



**AuTECO Minerals Limited**  
**ACN 110 336 733**

## **Notice of General Meeting**

**A General Meeting of the Company will be held as follows:**

**Time and date:** 2:00pm (AWST) on Wednesday, 11 October 2023

**In-person:** Quest Kings Park, 54 Kings Park Road, West Perth WA 6005

The Notice of General Meeting should be read in its entirety.

If Shareholders are in doubt as to how to vote, they should seek advice from their suitably qualified professional advisor prior to voting.

**Should you wish to discuss any matter, please do not hesitate to contact the Company on +61 8 9220 9030.**

**Shareholders are urged to vote by lodging the Proxy Form**

**AuTECO Minerals Limited**  
**ACN 110 336 733**  
**(Company)**

## **Notice of General Meeting**

Notice is hereby given that a general meeting of Shareholders of AuTECO Minerals Limited (**Company**) will be held at Quest Kings Park, 54 Kings Park Road, West Perth WA 6005, on Wednesday, 11 October 2023 at 2:00pm (AWST) (**Meeting**).

The Directors have determined pursuant to Regulation 7.11.37 of the *Corporations Regulations 2001* (Cth) that the persons eligible to vote at the Meeting are those who are registered Shareholders at 5:00pm (AWST) on Monday, 9 October 2023.

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

Terms and abbreviations used in the Notice are defined in the Schedule.

## **Agenda**

### **Resolution 1 – Approval of issue of Consideration Shares**

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

*‘That, subject to and conditional on the passing of Resolution 3, pursuant to and in accordance with Listing Rule 7.1 and for all other purposes, Shareholders approve the issue of up to 600,000,000 Consideration Shares to the Monitor (or its nominee/s) as partial consideration to acquire 100% of the issued share capital of the Rambler Group, on the terms and conditions in the Explanatory Memorandum.’*

**Note:** Resolution 1 will be withdrawn at the Meeting if Resolution 3 is not passed by the requisite majority of Shareholders.

### **Resolution 2 – Ratification of agreement to issue Tranche 1 Placement Shares**

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

*‘That, pursuant to and in accordance with Listing Rule 7.4 and for all other purposes, Shareholders ratify the issue of or agreement to issue up to 346,959,075 Tranche 1 Placement Shares as follows:*

- (a) *up to 314,175,445 Tranche 1 Placement Shares under Listing Rule 7.1; and*
- (b) *up to 32,783,630 Tranche 1 Placement Shares under Listing Rule 7.1A,*

*on the terms and conditions in the Explanatory Memorandum.’*

### **Resolution 3 – Approval of issue of Tranche 2 Placement Shares**

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

*‘That, subject to and conditional on the passing of Resolution 1, for the purposes of Listing Rule 7.1 and for all other purposes, Shareholders approve the issue of up to 1,853,040,925 Tranche 2 Placement Shares, on the terms and conditions in the Explanatory Memorandum.’*

**Note:** Resolution 3 will be withdrawn at the Meeting if Resolution 1 is not passed by the requisite majority of Shareholders.

### **Resolution 4 – Approval of issue of Director Placement Shares**

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

*‘That, subject to and conditional on the passing of Resolution 1 and Resolution 3, pursuant to and in accordance with Listing Rule 10.11, section 195(4) of the Corporations Act and for all other purposes, Shareholders approve the issue of the Director Placement Shares to the Directors (and/or their respective nominee/s) as follows:*

- (a) *up to 10,000,000 Director Placement Shares to Raymond Shorrocks (or his nominee/s);*
- (b) *up to 10,000,000 Director Placement Shares to Michael Naylor (or his nominee/s);*
- (c) *up to 140,000,000 Director Placement Shares to Stephen Parsons (or his nominee/s); and*
- (d) *up to 600,000 Director Placement Shares to Kevin Tomlinson (or his nominee/s),*

*on the terms and conditions in the Explanatory Memorandum.’*

**Note:** Resolution 4(a) to (d) (inclusive) will be withdrawn at the Meeting if Resolution 1 and Resolution 3 are not passed by the requisite majority of Shareholders.

### **Resolution 5 – Ratification of prior issue of MOFN Shares**

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

*‘That, pursuant to and in accordance with Listing Rule 7.4 and for all other purposes, Shareholders ratify the issue of 5,000,000 MOFN Shares, on the terms and conditions in the Explanatory Memorandum.’*

### **Resolution 6 – Ratification of prior issue of February Placement Shares**

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

*‘That, pursuant to and in accordance with Listing Rule 7.4 and for all other purposes, Shareholders ratify the issue of 180,000,000 February Placement Shares issued under Listing Rule 7.1A, on the terms and conditions in the Explanatory Memorandum.’*

## Resolution 7 – Approval of issue of Director Performance Rights

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

*“That, subject to and conditional on the passing of Resolution 1 and Resolution 3, pursuant to and in accordance with Listing Rule 10.14, sections 195(4) and 208 of the Corporations Act and for all other purposes, Shareholders approve the issue of the Director Performance Rights under the Plan as follows:*

- (a) *up to 25,200,000 Director Performance Rights to Raymond Shorrocks (or his nominee/s);*
- (b) *up to 81,000,000 Director Performance Rights to Michael Naylor (or his nominee/s);*
- (c) *up to 126,000,000 Director Performance Rights to Stephen Parsons (or his nominee/s); and*
- (d) *up to 25,200,000 Director Performance Rights to Kevin Tomlinson (or his nominee/s),*

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

**Note:** Resolution 7(a) to (d) (inclusive) will be withdrawn at the Meeting if Resolution 1 and Resolution 3 are not passed by the requisite majority of Shareholders.

## Resolution 8 – Approval of amendment of Constitution

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

*‘That, for the purposes of section 136(2) of the Corporations Act and for all other purposes, the constitution of the Company be modified by making the amendments contained in the document tabled at this Meeting and signed by the Chair for the purposes of identification, with effect from the date this Resolution is passed.’*

## Voting exclusions

Pursuant to the Listing Rules, the Company will disregard any votes cast in favour of:

**Resolution 1:** by or on behalf of the Monitor (or its nominee/s) or any person who will obtain a material benefit as a result of the proposed issue (except a benefit solely by reason of being a Shareholder), or any of their respective associates.

**Resolution 2(a) and (b):** by or on behalf of a person who participated in the issue of the Tranche 1 Placement Shares or is a counterparty to the agreement being approved, or any of their respective associates, or their nominees.

**Resolution 3:** by or on behalf of any person who is expected to participate in the issue of the Tranche 2 Placement Shares, or who will obtain a material benefit as a result of, the proposed issue of the Tranche 2 Placement Shares (except a benefit solely by reason of being a Shareholder), or any of their respective associates, or their nominees.

**Resolution 4(a):** by or on behalf of Raymond Shorrocks (or his nominee/s), or any other person who will obtain a material benefit as a result of the issue of these Director Placement Shares (except a

benefit solely by reason of being a Shareholder), or any of their respective associates.

**Resolution 4(b):** by or on behalf of Michael Naylor (or his nominee/s), or any other person who will obtain a material benefit as a result of the issue of these Director Placement Shares (except a benefit solely by reason of being a Shareholder), or any of their respective associates.

**Resolution 4(c):** by or on behalf of Stephen Parsons (or his nominee/s), or any other person who will obtain a material benefit as a result of the issue of these Director Placement Shares (except a benefit solely by reason of being a Shareholder), or any of their respective associates.

**Resolution 4(d):** by or on behalf of Kevin Tomlinson (or his nominee/s), or any other person who will obtain a material benefit as a result of the issue of these Director Placement Shares (except a benefit solely by reason of being a Shareholder), or any of their respective associates.

**Resolution 5:** by or on behalf of MOFN, or any of its associates or nominees.

**Resolution 6:** by or on behalf of a person who participated in the issue of the February Placement Shares, or any of their respective associates, or their nominees.

**Resolution 7(a):** by or on behalf of Raymond Shorrocks (or his nominee/s), and any person referred to in Listing Rule 10.14.1, 10.14.2 or 10.14.3 who is eligible to participate in the Plan, or any of their respective associates.

**Resolution 7(b):** by or on behalf of Michael Naylor (or his nominee/s), and any person referred to in Listing Rule 10.14.1, 10.14.2 or 10.14.3 who is eligible to participate in the Plan, or any of their respective associates.

**Resolution 7(c):** by or on behalf of Stephen Parsons (or his nominee/s), and any person referred to in Listing Rule 10.14.1, 10.14.2 or 10.14.3 who is eligible to participate in the Plan, or any of their respective associates.

**Resolution 7(d):** by or on behalf of Kevin Tomlinson (or his nominee/s), and any person referred to in Listing Rule 10.14.1, 10.14.2 or 10.14.3 who is eligible to participate in the Plan, or any of their respective associates.

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

## Voting prohibitions

**Resolution 7(a) to (d) (inclusive):** In accordance with section 250BD of the Corporations Act, a person appointed as a proxy must not vote, on the basis of that appointment, on these Resolutions if:

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

However, the above prohibition does not apply if:

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

Further, in accordance with section 224 of the Corporations Act, a vote on this Resolution must not be cast (in any capacity) by or on behalf of a related party of the Company to whom the Resolution would permit a financial benefit to be given, or an associate of such a related party.

However, the above prohibition does not apply if:

- (a) it is cast by a person as a proxy appointed by writing that specifies how the proxy is to vote on the Resolution; and
- (b) it is not cast on behalf of a related party of the Company to whom the Resolution would permit a financial benefit to be given, or an associate of such a related party.

Please note: If the Chair is a person referred to in the section 224 Corporations Act voting prohibition statement above, the Chair will only be able to cast a vote as proxy for a person who is entitled to vote if the Chair is appointed as proxy in writing and the Proxy Form specifies how the proxy is to vote on the relevant Resolution.

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.

**BY ORDER OF THE BOARD**



**Maddison Cramer**  
Joint Company Secretary  
**AuTECO Minerals Limited**  
Dated: 5 September 2023

**AuTECO Minerals Limited**  
**ACN 110 336 733**  
**(Company)**

## **Explanatory Memorandum**

### **1. Introduction**

The Explanatory Memorandum has been prepared for the information of Shareholders in connection with the business to be conducted at the Meeting to be held at Quest Kings Park, 54 Kings Park Road, West Perth WA 6005, on Wednesday, 11 October 2023 at 2:00pm (AWST).

The Explanatory Memorandum forms part of the Notice which should be read in its entirety. The Explanatory Memorandum contains the terms and conditions on which the Resolutions will be voted. The Explanatory Memorandum includes the following information to assist Shareholders in deciding how to vote on the Resolutions:

Section 2	Voting and attendance information
Section 3	Acquisition and Capital Raise
Section 4	Resolution 1 – Approval of issue of Consideration Shares
Section 5	Resolution 2 – Ratification of agreement to issue Tranche 1 Placement Shares
Section 6	Resolution 3 – Approval of issue of Tranche 2 Placement Shares
Section 7	Resolution 4 – Approval of issue of Director Placement Shares
Section 8	Resolution 5 – Ratification of prior issue of MOFN Shares
Section 9	Resolution 6 – Ratification of prior issue of February Placement Shares
Section 10	Resolution 7 – Approval of issue of Director Performance Rights
Section 11	Resolution 8 – Approval of amendment of Constitution
Schedule 1	Definitions
Schedule 2	Summary of the Plan
Schedule 3	Terms and conditions of Director Performance Rights
Schedule 4	Valuation of Director Performance Rights

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

### **2. Voting and attendance information**

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

Voting on all proposed Resolutions at the Meeting will be conducted by poll. On a poll, each Shareholder has one vote for every fully paid ordinary Share held in the Company.

## **2.1 Voting in person**

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

## **2.2 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.

## **2.3 Voting by proxy**

A Proxy Form has been made available with the Notice. This is to be used by Shareholders if they wish to appoint a representative (a 'proxy') to vote in their place. All Shareholders are encouraged to vote by completing and submitting the Proxy Form to the Company in accordance with the instructions thereon. Submission of a Proxy Form will not preclude a Shareholder from attending and voting at the Meeting in person.

Please note that:

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

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

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

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

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

- (a) an appointment of a proxy specifies the way the proxy is to vote on a particular resolution at a meeting of the Company's members;
- (b) the appointed proxy is not the chair of the meeting;



- (c) at the meeting, a poll is duly demanded on the resolution; and
- (d) either the proxy is not recorded as attending the meeting or the proxy does not vote on the resolution,

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

Your proxy voting instruction must be received by 2:00pm (AWST) on Monday, 9 October 2023, being not later than 48 hours before the commencement of the Meeting.

## 2.4 Chair's voting intentions

The Chair intends to exercise all available proxies in favour of all Resolutions, unless the Shareholder has expressly indicated a different voting intention. In exceptional circumstances, the Chair of the Meeting may change his/her voting intention on any Resolution, in which case an ASX announcement will be made.

Subject to the following paragraph, if the Chair is appointed as your proxy and you have not specified the way the Chair is to vote on Resolution 7(a) to (d) (inclusive) by signing and returning the Proxy Form, you are considered to have provided the Chair with an express authorisation for the Chair to vote the proxy in accordance with the Chair's intention, even though these Resolutions are connected directly or indirectly with the remuneration of a member of the Key Management Personnel of the Company.

If the Chair is a person referred to in the voting prohibition statement applicable to a Resolution (under section 224 of the Corporations Act), the Chair will only be able to cast a vote as proxy for you on the relevant Resolution if you are entitled to vote and have specified your voting intention in the Proxy Form.

## 2.5 Submitting questions

Shareholders will also have the opportunity to submit questions during the Meeting in respect to the formal items of business. In order to ask a question during the Meeting, please follow the instructions from the Chair.

The Chair will attempt to respond to the questions during the Meeting. The Chair will request prior to a Shareholder asking a question that they identify themselves (including the entity name of their shareholding and the number of Shares they hold).

# 3. Acquisition and Capital Raise

## 3.1 Background to the Acquisition

On 11 August 2023, the Company bid for all of the business, property and assets of the Rambler Group (**Target Assets**) under the sales and investment solicitation process (the **SISP**) ordered by the Supreme Court of Newfoundland and Labrador in Canada (**Court**) on 15 March 2023 as part of the restructuring proceedings of the Rambler Group under the *Companies' Creditors Arrangement Act* (Canada) (**CCAA**). The SISP was conducted by the Rambler Group, with the assistance of and in consultation with Grant Thornton Limited acting as court-appointed monitor under the CCAA proceedings (**Monitor**).

The Company's bid involved the offer to purchase the Target Assets by way of the cancellation of all outstanding issued capital in the Rambler Group and the issuance of new shares to the Company (**Sale Shares**) and a reverse vesting order (**RVO**), (**Acquisition**).

As announced on 31 August 2023, the Company's bid was chosen as the preferred bid by the Rambler Group, in consultation with the Monitor, and has been formalised with the signing of a binding subscription agreement on 30 August 2023 between the Company and the Rambler Group (**Subscription Agreement**).

### 3.2 Background to the Rambler Group and Target Assets

#### (a) Rambler Group

The Rambler Group is comprised of Rambler Metals and Mining Canada Limited and 1948565 Ontario Inc., both of which are unrelated parties to the Company.

The entities which comprise the Rambler Group are wholly-owned subsidiaries of Rambler Metals and Mining PLC (**Parent Company**). The Parent Company was previously listed on AIM, however, was placed in creditors voluntary liquidation in the United Kingdom (**UK**) on 11 April 2023 and was removed from AIM on 28 April 2023.

#### (b) Target Assets

The RVO will involve the transfer of undesirable assets and liabilities out of the Rambler Group, leaving the Rambler Group with only those assets and liabilities sought by the Company to facilitate the Company's (or its nominee's) acquisition of the Sale Shares.

On completion of the Acquisition (**Completion**), the Rambler Group shall retain all Target Assets owned as of the date of the Subscription Agreement and any assets acquired by the Rambler Group up to the date of Completion but excluding those assets, liabilities and contracts specifically excluded by the Company pursuant to the terms of the Subscription Agreement.

Without limitation, the Target Assets include all tenements, assets and infrastructure held by the Rambler Group, including:

- (i) the Nugget Pond Mill Facility;
- (ii) the Ming Mine;
- (iii) the Little Deer/Whalesback exploration ground (collectively, **Little Deer Complex**); and
- (iv) the Goodyear Cove Concentrate facility and associated infrastructure and assets (collectively, the **Goodyear Cove Concentrate**),

(together, the **Green Bay Copper-Gold Project**) as well as any and all associated items listed on the fixed asset register supplied by the Rambler Group.

As mentioned above, the Target Assets include the Ming Mine, a fully permitted and operational underground copper-gold mine in one of the best mining jurisdictions globally, being Newfoundland and Labrador, Canada, as well as infrastructure with a replacement value well exceeding the purchase price.

The Green Bay Copper-Gold Project includes a Canadian National Instrument 43-101 compliant mineral resource estimate of a total of 39.2Mt at 1.83% Cu, 0.29g/t Au and 2.7g/t Ag (**Foreign Estimate**), which contains the following categories:

LITTLE DEER COMPLEX		Copper	Gold	Silver
Measured	Tonnes	-	-	-
	Grade	-	-	-
	Contained Metal	-	-	-
Indicated	Tonnes	2.9Mt		
	Grade	2.13%	0.1g/t	3.4g/t
	Contained Metal	62kt	9koz	318koz
Inferred	Tonnes	6.2Mt		
	Grade	1.78%	0.1g/t	2.2g/t
	Contained Metal	110kt	10koz	430koz
Total Resource	Tonnes	9.1Mt		
	Grade	1.90%	0.1g/t	2.6g/t
	Contained Metal	172kt	19koz	748koz

MING MINE		Copper	Gold	Silver
Measured	Tonnes	8.4Mt		
	Grade	1.71%	0.5g/t	3.6g/t
	Contained Metal	144kt	124koz	962koz
Indicated	Tonnes	15.3Mt		
	Grade	1.85%	0.3g/t	2.4g/t
	Contained Metal	284kt	148koz	1,164koz
Inferred	Tonnes	6.4Mt		
	Grade	1.86%	0.4g/t	2.6g/t
	Contained Metal	120kt	79koz	537koz
Total Resource	Tonnes	30.2Mt		
	Grade	1.81%	0.4g/t	2.7g/t
	Contained Metal	547kt	351koz	2,664koz

Shareholders are cautioned that:

- (i) the Foreign Estimate is a foreign estimate and is not reported in accordance with the JORC Code;
- (ii) a competent person has not done sufficient work to classify the foreign estimate as a mineral resource in accordance with the JORC Code; and
- (iii) it is uncertain that following evaluation and/or further exploration work that the Foreign Estimate will be able to be reported in accordance with the JORC Code.

