



# Auteco Minerals Ltd

ACN 110 336 733

## Notice of Annual General Meeting

**Date of Meeting**

Thursday, 28 November 2019

**Time of Meeting**

10:00am (AWST)

**Place of Meeting**

Suite 3, Level 3, 24 Outram Street, West Perth WA 6005

**A Proxy Form is enclosed**

Please read this Notice and Explanatory Memorandum carefully.

If you are unable to attend the Annual General Meeting please complete and return the enclosed Proxy Form in accordance with the specified directions.

# Auteco Minerals Ltd

ACN 110 336 733

## Notice of Annual General Meeting

Notice is given that the Annual General Meeting of Shareholders of Auteco Minerals Ltd ACN 110 336 733 (Company) will be held at Suite 3, Level 3, 24 Outram Street, West Perth WA 6005 on Thursday, 28 November 2019 at 10:00am (AWST) for the purpose of transacting the following business referred to in this Notice of Annual General Meeting.

### AGENDA

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#### 1 Annual Report

To receive and consider the Annual Report of the Company for the year ended 30 June 2019, together with the Directors' Report and the Auditor's Report as set out in the Annual Report.

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

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

*"That the Remuneration Report for the year ended 30 June 2019 as set out in the 2019 Annual Report be adopted."*

**Note:** The vote on this Resolution is advisory only and does not bind the Directors or the Company. Shareholders are encouraged to read the Explanatory Memorandum for further details on the consequences of voting on this Resolution.

**Voting Exclusion:** The Company will disregard any votes cast on Resolution 1 by or on behalf of a member of the Key Management Personnel whose remuneration details are included in the remuneration report, or their Closely Related Parties. However, the Company need not disregard a vote if:

- (a) it is cast by a person as a proxy appointed by writing that specifies how the proxy is to vote on the proposed Resolution or the proxy is the Chair of the Meeting and the appointment of the Chair as proxy does not specify the way the proxy is to vote on the resolution and expressly authorises the Chair to exercise the proxy even if the resolution is connected directly or indirectly with the remuneration of a member of the Key Management Personnel; and
- (b) it is not cast on behalf of a member of the Key Management Personnel whose remuneration details are included in the remuneration report, or their Closely Related Parties.

*Further, a Restricted Voter who is appointed as a proxy will not vote on Resolution 1 unless:*

- (a) *the appointment specifies the way the proxy is to vote on Resolution 1; or*
- (b) *the proxy is the Chair of the Meeting and the appointment expressly authorises the Chair to exercise the proxy even though the Resolution is connected directly or indirectly with the remuneration of a member of the Key Management Personnel. Shareholders should note that the Chair intends to vote any undirected proxies in favour of Resolution 1.*

*Shareholders may also choose to direct the Chair to vote against Resolution 1 or to abstain from voting.*

*If you purport to cast a vote other than as permitted above, that vote will be disregarded by the Company (as indicated above) and you may be liable for breaching the voting restrictions that apply to you under the Corporations Act.*

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#### 3 Resolution 2 – Re-election of Ian Gordon as a Director

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

*"That, Ian Gordon, who retires in accordance with clause 47.1 of the Constitution and, being eligible for re-election, be re-elected as a Director."*

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#### 4 Resolution 3 – Election of Michael Naylor as a Director

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

*"That Michael Naylor, who was appointed as a Director since the Company's last annual general meeting, ceases to hold office in accordance with clause 47.1 of the Company's Constitution and, being eligible, offers himself for re-election, be elected a Director of the Company."*

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## 5 Resolution 4 – Election of Samuel Brooks as a Director

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

*“That Samuel Brooks, who was appointed as a Director since the Company’s last annual general meeting, ceases to hold office in accordance with clause 47.1 of the Company’s Constitution and, being eligible, offers himself for re-election, be elected a Director of the Company.”*

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## 6 Resolution 5 – Equity Incentive Plan

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

*“That, pursuant to and in accordance with Listing Rule 7.2, Exception 9(b) and for all other purposes, Shareholders approve any issue of securities under the Equity Incentive Plan for employees and Directors known as “Incentive Securities”, a summary of the rules of which are set out in the Explanatory Memorandum, as an exception to Listing Rule 7.1.”*

**Voting Exclusion:** The Company will disregard any votes cast in favour of Resolution 5 by any Director (other than any Director who is ineligible to participate in any employee incentive scheme in relation to the Company) and any person who is an associate of those persons. However, the Company need not disregard a vote if:

- (a) it is cast by a person as a proxy for a person who is entitled to vote, in accordance with the directions on the proxy form; or
- (b) it is cast by the person chairing the Meeting as proxy for a person who is entitled to vote, in accordance with a direction on the proxy form to vote as the proxy decides.

A person appointed as a proxy must not vote, on the basis of that appointment, on this Resolution 5 if:

- (a) the proxy is either:
  - (i) a member of the Key Management Personnel; or
  - (ii) a Closely Related Party of such a member; and
- (b) the appointment does not specify the way the proxy is to vote on this Resolution 5.

However, the above prohibition does not apply if:

- (a) the proxy is the Chair; and
- (b) the appointment expressly authorises the Chair to exercise the proxy even though this Resolution 5 is connected directly or indirectly with remuneration of a member of the Key Management Personnel.

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## 7 Resolution 6 – Ratification of Prior Issue of Equity Securities – Tranche A Options

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

*“That, for the purpose of ASX Listing Rule 7.4 and for all other purposes, Shareholders approve and ratify the prior issue of 12,530,808 Options to Canaccord exercisable at \$0.005 each on or prior to 3 May 2022 on the terms and conditions and in the manner set out in the Explanatory Memorandum.”*

**Voting Exclusion:** The Company will disregard any votes cast in favour of Resolution 6 by or on behalf of CG Nominees (Australia) Pty Ltd (or their nominees) and any of their associates. However, the Company need not disregard a vote if the vote is cast by:

- (a) a person as proxy for a person who is entitled to vote, in accordance with the directions on the proxy form; or
  - (b) the person chairing the Meeting as proxy for a person who is entitled to vote, in accordance with a direction on the proxy form to vote as the proxy decides.
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## 8 Resolution 7 – Ratification of Prior Issue of Equity Securities – Tranche B Options

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

*“That, for the purpose of ASX Listing Rule 7.4 and for all other purposes, Shareholders approve and ratify the prior issue of 12,530,808 Options to Canaccord exercisable at \$0.007 each on or prior to 3 May 2022 on the terms and conditions and in the manner set out in the Explanatory Memorandum.”*

**Voting Exclusion:** The Company will disregard any votes cast in favour of Resolution 7 by or on behalf of CG Nominees (Australia) Pty Ltd (or their nominees) and any of their associates. However, the Company need not disregard a vote if the vote is cast by:

- (a) a person as proxy for a person who is entitled to vote, in accordance with the directions on the proxy form; or
- (b) the person chairing the Meeting as proxy for a person who is entitled to vote, in accordance with a direction on the proxy form to vote as the proxy decides.

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## 9 Resolution 8 – Ratification of Prior Issue of Equity Securities – Tranche C Options

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

*“That, for the purpose of ASX Listing Rule 7.4 and for all other purposes, Shareholders approve and ratify the prior issue of 12,530,808 Options to Canaccord exercisable at \$0.008 each on or prior to 3 May 2022 on the terms and conditions and in the manner set out in the Explanatory Memorandum.”*

**Voting Exclusion:** The Company will disregard any votes cast in favour of Resolution 8 by or on behalf of CG Nominees (Australia) Pty Ltd (or their nominees) and any of their associates. However, the Company need not disregard a vote if the vote is cast by:

- (a) a person as proxy for a person who is entitled to vote, in accordance with the directions on the proxy form; or
- (b) the person chairing the Meeting as proxy for a person who is entitled to vote, in accordance with a direction on the proxy form to vote as the proxy decides.

