





**CZR Resources Ltd**  
**ACN 112 866 869**

## **Notice of Annual General Meeting**

**Annual General Meeting of Shareholders to be held at  
Level 9, 40 St Georges Terrace, Perth, Western Australia  
at 11.00am (WST) on Friday, 27 November 2020.**

The Board has made the decision that it will hold a physical Meeting with the appropriate social gathering and physical distancing measures in place to comply with the Federal Government's and State Government's current restrictions for physical gatherings.

**Important**

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

*In accordance with subsection 5(1)(f) of the Corporations (Coronavirus Economic Response) Determination (No. 3) 2020, the Company will not be dispatching physical copies of this Notice of Meeting. For shareholders that the Company has email addresses on records, the Company will send a copy of this Notice and material relating to the Meeting or provide a link to where the Notice and other material can be viewed or downloaded by email. To the other Shareholders, the Company will send a letter or postcard setting out a URL for viewing or downloading the Notice and other material. If you are unable to attend the Meeting, please complete the form of proxy enclosed and return it in accordance with the instructions set out on that form.*

## Notice of Annual General Meeting

Notice is given that the Annual General Meeting of Shareholders of CZR Resources Ltd ACN 112 866 869 (**Company**) will be held at Level 9, 40 St Georges Terrace, Perth, Western Australia at 11.00am (WST) on Friday, 27 November 2020.

### Business

#### 1. Annual Report for the financial year ended 30 June 2020

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To receive and consider the Annual Report of the Company, containing the Directors' Report, the Remuneration Report and the Auditor's Report, for the financial year ended 30 June 2020.

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

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

*“That, for the purpose of section 250R(2) of the Corporations Act and for all other purposes, the Remuneration Report for the year ended 30 June 2019 be adopted.”*

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

##### Voting exclusion statement

In accordance with Section 250R of the Corporations Act, a vote on Resolution 1 must not be cast by, or on behalf of a member of the Key Management Personnel whose remuneration details are included in the Remuneration Report, or Closely Related Party of such member.

However, the Company will not disregard a vote if:

- (a) The person is acting as proxy, 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 the proxy on a resolution connected with the remuneration of the member of the Key Management Personnel.

#### 3. Resolution 2 – Re-election of Simon Jackson

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

*“That Simon Jackson, who retires by rotation in accordance with clause 11.3 of the Constitution and who is eligible and offers himself for re-election, be re-elected as a Director.”*

#### 4. Resolution 3 – Re-election of David Flanagan

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

*“That David Flanagan, who was appointed as a Director on 3 April 2020 and in in accordance with clause 11.12 of the Constitution holds office until this Annual General Meeting, and who is eligible and offers himself for re-election, be re-elected as a Director..”*

#### 5. Resolution 4 – Approval of 10% Placement Capacity

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

*“That, for the purposes of ASX Listing Rule 7.1A and for all other purposes, approval is given for the issue of Equity Securities totaling 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 otherwise as set out in the Explanatory Statement.”*

## **6. Resolution 5 – Remuneration of Non-Executive Directors**

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

*“That, for the purposes of rule 11.15 of the Constitution, ASX Listing Rule 10.17 and for all other purposes, the Company approves the maximum aggregate amount that may be paid to non-executive directors as remuneration for their services in each financial year of \$350,000 which may be divided among the non-executive directors in the manner determined by the Board from time to time.”*

### **Voting exclusion statement**

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

- a Director of the Company; or
- an associate of a Director of the Company.

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

- a) a person as proxy or attorney for a person who is entitled to vote on the resolution, in accordance with directions given to the proxy or attorney to vote on the resolution in that way, or
- 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:
  - 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.

## **7. Resolution 6 – Replacement of Constitution**

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

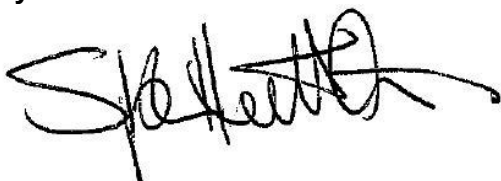
*“That, for the purposes of section 136(2) of the Corporations Act and for all other purposes, approval is given for the Company to repeal its existing Constitution and adopt a new constitution in its place in the form as signed by the Chair of the Meeting for identification purposes.”*

## **8. Other business**

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In accordance with section 250S(1) of the Corporations Act, Shareholders are invited to ask questions about or make comments on the management of the Company and to raise any other business which may lawfully be brought before the Annual General Meeting.