The Company first disclosed the Foreign Estimate in the market release disclosing execution of the Subscription Agreement. The Company is not in possession of any new information or data relating to the Foreign Estimate that materially impacts the reliability of the Foreign Estimate or the Company's ability to verify the Foreign Estimate in accordance with the JORC Code. The information contained in the initial market announcement continues to apply and has not materially changed.

Significant technical, legal, and financial due diligence was carried out by the Company's management and independent third-party consultants. These include:

- Entech Mining (mining, long term planning & mineral resource estimate);
- ERM Consultants (ESG, processing);
- Osler, Hoskin & Harcourt LLP (legal); and
- Canaccord Genuity (finance).

The infrastructure acquired as part of the Acquisition allows the Company to accelerate its resource growth strategy. At the Ming Mine, key infrastructure includes an underground decline accessible to ~1,000m below surface, a 650-metre shaft and other associated infrastructure required to maintain a fully operational underground mine (including, but not limited to, propane heaters, vent fans, dewatering pumping systems, maintenance workshops, water treatment plant, surface offices etc.).

Also included as part of the Acquisition is the 500,000 tonne per annum Nugget Pond processing plant utilised to produce a high-quality concentrate that typically grades ~29% copper. The plant consists of a conventional crushing and grinding circuit (2 stage jaw and cone crusher, semi-autogenous grind (SAG) mill and a ball mill). The pulverised ore is then fed into an industry-standard flotation circuit, consisting of rougher tanks, scavengers and three-stage cleaners. The final concentrate product is fed into a large-scale filter press that reduces the moisture content of the final concentrate to ~7%. The product is then hauled by road to the Goodyear's Cove port.

The Goodyear's Cove port is leased by the Rambler Group, however infrastructure owned at the site includes a large concentrate storage facility that has the capacity to hold up to 10,000 tonnes of concentrate. The Rambler Group also owns the 800 tonne per hour concentrate conveyor used to load the ships.

### **3.3 Strategy in relation to the Green Bay Copper-Gold Project**

The Green Bay Copper-Gold Project provides the Company with a diversification opportunity into a key battery metal with continued exposure to gold.

The Company intends to drive shareholder value by significantly increasing the current Foreign Estimate resource through targeted underground exploration and resource drilling, including the development of an underground exploration drill drive. The Company will conduct a significant drill program commencing soon after completion of the Acquisition. Resource estimates prepared in accordance with the JORC Code will be completed as additional drill results become available. The updated resource estimates will form the basis of technical studies to determine the future mining plans.

Further information regarding the Company's strategic plan implementation is set out in the Company's announcement dated 31 August 2023.

### 3.4 Material terms of the Acquisition

The following are the material terms of the Acquisition:

(a) **Consideration**

The Company has agreed to provide the following consideration in return for the Acquisition:

- (i) A\$50,000,000 value payable at Completion, comprising:
  - (A) A\$35,000,000 in cash (**Stage One Payment**); and
  - (B) A\$15,000,000 worth of Shares, being 600,000,000 Shares based on a deemed issue price equal to the Placement (A\$0.025) (**Consideration Shares**);
- (ii) A\$15,000,000 value payable no later than the 18-month anniversary of Completion (**Deferred Consideration**), comprising:
  - (A) A\$7,500,000 in cash (**Stage Two Payment**); and
  - (B) such number of Shares equal to A\$7,500,000, determined by the VWAP of Shares over the last 10 trading days on which Shares traded prior to the issue date (**Deferred Consideration Shares**), subject to Shareholder approval under Listing Rule 7.1; and
- (i) up to A\$1,000,000 in respect of the Specified Arrears (as defined in the Subscription Agreement) on behalf of and for reimbursement of the Rambler Group for the prior payment of, or further distribution to the applicable recipients.

The issues of the Consideration Shares and Deferred Consideration Shares are subject to the approval of Shareholders pursuant to Listing Rule 7.1.

The Company is seeking Shareholder approval pursuant to Listing Rule 7.1 at this Meeting for the issue of the Consideration Shares only (refer to Resolution 1). The Company will seek Shareholder approval for the issue of the Deferred Consideration Shares closer to the date of the required issue of those Shares and, in the event that Shareholder approval pursuant to Listing Rule 7.1 is not obtained, the Company will pay the equivalent value of the Shares in cash to the Monitor (or its nominees) (i.e. A\$7,500,000).

Pursuant to the Acquisition, the Rambler Group's administration proceedings will require that the consideration described in this Section 3.4(a) (**Acquisition Consideration**) will be paid into a pool of funds under the control of the Monitor for disbursement among the Rambler Group's secured and unsecured creditors in accordance with the requirements of the CCAA and Court orders. As such, the Company has limited visibility over the parties which will receive the Acquisition Consideration, though the Company notes that none of these parties will be related parties to the Company. The Court will authorise and approve all distributions.

A deposit representing 10% of the Stage One Payment, being A\$3,500,000, has been provided by the Company to an account specified by the Monitor. The terms of the Acquisition provide that:

- (i) the deposit will be returned to the Company in the event the Acquisition does not complete due to:
  - (A) a material breach of the Subscription Agreement by the Rambler Group; or
  - (B) the RVO is not obtained by 25 October 2023 (or as otherwise extended by the mutual agreement of the Company and the Rambler Group) and the Company has not breached any of its material obligations in the Subscription Agreement; and
- (ii) the deposit will otherwise be forfeited to the Monitor where the Acquisition fails to complete, including where:
  - (A) the Company materially breaches the Subscription Agreement;
  - (B) Resolution 1 and Resolution 3 are not passed by the requisite majority of Shareholders at the Meeting;
  - (C) the Company does not complete the Placement; and
  - (D) any other failure to complete the Acquisition (provided the circumstances outlined in (i) above have not occurred).

The deposit was a requirement of the Acquisition as part of the SISP approved by the Court for the purposes of the insolvency proceedings in respect of Rambler Group and is considered a standard requirement for tender processes of this nature. The Company notes that the issue of the Tranche 1 Placement Shares is not conditional on completion of the Acquisition occurring and provides the Company with approximately \$8,674,000 (before costs) of additional funding (in addition to existing cash) to fund existing operations and working capital. As such, in the event the deposit is not refunded in the limited circumstances noted above, the Company will have sufficient cash reserves to fund operations on its existing assets and ongoing working capital.

(b) **Security on Deferred Consideration**

To secure the performance of the Company's obligation to satisfy the Deferred Consideration, Rambler's assets (including its Target Assets) are subject to a first ranking security interest to the extent of the Deferred Consideration.

(c) **Conditions precedent**

Completion is subject to the satisfaction or waiver of various conditions precedent, including, but not limited to:

- (i) obtaining any third-party consents or approvals necessary or desirable to effect a transfer of the Rambler Group assets that would not otherwise be vested out by an order of the supervising CCAA court (the **CCAA Court**);
- (ii) completion of a capital raising of no less than A\$50 million (to be satisfied by the Placement);

- (iii) any necessary Shareholder approvals, including for the issuance of Consideration Shares and Tranche 2 Placement Shares (refer to Resolution 1 and Resolution 3);
- (iv) the release of all encumbrances (other than permitted encumbrances) over, or otherwise affecting, the Retained Assets (including via the resolution of all insolvency and creditor related proceedings to which Rambler Group is party in accordance with applicable law);
- (v) no material adverse change having occurred with respect to the Rambler Group; and
- (vi) approval of the Acquisition and the issuance of a RVO by the CCAA Court on terms that are acceptable to the Company, acting reasonably.

(d) **Termination**

The Subscription Agreement may be terminated at any time prior to Completion as follows:

- (i) by mutual written consent of the Company and the Rambler Group;
- (ii) by the Company or the Rambler Group, if Completion has not occurred on or before 25 October 2023;
- (iii) by the Company or the Rambler Group, if there has been a material violation or breach by the other party of any covenant, representation or warranty which would prevent the satisfaction of the relevant conditions precedent by 25 October 2023 (subject to such violation or breach not being cured within 10 business days);
- (iv) by the Company or the Rambler Group, if the conditions precedent are not capable of being satisfied by the applicable dates required in the Subscription Agreement or if not otherwise required, by 25 October 2023, provided that the terminating party is not in breach of any representation, warranty, covenant or other agreement in the Subscription Agreement;
- (v) by the Company or the Rambler Group, if the CCAA proceedings are dismissed or converted;
- (vi) by the Company or the Rambler Group, upon dismissal of the motion for the RVO;
- (vii) by the Company or the Rambler Group, if a court of competent jurisdiction, including the Court, or other governmental authority has issued an order or taken any other action to restrain, enjoin or otherwise prohibit Completion; or
- (viii) by the Company on the occurrence of a Material Adverse Effect, being any change, event, fact, occurrence, condition or circumstance, individually or in the aggregate that: (i) has, or would reasonably be expected to have, a material adverse effect on the operations, results of operations or condition (financial or otherwise) of the acquired business of the Rambler Group; or (ii) materially and adversely impairs the Retained Assets or the acquired business of the Rambler Group or materially and adversely increases the Retained Liabilities, each taken as a whole, with customary carve out exceptions.

In the event of termination, the Subscription Agreement shall become void and of no further effect other than with respect to the deposit conditions and the confidentiality provisions.

(e) **Operation of the business prior to Completion**

The Rambler Group will continue to operate their businesses in the ordinary course until Completion. The Company will fund the daily operating and administrative expenditures relating to the Retained Assets and Retained Liabilities of the Rambler Group from the date that is two business days after receipt of the RVO until Completion (which shall occur on or before 25 October 2023 unless otherwise extended by mutual agreement of the Company and Rambler Group).

### 3.5 Funding arrangements

In order to fund the Acquisition and as a condition precedent to Completion, the Company is undertaking:

- (a) a fully underwritten two-tranche placement to sophisticated and professional investors to raise up to \$55,000,000 (before costs) (the **Placement**). The Placement will comprise the issue of up to a total of 2,200,000,000 Shares at an issue price of \$0.025 per Share (**Placement Shares**) as follows:
  - (i) **Tranche 1 Placement:** up to 346,959,075 Placement Shares issued to unrelated parties of the Company and/or the Underwriter (as applicable) (**Tranche 1 Placement Shares**), as follows:
    - (A) up to 314,175,445 Tranche 1 Placement Shares under Listing Rule 7.1, which are the subject of Resolution 2(a); and
    - (B) up to 32,783,630 Tranche 1 Placement Shares under Listing Rule 7.1A, which are the subject of Resolution 2(b); and
  - (ii) **Tranche 2 Placement:** up to 1,853,040,925 Placement Shares (**Tranche 2 Placement Shares**) issued to:
    - (A) unrelated parties of the Company and/or the Underwriter (as applicable), which are the subject of Resolution 3; and
    - (B) to the Directors, and/or their respective nominee/s, the subject of Resolution 4(a) to (d) (inclusive) (**Director Placement Shares**); and
- (b) a share purchase plan to eligible Shareholders to raise up to \$3,000,000 (before costs) by the issue of up to 120,000,000 Shares at an issue price equal to the price at which the Company is undertaking the Placement (i.e. \$0.025 per Share) (**Share Purchase Plan**). The Company reserves the right to take oversubscriptions in accordance with the ASX Listing Rules and the Corporations Act. The Share Purchase Plan will be conditional on completion of the Acquisition, but is not otherwise a condition precedent to the Subscription Agreement,

(together, the **Capital Raise**).

Canaccord Genuity (Australia) Limited (**Canaccord**) will act as lead manager, underwriter and bookrunner to the Placement pursuant to the terms of an underwriting agreement dated 1 September 2023 (**Underwriting Agreement**).



As the Company entered voluntary suspension on 14 August 2023, it has been suspended for more than a total of 5 days during the previous 12 months such that the Company is unable to rely on the relief granted by *ASIC Corporations (Share and Interest Purchase Plans) Instrument 2019/547*, and, therefore, will only offer Shares under the Share Purchase Plan to eligible Shareholders (**SPP Offer**) pursuant to a prospectus (**Prospectus**). As at the date of this Notice, the Company intends to lodge the Prospectus with ASIC on or around 6 September 2023.

### 3.6 Proposed use of funds of Placement and SPP Offer

The following funds will be available to the Company after completion of the Placement and SPP Offer (assuming the SPP Offer is fully subscribed and \$3,000,000 (before costs) is raised):

Source of funds	\$
Proceeds from Placement (before costs)	\$55,000,000
Proceeds from SPP Offer (before costs)	\$3,000,000
<b>Total</b>	<b>\$58,000,000</b>

The following table shows the intended use of funds following completion of the Placement and SPP Offer:

Use of funds	\$	%
Satisfying Stage One Payment <sup>1</sup>	\$35,000,000	60%
Exploration activities at the Green Bay Copper-Gold Project, Pickle Crow Project and Limestone Well Project <sup>2</sup>	\$14,000,000	24%
Project care and maintenance costs <sup>3</sup>	\$3,000,000	5%
Estimated expenses of the Placement, SPP Offer and Acquisition <sup>4</sup>	\$4,000,000	7%
Working capital <sup>5</sup>	\$2,000,000	4%
<b>Total Funds allocated<sup>6</sup></b>	<b>\$58,000,000</b>	<b>100%</b>

#### Notes:

1. The outstanding balance of the Stage One Payment (as defined in Section 3.4(a)(i)(A) above) will be paid out of the proceeds of the Tranche 2 Placement.
2. Exploration activities include geophysics, underground exploration development, underground drilling and surface extension drilling, to define a Mineral Resource (Au and/or Cu) at the Green Bay Copper-Gold Project.
3. Care and maintenance costs include ongoing care and maintenance costs pertaining to the Green Bay Copper-Gold Project and the Pickle Crow Project.
4. Includes third party adviser fees (including the Underwriter fees set out in Section 6.2), legal and accounting fees and associated due diligence costs in respect to the Acquisition, SPP Offer and Placement.
5. Working capital includes the general costs associated with the management and operation of the Company's business including administration expenses and operating costs. Working capital also includes surplus funds.

6. In the event that the SPP Offer is not fully subscribed, the Company will adjust the use of funds to reflect the amount actually raised and intends to evenly scale-back the funds attributable to (i) exploration activities; and (ii) working capital.

The above is a statement of current intentions at the date of this Notice. Intervening events and new circumstances have the potential to affect the manner in which the funds are ultimately applied. The Board reserves the right to alter the way the funds are applied on this basis.

The amounts and timing of the actual expenditures and investments may vary significantly and will depend on a number of factors, including market conditions, the development of new opportunities and/or any number of other factors, and actual expenditure levels, may differ significantly from the above estimates.

### **3.7 Interconditionality of Resolutions**

Resolutions 1 and 3 are interconditional, meaning that each of them will only take effect if they are both passed by the requisite majority of Shareholders' votes at the Meeting.

If either Resolution 1 or 3 is not passed, the Company will be unable to proceed with the Acquisition and Shareholders will not be asked to vote on Resolution 4(a) to (d) (inclusive) or Resolution 7(a) to (d)(inclusive).

## **4. Resolution 1 – Approval of issue of Consideration Shares**

### **4.1 General**

A summary of the Acquisition and Consideration Shares is set out in Section 3 above.

Resolution 1 seeks the approval of Shareholders pursuant to Listing Rule 7.1 for the issue of 600,000,000 Consideration Shares to the Monitor (or its nominee/s) pursuant to the Subscription Agreement as partial consideration for the Acquisition.

### **4.2 Listing Rule 7.1**

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

Listing Rule 7.2 exception 17 applies as the issue of the Consideration Shares is subject to the approval of Shareholders under Listing Rule 7.1.

### **4.3 Technical information required by ASX Listing Rule 14.1A**

If Resolution 1 is passed, the Company will be able to proceed with the issue of the Consideration Shares in accordance with the terms of the Subscription Agreement.

If Resolution 1 is not passed, the Company will not be able to proceed with the issue of the Consideration Shares in accordance with the terms of the Subscription Agreement. Accordingly, the Company will be unable to proceed with the Acquisition if Resolution 1 is not passed.

### **4.4 Specific information required by Listing Rule 7.3**

Pursuant to and in accordance with Listing Rule 7.3, the following information is provided in

relation to the issue of the Consideration Shares:

- (a) The Consideration Shares will be issued to the Monitor (or its nominee/s), who is not a related party or Material Investor of the Company. As discussed in Section 3.2(a), the Acquisition Consideration (which includes the Consideration Shares) will be paid into a pool of funds under the control of the Monitor for disbursement among the Rambler Group's secured and unsecured creditors in accordance with the requirements of the CCAA and Court orders. As such, the Company has limited visibility over the parties which will receive the Consideration Shares, though the Company notes that none of these parties will be related parties to the Company.
- (b) A maximum of 600,000,000 Consideration Shares will be issued.
- (c) The Consideration Shares will be fully paid ordinary shares in the capital of the Company and will rank equally in all respects with the Company's existing Shares on issue.
- (d) The Consideration Shares are anticipated to be issued at Completion, and in any event, no later than three months after the date of the Meeting.
- (e) The Consideration Shares will be issued for nil cash consideration as they are being issued as partial consideration for the Acquisition. The Consideration Shares have a deemed issue price equal to \$0.025 (being the issue price of the Placement).
- (f) A summary of the material terms of the Subscription Agreement and Acquisition is set out in Section 3.4 above.
- (g) A voting exclusion statement is included in the Notice.