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## 10 Resolution 9 – Ratification of Prior Issue of Equity Securities – Tranche D Options

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

*“That, for the purpose of ASX Listing Rule 7.4 and for all other purposes, Shareholders approve and ratify the prior issue of 12,530,808 Options to Canaccord exercisable at \$0.009 each on or prior to 3 May 2022 on the terms and conditions and in the manner set out in the Explanatory Memorandum.”*

**Voting Exclusion:** The Company will disregard any votes cast in favour of Resolution 9 by or on behalf of CG Nominees (Australia) Pty Ltd (or their nominees) and any of their associates. However, the Company need not disregard a vote if the vote is cast by:

- (a) a person as proxy for a person who is entitled to vote, in accordance with the directions on the proxy form; or
- (b) the person chairing the Meeting as proxy for a person who is entitled to vote, in accordance with a direction on the proxy form to vote as the proxy decides.

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## 11 Resolution 10 – Approval of Additional 10% Placement Capacity

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

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

**Voting Exclusion:** The Company will disregard any votes cast in favour of Resolution 10 by any person who is expected to participate in the proposed issue and any person who might obtain a material benefit, except a benefit solely in the capacity of a holder of ordinary securities if the Resolution is passed, and any associate of those persons. However, the Company need not disregard a vote if the vote is cast by:

- (a) a person as proxy for a person who is entitled to vote, in accordance with the directions on the proxy form; or
- (b) the person chairing the Meeting as proxy for a person who is entitled to vote, in accordance with a direction on the proxy form to vote as the proxy decides.

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## 12 Resolution 11 – Adoption 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 and for all other purposes, the constitution contained in the document tabled at the Meeting and signed by the Chairman for the purposes of identification, be and is hereby approved and adopted as the new constitution of the Company in substitution for and to the exclusion of the existing Constitution.”*

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### OTHER BUSINESS

**To deal with any other business which may be brought forward in accordance with the Constitution and the Corporations Act.**

Details of the definitions and abbreviations used in this Notice are set out in the Glossary to the Explanatory Memorandum.

**By order of the Board**



**Nicholas Katris**  
Company Secretary

Dated: 25 October 2019

## HOW TO VOTE

Shareholders can vote by either:

- attending the Meeting and voting in person or by attorney or, in the case of corporate Shareholders, by appointing a corporate representative to attend and vote; or
- appointing a proxy to attend and vote on their behalf using the Proxy Form accompanying this Notice of Meeting and by submitting their proxy appointment and voting instructions in person, by post, *electronically via the internet* or by facsimile.

### Voting in person (or by attorney)

Shareholders, or their attorneys, who plan to attend the Meeting are asked to arrive at the venue 15 minutes prior to the time designated for the Meeting, if possible, so that their holding may be checked against the Company's share register and their attendance recorded. To be effective a certified copy of the Power of Attorney, or the original Power of Attorney, must be received by the Company in the same manner, and by the same time as outlined for proxy forms below.

### Voting by a Corporation

A Shareholder that is a corporation may appoint an individual to act as its representative and vote in person at the 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.

### Voting by proxy

- A Shareholder entitled to attend and vote is entitled to appoint not more than two proxies. Each proxy will have the right to vote on a poll and also to speak at the Meeting.
- The appointment of the proxy may specify the proportion or the number of votes that the proxy may exercise. Where more than one proxy is appointed and the appointment does not specify the proportion or number of the Shareholder's votes each proxy may exercise, the votes will be divided equally among the proxies (i.e. where there are two proxies, each proxy may exercise half of the votes).
- A proxy need not be a Shareholder.
- The proxy can be either an individual or a body corporate.
- If a proxy is not directed how to vote on an item of business, the proxy may generally vote, or abstain from voting, as they think fit. However, where a Restricted Voter is appointed as a proxy, the proxy may only vote on Resolution 1 in accordance with a direction on how the proxy is to vote or, if the proxy is the Chair of the Meeting and the appointment expressly authorises the Chair to exercise the proxy even if the Resolution is connected directly or indirectly with the remuneration of a member of the Key Management Personnel.

- Should any resolution, other than those specified in this Notice, be proposed at the Meeting, a proxy may vote on that resolution as they think fit.
- If a proxy is instructed to abstain from voting on an item of business, they are directed not to vote on the Shareholder's behalf on the poll and the Shares that are the subject of the proxy appointment will not be counted in calculating the required majority.
- Shareholders who return their Proxy Forms with a direction how to vote, but who do not nominate the identity of their proxy, will be taken to have appointed the Chair of the Meeting as their proxy to vote on their behalf. If a Proxy Form is returned but the nominated proxy does not attend the Meeting, the Chair of the Meeting will act in place of the nominated proxy and vote in accordance with any instructions. Proxy appointments in favour of the Chair of the Meeting, the secretary or any Director that do not contain a direction how to vote will be used, where possible, to support each of the Resolutions proposed in this Notice, provided they are entitled to cast votes as a proxy under the voting exclusion rules which apply to some of the proposed Resolutions. These rules are explained in this Notice.
- To be effective, proxies must be received by 10:00am (AWST) on Tuesday, 26 November 2019. Proxies received after this time will be invalid.
- Proxies may be lodged using any of the following methods:
  - Online:** [www.investorvote.com.au](http://www.investorvote.com.au)
  - By mail:** Share registry – Computershare Investor Services Pty Limited, GPO Box 242 Melbourne VIC 3001 Australia
  - By fax:** 1800 783 447 (within Australia)  
+61 3 9473 2555 (outside Australia)
  - By mobile:** Scan the QR Code on your proxy form and follow the prompts

The Proxy Form must be signed by the Shareholder or the Shareholder's attorney. Proxies given by corporations must be executed in accordance with the Corporations Act. Where the appointment of a proxy is signed by the appointer's attorney, a certified copy of the Power of Attorney, or the power itself, must be received by the Company at the above address, or by facsimile, and by 10:00am (AWST) on Tuesday, 26 November 2019. If facsimile transmission is used, the Power of Attorney must be certified.

### Shareholders who are entitled to vote

In accordance with paragraphs 7.11.37 and 7.11.38 of the Corporations Regulations, the Board has determined that a person's entitlement to vote at the Annual General Meeting will be the entitlement of that person set out in the Register of Shareholders as at 4:00pm (AWST) on Tuesday, 26 November 2019.

# EXPLANATORY MEMORANDUM

This Explanatory Memorandum is intended to provide Shareholders with sufficient information to assess the merits of the Resolutions contained in the accompanying Notice of Annual General Meeting of the Company.

Certain abbreviations and other defined terms are used throughout this Explanatory Memorandum. Defined terms are generally identifiable by the use of an upper case first letter. Details of the definitions and abbreviations are set out in the Glossary to the Explanatory Memorandum.

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## ANNUAL REPORT

The first item of the Notice deals with the presentation of the consolidated Annual Report of the Company for the financial year ended 30 June 2019, together with the Directors' declaration and report in relation to that financial year and the Auditor's Report on the financial report. Shareholders should consider these documents and raise any matters of interest with the Directors when this item is being considered.