**By order of the Board**



**Stephen Hewitt-Dutton**

Company Secretary  
CZR Resources Ltd  
14 October 2020

# Explanatory Statement

This Explanatory Statement has been prepared for the information of Shareholders in relation to the business to be conducted at the Company's Annual General Meeting.

The purpose of this Explanatory Statement is to provide Shareholders with all information known to the Company which is material to a decision on how to vote on the Resolutions in the accompanying Notice.

This Explanatory Statement should be read in conjunction with the Resolutions set out in this Notice. Capitalised terms used in this Notice and Explanatory Statement are defined in the Glossary.

## 1. Proxies and Voting Entitlements

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Please note that:

- (a) a Shareholder entitled to attend and vote at the General Meeting is entitled to appoint a proxy;
- (b) a proxy need not be a member of the Company;
- (c) a Shareholder may appoint a body corporate or an individual as its proxy;
- (d) a body corporate appointed as a Shareholder's proxy may appoint an individual as its representative to exercise any of the powers that the body may exercise as the Shareholder's proxy; and
- (e) Shareholders entitled to cast two or more votes may appoint two proxies and may specify the proportion or number of votes each proxy is appointed to exercise, but where the proportion or number is not specified, each proxy may exercise half of the votes.

The enclosed Proxy Form provides further details on appointing proxies and lodging Proxy Forms. If a Shareholder appoints a body corporate as its proxy and the body corporate wishes to appoint an individual as its representative, the body corporate should provide that person with a certificate or letter executed in accordance with the Corporations Act authorising him or her to act as that company's representative. The authority may be sent to the Company or its share registry in advance of the General Meeting or handed in at the General Meeting when registering as a corporate representative.

Members of Key Management Personnel and their Closely Related Parties will not be able to vote as proxy on Resolution 1 unless the Shareholder directs them how to vote or, in the case of the Chairman, unless the Shareholder expressly authorises him to do so. If a Shareholder intends to appoint a member of Key Management Personnel or their Closely Related Parties (other than the Chairman) as its proxy, the Shareholder should ensure that it directs the proxy how to vote on Resolution 1.

If a Shareholder intends to appoint the Chairman as its proxy on Resolution 1, Shareholders can direct the Chairman how to vote by marking one of the boxes for Resolution 1 (for example, if the Shareholder wishes to vote 'for', 'against' or to 'abstain' from voting). If a Shareholder does not direct the Chairman how to vote, the Shareholder is deemed to expressly authorise the Chairman to vote as he sees fit on Resolution 1 even though Resolution 1 is connected to the remuneration of members of Key Management Personnel and even if the Chairman has an interest in the outcome of that Resolution.

To vote by proxy, please complete and sign the Proxy Form enclosed and return in accordance with the instructions on the Proxy Form so that it is received by no later than 11.00am (WST) on Monday, 25 November 2020. Proxy Forms received later than this time will be invalid.

In accordance with Regulations 7.11.37 and 7.11.38 of the *Corporations Regulations 2001* (Cth), the Board has determined that a person's entitlement to vote at the General Meeting will be the entitlement of that person set out in the register of Shareholders as at 5.00pm (WST) on Monday, 25 November 2020. Accordingly, transactions registered after that time will be disregarded in determining Shareholder's entitlement to attend and vote at the Annual General Meeting.

## 2. Virtual Meeting

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If you wish to virtually attend the Meeting (which will be broadcast as a live webinar), please pre-register in advance for the virtual Meeting here:

[https://us02web.zoom.us/webinar/register/WN\\_pUffF3jCTo-HYa-nuU0i9g](https://us02web.zoom.us/webinar/register/WN_pUffF3jCTo-HYa-nuU0i9g)

After registering, you will receive a confirmation containing information on how to attend the virtual Meeting.