#### **4.5 Additional information**

Resolution 1 is an ordinary resolution.

The Board recommends that Shareholders vote in favour of Resolution 1.

### **5. Resolution 2 – Ratification of agreement to issue Tranche 1 Placement Shares**

#### **5.1 General**

The background to the proposed issue of the Tranche 1 Placement Shares is contained in Section 3.5 above.

The Company has received binding commitments from sophisticated and professional investors to participate in the Tranche 1 Placement. As at the date of this Notice, the Company has not issued any Tranche 1 Placement Shares as the Company is unable to issue a 'cleansing' notice under section 708A(5) of the Corporations Act due to the fact that the Company's securities were suspended from trading from the commencement of trade on Monday, 14 August 2023 and remained in suspension for more than 5 business days.

Instead, in compliance with 'case 2' of section 708A(11) of the Corporations Act, the Company will only issue the Placement Shares after the lodgement of the Prospectus and prior to the closing date of the SPP Offer under the Prospectus to remove any trading restrictions that attach to such Shares so that subscribers of those Shares may, if they choose to, sell those

Shares within twelve months from the date of their issue without the issue of a prospectus.

Resolution 2(a) and (b) seek the approval of Shareholders pursuant to Listing Rule 7.4 to ratify the issue of or agreement to issue the Tranche 1 Placement Shares.

## **5.2 Listing Rules 7.1, 7.1A and 7.4**

A summary of Listing Rule 7.1 is contained in Section 4.2 above.

Under Listing Rule 7.1A, an eligible entity can seek approval from its members, by way of a special resolution passed at its annual general meeting, to increase its 15% placement capacity under Listing Rule 7.1 by an extra 10% to 25%. The Company obtained this approval at its 2022 annual general meeting.

The issue of or agreement to issue the Tranche 1 Placement Shares does not fit within any of the exceptions to Listing Rules 7.1 and 7.1A and, as it has not yet been approved by Shareholders, effectively uses up part of the Company's 15% placement capacity under Listing Rule 7.1 and the additional 10% placement capacity under Listing Rule 7.1A. This reduces the Company's capacity to issue further Equity Securities without Shareholder approval under Listing Rules 7.1 and 7.1A for the 12 month period following the date the Company agreed to issue the Tranche 1 Placement Shares pursuant to the Placement.

Listing Rule 7.4 provides an exception to Listing Rules 7.1 and 7.1A. It provides that where a company in a general meeting ratifies the previous issue of securities after it has been made or agreed to be made pursuant to Listing Rules 7.1 and 7.1A (and provided that the previous issue did not breach Listing Rules 7.1 and 7.1A), those securities will be deemed to have been made with shareholder approval for the purpose of Listing Rules 7.1 and 7.1A.

The effect of Shareholders passing Resolution 2(a) and (b) will be to allow the Company to retain the flexibility to issue Equity Securities in the future up to the 15% placement capacity set out in Listing Rule 7.1, and the additional 10% placement capacity set out in Listing Rule 7.1A, without the requirement to obtain prior Shareholder approval.

## **5.3 Technical information required by ASX Listing Rule 14.1A**

If Resolution 2(a) is passed and the Company issues up to 314,175,445 Tranche 1 Placement Shares under Listing Rule 7.1 no later than 3 months after the date of the Meeting (or such later date to the extent permitted by any ASX waiver or modification of the Listing Rules), the agreement to issue (and the issue itself) will be excluded in calculating the Company's 15% limit in Listing Rule 7.1, effectively increasing the number of Equity Securities it can issue without Shareholder approval over the 12 month period following the agreement to issue those Tranche 1 Placement Shares.

If Resolution 2(b) is passed and the Company issues up to 32,783,630 Tranche 1 Placement Shares under Listing Rule 7.1A no later than 3 months after the date of the Meeting (or such later date to the extent permitted by any ASX waiver or modification of the Listing Rules), the agreement to issue (and the issue itself) will be excluded in calculating the Company's 10% limit in Listing Rule 7.1A, effectively increasing the number of Equity Securities it can issue without Shareholder approval over the 12 month period following the agreement to issue those Tranche 1 Placement Shares.

If Resolution 2(a) is not passed or up to 314,175,445 Tranche 1 Placement Shares are issued under Listing Rule 7.1 later than 3 months after the date of the Meeting (save for a later date permitted by ASX), the Company's ongoing capacity to issue or agree to issue Equity Securities under Listing Rule 7.1 without obtaining prior Shareholder approval will continue to

be reduced to the extent of up to 314,175,445 Equity Securities for the 12 month period following the agreement to issue those Tranche 1 Placement Shares.

If Resolution 2(b) is not passed or up to 32,783,630 Tranche 1 Placement Shares are issued under Listing Rule 7.1A later than 3 months after the date of the Meeting (save for a later date permitted by ASX), the Company's ongoing capacity to issue or agree to issue Equity Securities under Listing Rule 7.1A without obtaining prior Shareholder approval will continue to be reduced to the extent of up to 32,783,630 Equity Securities for the 12 month period following the agreement to issue those Tranche 1 Placement Shares (and assuming the Company's approval under Listing Rule 7.1A remains in force for this period).

#### **5.4 Specific information required by Listing Rule 7.5**

Pursuant to and in accordance with Listing Rule 7.5, the following information is provided in relation to the ratification of the issue of or agreement to issue the Tranche 1 Placement Shares:

- (a) The Company has agreed to issue the Tranche 1 Placement Shares to a range of sophisticated and professional investors (**Tranche 1 Placement Participants**), none of whom are a related party or Material Investor of the Company, or the Underwriter (as applicable). The Tranche 1 Placement Participants were identified through a bookbuild process, which involved Canaccord (acting as lead manager to the Placement) seeking expressions of interest to participate in the Placement from new and existing contacts of the Company and clients of Canaccord.
- (b) A maximum of 346,959,075 Tranche 1 Placement Shares will be issued as follows:
  - (i) up to 314,175,445 Tranche 1 Placement Shares were agreed to be issued within the Company's 15% placement capacity permitted under Listing Rule 7.1; and
  - (ii) up to 32,783,630 Tranche 1 Placement Shares were agreed to be issued within the Company's additional 10% placement capacity permitted under Listing Rule 7.1A.
- (c) The Tranche 1 Placement Shares will be fully paid ordinary shares in the capital of the Company and will rank equally in all respects with the Company's existing Shares on issue.
- (d) As at the date of this Notice, the Company has not issued the Tranche 1 Placement Shares. However, subject to the Company lodging the Prospectus, the Tranche 1 Placement Shares are intended to be issued prior to the date of the Meeting and, in any event, will be issued no later than three months after the date of the Meeting.
- (e) The Tranche 1 Placement Shares will be issued at an issue price of \$0.025 each.
- (f) A summary of the intended use of funds from the Placement and SPP Offer is set out in Section 3.6 above. In particular, the proceeds from the issue of the Tranche 1 Placement Shares are intended to be used towards funding expenditure on the Company's existing projects (being the Pickle Crow Project and Limestone Well Project) in respect to ongoing exploration activities, as well as for general working capital purposes.
- (g) There are no other material terms to the agreement for the subscription of the Tranche 1 Placement Shares.

- (h) A voting exclusion statement is included in the Notice.

## **5.5 Additional information**

Each of Resolution 2(a) and (b) is an ordinary resolution.

The Board recommends that Shareholders vote in favour of Resolution 2(a) and (b).

## **6. Resolution 3 – Approval of issue of Tranche 2 Placement Shares**

### **6.1 General**

The background to the proposed issue of the Tranche 2 Placement Shares is contained in Section 3.5 above.

Resolution 3 seeks Shareholder approval pursuant to Listing Rule 7.1 for the issue of the Tranche 2 Placement Shares to the Tranche 2 Placement Participants (defined below) and/or the Underwriter. The Company is also separately seeking Shareholder approval under Resolution 4(a) to (d) for the Directors to participate in the Tranche 2 Placement.

### **6.2 Summary of material terms of Underwriting Agreement**

The Company and Canaccord entered into the Underwriting Agreement whereby Canaccord was appointed as sole bookrunner, lead manager and underwriter to the Placement. Pursuant to the Underwriting Agreement, Canaccord has agreed to fully underwrite the Placement for up to \$55,000,000 (**Placement Amount**) subject to a number of standard conditions being satisfied including, in respect of the Tranche 2 Placement only, the Acquisition becoming unconditional (other than completion of the Placement).

Pursuant to the Underwriting Agreement, the Underwriter will receive the following aggregate fees:

- (a) on the settlement date of the Tranche 1 Placement:
  - (i) an underwriting fee of 2.80% of the Placement Amount with respect to the Tranche 1 Placement excluding any portion of the Placement Amount with respect to the Tranche 1 Placement attributable to subscriptions by institutional investors who are separately introduced by the Company; and
  - (ii) a management fee of 0.70% of the Placement Amount with respect to the Tranche 1 Placement; and
- (b) on the settlement date for the Tranche 2 Placement:
  - (i) an underwriting fee of 2.80% of the Placement Amount with respect to Tranche 2 Placement excluding any portion of the Placement Amount with respect to the Tranche 2 Placement attributable to subscriptions by institutional investors who are separately introduced by the Company or subscriptions by the Directors (or their nominees) pursuant to the Director Participation; and
  - (ii) a management fee of 0.70% of the Placement Amount with respect to the Tranche 2 Placement, excluding any portion of the Placement Amount with respect to the Tranche 2 Placement attributable to subscriptions by Directors (or their nominees) pursuant to the Director Participation.

The Underwriting Agreement also contains a number of indemnities, representations and warranties from the Company to the Underwriter that are considered standard for an agreement of this type.

The Underwriter may terminate the Underwriting Agreement for certain termination events. These termination events include, but are not limited to:

- (a) **(Subscription Agreement)** if any of the conditions precedent under the subscription agreement pursuant to which the Company will acquire Rambler Group **(Subscription Agreement)** are, or become, not capable of being satisfied in accordance with their terms or if the Subscription Agreement is materially amended or varied without the consent of the Underwriter, is terminated or rescinded, is materially breached ceases to have effect, otherwise than in accordance with its terms or is or becomes void, voidable, illegal, invalid or unenforceable (other than by reason only of a party waiving any of its rights) by the vendor, or its performance is or becomes illegal;
- (b) **(ASX listing)** the Company ceases to be admitted to the official list of the ASX or the Shares are suspended from trading on, or cease to be quoted on, the ASX;
- (c) **(withdrawal)** the Company withdraws the Placement as a whole or either the Tranche 1 Placement or the Tranche 2 Placement or the Company withdraws the Prospectus;
- (d) **(Issuer insolvency)** the Company is Insolvent (as defined in the Underwriting Agreement) or there is an act or omission, or a circumstance arises, which is likely to result in the Company becoming Insolvent;
- (e) **(Supplementary Prospectus)** the Company lodges a supplementary prospectus with ASIC in a form and substance that has not been approved by the Underwriter in circumstances required by the Underwriting Agreement;
- (f) **(regulatory action)** ASIC holds or commences, or gives notice of intention to hold or commence, a hearing or investigation in relation to the Company, the Placement, certain materials announced by the Company in connection with the Acquisition (the **ASX Materials**) under the Corporations Act or the *Australian Securities and Investments Commission Act 2001* (Cth) or any government agency prosecutes or gives notice of an intention to prosecute, or commences proceedings against, or gives notice of an intention to commence proceedings against, the Company or any of its officers, employees or agents in relation to the Placement;
- (g) **(ASX approval of Placement Shares)** unconditional approval (or conditional approval, provided such condition(s) would not have a material adverse effect on the success or settlement of the Placement) by the ASX for official quotation of the Placement Shares is refused or is not granted or, if granted, is modified or withdrawn;
- (h) **(Timetable)** any event specified in the timetable is delayed for 4 or more business days, without the prior written approval of the Underwriter (not to be unreasonably withheld);
- (i) **(defective ASX Materials)** the ASX Materials omit any information required by the Corporations Act or any other applicable law, contain a statement which is or becomes misleading or deceptive or is likely to mislead or deceive or otherwise fails to comply with the Corporations Act or any other applicable law or any statement about a future matter (including the doing or, or refusing to do, an act, and also including any forecast, expression of opinion, intention or expectation) expressed in the ASX

Materials being taken to be misleading in accordance with section 769 of the Corporations Act;

- (j) **(consents)**: any person (other than the Underwriter) who has previously consented to the inclusion of its name in the Prospectus withdraws that consent or any person (other than the Underwriter) gives a notice under section 730 of the Corporations Act in relation to the Prospectus;
- (k) **(index fall)**:
  - (i) if at any time between the opening time of the Placement (**Opening Time**) and completion of despatch of the confirmation letters to successful applicants, the S&P/ASX 200 Index has fallen to a level that is 12.5% below the level of the S&P/ASX 200 Index as at the Opening Time;
  - (ii) if at any time prior to the settlement date for either the Tranche 1 Placement or the Tranche 2 Placement the S&P/ASX 200 Index closes at a level that is 12.5% below the level of the S&P/ASX 200 Index as at the Opening Time for a period of 3 consecutive business days; or
  - (iii) if at market close on the day prior to the settlement date for either the Tranche 1 Placement or the Tranche 2 Placement the S&P/ASX 200 Index closes at a level that is 12.5% below the level of the S&P/ASX 200 Index as at the Opening Time;
- (l) **(illegality)** there is an event, occurrence or non-occurrence after the execution of the Underwriting Agreement which makes it illegal or commercially impossible for the Underwriter to satisfy a material obligation under the Underwriting Agreement, or to market, promote or settle the offer of Placement Shares, or that causes the Underwriter to delay satisfying a material obligation under the Underwriting Agreement;
- (m) **(material adverse change)** in the reasonable opinion of the Underwriter, there is a material adverse change in, or an event occurs which gives rise to, or is likely to give rise to, a material adverse change in the financial condition, assets, earnings, business, affairs, results of operations, management or financial prospects of the Company's corporate group (collectively, **Group** and each, a **Group Member**) as a whole from that existing at the date of the Underwriting Agreement;
- (n) **(breach of agreement)** the Company fails to perform or observe any of its obligations under the Underwriting Agreement;
- (o) **(breach of representation or warranty)** a representation or warranty made or given by the Company under the Underwriting Agreement is breached or proves to be, or has been, or becomes, untrue or incorrect or misleading or deceptive;
- (p) **(change of law)** there is introduced into the Parliament of the Commonwealth of Australia or any State or Territory of Australia a law or any new regulation is made under any law, or a government agency adopts or announces a new policy (other than a law or policy which has been announced or generally known before the date of the Underwriting Agreement);
- (q) **(banking moratorium)** a general moratorium on commercial banking activities in Australia, the United States of America, the United Kingdom, Hong Kong or Singapore is declared by the relevant central banking authority in any of those countries or there



is a material disruption in commercial banking or security settlement or clearance services in any of those countries;

- (r) **(securities market disruption)** trading in all securities quoted or listed on the ASX, the Hong Kong Stock Exchange, the London Stock Exchange or the New York Stock Exchange is suspended or limited in a material respect for one day (or a sustained and substantial part of one day) on which that exchange is open for trading or a Level 3 "market wide circuit breaker" is implemented by the New York Stock Exchange upon a 20% decrease against the prior day's closing value of the S&P 500 Index only;
- (s) **(markets dislocation)** there is an adverse change or disruption to financial, political or economic conditions, currency exchange rates or controls or financial markets in Australia, the United States of America or Hong Kong, from those existing as at the date of the Underwriting Agreement, or any adverse change, or development involving a prospective adverse change, in any of those conditions or markets;
- (t) **(Issuer changes without consent)** without the prior written consent of the Underwriter (such consent not to be unreasonably withheld or delayed), there is an alteration in the composition of the Company's executive management team, its board of directors, its share capital or its Constitution (other than one which has already been disclosed to the ASX prior to the date of the Underwriting Agreement or in the ASX Materials);
- (u) **(hostilities)** hostilities not existing at the date of the Underwriting Agreement commence (whether war has been declared or not) or a major escalation in existing hostilities occurs (whether war has been declared or not) involving any one or more of Australia, New Zealand, the United States of America, Hong Kong, Russia or Japan, or a state of emergency is declared by any of those countries or in any part of any of those countries (other than as already declared prior to the date of the Underwriting Agreement), or a major escalation occurs in relation to a previously declared state of emergency by any of those countries (or in respect of part of any of those countries) or a major terrorist attack is perpetrated anywhere in the world;
- (v) **(general non-compliance)** the Company fails to comply with a provision of its Constitution, the Listing Rules, the Corporations Act, applicable laws, or a requirement, order or request, made by or on behalf of ASIC, ASX or any Government agency;
- (w) **(director or executive events)** a director or a member of the executive team of the Company is charged with an indictable offence relating to any financial or corporate matter, or fraudulent or misleading or deceptive conduct, or any regulatory body or Government agency commences any public action against a director in his or her capacity as a director of the Company or announces that it intends to take any such action or is disqualified from managing a corporation under sections 206B, 206C, 206D, 206E, 206EA, 206F or 206G(5); or
- (x) **(Group Member Insolvency)** a Group Member (other than the Company or a dormant entity with no or immaterial assets) is Insolvent or there is an act or omission, or a circumstance arises, which is likely to result in any such Group Member becoming Insolvent.

### 6.3 Listing Rule 7.1

A summary of Listing Rule 7.1 is in Section 4.2 above.