No resolution is required to be moved in respect of this item.

Shareholders will be given a reasonable opportunity at the Annual General Meeting to ask questions and make comments on the accounts and on the management of the Company.

The Chair will also give Shareholders a reasonable opportunity to ask the Auditor or the Auditor's representative questions relevant to:

- (a) the conduct of the audit;
- (b) the preparation and content of the independent audit report;
- (c) the accounting policies adopted by the Company in relation to the preparation of the financial statements; and
- (d) the independence of the Auditor in relation to the conduct of the audit.

The Chair will also allow a reasonable opportunity for the Auditor or their representative to answer any written questions submitted to the Auditor under section 250PA of the Corporations Act.

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## RESOLUTION 1 – ADOPTION OF REMUNERATION REPORT

Section 250R(2) of the Corporations Act requires the Company to put to its Shareholders a resolution that the Remuneration Report as disclosed in the Company's 2019 Annual Report be adopted. The Remuneration Report is set out in the Company's 2019 Annual Report and is also available on the Company's website (<https://www.autecominerals.com.au>).

The vote on Resolution 1 is advisory only and does not bind the Directors or the Company.

However, if at least 25% of the votes cast are against adoption of the Remuneration Report at two consecutive annual general meetings, the Company will be required to put a resolution to the second Annual General Meeting (Spill Resolution), to approve calling a general meeting (Spill Meeting). If more than 50% of Shareholders vote in favour of the Spill Resolution, the Company must then convene a Spill Meeting within 90 days of the second Annual General Meeting. All of the Directors who were in office when the applicable Directors' Report was approved, other than the Managing Director, will need to stand for re-election at the Spill Meeting if they wish to continue as Directors. The Remuneration Report for the financial year ended 30 June 2018 did not receive a vote of more than 25% against its adoption at the Company's last general meeting held on 31 October 2018. Accordingly, if at least 25% of the votes cast on Resolution 1 are against adoption of the Remuneration Report it will not result in the Company putting a Spill Resolution to Shareholders.

The Remuneration Report explains the Board policies in relation to the nature and level of remuneration paid to Directors, sets out remuneration details for each Director and any service agreements and sets out the details of any equity based compensation.

The Chair will give Shareholders a reasonable opportunity to ask questions about, or make comments on, the Remuneration Report.

### **Voting**

Note that a voting exclusion applies to Resolution 1 in the terms set out in the Notice of Meeting. In particular, the Directors and other Restricted Voters may not vote on this Resolution and may not cast a vote as proxy, unless the appointment gives a direction on how to vote or the proxy is given to the Chair and expressly authorises the Chair to exercise your proxy, even if the Resolution is connected directly or indirectly with the remuneration of a member of the Key Management Personnel. The Chair intends to use any such proxies to vote in favour of the Resolution.

Shareholders are urged to carefully read the Proxy Form and provide a direction to the proxy on how to vote on this Resolution.

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### **RESOLUTION 2 – RE-ELECTION OF IAN GORDON AS A DIRECTOR**

Pursuant to Listing Rule 14.4, Ian Gordon, being a Director, retires by way of rotation and, being eligible, offers himself for re-election as a Director.

Mr Gordon is a mining executive with extensive experience in transaction generation, project acquisition, mine development and the management of public companies. Mr Gordon was formally an Executive Director and Managing Director of Ramelius Resources Limited and Managing Director of Flinders Mines Limited. Ian is currently a Non-Executive Director of ASX listed Dreadnought Resources.

The Board does not consider Mr Gordon to be an independent director by virtue of his recent executive management role within the Company.

### **Recommendation**

The Directors support the re-election of Mr Gordon and recommend Shareholders vote in favour of this Resolution. The Chairman intends to vote all available undirected proxies in favour of Resolution 2.

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### **RESOLUTION 3 – ELECTION OF MICHAEL NAYLOR AS A DIRECTOR**

Resolution 3 seeks approval for the election of Michael Naylor as a Director with effect from the end of the Meeting.

Section 201H(1) of the Corporations Act provides that the Directors may at any time appoint a person to be a Director, either to fill a casual vacancy, or as an addition to the existing Directors. Section 201H(3) of the Corporations Act affirms any Director so appointed holds office only until the next following Annual General Meeting and is then eligible for election.

Michael Naylor retires from office in accordance with the requirements s 201H(3) of the Corporations Act and submits himself for election in accordance with s 201H(3) of the Corporations Act.

Mr Naylor has 22 years' experience in corporate advisory and public company management since commencing his career and qualifying as a chartered accountant with Ernst & Young. Mr Naylor has been involved in the financial management of mineral and resources focused public companies serving on the board and in the executive management team focusing on advancing and developing mineral resource assets and business development.

Mr Naylor has worked in Australia and Canada and has extensive experience in financial reporting, capital raisings, debt financings and treasury management of resource companies.

The Board does not consider Mr Naylor to be an independent director by virtue of his substantial shareholding in the Company.

## Recommendation

The Directors support the re-election of Mr Naylor and recommend Shareholders vote in favour of this resolution. The Chairman intends to vote all available undirected proxies in favour of Resolution 3.

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## RESOLUTION 4 – ELECTION OF SAMUEL BROOKS AS A DIRECTOR

Resolution 4 seeks approval for the election of Samuel Brooks as a Director with effect from the end of the Meeting.

Section 201H(1) of the Corporations Act provides that the Directors may at any time appoint a person to be a Director, either to fill a casual vacancy, or as an addition to the existing Directors. Section 201H(3) of the Corporations Act affirms any Director so appointed holds office only until the next following Annual General Meeting and is then eligible for election.

Mr Brooks retires from office in accordance with the requirements s 201H(3) of the Corporations Act and submits himself for election in accordance with s 201H(3) of the Corporations Act.

Mr Brooks is a geologist and has been previously involved in technical and management positions in several successful junior exploration companies, including leading the technical team at Bellevue Gold Ltd and Gryphon Minerals Limited.

The Board does not consider Mr Brooks to be an independent director by virtue of his executive management role within the Company.

## Recommendation

The Directors support the re-election of Mr Brooks and recommend Shareholders vote in favour of this resolution. The Chairman intends to vote all available undirected proxies in favour of Resolution 4.

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## RESOLUTION 5 – EQUITY INCENTIVE PLAN

Directors considered that it was desirable to establish an employee incentive scheme pursuant to which Eligible Employees may be offered the opportunity to be granted Performance Rights and Options (**Incentive Securities**) in order to increase the range of potential incentives available to them and to strengthen links between the Company and its employees and Directors. Accordingly, the Directors have adopted an Equity Incentive Plan (**Plan**).

The Plan is designed to provide incentives to the Eligible Employees of the Company and to recognise their contribution to the Company's success. Under the Company's current circumstances, the Directors consider that the issue of Incentive Securities to Eligible Employees is a cost effective and efficient means for the Company to provide an incentive to Eligible Employees, as opposed to alternative forms of incentives such as cash bonuses or increased remuneration.

Shareholder approval is required if the issue of Incentives Securities pursuant to the Plan is to fall within the exception to the calculation of the 15% limit imposed by Listing Rule 7.1 on the number of securities which may be issued without Shareholder approval. Accordingly, Shareholder approval is sought for the purposes of Listing Rule 7.2 exception 9(b) which provides that Listing Rule 7.1 does not apply to an issue of securities under an employee incentive scheme that has been approved by the holders of ordinary securities within three years of the date of issue.