Shareholders will be able to vote and ask questions at the virtual Meeting. Shareholders are also encouraged to submit any questions in advance of the Meeting to the Company. Questions must be submitted in writing to the Company at [admin@czrresources.com](mailto:admin@czrresources.com) at least 48 hours prior to the Meeting.

The Company will also provide Shareholders with the opportunity to ask questions during the Meeting in respect of the formal items of business.

### **Voting Virtually**

Shareholders who wish to vote virtually on the day of the meeting will need to login to the Automic website (<https://investor.automic.com.au/#/home>) with their username and password.

Shareholders who do not have an account with Automic are strongly encouraged to register for an account as soon as possible and well in advance of the Meeting to avoid any delays on the day of the Meeting.

To create an account with Automic, please go to the Automic website (<https://investor.automic.com.au/#/home>), click on 'register' and follow the steps. Shareholders will require their holder number (Shareholder Reference Number (SRN) or Holder Identification Number (HIN)) to create an account with Automic.

Shareholders who have an existing account with Automic are advised to take the following steps to attend and vote on the day of the Meeting:

1. Login to the Automic website (<https://investor.automic.com.au/#/home>) using your username and password.
2. If registration for the virtual Meeting is open, click on 'Meeting open for registration' and follow the steps.
3. If live voting for the virtual Meeting is open, click on 'Meeting open for voting' and follow the steps.

### **3. Annual Report for the financial year ended 30 June 2020**

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The Corporations Act requires the Annual Report of the Company for the financial year ended 30 June 2020, which includes the Financial Report, the Directors' Report, the Remuneration Report and the Auditor's Report, to be laid before the Annual General Meeting. The financial statements and reports are contained in the Annual Report. Shareholders who have elected to receive the Annual Report have been provided with a copy. The Annual Report is also available on ASX's website.

While no resolution is required in relation to this item, Shareholders will be given the opportunity to ask questions about, and make comments on, the Financial Report, the Directors Report and the Auditor's Report.

In accordance with section 250T of the Corporations Act, a representative of the Company's Auditor is anticipated to be in attendance to respond to any questions raised of the Auditor or on the Auditor's Report. Written questions to the Auditor must be submitted by Shareholders to the Company at least 5 business days prior to the Annual General Meeting.

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

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The Remuneration Report for the financial year ended 30 June 2020 is set out in the 2020 Annual Report. The Remuneration Report sets out the Company's remuneration arrangements for its Directors and senior management.

Section 250R(2) of the Corporations Act requires the Annual General Meeting to include a vote on the adoption of the Remuneration Report. Under section 250R(3) of the Corporations Act, the vote on the this Resolution is advisory only and does not bind the Directors or the Company.

In accordance with section 250SA of the Corporations Act, the Chairman will provide a reasonable opportunity for discussion on the Remuneration Report at the Annual General Meeting.

If at least 25% of the votes on this Resolution are voted against adoption of the Remuneration Report at the Annual General Meeting, and then again at the Company's 2021 annual general meeting, the Company will be required to put to Shareholders a resolution proposing the calling of an extraordinary general meeting to consider the appointment of the Directors (**Spill Resolution**).

If more than 50% of Shareholders vote in favour of the Spill Resolution, the Company must convene the extraordinary general meeting (**Spill Meeting**) within 90 days of the Company's 2021 annual general meeting. All of the Directors who are in office when the Company's 2021 Directors' Report is approved, other than the Managing Director of the Company, will cease to hold office immediately before the end of the Spill Meeting but may stand for re-election at the Spill Meeting. Following the Spill Meeting those persons whose election or re-election is approved will be the directors of the Company.

#### 5. Resolution 2 – Re-election of Simon Jackson

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In accordance with clause 11.3 of the Constitution, at every annual general meeting, one third of the Directors for the time being must retire from office by rotation and are eligible for re-election. The Directors to retire are those who have been in office for 3 years since their appointment or last re-appointment or who have been longest in office since their appointment or last re-appointment or, if the Directors have been in office for an equal length of time, by agreement.

Simon Jackson retires by rotation at this Annual General Meeting and, being eligible, offers himself for re-election.