The proposed issue of the Tranche 2 Placement Shares does not fit within any of the exceptions to Listing Rule 7.1 and the Company does not have sufficient placement capacity remaining under Listing Rule 7.1 and 7.1A to accommodate the issue of the Tranche 2 Placement Shares.

The effect of Shareholders passing Resolution 3 will be to allow the Company to retain the flexibility to issue Equity Securities in the future up to the 15% placement capacity set out in Listing Rule 7.1, without the requirement to obtain prior Shareholder approval.

#### **6.4 Technical information required by ASX Listing Rule 14.1A**

If Resolution 3 is passed, the Company will be able to proceed with the issue of the Tranche 2 Placement Shares and satisfy the relevant condition precedent under the Subscription Agreement.

If Resolution 3 is not passed, the Company will not be able to proceed with the issue of the Tranche 2 Placement Shares Consideration Shares and will not satisfy the relevant condition precedent under the Subscription Agreement. Accordingly, the Company will be unable to proceed with the Acquisition if Resolution 3 is not passed.

#### **6.5 Specific information required by Listing Rule 7.3**

Pursuant to and in accordance with Listing Rule 7.3, the following information is provided in relation to the proposed issue of the Tranche 2 Placement Shares:

- (a) The Tranche 2 Placement Shares will be issued to a range of sophisticated and professional investors (**Tranche 2 Placement Participants**) or the Underwriter (as applicable). Other than the Directors for whom separate Shareholder approval is being sought (refer to Resolution 4(a) to (d)), none of the Tranche 2 Placement Participants will be related parties of the Company. Other than Mr Parsons, who will be issued up to 140,000,000 Shares in the Tranche 2 Placement (subject to Shareholder approval of Resolution 4(c)), none of the Tranche 2 Placement Participants are a Material Investor. The Tranche 2 Placement Participants were identified through a bookbuild process, which involved Canaccord (acting as lead manager to the Placement) seeking expressions of interest to participate in the Placement from new and existing contacts of the Company and clients of Canaccord.
- (b) A maximum of 1,853,040,925 Tranche 2 Placement Shares will be issued.
- (c) The Tranche 2 Placement Shares will be fully paid ordinary shares in the capital of the Company and will rank equally in all respects with the Company's existing Shares on issue.
- (d) The Tranche 2 Placement Shares will be issued no later than 3 months after the date of the Meeting.
- (e) The Tranche 2 Placement Shares will be issued at an issue price of \$0.025 each, being the same price at which the Tranche 1 Placement Shares were agreed to be issued.
- (f) A summary of the intended use of funds from the Placement and SPP Offer is set out in Section 3.6 above. In particular, the proceeds from the issue of the Tranche 2 Placement Shares are intended to be used towards:
  - (i) satisfying the Stage One Payment (as defined in Section 3.4(a)(i)(A) above);

- (ii) exploration activities, including geophysics, underground drilling and surface extension drilling, to define a JORC compliant Mineral Resource (Au and/or Cu) at the Green Bay Copper-Gold Project;
  - (iii) ongoing care and maintenance costs pertaining to the Green Bay Copper-Gold Project and the Pickle Crow Project; and
  - (iv) general working capital purposes.
- (g) A summary of the material terms of the Underwriting Agreement is set out in Section 6.2 above. There are no other material terms to the agreement for the subscription of the Tranche 2 Placement Shares.
- (h) A voting exclusion statement is included in the Notice.

## 6.6 Additional information

Resolution 3 is an ordinary resolution.

The Board recommends that Shareholders vote in favour of Resolution 3.

## 7. Resolution 4 – Approval of issue of Director Placement Shares

### 7.1 General

The background to the proposed issue of Director Placement Shares is contained in Section 3.5 above. The issue of the Director Placement Shares is subject to Shareholders approving the Acquisition and issue of the Tranche 2 Placement Shares, as well as completion of the Acquisition.

The following Directors wish to participate in the Placement to the extent of subscribing for up to a total of 160,600,000 Director Placement Shares to raise up to \$4,015,000 (before costs) in the following proportions:

Directors	Amount committed to the Placement	Director Placement Shares
Raymond Shorrocks	\$250,000	10,000,000
Michael Naylor	\$250,000	10,000,000
Stephen Parsons	\$3,500,000	140,000,000
Kevin Tomlinson	\$15,000	600,000
<b>TOTAL</b>	<b>\$4,015,000</b>	<b>160,600,000</b>

Resolution 4(a) to (d) (inclusive) seek Shareholder approval pursuant to Listing Rule 10.11 for the issue of up to 160,600,000 Director Placement Shares to the Directors (or their respective nominees).

### 7.2 Listing Rule 10.11

Listing Rule 10.11 provides that unless one of the exceptions in Listing Rule 10.12 applies, a listed company must not issue or agree to issue Equity Securities to any of the following

persons without the approval of its Shareholders:

- (a) a related party (Listing Rule 10.11.1);
- (b) a person who is, or was at any time in the 6 months before the issue or agreement, a substantial holder (30%+) in the company (Listing Rule 10.11.2);
- (c) a person who is, or was at any time in the 6 months before the issue or agreement, a substantial holder (10%+) in the company and who has nominated a director to the board of the company pursuant to a relevant agreement which gives them a right or expectation to do so (Listing Rule 10.11.3);
- (d) an associate of a person referred to in Listing Rules 10.11.1 to 10.11.3 (Listing Rule 10.11.4); or
- (e) a person whose relation with the company or a person referred to in Listing Rule 10.11.1 or 10.11.4 is such that, in ASX's opinion, the issue or agreement should be approved by its shareholders (Listing Rule 10.11.5).

The Directors are each a related party of the Company by virtue of being directors of the Company. Shareholder approval pursuant to Listing Rule 10.11 is therefore required unless an exception applies. It is the view of the Board that the exceptions set out in Listing Rule 10.12 do not apply in the current circumstances.

Approval pursuant to Listing Rule 7.1 is not required for the issue of the Director Placement Shares as approval is being obtained under Listing Rule 10.11. Accordingly, the issue of the Director Placement Shares to the Directors (and/or their respective nominee/s) will not be included in the Company's 15% annual placement capacity pursuant to Listing Rule 7.1.

### **7.3 Technical information required by ASX Listing Rule 14.1A**

The effect of Shareholders passing Resolution 4(a) to (d) (inclusive) will be to allow the Company to issue the Director Placement Shares, raising up to \$4,015,000 (before costs).

If Resolution 4(a) to (d) (inclusive) are not passed, the Company will not be able to proceed with the issue of the Director Placement Shares and instead, the \$4,015,000 (before costs) will be raised under the Tranche 2 Placement by the issue of the relevant number of Tranche 2 Placement Shares to the Tranche 2 Placement Participants and/or the Underwriter (subject to the passing of Resolution 3 by the requisite majority of Shareholders).

Resolution 4(a) to (d) (inclusive) are not conditional on each other, and Shareholders may approve one or all of those Resolutions (in which case, the Director Placement Shares the subject of the relevant Resolution(s) will be issued), even though Shareholders have not approved all of these Resolutions.

Resolution 4(a) to (d) (inclusive) are subject to and conditional on the passing of Resolution 1 and Resolution 3. If Resolution 1 and Resolution 3 are not passed, Resolution 4(a) to (d) (inclusive) will not be put to Shareholders at the Meeting.

### **7.4 Specific information required by Listing Rule 10.13**

Pursuant to and in accordance with Listing Rule 10.13, the following information is provided in relation to the proposed issue of the Director Placement Shares:

- (a) The Director Placement Shares will be issued to the Directors (and/or their respective nominee/s) in the manner and form set out in Section 7.1 above.
- (b) Each of the Directors fall into the category stipulated by Listing Rule 10.11.1 by virtue of being Directors of the Company. In the event the Director Placement Shares are issued to a nominee of a Director, that nominee will fall into the category stipulated by Listing Rule 10.11.4.
- (c) A maximum of 160,600,000 Director Placement Shares will be issued to the Directors (and/or their respective nominee/s) in the manner and form set out in Section 7.1 above.
- (d) The Director Placement Shares will be fully paid ordinary shares in the capital of the Company and will rank equally in all respects with the Company's existing Shares on issue.
- (e) The Director Placement Shares will be issued no later than one month after the date of the Meeting.
- (f) The Director Placement Shares will be issued at an issue price of \$0.025 each, being the same issue price as the Placement Shares and will raise up to \$4,015,000 (before costs).
- (g) The proceeds from the issue of the Director Placement Shares are intended to be used in the same manner as the proceeds from the issue of the Tranche 2 Placement Shares, as summarised in Section 6.5(f) above.
- (h) The proposed issue of the Director Placement Shares is not intended to remunerate or incentivise the Directors.
- (i) There are no other material terms to the proposed issue of the Director Placement Shares.
- (j) A voting exclusion statement is included in the Notice.

## **7.5 Section 195 of the Corporations Act**

Section 195(1) of the Corporations Act prohibits a director of a public company who has a material personal interest in a matter that is being considered at a meeting of directors from being present while the matter is being considered at the meeting or voting on the matter. If there is not a quorum of directors who are eligible to vote on a matter because of the operation of section 195(1) of the Corporations Act, one or more directors may call a general meeting and the general meeting may deal with the matter.

The Directors have a personal interest in the outcome of each of their respective Resolutions under Resolution 4(a) to (d) (inclusive) and have exercised their right under section 195(4) of the Corporations Act to put the issue of the Director Placement Shares to the Directors to Shareholders to resolve.

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

In accordance with Chapter 2E of the Corporations Act, in order to give a financial benefit to a related party, the Company must:

- (a) obtain Shareholder approval in the manner set out in section 217 to 227 of the Corporations Act; and
- (b) give the benefit within 15 months following such approval,

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

The proposed issue of the Director Placement Shares constitutes giving a financial benefit to related parties of the Company.

The Board considers that Shareholder approval pursuant to Chapter 2E of the Corporations Act is not required in respect of the issue of the Director Placement Shares because the Director Placement Shares will be issued on the same terms as those Placement Shares issued to non-related party participants in the Placement and as such the giving of the financial benefit is on arm's length terms.

## **7.7 Additional information**

Resolution 4(a) to (d) (inclusive) are separate ordinary resolutions.

The Board declines to make a recommendation in respect of Resolution 4(a) to (d) (inclusive) as each of the Directors have a personal interest in the Resolutions.

## **8. Resolution 5 – Ratification of prior issue of MOFN Shares**

### **8.1 General**

On 18 November 2022, the Company announced that it had signed an exploration agreement for the Pickle Crow Project in Ontario, Canada (**Exploration Agreement**) with the Mishkeegogamang Ojibway First Nation (**MOFN**). The Exploration Agreement provides the Company with continued MOFN support for access to tenure for exploration purposes, while providing confidence to the MOFN regarding commercial, social benefit and cultural matters.

The revised Exploration Agreement replaces the 2009 exploration Memorandum of Understanding and now incorporates all Company tenure that is located within MOFN traditional territories. Completion of the Exploration Agreement ensures support of exploration and advanced exploration activities at the Pickle Crow Project and outlines a path forward for an Impact Benefit Agreement should the Company decide to pursue commercial development of the mine.

In a sign of partnership, and in consideration for MOFN entering into the Exploration Agreement, the Company issued MOFN with 5,000,000 Shares (**MOFN Shares**) on 23 January 2023 under the Company's placement capacity pursuant to Listing Rule 7.1 without the need for Shareholder approval.

The MOFN Shares are subject to a voluntary escrow for a period of 12 months commencing from the date of issue.

Resolution 5 seeks Shareholder approval pursuant to Listing Rule 7.4 to ratify the issue of the MOFN Shares.

## **8.2 Listing Rules 7.1 and 7.4**

Summaries of Listing Rules 7.1 and 7.4 are contained in Section 4.2 and 5.2 above, respectively.

The effect of Shareholders passing Resolution 5 will be to allow the Company to retain the flexibility to issue Equity Securities in the future up to the 15% additional placement capacity set out in Listing Rule 7.1, without the requirement to obtain prior Shareholder approval.

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

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

If Resolution 5 is not passed, the MOFN Shares will continue to be included in the Company's 15% limit under Listing Rule 7.1, effectively decreasing the number of Equity Securities the Company can issue or agree to issue without obtaining prior Shareholder approval, to the extent of 5,000,000 Equity Securities for the 12 month period following the issue of the MOFN Shares.

## **8.4 Specific information required by Listing Rule 7.5**

Pursuant to and in accordance with Listing Rule 7.5, the following information is provided in relation to the ratification of the issue of the MOFN Shares:

- (a) The MOFN Shares were issued to MOFN (or its nominee/s), none of whom is a related party or Material Investor of the Company.
- (b) A total of 5,000,000 MOFN Shares were issued using the Company's placement capacity under Listing Rule 7.1, without the need for Shareholder approval.
- (c) The MOFN Shares are fully paid ordinary shares in the capital of the Company and rank equally in all respects with the Company's existing Shares on issue.
- (d) The MOFN Shares were issued on 23 January 2023.
- (e) The MOFN Shares were issued for nil cash consideration, as consideration for MOFN entering into the Exploration Agreement and as a sign of partnership to MOFN. Accordingly, no funds were raised from the issue.
- (f) There are no other material terms to the agreement for the subscription of the MOFN Shares.
- (g) A voting exclusion statement is included in the Notice.

## **8.5 Additional information**

Resolution 5 is an ordinary resolution.

The Board recommends that Shareholders vote in favour of Resolution 5.

## **9. Resolution 6 – Ratification of prior issue of February Placement Shares**

### **9.1 General**

On 2 February 2023, the Company announced it had received firm commitments from institutional, sophisticated and professional investors (**February Placement Participants**) to raise \$9,000,000 (before costs) via the issue of 180,000,000 Shares (**February Placement Shares**) at an issue price of \$0.05 per Share (**February Placement**).

On 10 February 2023, the Company issued the February Placement Shares using the Company's available placement capacity under Listing Rule 7.1A.

Resolution 6 seeks Shareholder approval pursuant to Listing Rule 7.4 to ratify the issue of the February Placement Shares.

### **9.2 Listing Rules 7.1A and 7.4**

A summary of Listing Rules 7.1A and 7.4 is contained in Section 5.2 above.

The issue of the February Placement Shares does not fit within any of the exceptions to Listing Rule 7.1A and, as it has not yet been approved by Shareholders, effectively uses up part of the Company's additional 10% placement capacity under Listing Rule 7.1A. This reduces the Company's capacity to issue further Equity Securities without Shareholder approval under Listing Rule 7.1A for the 12-month period following the issue of the February Placement Shares.

The effect of Shareholders passing Resolution 6 will be to allow the Company to retain the flexibility to issue Equity Securities in the future up to the additional 10% placement capacity set out in Listing Rule 7.1A, without the requirement to obtain prior Shareholder approval.

### **9.3 Technical information required by ASX Listing Rule 14.1A**

If Resolution 6 is passed, the February Placement Shares will be excluded in calculating the Company's 10% limit in Listing Rule 7.1A, effectively increasing the number of Equity Securities it can issue without Shareholder approval over the 12-month period following the issue date.

If Resolution 6 is not passed, the February Placement Shares will continue to be included in the Company's 10% limit under Listing Rule 7.1A, effectively decreasing the number of Equity Securities the Company can issue or agree to issue without obtaining prior Shareholder approval, to the extent of 180,000,00 Equity Securities for the 12-month period following the issue of those February Placement Shares (and assuming the Company's approval under Listing Rule 7.1A remains in force for this period).

### **9.4 Specific information required by Listing Rule 7.5**

Pursuant to and in accordance with Listing Rule 7.5, the following information is provided in relation to the ratification of the issue of the February Placement Shares:

- (a) The February Placement Shares were issued to the February Placement Participants, none of whom is a related party or Material Investor of the Company. Canaccord and Argonaut Securities Pty Ltd acted as Lead Manager and Co-Manager to the February Placement, respectively. The February Placement Participants were identified through a bookbuild process, which involved the Company, the Lead Manager and the Co-



Manager seeking expressions of interest to participate in the February Placement from new and existing contacts of the Company and clients of the assisting brokers.

- (b) A total of 180,000,000 February Placement Shares were issued using the Company's placement capacity under Listing Rule 7.1A, without the need for Shareholder approval.
- (c) The February Placement Shares are fully paid ordinary shares in the capital of the Company and rank equally in all respects with the Company's existing Shares on issue.
- (d) The February Placement Shares were issued on 10 February 2023.
- (e) The February Placement Shares were issued at A\$0.05 per Share.
- (f) The proceeds from the issue of the February Placement Shares have been and are intended to be used to fast-track seasonal exploration work focused on targeting new discoveries at the Company's flagship Pickle Crow Project and for ongoing working capital requirements.
- (g) There are no other material terms to the agreement for the subscription of the February Placement Shares.
- (h) A voting exclusion statement is included in the Notice.

## 9.5 Additional information

Resolution 6 is an ordinary resolution.

The Board recommends that Shareholders vote in favour of Resolution 6.

## 10. Resolution 7 – Approval of issue of Director Performance Rights

### 10.1 General

The Company is proposing, subject to obtaining Shareholder approval, to issue up to a total of 257,400,000 Performance Rights to the Directors (and/or their respective nominees) (**Director Performance Rights**) as follows:

Director	Director Performance Rights			
	Tranche A	Tranche B	Tranche C	TOTAL
Raymond Shorrocks	8,400,000	8,400,000	8,400,000	<b>25,200,000</b>
Michael Naylor	27,000,000	27,000,000	27,000,000	<b>81,000,000</b>
Stephen Parsons	42,000,000	42,000,000	42,000,000	<b>126,000,000</b>
Kevin Tomlinson	8,400,000	8,400,000	8,400,000	<b>25,200,000</b>
<b>TOTAL</b>	<b>85,800,000</b>	<b>85,800,000</b>	<b>85,800,000</b>	<b>257,400,000</b>

The Director Performance Rights are to be issued under the Plan. A summary of the material terms of the Plan is in Schedule 2.