Prior Shareholder approval will be required before any Director or related party of the Company can participate in the Plan.

Under the Equity Incentive Plan, the Board may offer to Eligible Employees the opportunity to subscribe for such number of Incentive Securities as the Board may decide and on the terms set out in the Plan Rules.



The following Incentive Securities may be offered to Eligible Employees under the Plan:

- Performance Rights, with each Performance Right being a right to acquire a Share subject to the satisfaction of specified performance conditions; and
- Options, with each Option being a right to acquire a Share upon the payment of the exercise price (as applicable) on or prior to the expiry date and subject to the satisfaction of specified performance conditions.

### Summary of the Equity Incentive Plan

The key terms of the Equity Incentive Plan are set out below:

- Eligibility:** The Board may from time to time, invite eligible employees, directors and contractors who fall within ASIC Class Order 14/1000 of the Company (or its associated bodies corporate) is an “eligible participant” as defined in ASIC Class Order 14/1000, to be eligible to receive Incentive Securities under the Plan (**Eligible Employees**).
- Offers:** The Board may, from time to time, at its absolute discretion, determine the number and value of any Incentive Securities to be granted under the Plan. Without limiting its discretion, the Board may also determine the vesting conditions, the performance hurdles, the exercise conditions and any other terms applicable to a particular grant of Incentive Securities in an offer made to an Eligible Employee.
- Rights of Incentive Security holders:** Incentive Securities do not entitle the holder to notice of, or to vote or attend at, a meeting of Shareholders, or, receive any dividends declared by the Company.
- Transferability:** Incentive Securities may not be assigned, transferred, encumbered, or otherwise disposed of unless that assignment or transfer occurs by force of law upon the death of the holder to the holder’s legal representative.
- Incentive Securities:** Awards of both Performance Rights and/or Options may be made to Eligible Employees under the Plan.
- Performance Right:** A Performance Right is an entitlement to be issued or transferred (as determined by the Board) one Share on exercise of the Performance Right, subject to the satisfaction of any vesting conditions, performance hurdles and/or exercise conditions.
- Options:** An Option is an entitled to be issued or transferred (as determined by the Board) one share on the exercise of the Options, subject to the payment of the exercise price (if any) and the satisfaction of any vesting conditions, performance hurdles and/or exercise conditions, prior to the expiry date.
- Vesting Conditions / Performance Hurdles / Exercise Conditions:** The Incentive Securities will be subject to the vesting conditions, performance hurdles and exercise conditions as determined by the Board at the time of grant. In certain circumstances, the Board may determine that any unvested Performance Rights will become vested and may be exercised in any period, whether or not any or all of the applicable vesting conditions and exercise conditions have been satisfied, including if an Eligible Employee becomes a good leaver (for example, ceases to be an executive director or employee due to death or incapacity) or there is a change of control of the Company.
- Exercise and issue / transfer of Shares:** An Incentive Security may only be exercised by a holder following vesting of that Incentive Security. An offer must specify whether an Incentive Security will either be deemed to automatically have been exercised by the holder on vesting or whether the holder must manually exercise the Incentive Security by delivering a notice of exercise to the Company within a period specified in the offer.
- Shares:** Any Shares allotted and issued, or transferred, to an Eligible Employee following the exercise of an Incentive Security (**Plan Share**) will rank equally with all existing Shares on and from the date of issue or transfer, subject to any disposal restrictions notified at the time of the offer of the Incentive Security. Shares, or any beneficial or legal interest in Plan Shares, may not be transferred, encumbered or otherwise disposed of unless all restrictions on the transfer, encumbrance or disposal of the Plan Shares

have been met, the Board has waived any such restrictions, or prior consent of the Board is obtained which consent may impose such terms and conditions on such transfer, encumbrance or disposal as the Board sees fit.

- (k) **Forfeiture:** Unless otherwise determined by the Board, an Eligible Employee's Incentive Securities will generally be forfeited in the circumstances set out in the Plan Rules, and include where:
  - (i) an Eligible Employee's employment or office or engagement with the Company (or an associated body corporate of the Company) ceases, unless the Board has determined that the leaver may retain their Incentive Securities. For example, where the leaver has ceased employment or office with the Company due to becoming a good leaver (e.g. due to death or incapacity), the Board may determine that Eligible Employee may retain their Incentive Securities;
  - (ii) the relevant vesting conditions, performance hurdles or exercise conditions are not satisfied or cannot be satisfied by the relevant expiry date of the Incentive Securities;
  - (iii) an Eligible Employee acts fraudulently or dishonestly or in breach of his or her obligations to the Company; or
  - (iv) an Eligible Employee becomes insolvent.
- (l) **Trust:** The Board may elect to use, on such terms and conditions as determined by the Board in its absolute discretion, an employee share trust for the purpose of holding Shares before or after the exercise of an Eligible Employee's Incentive Securities or delivering any Shares to that Eligible Employee upon the vesting and exercise of an Incentive Security.
- (m) **Change of control:** If a change of control event occurs, which is defined in the Plan Rules, the Board may in its absolute discretion determine the manner in which all vested and unvested Incentive Securities are dealt with (including without limitation in a manner that allows the Eligible Employee to benefit from the change of control event).
- (n) **Amendment:** The Board has the ability to amend the Plan Rules at any time, including with retrospective effect, except that any amendments which affect an Eligible Employee's existing entitlements or obligations require an Eligible Employee's consent unless the amendment is primarily necessitated to ensure compliance with the Constitution or laws or to correct manifest errors or for other limited reasons set out in the Plan Rules.
- (o) **Taxation:** Subdivision 83A-C of the Income Tax Assessment Act 1997 applies to the Plan unless the Offer provides otherwise.
- (p) **Adjustment of Convertible Securities:** If there is a reorganisation of the issued share capital of the Company (including any subdivision, consolidation, reduction, return or cancellation of such issued capital of the Company), the rights of each Participant holding Convertible Securities will be changed to the extent necessary to comply with the Listing Rules applicable to a reorganisation of capital at the time of the reorganisation.

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

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

If Resolution 5 is passed, the Company will be able to issue Performance Rights and Options under the Equity Incentive Plan to Eligible Employees over a period of 3 years utilising the exception to Listing Rule 7.1.

In accordance with the requirements of Listing Rule 7.2 Exception 9(b), the following information is provided to Shareholders:

- (a) a summary of the Plan is set out above and a full copy of the proposed Plan is available on the Company's website at [www.autecominerals.com.au](http://www.autecominerals.com.au);
- (b) This is the first approval sought under Listing Rule 7.2 Exception 9 with respect to the Plan; and
- (c) a voting exclusion statement has been included for the purposes of Resolution 5.

### **Recommendation**

The Board recommends that Shareholders vote in favour of Resolution 5. The Chairman intends to vote all available undirected proxies in favour of Resolution 5.

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## **BACKGROUND TO RESOLUTIONS 6 - 9**

On 7 May 2019 the Company announced that it had appointed Canaccord Genuity (Australia) Ltd (**Canaccord**) as its corporate advisor. As part of this appointment, the Company agreed to issue to Canaccord 50,123,232 Options (**Canaccord Options**).