Mr Jackson is an experienced resource industry executive with a broad range of senior management experience through all facets of the mining cycle from exploration, discovery, feasibility, financing, construction, operations and divestment. He has extensive Board and executive level experience in a number of TSX and ASX listed public companies.

Mr Jackson is the Managing Director of Kopore Metals Limited, a copper explorer focussed on the Kalahari Copper Belt in Botswana and an executive Director of Cygnus Gold Ltd, a Western Australian wheatbelt explorer. Mr Jackson is also the Non-executive Chairman of Sarama Resources Ltd, a TSXV listed gold developer with assets in Burkina Faso. Mr Jackson has previously held senior management roles at a number of gold mining companies including Orca Gold Inc. and Red Back Mining Inc.

Mr Jackson is a fellow of the Institute of Chartered Accountants and holds a Bachelor of Commerce degree from the University of Western Australia.

The Directors (excluding Mr Jackson) recommend that Shareholders vote in favour of Resolution 2.

#### 6. Resolution 3 – Re-election of David Flanagan

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Under clause 11.11 of the Constitution, the Directors may at any time appoint a person as an additional Director. Pursuant to clause 11.12, that person holds office until the next annual general meeting and is then eligible for re-election.

David Flanagan was appointed as a Director and Chairman on 3 April 2020 and, being eligible, offers himself for re-election.

David Flanagan is a geologist with more than 25 years' experience in the mining and mineral exploration industry in Australia, Indonesia and Africa. Mr Flanagan was the founding Managing Director at Atlas Iron Limited. During his tenure at Atlas Iron he oversaw its growth from a junior exploration company to an ASX Top 100 listed iron ore exporter, and the operator of three iron ore mines producing at a rate of 12Mtpa.

David has been recognised for his style of leadership through many awards including Governors Award for Giving 2011, Eisenhower Fellowship 2013, Western Australian of the Year 2014, and Member of the Order of Australia in 2018.

David also held the role of Chancellor at Murdoch University from 2013 to 2019.

The Directors (excluding Mr Flanagan) recommend that Shareholders vote in favour of Resolution 3.

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

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### **7.1 Background**

Resolution 4 is a **special resolution** to approve the Company's ability to utilise the additional 10% placement capacity available under Listing Rule 7.1A for the next 12 months.

This Resolution 4 will be passed by Shareholders as a special resolution if 75% of the votes cast by Shareholders present and eligible to vote (whether in person, by proxy, by attorney or, in the case of a corporate Shareholder, by a corporate representative) are in favour of it.

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.

Under Listing Rule 7.1A, however, an eligible entity can seek approval from its members, by way of a special resolution passed at its annual general meeting, to increase this 15% limit by an extra 10% to 25%..

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 is an eligible entity.

The Company is now seeking Shareholder approval by way of a special resolution to enable the Company's to issue Equity Securities under the 10% Placement Capacity over the next 12 months.

If Resolution 4 is passed, the Company will be able to issue equity securities up to the combined 25% limit in Listing Rules 7.1 and 7.1A without any further shareholder approval.

If Resolution 4 is not passed, the Company will not be able to access the additional 10% capacity 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.

The exact number of Equity Securities to be issued under the 10% placement capacity will be determined in accordance with the formula prescribed in Listing Rule 7.1A.2.

### **7.2 Description of Listing Rule 7.1A**

#### **(a) Shareholder approval**

The ability to issue Equity Securities under the 10% placement capacity is subject to shareholder approval by way of a special resolution at an annual general meeting.



## **(b) Equity Securities**

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

As at the date of the Notice, the Company has the following quoted Equity Securities on issue:

- 2,853,018,894 ordinary shares.

## **(c) Formula for calculating 10% placement capacity**

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 date of the annual general meeting, a number of Equity Securities calculated in accordance with the following formula:

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

**A** is the number of shares on issue 12 months before the date of issue or agreement:

- 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: A has the same meaning as 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 12 months before the date of the issue or agreement to issue that are not issued with the approval of shareholders under Listing Rule 7.1 or 7.4.

## **(d) ASX Listing Rules 7.1 and 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.

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 (please refer to section c above).

### **Effect of Resolution 7**

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 (please refer to section c above).