The issue of the Director Performance Rights is subject to Shareholders approving the

Acquisition and issue of the Tranche 2 Placement Shares, as well as completion of the Acquisition.

Resolution 7(a) to (d) (inclusive) seek Shareholder approval pursuant to Listing Rule 10.14 and sections 195(4) and 208 of the Corporations Act for the issue of up to 257,400,000 Director Performance Rights under the Plan to the Directors (and/or their respective nominee/s).

## **10.2 Background and rationale**

The Director Performance Rights are proposed to be issued to reward and incentivise the Directors by linking their remuneration to the achievement of the strategic goals linked to the Green Bay Copper-Gold Project and the long term performance of the Company. In this way, the issue of the Director Performance Rights seeks to align the efforts of the Directors in seeking to achieve growth of the Share price and creation of Shareholder value. In addition, the Board also believes that incentivising with Performance Rights is a prudent means of conserving the Company's available cash reserves.

As at the date of this Notice and subject to completion of the Acquisition, Messrs Parsons and Naylor intend to transition from Non-Executive Directors to Managing Director and Executive Director, respectively. While it is proposed to increase their director fees to reflect their executive positions, the proposed cash portions of their total remuneration packages are considered by the Directors (other than Messrs Parsons and Naylor) to be modest and intended to be supplemented by the Director Performance Rights, conserving the Company's available cash reserves. Raymond Shorrocks and Kevin Tomlinson will remain Non-Executive Chairman and Non-Executive Director, respectively.

Mr Parsons is a geologist with over 20 years' experience in the mining industry. He has a proven track record of mineral discoveries, corporate growth, international investor relations, creating shareholder wealth and advocating for the future generation through ensuring sustainability, diversity and inclusion remain a priority within the mineral industry. Mr Parsons was the founder and previous managing director of ASX 200 companies Bellevue Gold Ltd (ASX:BGL) and Gryphon Minerals Ltd.

Mr Naylor has 26 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. He was a founder and previous executive director of Bellevue Gold Ltd (ASX:BGL) and previous executive director of Cygnus Metals Ltd (ASX:CY5).

Mr Shorrocks has over 28 years' experience working in the investment banking industry. He is highly conversant and experienced in all areas of mergers and acquisitions and equity capital markets, including a significant track record of transactions in the metals and mining sectors. He was previously Chairman of Bellevue Gold Limited (ASX:BGL) and Republic Gold Limited.

Mr Tomlinson has more than three decades' experience in major discoveries, exploration and resource growth, mine development and financing of mining projects globally. He has also played leading roles in many successful mergers and acquisitions. He is currently Independent Non-Executive Chairman of highly successful ASX200 company Bellevue Gold Limited (ASX:BGL).

### 10.3 Vesting Conditions

The vesting conditions of the first two tranches of the Director Performance Rights (as described below) are based on the Green Bay Copper-Gold Project proposed to be acquired in accordance with the terms of the Acquisition and seek to align the efforts of the Directors in seeking to achieve Green Bay Copper-Gold Project growth. The Board considers the delineation of JORC compliant resources, as well as the achievement of sustained and substantial target increase in the share price, are milestones that, if reached, will deliver significant benefits to Shareholders and align Director rewards with Shareholder interests.

Subject to the terms and conditions in Schedule 3, the Director Performance Rights will vest as follows:

Performance Rights		Vesting Conditions												
Tranche	Number													
A	85,800,000	The Company announcing a Joint Ore Reserves Committee (JORC) 2012 compliant Mineral Resource with a minimum grade of at least 1.0% Copper Equivalent located within any of the Company's projects within Newfoundland as follows:												
		<table><tr><th>Mineral Resource</th><th>% of Performance Rights eligible for vesting</th></tr><tr><td>Less than 40,000,000 tonnes</td><td>0%</td></tr><tr><td>At 40,000,000 tonnes</td><td>50%</td></tr><tr><td>At 42,500,000 tonnes</td><td>75%</td></tr><tr><td>At 45,000,000 tonnes</td><td>100%</td></tr><tr><td>Between the above points</td><td>Pro-rata vesting</td></tr></table>	Mineral Resource	% of Performance Rights eligible for vesting	Less than 40,000,000 tonnes	0%	At 40,000,000 tonnes	50%	At 42,500,000 tonnes	75%	At 45,000,000 tonnes	100%	Between the above points	Pro-rata vesting
		Mineral Resource	% of Performance Rights eligible for vesting											
		Less than 40,000,000 tonnes	0%											
		At 40,000,000 tonnes	50%											
		At 42,500,000 tonnes	75%											
		At 45,000,000 tonnes	100%											
Between the above points	Pro-rata vesting													
B	85,800,000	The Company announcing a Joint Ore Reserves Committee (JORC) 2012 compliant Mineral Resource with a minimum grade of at least 1.0% Copper Equivalent located within any of the Company's projects within Newfoundland as follows:												
		<table><tr><th>Mineral Resource</th><th>% of Performance Rights eligible for vesting</th></tr><tr><td>Less than 45,000,000 tonnes</td><td>0%</td></tr><tr><td>At 50,000,000 tonnes</td><td>50%</td></tr><tr><td>At 55,000,000 tonnes</td><td>75%</td></tr><tr><td>At 60,000,000 tonnes</td><td>100%</td></tr><tr><td>Between the above points</td><td>Pro-rata vesting</td></tr></table>	Mineral Resource	% of Performance Rights eligible for vesting	Less than 45,000,000 tonnes	0%	At 50,000,000 tonnes	50%	At 55,000,000 tonnes	75%	At 60,000,000 tonnes	100%	Between the above points	Pro-rata vesting
		Mineral Resource	% of Performance Rights eligible for vesting											
		Less than 45,000,000 tonnes	0%											
		At 50,000,000 tonnes	50%											
		At 55,000,000 tonnes	75%											
		At 60,000,000 tonnes	100%											
Between the above points	Pro-rata vesting													
C	85,800,000	The share price of the Company's Shares as traded on the ASX achieving a VWAP of \$0.04 per Share or more over 20 consecutive trading days on which the Company's Shares have actually traded (commencing after the date of the Meeting).												

For the purposes of the vesting conditions of tranche A and B Director Performance Rights, the Copper Equivalent value will be calculated based on the following formula: **CuEq (%) = Cu(%) + 0.74112 Au (g/t) + 0.00876 Ag (g/t)**. This formula was derived based on a copper price of US\$8,295/t, gold price of US\$1,912/oz and silver price of US\$22.59/oz. For the purpose of estimating an in-situ resource grade, no recovery factors have been applied.

The Director Performance Rights will expire 5 years from the date of issue.

## **10.4 Listing Rule 10.14**

Listing Rule 10.14 provides that a listed company must not permit any of the following persons to acquire Equity Securities under an employee incentive scheme, unless Shareholder approval is provided:

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

The proposed issue of the Director Performance Rights falls within Listing Rule 10.14.1 (or Listing Rule 10.14.2 if a Director elects for the Director Performance Rights to be issued to his nominee) and therefore requires the approval of Shareholders under Listing Rule 10.14.

As Shareholder approval is sought under Listing Rule 10.14, approval under Listing Rule 7.1 or 10.11 is not required.

The effect of Shareholders passing Resolution 7(a) to (d) (inclusive) will be to allow the Company to issue the Director Performance Rights to the Directors (and/or their respective nominees) as part of their remuneration package and in the proportions listed above.

## **10.5 Technical information required by ASX Listing Rule 14.1A**

If Resolution 7(a) to (d) (inclusive) are not passed, the Company will not be able to proceed with the issue of the Director Performance Rights to the Directors (and/or their respective nominee/s) and the Company will consider other alternative commercial means to incentivise the Directors, including by the payment of cash, subject to the requirements of the Constitution, Corporations Act and Listing Rules.

Resolution 7(a) to (d) (inclusive) are not conditional on each other, and Shareholders may approve one or all of those Resolutions (in which case, the Director Performance Rights the subject of the relevant Resolution(s) will be issued), even though Shareholders have not approved all of these Resolutions.

Resolution 7(a) to (d) (inclusive) are subject to and conditional on the passing of Resolution 1 and Resolution 3. If Resolution 1 and Resolution 3 are not passed, Resolution 7(a) to (d) (inclusive) will not be put to Shareholders at the Meeting.

## **10.6 Specific information required by Listing Rule 10.15**

Pursuant to and in accordance with Listing Rule 10.15, the following information is provided in relation to the proposed issue of the Director Performance Rights:

- (a) The Director Performance Rights will be issued under the Plan to the Directors (and/or their respective nominees) in the manner and form set out in Section 10.1 above.
- (b) Each of the Directors fall into the category stipulated by Listing Rule 10.14.1 by virtue of being Directors of the Company. In the event the Director Performance Rights are issued to a nominee of a Director, that person will fall into the category stipulated by Listing Rule 10.14.2.

- (c) A maximum of 257,400,000 Director Performance Rights will be issued to the Directors (and/or their respective nominee/s) in the proportions set out in Section 10.1 above.
- (d) The current total remuneration package for each of the Directors as at the date of this Notice is set out below:

Director	Salary and fees <sup>1</sup>
Raymond Shorrocks <sup>2</sup>	362,182
Michael Naylor <sup>3, 6</sup>	86,264
Stephen Parsons <sup>4, 6</sup>	110,500
Kevin Tomlinson <sup>5</sup>	47,407

**Notes:**

1. For the year ended 30 June 2023, inclusive of superannuation and share based payments.
  2. Mr Shorrocks transitioned from Executive Chairman to Non-Executive Chairman effective 1 May 2023. Mr Shorrocks' current remuneration includes non-executive chairman fees of \$150,000 per annum (excl. superannuation).
  3. Does not include \$13,500 in company secretarial and accounting services provided by Blue Leaf Corporate Pty Ltd, a company of which Mr Naylor is a director, during the 2023 financial year. Mr Naylor's current remuneration includes non-executive director fees of \$85,000 per annum (excl. superannuation). As at the date of this Notice and conditional on the completion of the Acquisition, Mr Naylor intends to transition from Non-Executive Director to Executive Director. Mr Naylor's proposed remuneration includes executive director fees of \$180,000 per annum (excl. superannuation).
  4. Mr Parsons' current remuneration includes non-executive director fees of \$100,000 per annum (excl. superannuation). As at the date of this Notice and conditional on the completion of the Acquisition, Mr Parsons intends to transition from Non-Executive Director to Managing Director. Mr Parsons' proposed remuneration includes managing director fees of \$180,000 per annum (excl. superannuation).
  5. Mr Tomlinson's current remuneration includes non-executive director fees of \$85,000 per annum. Mr Tomlinson was appointed as a Non-Executive Director effective 15 December 2022.
  6. Messrs Naylor and Parsons each have an interest in Belltree Corporate Pty Ltd (**Belltree**) which has been engaged by the Company for the provision of company secretarial services, pursuant to which the Company pays \$6,000 per month (excluding GST) to Belltree. The Joint Company Secretary, Ms Maddison Cramer, is engaged through Belltree to provide these services to the Company.
- (e) No Equity Securities have previously been issued under the Plan to the Directors or their respective nominees. The Company is proposing to, subject to Shareholder approval at the Company's annual general meeting, issue Mr Tomlinson (or his nominee/s) 6,000,000 Performance Rights under the Plan, which will vest in three equal tranches upon Mr Tomlinson completing 12, 24 and 36 months' of continuous service with the Company.
- (f) The Director Performance Rights will be issued on the terms and conditions set out in Schedule 3.

- (g) The Board considers that Performance Rights, rather than Shares, are an appropriate form of incentive because the Performance Rights granted will generally only be of benefit if the Directors perform to the level whereby the milestones to the Performance Rights are satisfied. The issue of the Director Performance Rights will therefore further align the interests of the Directors with Shareholders. Additionally, the issue of Director Performance Rights instead of cash is a prudent means of rewarding and incentivising the Directors whilst conserving the Company's available cash reserves.
- (h) An independent valuation of the Director Performance Rights is in Schedule 4, with a summary below:

Director	Director Performance Rights	Valuation
Raymond Shorrocks	25,200,000	\$743,400
Michael Naylor	81,000,000	\$2,389,500
Stephen Parsons	126,000,000	\$3,717,000
Kevin Tomlinson	25,200,000	\$743,400
<b>TOTAL</b>	<b>257,400,000</b>	<b>\$7,593,300</b>

- (i) The Director Performance Rights will be issued to the Directors (and/or their respective nominee/s) as soon as practicable following the Meeting and in any event not later than three years after the Meeting.
- (j) The Director Performance Rights will be issued for nil cash consideration as they will be issued as an incentive component to the Directors' remuneration packages.
- (k) A summary of the material terms of the Plan is provided in Schedule 2.
- (l) No loan will be provided to the Directors in relation to the issue of the Director Performance Rights.
- (m) Details of any securities issued under the Plan will be published in the annual report of the Company relating to the period in which they were issued, along with a statement that approval for the issue was obtained under Listing Rule 10.14.
- (n) Any additional persons covered by Listing Rule 10.14 who become entitled to participate in an issue of securities under the Plan after the resolution is approved and who were not named in the Notice will not participate until approval is obtained under Listing Rule 10.14.
- (o) A voting exclusion statement is included in the Notice.

## 10.7 Section 195 of the Corporations Act

Section 195(1) of the Corporations Act prohibits a director of a public company who has a material personal interest in a matter that is being considered at a meeting of directors from being present while the matter is being considered at the meeting or voting on the matter. If there is not a quorum of directors who are eligible to vote on a matter because of the operation of section 195(1) of the Corporations Act, one or more directors may call a general meeting and the general meeting may deal with the matter.

The Directors have a personal interest in the outcome of each of their respective Resolutions under Resolution 7(a) to (d) (inclusive) and have exercised their right under section 195(4) of

the Corporations Act to put the issue of the Director Performance Rights to the Directors to Shareholders to resolve.

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

A summary of Chapter 2E of the Corporations Act is in Section 7.6 above.

The proposed issue of the Director Performance Rights constitutes giving a financial benefit to related parties of the Company.

Given the personal interests of all the Directors in the outcome of this Resolution, the Board is seeking Shareholder approval pursuant to Chapter 2E of the Corporations Act in respect of the issue of the Director Performance Rights. Notwithstanding that the issue of the Director Performance Rights is considered by the Board as reasonable remuneration and therefore falls within the exception stipulated by section 211 of the Corporations Act, the Board considers that there may be potential conflicts of interest should Shareholder approval not be sought.

## **10.9 Information required under Chapter 2E of the Corporations Act**

Pursuant to and in accordance with section 219 of the Corporations Act, the following information is provided in relation to the proposed issue of the Director Performance Rights:

**(a) Identity of the related parties to whom Resolution 7(a) to (d) (inclusive) permit financial benefits to be given**

Refer to Section 10.6(a) above.

**(b) Nature of the financial benefit**

Resolution 7(a) to (d) (inclusive) seeks Shareholder approval to allow the Company to issue the Director Performance Rights in the amounts specified in Section 10.1 to the Directors (and/or their respective nominees).

The Director Performance Rights are to be issued in accordance with the Plan and otherwise on the terms and conditions as detailed in Schedule 3.

The Shares to be issued upon conversion of the Director Performance Rights will be fully paid ordinary Shares in the capital of the Company on the same terms and conditions as the Company's existing Shares and will rank equally in all respects with the Company's existing Shares. The Company will apply for official quotation of the Shares on ASX.

**(c) Board recommendations**

Given the personal interests of all the Directors in the outcome of Resolution 7(a) to (d) (inclusive), the Board declines to make a recommendation to Shareholders in relation to the Resolutions.

**(d) Valuation of financial benefit**

Refer to Section 10.6(h) above.

(e) **Remuneration of the Directors**

Refer to Section 10.6(d) above.

(f) **Existing relevant interest of the Directors**

At the date of this Notice, the Directors hold the following relevant interests in Equity Securities of the Company:

Director	Shares <sup>1</sup>	Options <sup>2</sup>	Performance Rights
Raymond Shorrocks	29,428,571	17,000,000	Nil
Michael Naylor	62,456,424	28,000,000	Nil
Stephen Parsons	106,747,017	60,000,000	Nil
Kevin Tomlinson	Nil	Nil	Nil <sup>3</sup>

**Notes:**

1. Subject to Shareholder approval of Resolution 4(a) to (d) (inclusive), the Company intends to issue up to a further 160,600,000 Director Placement Shares to the Directors (and/or their respective nominee/s) to raise up to \$4,015,000 (before costs) under the Placement (further details are set out in Section 7 above).
2. Comprising unquoted Options exercisable at \$0.01 each on or before 23 January 2025.
3. Subject to Shareholder approval at the Company's upcoming annual general meeting, the Company intends to issue 6,000,000 Performance Rights to Kevin Tomlinson (or his nominee/s) under the Plan, which will vest in three equal tranches upon Mr Tomlinson completing 12, 24 and 36 months' of continuous service with the Company.

Assuming that Resolution 7(a) to (d) (inclusive) are approved by Shareholders, all of the Director Performance Rights are issued, vested and exercised into Shares, and no other Equity Securities are issued or exercised (including any existing Options held by Directors as at the date of this Notice), the interest of each of the Directors in the Company would (based on the Share capital as at the date of this Notice) be as follows:

- (i) Raymond Shorrocks would hold approximately 2.13% of the Company's issued Share capital;
- (ii) Michael Naylor would hold approximately 5.58% of the Company's issued Share capital;
- (iii) Stephen Parsons would hold approximately 9.06% of the Company's issued Share capital; and
- (iv) Kevin Tomlinson would hold approximately 0.98% of the Company's issued Share capital.