The Canaccord Options were issued on 3 May 2019, in four equal tranches as follows:

- (a) 12,530,808 Options exercisable at \$0.005 each on or prior to 3 May 2022 (**Tranche A Options**);
- (b) 12,530,808 Options exercisable at \$0.007 each on or prior to 3 May 2022 (**Tranche B Options**);
- (c) 12,530,808 Options exercisable at \$0.008 each on or prior to 3 May 2022 (**Tranche C Options**); and
- (d) 12,530,808 Options exercisable at \$0.009 each on or prior to 3 May 2022 (**Tranche D Options**),

and otherwise on the same terms and conditions. Refer to Annexure A for the terms and conditions of the Canaccord Options.

Resolutions 6 – 9 seek Shareholder approval and ratification for the prior issue of 50,123,232 Options to Canaccord.

## **RESOLUTION 6 – RATIFICATION OF PRIOR ISSUE OF EQUITY SECURITIES – TRANCHE A OPTIONS**

### **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 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.

### **ASX Listing Rule Disclosure Requirements**

The following information is provided in accordance with ASX Listing Rule 7.5:

- (a) The total number of equity securities issued was 12,530,808 Tranche A Options issued pursuant to ASX Listing Rule 7.1;
- (b) The Tranche A Options were issued for nil consideration;
- (c) The Tranche A Options were issued on the terms and conditions set out in Annexure A;

- (d) The Tranche A Options were issued to CG Nominees (Australia) Pty Ltd, who is not a related party of the Company; and
- (e) There were no funds raised from the issue of the Tranche A Options.

A voting exclusion statement is included in the Notice of Meeting for Resolution 6.

### **Recommendation**

The Board recommends that Shareholders vote in favour of Resolution 6. The Chairman intends to vote all available undirected proxies in favour of Resolution 6.

## **RESOLUTION 7 – RATIFICATION OF PRIOR ISSUE OF EQUITY SECURITIES – TRANCHE B OPTIONS**

### **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 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.

### **ASX Listing Rule Disclosure Requirements**

The following information is provided in accordance with ASX Listing Rule 7.5:

- (a) The total number of equity securities issued was 12,530,808 Tranche B Options issued pursuant to ASX Listing Rule 7.1;
- (b) The Tranche B Options were issued for nil consideration;
- (c) The Tranche B Options were issued on the terms and conditions set out in Annexure A;
- (d) The Tranche B Options were issued to CG Nominees (Australia) Pty Ltd, who is not a related party of the Company; and
- (e) There were no funds raised from the issue of the Tranche B Options.

A voting exclusion statement is included in the Notice of Meeting for Resolution 7.

### **Recommendation**

The Board recommends that Shareholders vote in favour of Resolution 7. The Chairman intends to vote all available undirected proxies in favour of Resolution 7.

## **RESOLUTION 8 – RATIFICATION OF PRIOR ISSUE OF EQUITY SECURITIES – TRANCHE C OPTIONS**

### **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 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.

#### **ASX Listing Rule Disclosure Requirements**

The following information is provided in accordance with ASX Listing Rule 7.5:

- (a) The total number of equity securities issued was 12,530,808 Tranche C Options issued pursuant to ASX Listing Rule 7.1;
- (b) The Tranche C Options were issued for nil consideration;
- (c) The Tranche C Options were issued on the terms and conditions set out in Annexure A;
- (d) The Tranche C Options were issued to CG Nominees (Australia) Pty Ltd, who is not a related party of the Company; and
- (e) There were no funds raised from the issue of the Tranche C Options.

A voting exclusion statement is included in the Notice of Meeting for Resolution 8.

#### **Recommendation**

The Board recommends that Shareholders vote in favour of Resolution 8. The Chairman intends to vote all available undirected proxies in favour of Resolution 8.

### **RESOLUTION 9 – RATIFICATION OF PRIOR ISSUE OF EQUITY SECURITIES – TRANCHE D OPTIONS**

#### **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 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.

#### **ASX Listing Rule Disclosure Requirements**

The following information is provided in accordance with ASX Listing Rule 7.5:

- (a) The total number of equity securities issued was 12,530,808 Tranche D Options issued pursuant to ASX Listing Rule 7.1;
- (b) The Tranche D Options were issued for nil consideration;
- (c) The Tranche D Options were issued on the terms and conditions set out in Annexure A;

- (d) The Tranche D Options were issued to CG Nominees (Australia) Pty Ltd, who is not a related party of the Company; and
- (e) There were no funds raised from the issue of the Tranche D Options.

A voting exclusion statement is included in the Notice of Meeting for Resolution 9.

### **Recommendation**

The Board recommends that Shareholders vote in favour of Resolution 9. The Chairman intends to vote all available undirected proxies in favour of Resolution 9.

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## **RESOLUTION 10 – APPROVAL OF ADDITIONAL 10% PLACEMENT CAPACITY**

### **Background**

Listing Rule 7.1A enables eligible entities to issue Equity Securities up to 10% of its issued share capital over a 12 month period after the Annual General Meeting at which a resolution for the purposes of Listing Rule 7.1A is passed by special resolution (**Additional 10% Placement Capacity**). The Additional 10% Placement Capacity is in addition to the Company's 15% placement capacity under Listing Rule 7.1.

An entity will be eligible to seek approval under Listing Rule 7.1A if:

- (f) the entity has a market capitalisation of \$300 million or less; and
- (g) the entity that is not included in the S&P ASX 300 Index.

The Company is an eligible entity for the purposes of Listing Rule 7.1A.

The number of Equity Securities to be issued under the Additional 10% Placement Capacity will be determined in accordance with the formula set out in Listing Rule 7.1A.2.

Resolution 10 seeks Shareholders' approval to issue additional Equity Securities under the Additional 10% Placement Capacity. It is anticipated that funds raised by the issue of Equity Securities under the Additional 10% Placement Capacity would be applied towards the Company's exploration activities which are focused on exploring for vanadium-titanium mineralisation on the Limestone Well Project and continuing to evaluate and assess additional projects.

### **Listing Rule 7.1A**

The effect of Resolution 10 will be to permit the Company to issue the Equity Securities under Listing Rule 7.1A during the Additional Placement Period (as defined below) without using the Company's 15% placement capacity under Listing Rule 7.1.

Equity Securities issued under the Additional 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 this Notice the Company has Shares and unlisted Options on issue.

As at the date of this Notice, the Company has 1,002,464,650 Shares on issue and therefore, subject to Shareholder approval being obtained under Resolution 10, 100,246,465 Equity Securities will be permitted to be issued in accordance with Listing Rule 7.1A. Shareholders should note that the calculation of the number of Equity Securities permitted to be issued under the Additional 10% Placement Capacity is a moving calculation and will be based the formula set out in Listing Rule 7.1A.2 at the time of issue of the Equity Securities, that formula is:

### **(A x D) – E**

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

- (a) plus the number of fully paid Shares issued in the 12 months under an exception in Listing Rule 7.2;

- (b) plus the number of partly paid Shares that became fully paid in the 12 months;
- (c) plus the number of fully paid Shares issued in the 12 months with approval of holders of Shares under Listing Rules 7.1 and 7.4. This does not include an issue of fully paid Shares under the entity's 15% placement capacity without Shareholder approval;
- (d) less the number of fully paid Shares cancelled in the 12 months.

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 12 months before the date of the issue or agreement to issue, that are not issued with the approval of Shareholders under Listing Rules 7.1 or 7.4.

The table below demonstrates various examples as to the number of Equity Securities that may be issued under the Additional 10% Placement Capacity.