The effect of Resolution 7 will be to allow the Directors to issue the Equity Securities under Listing Rule 7.1A during the Additional 10% Placement Period without further Shareholder approval or using the Company's 15% annual placement capacity under Listing Rule 7.1.

### **7.3 Specific Information Required by ASX Listing Rule 7.3A**

In accordance with Listing Rule 7.3A, the following information is provided to Shareholders in relation to the 10% placement capacity.

#### **(a) Effective period**

Shareholder approval of the 10% Placement Capacity 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; or
- (ii) The time and date of the Company's next annual general meeting; or
- (iii) the 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).**

#### **(b) Minimum Issue Price**

The issue price of Equity Securities issued under Listing Rule 7.1A must be not less than 75% of the volume weighted average market price 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 section (i), the date on which the Equity Securities are issued.

#### **(c) Purpose of issue**

The Company may only issue Equity Securities under the 10% Placement Capacity for cash consideration, which it may do to fund any one or more of the following:

- (i) general working capital expenses;
- (ii) activities associated with its current exploration projects generally;
- (iii) repayment of debt; and
- (iv) acquisition and investment in new assets (including associated expenses).

The Company will disclose this information when Equity Securities are issued under the 10% Placement Capacity.

**(d) Economic and voting dilution risks**

If Resolution 4 is approved by Shareholders and the Company issues Equity Securities under the 10% placement capacity, the existing Shareholders' voting power in the Company will be diluted as shown in the table below. 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 Annual General 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.

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 the Notice.

The table also shows:

- i. 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 future meetings of Shareholders; and
- ii. 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		
		\$0.0085 50% decrease in market price	\$0.017 current market price	\$0.034 50% increase in market price
Current variable "A" 2,853,018,894	10% voting dilution	285,301,889 Shares	285,301,889 Shares	285,301,889 Shares
	Funds raised	\$2,425,066	\$4,850,132	\$9,700,264
50% increase in current variable "A" 4,279,528,341	10% voting dilution	427,952,834 Shares	427,952,834 Shares	427,952,834 Shares
	Funds raised	\$3,637,599	\$7,275,198	\$14,550,396
100% increase in current variable "A" 5,706,037,788	10% voting dilution	570,603,779 Shares	570,603,779 Shares	570,603,779 Shares
	Funds raised	\$4,850,132	\$9,700,264	\$19,400,528

**Notes and assumptions**

1. The Company issues the maximum number of Equity Securities available under the 10% placement capacity.
2. 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%.
3. The table does not show an example of dilution that may be caused to a particular Shareholder by reason of placements under the 10% placement capacity, based on that Shareholder's holding at the date of the Annual General Meeting.

4. 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.
5. The issue of Equity Securities under the 10% placement capacity consists only of Shares. If the issue of Equity Securities includes Options, it is assumed that those Options are exercised into Shares for the purpose of calculating the voting dilution effect on existing Shareholders.
6. The issue price is \$0.017, being the closing price of the Shares on the ASX on 5 October 2020.

The Company will only issue the Equity Securities during the 10% Placement Period. See section 7.3(a) above..

**(e) Economic and voting dilution risks**

The Company may seek to issue the Equity Securities under the 10% placement capacity to raise funds for working capital and the exploration and development of its existing projects including the Yarraloola, Yarrie, Shepherds Well, Croydon and Buddadoo projects.

The Company will comply with the disclosure obligations under Listing Rules 7.1A.4 upon any issue of Equity Securities.

The Company's allocation policy is dependent on the prevailing market conditions at the time of any proposed issue pursuant to the 10% placement capacity. The identity of the persons to whom the Equity Securities will be issued will be determined on a case-by-case basis having regard to factors which include the following:

- c. the purpose of the issue;
- d. the methods of raising funds that are available to the Company including, but not limited to, rights issue or other issues in which existing Shareholders can participate;
- e. the effect of the issue of the Equity Securities on the control of the Company;
- f. the financial situation and solvency of the Company;
- g. prevailing market conditions; and
- h. advice from corporate, financial and broking advisers (if applicable).