The Directors' actual interests in the Company at the date the Director Performance Rights are exercised into Shares will depend on the extent that additional Shares are issued by the Company, including pursuant to the Acquisition and the Capital Raise.



(g) **Dilution**

The issue of the Director Performance Rights will have a diluting effect on the percentage interest of existing Shareholders' holdings if the Director Performance Rights vest and are exercised. The potential dilution if all Director Performance Rights vest and are exercised into Shares is 10.01%. This figure assumes the current Share capital structure as at the date of this Notice and that no Shares are issued other than the Shares issued on exercise of the Director Performance Rights.

The exercise of all of the Director Performance Rights will result in a total dilution of all other Shareholders' holdings of 9.28% on a fully diluted basis (assuming that all other Securities are exercised).

The actual dilution will depend on the extent that additional Shares are issued by the Company, including pursuant to the Acquisition and the Capital Raise.

(h) **Trading history**

The highest and lowest closing market sale prices of the Shares on ASX during the 12 months prior to the date of this Notice were:

**Highest:** \$0.063 per Share on 16 and 19 January 2023

**Lowest:** \$0.023 per Share on 26 June 2023

The latest available closing market sale price of the Shares on ASX prior to the date of this Notice was \$0.028 per Share on 4 September 2023.

(i) **Corporate governance**

The Board acknowledges the grant of the Director Performance Rights to the Non-Executive Directors is contrary to Recommendation 8.2 of the 4th Edition of the ASX Corporate Governance Council's Corporate Governance Principles and Recommendations.

Upon transitioning from Non-Executive Directors to Executive Director and Managing Director, the Board believes that the grant of Director Performance Rights to Messrs Naylor and Parsons (respectively) is in line with Recommendation 8.2 of the 4th Edition of the ASX Corporate Governance Council's Corporate Governance Principles and Recommendations.

(j) **Taxation consequences**

There are no taxation consequences for the Company arising from the issue of the Director Performance Rights (including fringe benefits tax).

(k) **Other information**

The Board is not aware of any other information that would be reasonably required by Shareholders to allow them to make a decision whether it is in the best interests of the Company to pass Resolution 7(a) to (d) (inclusive).

## **10.10 Additional information**

Each of Resolution 7(a) to (d) (inclusive) is an ordinary resolution.

## 11. Resolution 8 – Approval of amendment of Constitution

### 11.1 General

Under section 136(2) of the Corporations Act, a company may modify or repeal its constitution or a provision of its constitution by special resolution of Shareholders.

Resolution 8 seeks the approval of Shareholders to modify the Company's existing Constitution.

The proposed modifications to the existing Constitution will incorporate recent amendments to the Corporations Act regarding the new regime for the making of offers in connection with employee share schemes under Part 7.12, Division 1A of the Corporations Act.

The Directors believe that it is preferable in the circumstances to simply modify a couple of provisions of the existing Constitution rather than repealing the entire existing Constitution and replacing it with a new constitution.

The Directors believe these amendments are not material nor will they have any significant impact on Shareholders.

A copy of the modified Constitution is available for review by Shareholders at the office of the Company. A copy of the modified Constitution can also be sent to Shareholders upon request to the Joint Company Secretaries at [cosec@autecominerals.com](mailto:cosec@autecominerals.com). Shareholders are invited to contact the Company if they have any queries or concerns.

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

If Resolution 8 is passed, the Company will adopt the modified Constitution with effect from the date this Resolution is passed.

### 11.3 Summary of material proposed changes

#### (a) **Issue cap for offers involving monetary consideration under an employee incentive scheme**

The proposed amendment provides the ability for the Company to increase the 5% issue cap for the purposes of section 1100V(2)(a) of the Corporations Act which relates to offers for monetary consideration under the Plan to 10%.

Set out below are the proposed modifications to the existing Constitution:

#### (i) Insert as new definitions in Article 1.1:

***ESS Interests*** has the meaning under section 1100M(1) of the Corporations Act.

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

#### (ii) Insert as a new Article 2.8:

**2.8 *Issue cap for offers involving monetary consideration under an employee incentive scheme***

*For the purposes of section 1100V(2)(a) of the Corporations Act, the*

*Company may only make an offer of ESS Interests if, at the time the offer is made, the Company reasonably believes:*

- (a) the total number of Shares that are, or are covered by, the ESS Interests of the Company that may be issued under the offer; and*
- (b) the total number of Shares that are, or are covered by, the ESS Interests that have been issued, or could have been issued, under offers made under the Company's employee share scheme at any time during the 3 year period ending on the day the offer is made,*

*does not exceed 10% of the number of Shares actually on issue as at the start of the day the offer is made.*

#### **11.4 Additional information**

Resolution 8 is a special resolution and therefore requires approval of 75% of the votes cast by Shareholders present and eligible to vote (in person, by proxy, by attorney or, in the case of a corporate Shareholder, by a corporate representative).

The Board recommends that Shareholders vote in favour of Resolution 8.

## Schedule 1      Definitions

In the Notice, words importing the singular include the plural and vice versa.

<b>\$ or A\$</b>	means Australian Dollars.
<b>1948</b>	means 1948565 Ontario Inc.
<b>Acquisition</b>	has the meaning given in Section 3.1.
<b>Acquisition Consideration</b>	has the meaning given in Section 3.4(a).
<b>ASIC</b>	means the Australian Securities and Investments Commission.
<b>ASX</b>	means the ASX Limited (ACN 008 624 691) and, where the context permits, the Australian Securities Exchange operated by ASX Limited.
<b>Au</b>	means gold.
<b>AWST</b>	means Australian Western Standard Time.
<b>Board</b>	means the board of Directors.
<b>C\$</b>	means Canadian dollars.
<b>Canaccord or Underwriter</b>	means Canaccord Genuity (Australia) Limited.
<b>Capital Raise</b>	has the meaning given in Section 3.5.
<b>CCAA</b>	means the <i>Companies' Creditors Arrangement Act</i> (Canada)
<b>CCAA Court</b>	has the meaning given in Section 3.4(c).
<b>Chair</b>	means the person appointed to chair the Meeting of the Company convened by the Notice.
<b>Closely Related Party</b>	means: <ul style="list-style-type: none"><li>(a) a spouse or child of the member; or</li><li>(b) has the meaning given in section 9 of the Corporations Act.</li></ul>
<b>Co-Manager</b>	means Argonaut Securities Pty Ltd.
<b>Company</b>	means AuTECO Minerals Limited (ACN 110 336 733).
<b>Completion</b>	means completion of the Acquisition.
<b>Consideration Shares</b>	has the meaning given in Section 3.4(a)(i)(B).
<b>Copper Equivalent or CuEq</b>	means a formula used to convert grades of various metals in an intersection or sample to a single metal value by assigning a recoverable economic value for each component and expressing the results in the copper metal present.

<b>Corporations Act</b>	means the <i>Corporations Act 2001</i> (Cth), as amended.
<b>Court</b>	means the Supreme Court of Newfoundland and Labrador in Bankruptcy and Insolvency.
<b>Cu</b>	means copper.
<b>Deferred Consideration</b>	has the meaning given in Section 3.4(a)(ii).
<b>Deferred Consideration Shares</b>	has the meaning given in Section 3.4(a)(ii)(B).
<b>Director</b>	means a director of the Company.
<b>Director Participation</b>	means the subscription by the Directors, and/or their respective nominees, for the Director Placement Shares.
<b>Director Performance Rights</b>	means up to 257,400,000 Performance Rights proposed to be issued to the Directors, and/or their respective nominee/s, under the Plan, the subject of Resolution 7(a) to (d) (inclusive).
<b>Director Placement Shares</b>	means up to 160,600,000 Shares proposed to be issued to the Directors, and/or their respective nominee/s, under the Placement, the subject of Resolution 4(a) to (d) (inclusive).
<b>Equity Security</b>	has the same meaning as in the Listing Rules.
<b>Explanatory Memorandum</b>	means the explanatory memorandum which forms part of the Notice.
<b>February Placement</b>	has the meaning given in Section 9.1.
<b>February Placement Participants</b>	has the meaning given in Section 9.1.
<b>February Placement Shares</b>	means the 180,000,000 Shares issued to the February Placement Participants under the February Placement, the subject of Resolution 6.
<b>Goodyear Cove Concentrate</b>	means the Goodyear Cove Concentrate facility and associated infrastructure and assets.
<b>Green Bay Copper-Gold Project</b>	means, collectively, the Nugget Pond Mill Facility, Ming Mine, Little Deer Complex and Goodyear Cove Concentrate.
<b>JORC Code</b>	means the Australasian Code for Reporting of Exploration Results, Mineral Resources and Ore Reserves, 2012 edition.

<b>Key Management Personnel</b>	has the same meaning as in the accounting standards issued by the Australian Accounting Standards Board and means those persons having authority and responsibility for planning, directing and controlling the activities of the Company, or if the Company is part of a consolidated entity, of the consolidated entity, directly or indirectly, including any Director (whether executive or otherwise) of the Company, or if the Company is part of a consolidated entity, of an entity within the consolidated group.
<b>Limestone Well Project</b>	means the Limestone Well vanadium project located north along strike from the Neometals-owned Barrambie deposit, approximately 90km southeast of Meekatharra in Western Australia
<b>Listing Rules</b>	means the listing rules of ASX.
<b>Little Deer Complex</b>	means Mineral Licence 010215M, covering the Little Deer copper deposit, located north of the town of Springdale in north-central Newfoundland held by the Rambler Group and Mineral Licence 027468M, covering the Whalesback copper deposit located in north central Newfoundland held by the Rambler Group.
<b>Material Investor</b>	<p>means, in relation to the Company:</p> <ul style="list-style-type: none"> <li>(a) a related party;</li> <li>(b) Key Management Personnel;</li> <li>(c) a substantial Shareholder;</li> <li>(d) an advisor; or</li> <li>(e) an associate of the above,</li> </ul> <p>who received or will receive Securities in the Company which constitute more than 1% of the Company's anticipated capital structure at the time of issue.</p>
<b>Meeting</b>	has the meaning given in the introductory paragraph of the Notice.
<b>Mineral Resource</b>	has the meaning given in the JORC Code.
<b>Ming Mine</b>	means the gold/copper property known as the Ming Mine located in Baie Verte, Newfoundland and Labrador.
<b>MOFN</b>	has the meaning given in Section 8.1.
<b>MOFN Shares</b>	has the meaning given in Section 8.1.
<b>Monitor</b>	means Grant Thornton Limited acting as court-appointed monitor under the CCAA proceedings.
<b>Notice</b>	means this notice of general meeting.
<b>Nugget Pond Mill Facility</b>	means Rambler's gold processing plant which is located at Nugget Pond on the Baie Verte Peninsula in Newfoundland.

<b>Performance Right</b>	means a right, subject to certain terms and conditions, to acquire a Share on the satisfaction (or waiver) of certain performance conditions.
<b>Pickle Crow Project</b>	means the Pickle Crow gold project located 400 km North of Thunder Bay in Ontario, Canada.
<b>Placement</b>	has the meaning given in Section 3.5.
<b>Placement Shares</b>	has the meaning given in Section 3.5.
<b>Plan</b>	means the 'AuTECO Minerals Limited Employee Securities Incentive Plan'.
<b>Prospectus</b>	has the meaning given in Section 3.5.
<b>Proxy Form</b>	means the proxy form attached to the Notice.
<b>Rambler</b>	means Rambler Metals and Mining Canada Limited.
<b>Rambler Group</b>	means, collectively, Rambler and 1948.
<b>Related Body Corporate</b>	has the meaning given to it for the purposes of the Corporations Act.
<b>Resolution</b>	means a resolution referred to in the Notice.
<b>Retained Assets</b>	has the meaning given to that term in the Subscription Agreement.
<b>Retained Liabilities</b>	has the meaning given to that term in the Subscription Agreement.
<b>RVO</b>	means reverse vesting order.
<b>Sale Shares</b>	has the meaning given in Section 3.1.
<b>Schedule</b>	means a schedule to the Notice.
<b>Section</b>	means a section of the Explanatory Memorandum.
<b>Securities</b>	means any Equity Securities of the Company (including Shares, Options and/or Performance Rights).
<b>Share</b>	means a fully paid ordinary share in the capital of the Company.
<b>Shareholder</b>	means the holder of a Share.
<b>Share Purchase Plan</b>	has the meaning given in Section 3.5.
<b>SISP</b>	means the sale and investment solicitations process approved by the Court as part of the restructuring proceedings in respect of Rambler Group.
<b>SPP Offer</b>	has the meaning given in Section 3.5.
<b>Stage One Payment</b>	has the meaning given in Section 3.4(a)(i)(A).
<b>Stage Two Payment</b>	has the meaning given in 3.4(a)(ii)(A).

<b>Subscription Agreement</b>	has the meaning given in Section 3.1.
<b>Target Assets</b>	has the meaning given in Section 3.1.
<b>Tranche 1 Placement</b>	has the meaning given in Section 3.5.
<b>Tranche 2 Placement</b>	has the meaning given in Section 3.5.
<b>Tranche 1 Placement Shares</b>	means up to 346,959,075 Placement Shares agreed to be issued to institutional, sophisticated and professional investors and/or the Underwriter (as applicable) under the Placement, the subject of Resolution 2(a) and (b).
<b>Tranche 2 Placement Shares</b>	means up to 1,853,040,925 Placement Shares proposed to be issued to institutional, sophisticated and professional investors and/or the Underwriter (as applicable) under the Placement, the subject of Resolution 3.
<b>Underwriting Agreement</b>	has the meaning given in Section 3.5.
<b>US\$</b>	means United States dollar
<b>VWAP</b>	has the meaning given to the term 'volume weighted average market price' in the Listing Rules.



## Schedule 2 Summary of the Plan

A summary of the material terms and conditions of the Plan is set out below:

- (a) **(Eligible Participant):** Eligible Participant means a person that has been determined by the Board to be eligible to participate in the Plan from time to time and is an “ESS participant” (as that term is defined in Division 1A) in relation to the Company or an associated entity of the Company. This relevantly includes, amongst others:
- (i) an employee or director of the Company or an individual who provides services to the Company;
  - (ii) an employee or director of an associated entity of the Company or an individual who provides services to such an associated entity;
  - (iii) a prospective person to whom paragraphs (i) or (ii) apply;
  - (iv) a person prescribed by the relevant regulations for such purposes; or
  - (v) certain related persons on behalf of the participants described in paragraphs (i) to (iv) (inclusive).
- (b) **(Maximum allocation)** The Company must not make an offer of Securities under the Plan in respect of which monetary consideration is payable (either upfront, or on exercise of convertible securities) where:
- (i) the total number of Plan Shares (as defined in paragraph (m) below) that may be issued or acquired upon exercise of the convertible securities offered; plus
  - (ii) the total number of Plan Shares issued or that may be issued as a result of offers made under the Plan at any time during the previous 3 year period,
- would exceed 5% of the total number of Shares on issue at the date of the offer or such other limit as may be specified by the relevant regulations or the Company’s Constitution from time to time.
- The maximum number of equity securities proposed to be issued under the Plan for the purposes of Listing Rule 7.2, Exception 13 will be as approved by Shareholders from time to time (**ASX Limit**). This means that, subject to the following paragraph, the Company may issue up to the ASX Limit under the Plan without seeking Shareholder approval and without reducing its placement capacity under Listing Rule 7.1.
- The Company will require prior Shareholder approval for the acquisition of equity securities under the Plan to Directors, their associates and any other person whose relationship with the Company or a Director or a Director’s associate is such that, in ASX’s opinion, the acquisition should be approved by Shareholders. The issue of Securities with Shareholder approval will not count towards the ASX Limit.
- (c) **(Purpose):** The purpose of the Plan is to:
- (i) assist in the reward, retention and motivation of Eligible Participants;
  - (ii) link the reward of Eligible Participants to Shareholder value creation; and
  - (iii) align the interests of Eligible Participants with shareholders of the Group (being the Company and each of its Associated Bodies Corporate), by providing an opportunity to Eligible Participants to receive an equity interest in the Company in the form of Securities.

- (d) **(Plan administration):** The Plan will be administered by the Board. The Board may exercise any power or discretion conferred on it by the Plan rules in its sole and absolute discretion, subject to compliance with applicable laws and the Listing Rules. The Board may delegate its powers and discretion.
- (e) **(Eligibility, invitation and application):** The Board may from time to time determine that an Eligible Participant may participate in the Plan and make an invitation to that Eligible Participant to apply for Securities on such terms and conditions as the Board decides. An invitation issued under the Plan will comply with the disclosure obligations pursuant to Division 1A.

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

A waiting period of at least 14 days will apply to acquisitions of Securities for monetary consideration as required by the provisions of Division 1A.

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

Prior to a Convertible Security being exercised a Participant does not have any interest (legal, equitable or otherwise) in any Share the subject of the Convertible Security by virtue of holding the Convertible Security. A Participant may not sell, assign, transfer, grant a security interest over or otherwise deal with a Convertible Security that has been granted to them. A Participant must not enter into any arrangement for the purpose of hedging their economic exposure to a Convertible Security that has been granted to them.