Variable 'A'	Number of Equity Securities issued and funds raised under the Additional 10% Placement Capacity and dilution effect	Dilution		
		\$0.0035 Issue Price at half the current market price	\$0.007 Issue Price at current market price	\$0.014 Issue Price at double the current market price
Current Variable 'A' 1,002,464,650 Equity Securities	Equity Securities issued	100,246,465	100,246,465	100,246,465
	Funds raised	350,863	701,725	1,403,451
	Dilution	10%	10%	10%
50% increase in current Variable 'A' 1,503,696,975 Equity Securities	Equity Securities issued	150,369,698	150,369,698	150,369,698
	Funds raised	526,294	1,052,588	2,105,176
	Dilution	10%	10%	10%
100% increase in current variable 'A' 2,004,929,300 Equity Securities	Equity Securities issued	200,492,930	200,492,930	200,492,930
	Funds raised	701,725	1,403,451	2,806,901
	Dilution	10%	10%	10%

**Note:** This table assumes:

- No Options are exercised before the date of the issue of the Equity Securities.
- The issue of Equity Securities under the Additional 10% Placement Capacity consists only of Shares. If the issue of Equity Securities includes quoted Options, for the purposes of the above table, it is assumed that those quoted Options are exercised into Shares for the purposes of calculating the voting dilution effect on existing Shareholders.
- The table does not show an example of dilution that may be caused to a particular Shareholder by reason of placements under the Additional 10% Placement Capacity, based on that Shareholder's holding at the date of the Meeting.

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.

Resolution 10 is a special resolution, requiring 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) in order to be passed.

### Specific information required by Listing Rule 7.3A

The following information in relation to the Shares proposed to be issued is provided to Shareholders for the purposes of Listing Rule 7.3A:

- (a) The Equity Securities will be issued at an issue price of not less than 75% of the volume weighted average price for the Company's Equity Securities over the 15 Trading Days 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 five Trading Days of the date in paragraph (i) above, the date on which the Equity Securities are issued.
- (b) If Resolution 10 is approved by Shareholders and the Company issues Equity Securities under the Additional 10% Placement Capacity, the existing Shareholders' economic and voting interests in the Company will be diluted. There is also a risk that:
  - (i) the market price for Shares may be significantly lower on the date of the issue than on the date of the Annual General Meeting; and
  - (ii) the Equity Securities may be issued:
    - (A) where Shares, at a price that is at a discount to the market price for Shares on the issue date or the Equity Securities; or
    - (B) as consideration (or part thereof) for the acquisition of a new asset, both of which may have an effect on the amount of funds raised by the issue of Equity Securities under the Additional 10% Placement Capacity.
- (c) The table above shows the dilution of existing Shareholders upon the issue of the maximum number of Equity Securities under the Additional 10% Placement Capacity, using different variables for the number of ordinary securities for variable 'A' (as defined in Listing Rule 7.1A) and the market price of Shares. It is noted that variable 'A' is based on the number of ordinary securities the Company has on issue at the time of the proposed issue of Equity Securities.

The table shows:

- (i) examples of where variable 'A' is at its current level, and where variable 'A' has increased by 50% and by 100%;
  - (ii) examples of where the issue price of ordinary securities is the current market price as at close of trade on Friday, 18 October 2019, being \$0.007, (current market price), where the issue price is halved, and where it is doubled; and
  - (iii) the dilutionary effect will always be 10% if the maximum number of Equity Securities that may be issued under the Additional 10% Placement Capacity are issued.
- (d) Approval of the Additional 10% Placement Capacity will be valid during the period (Additional Placement Period) from the date of the Annual General Meeting and will expire on the earlier of:
    - (i) the date that is 12 months after the date of the Annual General Meeting; and
    - (ii) 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).
  - (e) The Company may seek to issue the Equity Securities for the following purposes:
    - (i) If Equity Securities are issued for cash consideration, the Company intends to use the funds for pursuing growth opportunities, continued exploration expenditure on the Company's current assets and for general working capital; and



- (ii) If Equity Securities are issued for non-cash consideration they will be issued as consideration for the acquisition of new asset purchases and investments. If Equity Securities are issued for non-cash consideration, the Company will comply with the minimum issue price limitation under Listing Rule 7.1A.3 in relation to such issue and will release the valuation of the non-cash consideration to the market.
- (f) The Company will comply with the disclosure obligations under Listing Rules 7.1A.3 and 3.10.5A upon issue of any Equity Securities.

The allottees of any issue of Equity Securities to be issued under the 10% Placement Capacity have not been determined. However, the allottees of Equity Securities could consist of current Shareholders or new investors (or both), none of whom will be related parties of the Company. The Company will determine the allottees at the time of any issue under the 10% Placement Capacity, having regard to the following factors:

- (i) the purpose of the issue;
- (ii) alternative methods for raising funds available to the Company at that time, including, but not limited to, an entitlement issue or other offer where existing Shareholders may participate;
- (iii) the effect of the issue of the Equity Securities on the control of the Company;
- (iv) the circumstances of the Company, including, but not limited to, the financial position and solvency of the Company;
- (v) prevailing market conditions; and
- (vi) advice from corporate, financial and broking advisers (as applicable).
- (g) The Company previously obtained Shareholder approval under Listing Rule 7.1A on 31 October 2018. In the 12 months preceding the date of the Meeting, the Company has issued 175,000,000 Equity Securities which represents 17.46% of the total number of Equity Securities on issue at the commencement of that 12 month period. The following information is provided in relation to each issue of Equity Securities in the 12 months preceding the date of the Meeting:

Date	Equity Securities	Class / recipients	Price / discount of Equity Securities issued	Amount of cash or non-cash consideration	Current value of non-cash consideration
30/11/18	180,000,000	Fully paid ordinary Shares / Sophisticated and professional investors	\$0.002 / representing 33.3% discount to the closing price on the date of issue	Cash \$360,000	\$1,260,000 at 0.007 per Share.
05/04/19	100,000,000	Fully paid ordinary Shares / Sophisticated and professional investors	\$0.005 / representing 28.6% discount to the closing price on the date of issue	Cash \$500,000	\$700,000 at \$0.007 per Share.
26/04/19	75,000,000	Options issued at \$0.00001 each to acquire fully paid ordinary Shares exercisable at \$0.007 on or before 26 April 2023 / Mr Steve Parsons, Mr Marcus Harden, Mr Michael Naylor and Mr Samuel Brooks (and / or their nominee(s))	\$0.00001 / representing 99.9% discount to the closing price on the date of issue	Cash \$750	\$525,000
03/05/19	12,530,808	Options issued for nil consideration each to acquire fully paid ordinary Shares exercisable at \$0.005 on or before 3 May 2022  Issued to CG Nominees (Australia) Pty Ltd in connection with corporate advisory services.	Nil / NA	Non-Cash Share price as at grant date is \$0.006	Based on Black Scholes valuation with a Share price of \$0.005 per Share, the value of the unlisted options is \$66,005.