The persons to be issued Equity Securities under the 10% Placement Facility have not been determined as at the date of this Notice but are likely to be sophisticated or professional investors for the purposes of section 708 of the Corporations Act who are not related parties or associates of a related party of the Company.

Shareholder approval was previously obtained pursuant to Listing Rule 7.1A on 27 November 2019 (at the 2019 Annual General Meeting).

The Company issued 60,000,000 shares under Listing Rule 7.1A.2 during the 12 months preceding the meeting (LR7.3A.6).

<b>Date of issue</b>	30 June 2020
<b>Number issued</b>	60,000,000
<b>Dilution</b>	The 60,000,000 Shares issued represented 2.88% of the shares on issue at the date of the 2019 LR7.1A approval.
<b>Class of Security</b>	Ordinary Fully paid
<b>Persons who received securities</b>	The Shares under the Placement were issued to institutional and professional clients of Bell Potter and were not related parties of the Company
<b>Price (per share)</b>	\$0.012. Discount to closing price on 24 June 2020 being the date of agreement was 20%.
<b>Total cash consideration</b>	\$720,000 of which \$Nil has been spent.
<b>Intended use of funds raised</b>	It is intended that the funds are used for additional drilling at the Top Camp gold prospect, administration costs, costs of the Offer, continued exploration of the Company's other projects and for general working capital. At the date of this Notice the Company has not spent the funds raised under Listing Rule 7.1A.

2. A voting exclusion statement is not 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.

## **8. Resolution 5 – Remuneration of Non-Executive Directors**

### **8.1 Background**

Resolution 5 is an ordinary resolution which seeks the approval of Shareholders to set the maximum aggregate annual amount that may be paid to non-executive directors as remuneration for their services.

Rule 11.15 of the Constitution requires that the total aggregate fixed sum per annum to be paid to the directors from time to time will not exceed the sum determined by the Shareholders in general meeting and the total aggregate fixed sum will be divided between the directors as the directors determine or, failing to agree, in equal shares.

ASX Listing Rule 10.17 provides that an entity must not increase the total amount of director's fees payable by it or any of its child entities without the approval of Shareholders. This rule does not apply to the salaries of executive directors. ASX Listing Rule 10.17A provides that an entity must not pay in excess of the total amount of director's fees payable by it or any of its child entities without the approval of Shareholders

The current maximum aggregate amount that is payable to non-executive directors in any year is \$250,000 as set by shareholders in 2011. Accordingly, this Resolution seeks the approval of Shareholders to set the maximum aggregate annual remuneration for all non-executive directors at \$350,000.

The total amount of directors' fees payable includes superannuation contributions made by the Company for the benefit of non-executive directors and any fees which a non-executive director agrees to sacrifice on a pre-tax basis.

The Directors believe that the proposed maximum aggregate remuneration of \$350,000 is appropriate for the Company and is in line with the remuneration paid by ASX-listed companies of similar size and nature. They also note that it is important that the Company sets a maximum aggregate amount to

provide certainty for what the Company can pay to directors in the future. If Resolution 5 is passed, the additional payment capacity will give the Company flexibility to appoint additional non-executive directors who the other directors think can deliver additional skills to the Board. If Resolution 5 is not passed the Directors may not be able to attract and appoint such additional non-executive directors.

The current fees payable to the non-executive directors are \$82,125 per annum for the Chairman and \$54,000 per annum for the other non-executive directors. Setting a new maximum of \$350,000 would represent an increase of 75% to the actual aggregate remuneration payable in financial year 2020.

The Board is not proposing any increase to the existing non-executive directors' remuneration at this time.

For the purposes of Listing Rule 10.17, the Company confirms that the following securities have been issued to non-executive directors with Shareholder approval under Listing Rule 10.11 or 10.14 during the 3 years prior to the date of this Notice:

Issue date	Director	Securities	ASX Listing Rule Approvals
24 Dec 2019	Adam Sierakowski and related entities	11,848,220 FPO 6,500,000 Options	Approval under ASX Listing Rule 10.11 on 27 Nov 2019
24 Dec 2019	Stephen Lowe and related entities	5,357,534 FPO	Approval under ASX Listing Rule 10.11 on 27 Nov 2019
24 Dec 2019	Simon Jackson and related entities	4,670,548 FPO 2,000,000 Options	Approval under ASX Listing Rule 10.11 on 27 Nov 2019
21 Sept 2020	Adam Sierakowski and related entities	4,150,000 FPO	Approval under ASX Listing Rule 10.11 on 15 Sept 2020
18 Sept 2020	Stephen Lowe and related entities	2,500,000 FPO	Approval under ASX Listing Rule 10.11 on 15 Sept 2020
18 Sept 2020	Robert Ramsay	2,050,000 FPO	Approval under ASX Listing Rule 10.11 on 15 Sept 2020
18 Sept 2020	Simon Jackson and related entities	4,150,000 FPO	Approval under ASX Listing Rule 10.11 on 15 Sept 2020
18 Sept 2020	David Flanagan and related entities	4,150,000 FPO	Approval under ASX Listing Rule 10.11 on 15 Sept 2020
18 Sept 2020	Stephen Lowe and related entities	10,000,000 FPO 10,000,000 Options	Approval under ASX Listing Rule 10.11 on 15 Sept 2020
18 Sept 2020	Robert Ramsay	60,000,000 Managing Director Options	Approval under ASX Listing Rule 10.11 on 15 Sept 2020

Options – Exercisable at \$0.015 each and expiring 30 June 2022.

Managing Director Options – Exercisable at \$0.0318 each and expiring on 18 September 2024.

As the Directors have an interest in this Resolution they will abstain from offering a recommendation for Resolution 5.

## 9. Resolution 6 – Replacement of Constitution

Resolution 6 is a special resolution which seeks to approve the repealing of the existing Constitution and adopt a new constitution (“**Proposed Constitution**”) which is of the type required for a listed public company limited by shares updated to ensure it reflects the current provisions of the Corporations Act and ASX Listing Rules. A company may modify or repeal its constitution or a provision of its constitution by special resolution of Shareholders.

The replacement of the Constitution requires approval for all purposes by way of a special resolution, meaning that at least seventy-five percent (75%) of votes must be cast in favour of the Resolution in order for it to be passed.

The Proposed Constitution will incorporate amendments to the Corporations Act and ASX Listing Rules since the current Constitution was adopted in 2005. 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.

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 not material nor will they have any significant impact on Shareholders. It is not practicable to list all of the changes to the Constitution in detail in this Explanatory Statement, however, a summary of the proposed material changes is set out below.

A brief summary of the material proposed differences between the existing and Proposed Constitution is set out below. This summary is not exhaustive and does not identify all of the differences between the existing Constitution and Proposed Constitutions. 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 by email at [admin@czrresources.com](mailto:admin@czrresources.com). Shareholders are invited to contact the Company if they have any queries or concerns.

If Resolution 6 is passed the Company's Constitution will be replaced by the Proposed Constitution which is updated and appropriate for a company listed on ASX. If Resolution 6 is not passed the Company will retain its Constitution, which was adopted in 2005 and contains clauses which do not take into account amendments to the Corporations Act and ASX Listing Rules.

## **Summary of Material Proposed Changes**

### **(a) General Update**

The Proposed Constitution generally updates the various provisions in a variety of respects to reflect industry best practice, the Corporations Act and the Listing Rules in a form approved by the ASX.

### **(b) Restricted Securities**

The Company notes the changes to the escrow of securities contained in ASX Listing Rules 9 and 15.12 and ASX Guidance Note 11 dated 1 December 2019.

To facilitate the Company complying with this change to the Listing Rules, the Company proposes to reflect these changes at clause 3.9 of the Proposed Constitution.

### **(c) Unmarketable parcels of Securities**

The Company's current Constitution does not provide for the sale of unmarketable parcels of Securities. An 'unmarketable parcel' is a shareholding worth less than \$500 which, for a holder, may be difficult and/or expensive to sell. The cost of administration associated with shareholdings of this size can also be burdensome. In order to reduce these administrative inefficiencies, the Proposed Constitution provides mechanisms under clause 6.8 to allow the Company to direct the sale of unmarketable parcels of Securities, with the proceeds of any sale to be paid to that selling Shareholder and with no brokerage to be paid by that individual. This mechanism is sanctioned by the ASX Listing Rules and is common among Australian listed companies.