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

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

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

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

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

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

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

- (i) any Convertible Securities which have not yet vested will be forfeited immediately on the date that the Board determines (acting reasonably and in good faith) that any applicable vesting conditions have not been met or cannot be met by the relevant date; and
  - (ii) any Convertible Securities which have not yet vested will be automatically forfeited on the expiry date specified in the invitation.
- (l) **(Change of control):** If a change of control event occurs in relation to the Company, or the Board determines that such an event is likely to occur, the Board may in its discretion determine the manner in which any or all of the Participant's Convertible Securities will be dealt with, including, without limitation, in a manner that allows the Participant to participate in and/or benefit from any transaction arising from or in connection with the change of control event.
- (m) **(Rights attaching to Plan Shares):** All Shares issued under the Plan, or issued or transferred to a Participant upon the valid exercise of a Convertible Security, **(Plan Shares)** will rank pari passu in all respects with the Shares of the same class. A Participant will be entitled to any dividends declared and distributed by the Company on the Plan Shares and may participate in any dividend reinvestment plan operated by the Company in respect of Plan Shares. A Participant may exercise any voting rights attaching to Plan Shares.
- (n) **(Disposal restrictions on Securities):** If the invitation provides that any Plan Shares or Convertible Securities are subject to any restrictions as to the disposal or other dealing by a Participant for a period, the Board may implement any procedure it deems appropriate to ensure the compliance by the Participant with this restriction.
- (o) **(Adjustment of Convertible Securities):** If there is a reorganisation of the issued share capital of the Company (including any subdivision, consolidation, reduction, return or cancellation of such issued capital of the Company), the rights of each Participant holding Convertible Securities will be changed to the extent necessary to comply with the Listing Rules applicable to a reorganisation of capital at the time of the reorganisation.

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

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

- (p) **(Participation in new issues):** There are no participation rights or entitlements inherent in the Convertible Securities and holders are not entitled to participate in any new issue of Shares of the Company during the currency of the Convertible Securities without exercising the Convertible Securities.
- (q) **(Amendment of Plan):** Subject to the following paragraph, the Board may at any time amend any provisions of the Plan rules, including (without limitation) the terms and conditions upon which any Securities have been granted under the Plan and determine that any amendments to the Plan rules be given retrospective effect, immediate effect or future effect.

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

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

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

## Schedule 3      Terms and conditions of Director Performance Rights

The terms and conditions of the Director Performance Rights (**Performance Rights**) are as follows:

- (a) **(Entitlement):** Subject to the terms and conditions set out below, each Performance Right, once vested, entitles the holder to the issue of one fully paid ordinary share in the capital of the Company (**Share**).
- (b) **(Shareholder approval)** The Performance Rights are subject to shareholder approval.
- (c) **(Issue Price):** The Performance Rights are issued for nil cash consideration.
- (d) **(Vesting Conditions):** Subject to the terms and conditions set out below, the Performance Rights will have the vesting conditions (**Vesting Condition**) specified below:

Performance Rights		Vesting Conditions												
Tranche	Number													
A	85,800,000	<div>The Company announcing a Joint Ore Reserves Committee (JORC) 2012 compliant Mineral Resource with a minimum grade of at least 1.0% Copper Equivalent located within any of the Company's projects within Newfoundland as follows:</div> <table><tr><th>Mineral Resource</th><th>% of Performance Rights eligible for vesting</th></tr><tr><td>Less than 40,000,000 tonnes</td><td>0%</td></tr><tr><td>At 40,000,000 tonnes</td><td>50%</td></tr><tr><td>At 42,500,000 tonnes</td><td>75%</td></tr><tr><td>At 45,000,000 tonnes</td><td>100%</td></tr><tr><td>Between the above points</td><td>Pro-rata vesting</td></tr></table>	Mineral Resource	% of Performance Rights eligible for vesting	Less than 40,000,000 tonnes	0%	At 40,000,000 tonnes	50%	At 42,500,000 tonnes	75%	At 45,000,000 tonnes	100%	Between the above points	Pro-rata vesting
Mineral Resource	% of Performance Rights eligible for vesting													
Less than 40,000,000 tonnes	0%													
At 40,000,000 tonnes	50%													
At 42,500,000 tonnes	75%													
At 45,000,000 tonnes	100%													
Between the above points	Pro-rata vesting													
B	85,800,000	<div>The Company announcing a Joint Ore Reserves Committee (JORC) 2012 compliant Mineral Resource with a minimum grade of at least 1.0% Copper Equivalent located within any of the Company's projects within Newfoundland as follows:</div> <table><tr><th>Mineral Resource</th><th>% of Performance Rights eligible for vesting</th></tr><tr><td>Less than 45,000,000 tonnes</td><td>0%</td></tr><tr><td>At 50,000,000 tonnes</td><td>50%</td></tr><tr><td>At 55,000,000 tonnes</td><td>75%</td></tr><tr><td>At 60,000,000 tonnes</td><td>100%</td></tr><tr><td>Between the above points</td><td>Pro-rata vesting</td></tr></table>	Mineral Resource	% of Performance Rights eligible for vesting	Less than 45,000,000 tonnes	0%	At 50,000,000 tonnes	50%	At 55,000,000 tonnes	75%	At 60,000,000 tonnes	100%	Between the above points	Pro-rata vesting
Mineral Resource	% of Performance Rights eligible for vesting													
Less than 45,000,000 tonnes	0%													
At 50,000,000 tonnes	50%													
At 55,000,000 tonnes	75%													
At 60,000,000 tonnes	100%													
Between the above points	Pro-rata vesting													
C	85,800,000	The share price of the Company's Shares as traded on the ASX achieving a VWAP of \$0.04 per Share or more over 20 consecutive trading days on which the Company's Shares have actually traded (commencing after the date of the Meeting).												

**"Copper Equivalent or CuEq"** means a formula used to convert grades of various metals in an intersection or sample to a single metal value by assigning a recoverable economic value for each component and expressing the results in the Copper metal present.

**"VWAP"** has the meaning given to the term 'volume weighted average market price' in the Listing Rules.

For the purposes of the Vesting Conditions of Tranche A and B, the Copper Equivalent value will be calculated based on the following formula:  **$\text{CuEq (\%)} = \text{Cu(\%)} + 0.74112 \text{ Au (g/t)} + 0.00876 \text{ Ag (g/t)}$** . This formula was derived based on a copper price of US\$8,295/t, gold price of US\$1,912/oz and silver price of US\$22.59/oz. For the purpose of estimating an in-situ resource grade, no recovery factors have been applied.

- (e) **(Vesting):** Subject to the satisfaction of the Vesting Condition, the Company will notify the Holder in writing (**Vesting Notice**) within 3 Business Days of becoming aware that the relevant Vesting Condition has been satisfied. For the avoidance of doubt, there are no additional vesting conditions that apply to the exercise of the Performance Rights.
- (f) **(Expiry Date):** The Performance Rights will expire and lapse on the first to occur of the following:
  - (i) the Performance Rights are not exercised in accordance with these terms before 5:00pm (AWST) on the date that is 5 years from the date of issue; and
  - (ii) the Vesting Condition becoming incapable of satisfaction as determined by the Board in its discretion,**(Expiry Date).**
- (g) **(Exercise):** At any time between receipt of a Vesting Notice and the Expiry Date (as defined in clause (f) above), the holder may apply to exercise Performance Rights in multiples of 100,000 by delivering a signed notice of exercise to the Company Secretary (or the Joint Company Secretaries, as applicable). The holder is not required to pay a fee to exercise the Performance Rights.
- (h) **(Leaver):** The Performance Rights will not be forfeited at the time the Participant who holds the Performance Rights becomes a Leaver (as defined in the Plan), but will be forfeited at the time and subject to the conditions the Board specifies by written notice to the Participant.
- (i) **(Change of Control):** If a Change of Control Event occurs (as defined in the Plan), or the Board determines that such an event is likely to occur, any unvested Performance Rights will automatically vest.
- (j) **(Issue of Shares):** As soon as practicable after the valid exercise of a vested Performance Right, the Company will:
  - (i) issue, allocate or cause to be transferred to the holder the number of Shares to which the holder is entitled;
  - (ii) if required, issue a substitute Certificate for any remaining unexercised Performance Rights held by the holder;
  - (iii) if required, and subject to clause (k) below, give ASX a notice that complies with section 708A(5)(e) of the Corporations Act; and
  - (iv) do all such acts, matters and things to obtain the grant of quotation of the Shares by ASX in accordance with the Listing Rules.
- (k) **(Restrictions on transfer of Shares):** If the Company is unable to give ASX a notice that complies with section 708A(5)(e) of the Corporations Act, or such a notice for any reason is not effective to ensure that an offer for sale of the Shares does not require disclosure to investors, Shares issued on exercise of the Performance Rights may not be traded until 12 months after their issue unless the Company, at its sole discretion, elects to issue a

prospectus pursuant to section 708A(11) of the Corporations Act. The Company is authorised by the holder to apply a holding lock on the relevant Shares during the period of such restriction from trading.

- (l) **(Ranking)**: All Shares issued upon the conversion of Performance Rights will upon issue rank equally in all respects with other Shares.
- (m) **(Transferability of the Performance Rights)**: The Performance Rights are not transferable, except in exceptional circumstances and with the prior written approval of the Board at its sole discretion and subject to compliance with the Corporations Act and Listing Rules.
- (n) **(Dividend rights)**: A Performance Right does not entitle the holder to any dividends.
- (o) **(Voting rights)**: A Performance Right does not entitle the holder to vote on any resolutions proposed at a general meeting of the Company, subject to any voting rights provided under the Corporations Act or the ASX Listing Rules where such rights cannot be excluded by these terms.
- (p) **(Quotation of the Performance Rights)** The Company will not apply for quotation of the Performance Rights on any securities exchange.
- (q) **(Adjustments for reorganisation)**: If there is any reorganisation of the issued share capital of the Company, the rights of the Performance Rights holder will be varied in accordance with the Listing Rules.
- (r) **(Entitlements and bonus issues)**: Subject to the rights under clause (s) below, holders will not be entitled to participate in new issues of capital offered to shareholders such as bonus issues and entitlement issues.
- (s) **(Bonus issues)**: If the Company makes a bonus issue of Shares or other securities to existing Shareholders (other than an issue in lieu or in satisfaction of dividends or by way of dividend reinvestment), the number of Shares which must be issued on the exercise of a vested Performance Right will be increased by the number of Shares which the holder would have received if the holder had exercised the Performance Right before the record date for the bonus issue.
- (t) **(Return of capital rights)**: The Performance Rights do not confer any right to a return of capital, whether in a winding up, upon a reduction of capital or otherwise.
- (u) **(Rights on winding up)**: The Performance Rights have no right to participate in the surplus profits or assets of the Company upon a winding up of the Company.
- (v) **(Takeovers prohibition)**:
  - (i) the issue of Shares on exercise of the Performance Rights is subject to and conditional upon the issue of the relevant Shares not resulting in any person being in breach of section 606(1) of the Corporations Act; and
  - (ii) the Company will not be required to seek the approval of its members for the purposes of item 7 of section 611 of the Corporations Act to permit the issue of any Shares on exercise of the Performance Rights.
- (w) **(No other rights)**: A Performance Right does not give a holder any rights other than those expressly provided by these terms and those provided at law where such rights at law cannot be excluded by these terms.
- (x) **(Amendments required by ASX)**: The terms of the Performance Rights may be amended as considered necessary by the Board in order to comply with the ASX Listing Rules, or any directions of ASX regarding the terms provided that, subject to compliance with the Listing Rules, following such amendment, the economic and other rights of the holder are not diminished or terminated.

- (y) **(Plan)**: The Performance Rights are issued pursuant to and are subject to the Plan. In the event of conflict between a provision of these terms and conditions and the Plan, these terms and conditions prevail to the extent of that conflict.
- (z) **(Constitution)**: Upon the issue of the Shares on exercise of the Performance Rights, the holder will be bound by the Company's Constitution.



## **Schedule 4      Valuation of Director Performance Rights**

See over page.

16 August 2023

Auteco Minerals Limited  
Level 2, 8 Richardson Street  
West Perth, WA 6005  
**Attention: William Nguyen**

**RE: Valuation of Auteco Minerals Limited performance rights**

Dear William,

## 1. Introduction

You have requested that we determine the fair market value of three tranches of performance rights (the **Rights**) in accordance with AASB 2 – Share Based Payment (the **Engagement**). The Rights are proposed to be granted by Auteco Minerals Limited (the **Company**) to Directors of the Company. You have requested we undertake this valuation on 11 August 2023 (**Valuation Date**).

Tranche	Summary of terms / vesting conditions
Tranche 1	Announcing a JORC 2012 compliant Mineral Resource with a min grade of 1.0% Copper equivalent within any of the Company's projects in Newfoundland of between 40m - 45m tonnes (pro-rata vesting)
Tranche 2	Announcing a JORC 2012 compliant Mineral Resource with a min grade of 1.0% Copper equivalent within any of the Company's projects in Newfoundland of between 45m - 60m tonnes (pro-rata vesting)
Tranche 3	20-day VWAP $\geq$ \$0.04

We have used the Black-Scholes Option Pricing (BSOP) methodology, which utilises the Black-Scholes-Merton model, and Monte Carlo Simulation (MCS) Methodology, which utilises the Binomial Option Pricing Model, to estimate the fair value of the Rights. Our valuation of the Rights takes into consideration:

- (1) The material terms of the Rights ..... Annexure 1
- (2) Methodology and key inputs of the BSOP and MCS ..... Annexure 2
- (3) Other considerations ..... Annexure 3
- (4) Key relevant accounting standards ..... Annexure 4

## 2. Valuation Conclusion

Based on the inputs and assumptions discussed in this letter (including annexures), the resulting fair value for the Rights is summarised in Table 1 below.

Table 1: Valuation Conclusion				
Tranche	# of equity instruments	Probability of achievement <sup>1</sup>	Value per Right	Concluded value
	(a)	(b)	(c)	(d) = (a)*(b)*(c)
Tranche 1	85,800,000	100.0%	\$0.0300	\$2,574,000
Tranche 2	85,800,000	100.0%	\$0.0300	\$2,574,000
Tranche 3	85,800,000	n/a	\$0.0285	\$2,445,300
<b>Total</b>	<b>257,400,000</b>			<b>\$7,593,300</b>

Note 1: the Company must apply their estimated probability of achievement of each tranche's non-market-based vesting conditions to the number of equity instruments in each tranche, to determine the number of equity instruments expected to vest as at the Valuation Date.

Should you have any questions regarding anything contained in this letter please do not hesitate to contact me. Yours faithfully



Oliver Schweizer, CFA  
Director

## VALUERS' CERTIFICATION

I certify that, to the best of my knowledge and belief:

- The statements of fact contained in this letter are true and correct.
- The reported analyses, opinions, and conclusions are limited only by the reported assumptions and limiting conditions, and is our personal, unbiased professional analyses, opinion, and conclusion.
- Our compensation is not contingent upon the reporting of a predetermined value or direction in value that favours the cause of the client, the amount of the value estimate, the attainment of a stipulated result, or the occurrence of a subsequent event.
- No one provided significant professional assistance to the persons signing this certification other than other employees of 22 Corporate Advisory Pty Ltd.

## STATEMENT OF LIMITING CONDITIONS

In accordance with professional ethics, our fees for this service are not contingent upon the opinions expressed herein. Information provided by management or its representatives in the course of this investigation has been accepted, without further verification, as correctly reflecting Auteco Minerals Limited's business conditions and operating results.

Financial and statistical information is from sources we deem reliable. We make no representation as to our sources' accuracy or completeness and have accepted their information without further verification.

The conclusions are based upon the assumption that present management will continue to maintain the character and integrity of Auteco Minerals Limited through any sale, reorganisation, or diminution of the owners' participation.

Our opinions expressed herein are valid only for the stated purpose and date of the appraisal. Though some similarities exist between the value as set forth for this purpose and others, it would be incorrect to use the opinions as determined herein for any other purpose due to specific timing, performance, and marketability issues. Accordingly, any such use of the conclusions as determined herein for other purposes would be inaccurate and possibly misleading.

Future services regarding the subject matter contained herein, including, but not limited to, testimony or attendance in court shall not be required of 22 Corporate Advisory Pty Ltd unless previous arrangements have been made in writing.

Neither all nor any part of the contents contained herein shall be conveyed to the public through advertising, public relations, news, sales, mail, direct transmittal, or other media without the prior written consent and approval of 22 Corporate Advisory Pty Ltd.

## Annexure 1

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### Summary of the Rights

## Annexure 1 – Summary of the Rights

- Table A1-1 below summarises the key terms of the Rights:

**Table A1-1: Summary of the Rights**

Tranche	# of Rights	Valuation Date	Expiry Date	Term	Exercise Price	Vesting Period Start	Vesting Period End
Tranche 1	85,800,000	11-Aug-23	5yrs after issue	5.00 yrs	\$nil	11-Aug-23	11-Aug-28
Tranche 2	85,800,000	11-Aug-23	5yrs after issue	5.00 yrs	\$nil	11-Aug-23	11-Aug-28
Tranche 3	85,800,000	11-Aug-23	5yrs after issue	5.00 yrs	\$nil	11-Aug-23	11-Aug-28

- Each individual Right is exercisable for one ordinary share in the Company at the exercise prices listed in Table A1-1 above.
- The Rights are subject to the following vesting conditions:

### **Non-market-based vesting criteria**

Tranche 1	AUT announcing a JORC 2012 compliant Mineral Resource with a minimum grade of at least 1.0% Copper equivalent located within any of the Company's projects within Newfoundland as follows: (a) Less than 40,000,000 tonnes = 0%; (b) At 40,000,000 tonnes = 50%; (c); At 42,500,000 tonnes = 75%; (d) At 45,000,000 tonnes = 100%; (e) Between the above points = Pro-rata vesting
Tranche 2	AUT announcing a JORC 2012 compliant Mineral Resource with a minimum grade of at least 1.0% Copper equivalent located within any of the Company's projects within Newfoundland as follows: (a) Less than 45,000,000 tonnes = 0%; (b) At 50,000,000 tonnes = 50%; (c); At 55,000,000 tonnes = 75%; (d) At 60,000,000 tonnes = 100%; (e) Between the above points = Pro-rata vesting
Tranche 3	no non-market-based vesting conditions

### **Market-based vesting criteria**

Tranche 1	no market-based vesting conditions
Tranche 2	no market-based vesting conditions
Tranche 3	The share price of AUT Shares as traded on ASX achieving a volume weighted average market price of \$0.04 per Share or more over 20 consecutive trading days on which Shares have actually traded.

