESS

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

APPOINTMENT OF SECOND PROXY

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

SIGNING INSTRUCTIONS

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

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

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

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

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

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

CORPORATE REPRESENTATIVES

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

Lodging your Proxy Voting Form:

Online:

Use your computer or smartphone to appoint a proxy at <https://investor.automic.com.au/#/loginsah> or scan the QR code below using your smartphone

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



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