Date	Equity Securities	Class / recipients	Price / discount of Equity Securities issued	Amount of cash or non-cash consideration	Current value of non-cash consideration
03/05/19	12,530,808	Options issued for nil consideration each to acquire fully paid ordinary Shares exercisable at \$0.007 on or before 3 May 2022 / Issued to CG Nominees (Australia) Pty Ltd in connection with corporate advisory services.	Nil / NA	Non-Cash Share price as at grant date is \$0.006	Based on Black Scholes valuation with a Share price of \$0.005 per Share, the value of the unlisted options is \$64,309.
03/05/19	12,530,808	Options issued for nil consideration each to acquire fully paid ordinary Shares exercisable at \$0.008 on or before 3 May 2022 / Issued to CG Nominees (Australia) Pty Ltd in connection with corporate advisory services.	Nil / NA	Non-Cash Share price as at grant date is \$0.006	Based on Black Scholes valuation with a Share price of \$0.005 per Share, the value of the unlisted options is \$63,579.
03/05/19	12,530,808	Options issued for nil consideration each to acquire fully paid ordinary Shares exercisable at \$0.009 on or before 3 May 2022 / Issued to CG Nominees (Australia) Pty Ltd in connection with corporate advisory services.	Nil / NA	Non-Cash Share price as at grant date is \$0.006	Based on Black Scholes valuation with a Share price of \$0.005 per Share, the value of the unlisted options is \$62,908.

- (h) A voting exclusion statement is included in the Notice. At the date of the Notice, the Company has not determined its allocation policy for the issue of Equity Securities under the Additional 10% Placement Capacity, other than noting the persons to whom Shares will be issued will be determined on a case by case basis having regard to the factors outlined in paragraph (f) above. The Company has not approached, and has not yet determined to approach, any particular existing security holders or an identifiable class of existing security holders to participate in an offer under the Additional 10% Placement Capacity, therefore no existing security holders' votes would be excluded under the voting exclusion statement included in this Notice.

### Recommendation

The Board recommends that Shareholders vote in favour of Resolution 10. The Chairman intends to vote all available undirected proxies in favour of Resolution 10.

### RESOLUTION 11 – ADOPTION OF CONSTITUTION

It is proposed that the existing Constitution of the Company be repealed in its entirety and replaced with a new constitution (**Proposed Constitution**). The existing Constitution was adopted on incorporation of the Company in 2005. The Proposed Constitution is a standard form constitution appropriate for a public company and reflects current Corporations Act and ASX Listing Rule provisions as well as contemporary business practices.

Under the Corporations Act, a company may elect to either amend parts of its constitution or replace the entire document. As there have been a number of changes to the Corporations Act since the adoption of the existing Constitution, the Directors believe that it is preferable in the circumstances to repeal the existing document and to replace it with a new constitution.

Pursuant to Section 136(2) of the Corporations Act, a special resolution of Shareholders is required for the adoption of a new constitution for the Company.

The Proposed Constitution is broadly consistent with the provisions of the existing Constitution. Many of the proposed changes are administrative or minor in nature including but not limited to updating references to bodies or legislation which have been renamed; and expressly providing for statutory rights by mirroring these rights in the provisions of the Proposed Constitution.

A number of amendments in the Proposed Constitution are to ensure that it is as clear and concise as possible. There have been no fundamental changes to Shareholders rights, such as the rights to vote, participate in dividends or in the event of a winding up. The Directors believe these amendments are not material nor will they have any significant impact on shareholders. A summary of the proposed key material changes is set out below.

A copy of the Proposed Constitution can be inspected free of charge at the Company's registered office. Alternatively, Shareholders may request that a copy of the Proposed Constitution be sent to them.

## **SUMMARY OF KEY MATERIAL PROPOSED CHANGES**

### **Non-marketable parcels (clause 2.7)**

Clause 2.7 of the Proposed 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 2.7 of the Proposed Constitution continues to outline in detail the process that the Company must follow for dealing with unmarketable parcels.

### **Approval of proportional takeover bids (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.

## **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:

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

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

The Board do not believe any potential disadvantages outweigh the potential advantages of adopting the proportional takeover provisions and as a result consider that the proportional takeover provisions in the Proposed Constitution is in the interest of Shareholders.

### **Recommendation**

The Board recommends that Shareholders vote in favour of Resolution 11. The Chairman intends to vote all available undirected proxies in favour of Resolution 11.

## GLOSSARY

**\$** means Australian dollars.

**10% Placement Capacity** has the meaning given to that term in the Explanatory Memorandum to Resolution 10.

**Accounting Standards** has the meaning given to that term in the Corporations Act.

**Additional 10% Placement Capacity** has the meaning set out in the Explanatory Memorandum to Resolution 10.

**Additional Placement Period** has the meaning set out in the Explanatory Memorandum to Resolution 10.

**Annual Report** means the annual report of the Company for the year ended 30 June 2019.

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

**ASX** means ASX Limited ABN 98 008 624 691 and, where the context permits, the Australian Securities Exchange operated by ASX Limited.

**Auditor** means the Company’s auditor being Grant Thornton Audit Pty Ltd ABN 91 130 913 594.

**Auditor’s Report** means the report of the Auditor contained in the Annual Report for the year ended 30 June 2019.

**AWST** means western standard time as recognised in Perth, Western Australia.

**Board** means the Directors.

**Chair or Chairman** means the individual elected to chair any meeting of the Company from time to time.

**Child Entity** has the meaning given to that term in the Listing Rules.

**Closely Related Party** has the meaning given to that term in the Corporations Act.

**Company** means Auteco Minerals Ltd ABN 96 110 336 733.

**Constitution** means the Company’s constitution, as amended from time to time.

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

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

**Eligible Employee** has the meaning given in the Plan.

**Equity Incentive Plan** means the proposed Auteco Minerals Ltd equity incentive plan 2019.

**Equity Securities** has the meaning given to that term in the Listing Rules.

**Explanatory Memorandum** means the explanatory memorandum accompanying this Notice.

**Incentive Security** means a Performance Right or an Option issued pursuant to the Plan Rules.

**Key Management Personnel** has the meaning given to that term in the Accounting Standards.

**Listing Rules** means the ASX Listing Rules.

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

**Notice** means this Notice of Annual General Meeting.

**Notice of Meeting** means this Notice of Annual General Meeting.

**Option** means an option to acquire a Share (including under the Plan).

**Performance Right** means a performance right granted under the Plan.

**Plan** means the Equity Incentive Plan, the subject of Resolution 5.

**Plan Rules** means the rules of the Plan.

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

**Remuneration Report** means the remuneration report set out in the Annual Report for the year ended 30 June 2019.

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

**Restricted Voter** means Key Management Personnel and their Closely Related Parties as at the date of the Meeting.

**Shareholder** means a member of the Company from time to time.

**Shares** means fully paid ordinary shares in the capital of the Company.

**Spill Meeting** has the meaning set out in the Explanatory Memorandum to Resolution 1.

**Spill Resolution** the meaning set out in the Explanatory Memorandum to Resolution 1.

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

## ANNEXURE A - TERMS AND CONDITIONS OF CANACCORD OPTIONS


The terms of the Canaccord Options, the subject of Resolutions 6 - 9 are set out below:


- (a) Each Option entitles the holder to subscribe for 1 Share at the exercise price of
  - (i) in respect of the Tranche A Options, \$0.005;
  - (ii) in respect of the Tranche B Options, \$0.007;
  - (iii) in respect of the Tranche C Options, \$0.008; and
  - (iv) in respect of the Tranche D Options, \$0.009.
- (b) Subject to paragraph (c) below, the Options are exercisable at any time up to 5.00pm (Perth time) on 3 May 2022 by completing an exercise form and delivering it together with the payment for the number of Shares in respect of which the Options are exercised to the registered office of the Company. Any Options not exercised by that time will lapse.
- (c) An Option holder may exercise only some of that holder's Options, which does not affect that holder's right to exercise the remainder of their Options by the deadline in paragraph (b) above.
- (d) The Company will not apply to the ASX for official quotation of the Options. The Options will be unlisted.
- (e) Subject at all times to the Corporations Act, the ASX Listing Rules and the Company's Constitution, the Options are not transferable.
- (f) All Shares issued upon exercise of the Options will, from the date they are issued, rank equally in all respects with the Company's then issued Shares. The Company will apply for official quotation to ASX of all Shares issued upon exercise of the Options.
- (g) Option holders cannot participate in new issues of capital offered to Shareholders of the Company during the currency of the Options without first exercising the Options.
- (h) An Option does not confer the right to a change in exercise price or a change in the number of underlying securities over which the Option can be exercised.
- (i) In the event of any reorganisation (including consolidation, subdivision, reduction or return) of the issued capital of the Company prior to the exercise of the Option, the rights of Option holders, including the number of Options or the exercise price of the Options or both will be changed to the extent necessary to comply with the ASX Listing Rules applying to a reorganisation of capital at the time of the reorganisation.
- (j) Options do not confer any rights to attend or vote at meetings of Shareholders of the Company. Notice may be given by the Company to Option holders in the manner provided by the Company's Constitution for the giving of notices to Shareholders, and the relevant provisions of the Company's Constitution apply with all necessary modification to notices to Option holders.
- (k) Notwithstanding these terms and conditions, the Options may only be issued or exercised within the limitations imposed by the Corporations Act and the ASX Listing Rules.



AUT  
MR SAM SAMPLE  
FLAT 123  
123 SAMPLE STREET  
THE SAMPLE HILL  
SAMPLE ESTATE  
SAMPLEVILLE VIC 3030

## Need assistance?

 **Phone:**  
1300 850 505 (within Australia)  
+61 3 9415 4000 (outside Australia)

 **Online:**  
[www.investorcentre.com/contact](http://www.investorcentre.com/contact)



## YOUR VOTE IS IMPORTANT

For your proxy appointment to be effective it must be received by **10:00am (AWST) Tuesday, 26 November 2019**

# Proxy Form

## How to Vote on Items of Business

All your securities will be voted in accordance with your directions.

### APPOINTMENT OF PROXY

**Voting 100% of your holding:** Direct your proxy how to vote by marking one of the boxes opposite each item of business. If you do not mark a box your proxy may vote or abstain as they choose (to the extent permitted by law). If you mark more than one box on an item your vote will be invalid on that item.

**Voting a portion of your holding:** Indicate a portion of your voting rights by inserting the percentage or number of securities you wish to vote in the For, Against or Abstain box or boxes. The sum of the votes cast must not exceed your voting entitlement or 100%.

**Appointing a second proxy:** You are entitled to appoint up to two proxies to attend the meeting and vote on a poll. If you appoint two proxies you must specify the percentage of votes or number of securities for each proxy, otherwise each proxy may exercise half of the votes. When appointing a second proxy write both names and the percentage of votes or number of securities for each in Step 1 overleaf.

**A proxy need not be a securityholder of the Company.**

## SIGNING INSTRUCTIONS FOR POSTAL FORMS

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

**Joint Holding:** Where the holding is in more than one name, all of the securityholders 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 form when you return it.

**Companies:** Where the company has a Sole Director who is also the Sole Company Secretary, this form must be signed by that person. If the company (pursuant to section 204A of the Corporations Act 2001) does not have a Company Secretary, a Sole Director can also sign alone. Otherwise this form must be signed by a Director jointly with either another Director or a Company Secretary. Please sign in the appropriate place to indicate the office held. Delete titles as applicable.

## ATTENDING THE MEETING

**If you are attending in person, please bring this form with you to assist registration.**

### Corporate Representative

If a representative of a corporate securityholder or proxy is to attend the meeting you will need to provide the appropriate "Appointment of Corporate Representative" prior to admission. A form may be obtained from Computershare or online at [www.investorcentre.com](http://www.investorcentre.com) under the help tab, "Printable Forms".

## Lodge your Proxy Form:

**XX**

### Online:

Lodge your vote online at [www.investorvote.com.au](http://www.investorvote.com.au) using your secure access information or use your mobile device to scan the personalised QR code.

Your secure access information is



**Control Number: 999999**

**SRN/HIN: I999999999**

**PIN: 99999**

For Intermediary Online subscribers (custodians) go to [www.intermediaryonline.com](http://www.intermediaryonline.com)

### By Mail:

Computershare Investor Services Pty Limited  
GPO Box 242  
Melbourne VIC 3001  
Australia

### By Fax:

1800 783 447 within Australia or  
+61 3 9473 2555 outside Australia



**PLEASE NOTE:** For security reasons it is important that you keep your SRN/HIN confidential.

MR SAM SAMPLE  
 FLAT 123  
 123 SAMPLE STREET  
 THE SAMPLE HILL  
 SAMPLE ESTATE  
 SAMPLEVILLE VIC 3030

**Change of address.** If incorrect, mark this box and make the correction in the space to the left. Securityholders sponsored by a broker (reference number commences with 'X') should advise your broker of any changes.



I 9999999999

I ND

# Proxy Form

Please mark  to indicate your directions

## Step 1 Appoint a Proxy to Vote on Your Behalf

XX

I/We being a member/s of Auteco Minerals Ltd hereby appoint

the Chairman of the Meeting **OR**

**PLEASE NOTE:** Leave this box blank if you have selected the Chairman of the Meeting. Do not insert your own name(s).

or failing the individual or body corporate named, or if no individual or body corporate is named, the Chairman of the Meeting, as my/our proxy to act generally at the meeting on my/our behalf and to vote in accordance with the following directions (or if no directions have been given, and to the extent permitted by law, as the proxy sees fit) at the Annual General Meeting of Auteco Minerals Ltd to be held at Suite 3, Level 3, 24 Outram Street, West Perth, Western Australia on Thursday, 28 November 2019 at 10:00am (AWST) and at any adjournment or postponement of that meeting.

**Chairman authorised to exercise undirected proxies on remuneration related resolutions:** Where I/we have appointed the Chairman of the Meeting as my/our proxy (or the Chairman becomes my/our proxy by default), I/we expressly authorise the Chairman to exercise my/our proxy on Resolutions 1 and 5 (except where I/we have indicated a different voting intention in step 2) even though Resolutions 1 and 5 are connected directly or indirectly with the remuneration of a member of key management personnel, which includes the Chairman.

**Important Note:** If the Chairman of the Meeting is (or becomes) your proxy you can direct the Chairman to vote for or against or abstain from voting on Resolutions 1 and 5 by marking the appropriate box in step 2.

## Step 2 Items of Business

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

	For	Against	Abstain		For	Against	Abstain
1	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	9	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
2	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	10	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
3	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	11	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
4	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>				
5	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>				
6	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>				
7	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>				
8	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>				

The Chairman of the Meeting intends to vote undirected proxies in favour of each item of business. In exceptional circumstances, the Chairman of the Meeting may change his/her voting intention on any resolution, in which case an ASX announcement will be made.

## Step 3 Signature of Securityholder(s) *This section must be completed.*

Individual or Securityholder 1  Securityholder 2  Securityholder 3  / /  
 Sole Director & Sole Company Secretary Director Director/Company Secretary Date

**Update your communication details** (Optional)

Mobile Number  Email Address

By providing your email address, you consent to receive future Notice of Meeting & Proxy communications electronically