CZR has no current plans to perform an unmarketable parcel sale process.

### **(d) Partial (Proportional) Takeover Provisions (Clause 14)**

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 of last renewal of the clause.

#### **(e) Qualifications of Directors**

Clause 11.10 of the Constitution currently prohibits a person of or over the age of 72 years being appointed or re-appointed as a Director except pursuant to a resolution of the Company in accordance with the Corporations Act. Clause 11.10 resulted from a now repealed provision of the Corporations Act. As such this is no longer required.

These changes now allow directors to be appointed or re-appointed as a Director when they are aged 72 years or above.

#### **(f) Registration Procedure for Transfer of Shares**

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”. Proposed new Clause 6.2(a)(v) of the 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.

### **Information required by section 648G of the Corporations Act**

#### **(a) 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.

#### **(b) 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.

#### **(c) Knowledge of any Acquisition Proposals**

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

#### **(d) 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:

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

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

#### **Directors' Recommendation**

The Directors unanimously recommend that Shareholders approve Resolution 6.

## Glossary

In this Notice and Explanatory Statement, the following terms have the following meanings:

<b>Annexure</b>	an annexure to the Explanatory Statement.
<b>ASIC</b>	the Australian Securities and Investments Commission.
<b>Annual General Meeting</b>	the annual general meeting convened by this Notice.
<b>ASX</b>	ASX Limited ACN 008 624 691 or the Australian Securities Exchange, as the context requires.
<b>Board</b>	the board of Directors.
<b>Chairman</b>	the chair of the Annual General Meeting.
<b>Closely Related Party</b>	a closely related party of a member of Key Management Personnel as defined in the Corporations Act, being: <ul style="list-style-type: none"><li>(a) a spouse or child of the member;</li><li>(b) a child of that member's spouse;</li><li>(c) a dependant of that member or of that member's spouse;</li><li>(d) anyone else who is one of that member's family and may be expected to influence that member, or be influenced by that member, in that member's dealings with the Company;</li><li>(e) a company that is controlled by that member; or</li><li>(f) any other person prescribed by the regulations.</li></ul>
<b>Company</b>	CZR Resources Ltd ACN 085 166 721.
<b>Constitution</b>	the constitution of the Company.
<b>Corporations Act</b>	<i>Corporations Act 2001</i> (Cth).
<b>Director</b>	a director of the Company.
<b>Equity Securities</b>	has the meaning given in the Listing Rules.
<b>Explanatory Statement</b>	the explanatory statement incorporated in the Notice.
<b>Key Management Personnel</b>	the key management personnel of the Company as defined in the Corporations Act and Australian Accounting Standards Board accounting standard 124, broadly including 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).
<b>Listing Rules</b>	the ASX Listing Rules published and distributed by ASX.
<b>Notice</b>	the notice of annual general meeting incorporating the Explanatory Statement.
<b>Proxy Form</b>	the proxy form attached to this Notice.
<b>Resolution</b>	a resolution contained in this Notice.
<b>Section</b>	a section contained in the Explanatory Statement.
<b>Share</b>	a fully paid ordinary share in the capital of the Company.
<b>Shareholder</b>	a holder of a Share.
<b>VWAP</b>	the volume weighted average price of Shares.
<b>WST</b>	Western Standard Time, being the time in Perth, Western Australia.

# Proxy Voting Form

If you are attending the virtual Meeting please retain this Proxy Voting Form for online Securityholder registration.

Holder Number:

Your proxy voting instruction must be received by **11.00am (WST) on Wednesday, 25 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/#/login>

or scan the QR code below using your smartphone

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



#### BY MAIL:

Automic  
GPO Box 5193  
Sydney NSW 2001

#### IN PERSON:

Automic  
Level 5, 126 Phillip Street  
Sydney NSW 2000

#### BY EMAIL:

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

#### BY FACSIMILE:

+61 2 8583 3040

**All enquiries to Automic:**

**WEBCHAT:** <https://automicgroup.com.au/>

**PHONE:** 1300 288 664 (Within Australia)  
+61 2 9698 5414 (Overseas)