- We understand the Rights are not subject to a service condition, that is, the holder of the Rights is not required to complete a specified period of service before becoming entitled to the Rights.
- The Rights are exercisable immediately upon vesting (subject to the exercise price) until expiry.
- The Rights expire five years after their issue date (also the Valuation Date) and following which the Rights lapse.
- We understand that dividends are not received by the holder of the Rights prior to exercise.
- Given that the vesting conditions are evaluated over the Vesting Period and extend beyond the end of any required service period, we consider them to be non-vesting conditions and will take them into account when estimating the fair value of the Rights.
- We understand that there are no restrictions on disposal of shares after exercise of the Rights, and that there are no other market-based or non-market-based vesting conditions, or any other conditions that impact on the value of the Rights.

## Annexure 2

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### Methodology and Key Inputs of the BSOP and MCS

## Annexure 2 – Methodology and Key Inputs of the BSOP and MCS

### Tranche 1 & 2

In determining the fair value of the Tranche 1 & 2 Rights we used the Black-Scholes Option Pricing (**BSOP**) methodology and had regard to the non-vesting conditions described in Annexure 1 (i.e. the JORC 2012 resource targets). Table A2-1 below summarises the key inputs used in the BSOP methodology, and is followed by an explanation of each of the six key inputs and how they were determined.

### Tranche 3

In determining the fair value of the Tranche 3 Rights we used the Monte Carlo Simulation (**MCS**) Methodology, which utilises the Binomial Option Pricing Model.

Specifically, we undertook the following process for each of 1,000,000 simulations, to determine the fair value of each tranche having regard to the market-based vesting condition of the VWAP performance hurdle:

1. We created a hypothetical price path using the principles of the Binomial model, on a daily basis, for an ordinary share in the Company for a duration equal to the term of each tranche as listed in Table A2-1 below.
2. At each day of the hypothetical price path, we calculated the 20-day Volume Weighted Average Price ('VWAP') and compared it against the VWAP performance hurdle (see Table A2-1 below). When the simulated VWAP exceeded the hurdle, the performance condition was satisfied, and the tranche was considered to have vested. We note that 20 trading days must occur before a 20-day VWAP can be calculated and the tranche is able to vest.
3. In each simulation where the tranche vested, it was assumed that the tranche would be exercised immediately given the \$nil exercise price, and we discounted the value of an exercised right, being the difference between: (i) the simulated share price at vesting; and (ii) the exercise price, back to the Valuation Date – noting that the simulated share price must exceed the exercise price for the right to be exercised.
4. In simulations that did not result in the performance hurdle being met, or in the tranche being exercised (exercise price > share price), we assumed a value of \$nil for the simulation.
5. Finally, we averaged the results in points 2 – 4 above to determine the value of the tranche.

Table A2-1 below summarises the key inputs used in the BSOP and MCS methodology, and is followed by an explanation of each of the key inputs and how they were determined.

**Table A2-1: BSOP and MCS Inputs**

Input	Values at Valuation Date		
	Tranche 1	Tranche 2	Tranche 3
Valuation Methodology	BSOP	BSOP	MCS
i. Underlying share price	\$0.030	\$0.030	\$0.030
ii. Exercise price	\$nil	\$nil	\$nil
iii. Term	5.00 yrs	5.00 yrs	5.00 yrs
iv. Risk-free rate	3.857%	3.857%	3.857%
v. Dividend yield	Nil	Nil	Nil
vi. Volatility (rounded)	80.0%	80.0%	80.0%
vii. VWAP hurdle	n/a	n/a	20-day VWAP >=\$0.04

- i. Underlying share price  
Being the price of the Company's shares at the close of the market on the Valuation Date.
- ii. Exercise price  
We have been provided with the exercise price of the Rights as listed in Table A2-1 above.
- iii. Term  
Being the period from the grant date (also the Valuation Date) to the expiry date.
- iv. Risk-free rate  
The risk-free rate was determined to be the yield-to-maturity of an Australian government bond on the Valuation Date and with a term of equal duration to each tranche. The government bond interest rates were taken from data provider S&P Capital IQ for the government bonds quoted on the Australian Office of Financial Management website (<https://www.aofm.gov.au/securities/treasury-bonds>). As the term of the Rights did not match the any term-to-maturity for the Australian government bonds as at the Valuation Date, linear interpolation was used to determine the risk-free rate.
- v. Dividends  
The dividend yield was assumed to be nil as no dividend has been recently paid by the Company and it was assumed that this trend would continue over the term of the Rights.
- vi. Volatility  
In accordance with AASB 2 paragraph B22, Volatility was determined to be the annualised standard deviation of the continuously compounded change in price of the Company's shares. For each Tranche, the volatility was calculated using the daily, weekly, and monthly share prices for a period prior to the Valuation Date and of equal duration to the term of each tranche (or as long as the shares have been publicly traded). We also considered the volatility over difference calculation periods (from 6-months to 60-months) to determine an appropriate go-forward volatility. A summary of our volatility calculations is set out on the following page.
- vii. VWAP hurdle  
The Company's share price being at least equal to the VWAP hurdles listed in Table A2-1 above.

Prior to concluding at a value for the Tranche 1 & 2 Rights, we also took into account the JORC 2012 resource target vesting conditions, which were deemed to be non-vesting conditions and must also be taken into account when determining the fair value of the tranches. The non-vesting conditions are subject to tiered vesting based on the determined quantity and grade of minerals at the Newfoundland projects. To take these into account, the expected outcome of the vesting condition, and resulting level of vesting (i.e. 0% to 100%) was applied to the BSOP conclusion. Based on discussions with management of the Company, we have been instructed to use 100% vesting.

Based on the foregoing methodology and inputs, and before any other considerations discussed in the next section, we determined the value of the Rights to be:

Tranche 1	-	\$0.0300	per Right
Tranche 2	-	\$0.0300	per Right
Tranche 3	-	\$0.0285	per Right



**Table A2-2: Volatility Summary**

(using weekly changes in share price)

Tranche	Tranche 1	Tranche 2	Tranche 3
End date (Valuation Date)	11/08/2023	11/08/2023	11/08/2023
Period (days)	1,827	1,827	1,827
Period (months)	60.00 mths	60.00 mths	60.00 mths
Period (yrs)	5.00 yrs	5.00 yrs	5.00 yrs
Start date	10/08/2018	10/08/2018	10/08/2018

**Workings**

Beginning of period (Trading day)	10/08/2018	10/08/2018	10/08/2018
Trading segments in period (Weeks)	262	262	262
Standard deviation of price change	13.8%	13.8%	13.8%
Annualised Volatility	99.4%	99.4%	99.4%
<b>Annualised Volatility (rounded)</b>	<b>99.0%</b>	<b>99.0%</b>	<b>99.0%</b>

**Table A2-3: Volatility Summary – alternative calculation periods**

Calculation date:		11-Aug-23	11-Aug-23	11-Aug-23
Calculation Period	Weight	Change in share price		
		Daily	Weekly	Monthly
6 mnths	0.0	83.6%	74.1%	95.0%
12 mnths	1.0	81.7%	70.5%	73.9%
15 mnths	1.0	80.0%	69.8%	75.0%
18 mnths	1.0	77.0%	64.8%	68.7%
21 mnths	0.0	74.9%	65.5%	64.1%
24 mnths	0.0	71.2%	62.5%	61.7%
30 mnths	0.0	70.7%	63.2%	61.6%
36 mnths	0.0	72.6%	63.9%	62.4%
42 mnths	0.0	91.0%	88.1%	111.1%
48 mnths	0.0	98.5%	97.3%	117.9%
54 mnths	1.0	105.8%	95.9%	112.7%
60 mnths	1.0	111.0%	99.4%	112.4%
Average		84.8%	76.3%	84.7%
Median		80.8%	70.1%	74.5%
Average entire series		81.9%		
Median entire series		74.9%		
Weighted average		91.1%	80.1%	88.5%
Weighted median		81.7%	70.5%	75.0%
Weighted average (all share price intervals)		86.6%		
Weighted median (all share price intervals)		80.0%		

**Chosen Volatility: 80.0%**

## Annexure 3

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### Other Considerations

### **Annexure 3 – Other Considerations**

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#### **Non-market based vesting conditions**

Per clause 19 and 20 of AASB 2, any non-market based vesting conditions are taken into account in the valuation of the Rights by adjusting the number of equity instruments included in the measurement. The Company must estimate the probability of achievement of any non-market-based vesting condition (expressed as a % probability) and apply that percentage to the total number of instruments comprising the Rights, to determine the number of equity instruments expected to vest as at the Valuation Date.

Based on the information provided to us, we understand that the JORC 2012 resource targets described in Annexure 1 of this report are considered non-vesting conditions given the absence of any service condition. As such, we consider that there are no non-market-based vesting conditions applicable to the Rights and so the above clauses do not apply.

## Annexure 4

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### Summary of AASB 2 Share-based Payment

Table A4-1 below sets out the pertinent clauses of AASB 2 – Share-based Payment as they relate to the Rights.

**Table A4-1: AASB 2 – Share Based Payment**

<b>AASB Paragraph</b>	<b>Comment</b>
2 (a) <i>Applicable paragraph</i>	<p>An entity shall apply this Standard in accounting for all share-based payment transactions, whether or not the entity can identify specifically some or all of the goods or services received, including:</p> <ul style="list-style-type: none"> <li>(a) equity-settled share-based payment transactions;</li> <li>(b) cash-settled share-based payment transactions; and</li> <li>(c) transactions in which the entity receives or acquires goods or services and the terms of the arrangement provide either the entity or the supplier of those goods or services with a choice of whether the entity settles the transaction in cash (or other assets) or by issuing equity instruments,</li> </ul> <p>except as noted in paragraphs 3A-6. In the absence of specifically identifiable goods or services, other circumstances may indicate that goods or services have been (or will be) received, in which case this Standard applies.</p>
22 Corporate Advisory comment	<p>The Rights are equity-settled share-based payment transactions, in which the entity (Auteco Minerals Limited) receives goods or services (employment services of the grantee) as consideration for equity instruments of the entity (including shares or share options).</p>
10 & 11	<p>For equity-settled share-based payment transactions, the entity shall measure the goods or services received, and the corresponding increase in equity, directly, at the fair value of the goods or services received, unless the fair value cannot be estimated reliably. If the entity cannot estimate reliably the fair value of the goods or services received, the entity shall measure their value, and the corresponding increase in equity, indirectly, by reference to the fair value of the equity instruments granted.</p> <p>To apply the requirements of paragraph 10 to transactions with employees and others providing similar services, the entity shall measure the fair value of the services received by reference to the fair value of the equity instruments granted, because typically it is not possible to estimate reliably the fair value of the services received, as explained in paragraph 12. The fair value of those equity instruments shall be measured at grant date.</p> <p>We believe that the entity cannot reliably measure the goods or services received along with the corresponding increase in equity. Accordingly, per clause 10, we have defaulted to measuring the goods or services received and the corresponding increase in equity, indirectly, by reference to the fair value of the equity instruments granted.</p> <p>Given that the Rights essentially allow the holder to receive a fully-paid ordinary share in the Company (whose value can be reliably estimated), subject to certain vesting criteria, we are of the view that the fair value of the equity instruments granted can be reliably estimated causing AASB 2 clauses 24 – 25 to be irrelevant.</p>
14, 15	<p>If the equity instruments granted vest immediately, the counterparty is not required to complete a specified period of service before becoming unconditionally entitled to those equity instruments. In the absence of evidence to the contrary, the entity shall presume that services rendered by the counterparty as consideration for the equity instruments</p>

Table A4-1: AASB 2 – Share Based Payment

AASB Paragraph	Comment
	<p>have been received. In this case, on grant date the entity shall recognise the services received in full, with a corresponding increase in equity.</p> <p>If the equity instruments granted do not vest until the counterparty completes a specified period of service, the entity shall presume that the services to be rendered by the counterparty as consideration for those equity instruments will be received in the future, during the vesting period. The entity shall account for those services as they are rendered by the counterparty during the vesting period, with a corresponding increase in equity. For example:</p> <p>(a) If an employee is granted share options conditional upon completing three years' service, then the entity shall presume that the services to be rendered by the employee as consideration for the share options will be received in the future, over that three-year vesting period.</p> <p>(b) If an employee is granted share options conditional upon the achievement of a performance condition and remaining in the entity's employ until that performance condition is satisfied, and the length of the vesting period varies depending on when that performance condition is satisfied, the entity shall presume that the services to be rendered by the employee as consideration for the share options will be received in the future, over the expected vesting period. The entity shall estimate the length of the expected vesting period at the grant date, based on the most likely outcome of the performance condition. If the performance condition is a <u>market condition</u>, the estimate of the length of the expected vesting period shall be consistent with the assumption used in estimating the fair value of the options granted, and shall not be subsequently revised. If the performance condition is <u>not a market condition</u>, the entity shall revise its estimate of the length of the vesting period, if necessary, if subsequent information indicates that the length of the vesting period differs from previous estimates.</p> <p>In the absence of any service or other conditions, the Company should recognise the services rendered by the holder of the Rights in full on the grant date, with a corresponding increase in equity.</p> <p>We do not consider the JORC 2012 resource targets to be performance conditions as the period for achieving their performance targets extends beyond the end of any required service period. As such, we consider them to be non-vesting conditions (see paragraph 21A).</p> <p>We note that these accounting treatments should be confirmed with the Company's auditors.</p>
16	<p>For transactions measured by reference to the fair value of the equity instruments granted, an entity shall measure the fair value of equity instruments granted at the measurement date, based on market prices if available, taking into account the terms and conditions upon which those equity instruments were granted (subject to the requirements of paragraphs 19-22).</p> <p>We have used the closing share price on the Valuation Date as accurately reflecting the per share price of a fully-paid ordinary share in the Company as at the Valuation Date.</p>
19	<p>A grant of equity instruments might be conditional upon satisfying specified <i>vesting conditions</i>. For example, a grant of shares or share options to an employee is typically conditional on the employee remaining in the entity's employ for a specified period of</p>

Table A4-1: AASB 2 – Share Based Payment

AASB Paragraph	Comment
	<p>time. There might be performance conditions that must be satisfied, such as the entity achieving a specified growth in profit or a specified increase in the entity's share price. Vesting conditions, other than market conditions, shall not be taken into account when estimating the fair value of the shares or share options at the measurement date. Instead, vesting conditions shall be taken into account by adjusting the number of equity instruments included in the measurement of the transaction amount so that, ultimately, the amount recognised for goods or services received as consideration for the equity instruments granted shall be based on the number of equity instruments that eventually vest. Hence, on a cumulative basis, no amount is recognised for goods or services received if the equity instruments granted do not vest because of failure to satisfy a vesting condition, for example, the counterparty fails to complete a specified service period, or a performance condition is not satisfied, subject to the requirements of paragraph 21.</p> <p>The granting of shares from exercise of the Rights is conditional upon achievement of share price appreciation above the exercise price, and VWAP Hurdle for Tranche 3, which will be taken into account when determining the fair value of the Rights.</p> <p>Any non-market-based vesting conditions will be taken into account by estimating their probability of achievement and adjusting the number of equity instruments included in the measurement of the transaction.</p> <p>Any market-based (or non-vesting conditions) vesting conditions will be taken into account when determining the fair value of the Rights.</p> <p>The JORC 2012 resource targets are considered to be a non-vesting conditions as the performance period extends beyond any required employment conditions. The treatment of non-vesting conditions is discussed in paragraph 21A.</p>
20	<p>To apply the requirements of paragraph 19, the entity shall recognise an amount for the goods or services received during the vesting period based on the best available estimate of the number of equity instruments expected to vest and shall revise that estimate, if necessary, if subsequent information indicates that the number of equity instruments expected to vest differs from previous estimates. On vesting date, the entity shall revise the estimate to equal the number of equity instruments that ultimately vested, subject to the requirements of paragraph 21.</p> <p>The Company must estimate the probability of achievement of each non-market-based vesting condition (expressed as a % probability) and apply that percentage to the total number of instruments comprising the Rights, to determine the number of equity instruments expected to vest as at the Valuation Date.</p>
21	<p>Market conditions, such as a target share price upon which vesting (or exercisability) is conditioned, shall be taken into account when estimating the fair value of the equity instruments granted. Therefore, for grants of equity instruments with market conditions, the entity shall recognise the goods or services received from a counterparty who satisfies all other vesting conditions (e.g. services received from an employee who remains in service for the specified period of service), irrespective of whether that market condition is satisfied.</p>
21A	<p>Similarly, an entity shall take into account all non-vesting conditions when estimating the fair value of the equity instruments granted. Therefore, for grants of equity</p>

Table A4-1: AASB 2 – Share Based Payment

AASB Paragraph	Comment
	<p>instruments with non-vesting conditions, the entity shall recognise the goods or services received from a counterparty that satisfies all vesting conditions that are not market conditions (eg services received from an employee who remains in service for the specified period of service), irrespective of whether those non-vesting conditions are satisfied.</p> <p>We have determined that exercisability of the Rights is subject to market conditions (share price appreciation above the exercise price, and VWAP Hurdle for Tranche 3), and non-vesting conditions (JORC 2012 resource targets for Tranches 1&amp;2), and therefore these conditions must be taken into account when estimating the fair value of the Rights.</p> <p>Based on information provided, there are no other market conditions upon which vesting is conditioned.</p>
AG B4	<p>For share options granted to employees, in many cases market prices are not available, because the options granted are subject to terms and conditions that do not apply to traded options. If traded options with similar terms and conditions do not exist, the fair value of the options granted shall be estimated by applying an option pricing model.</p> <p>We have used the Black-Scholes Option Pricing (BSOP) methodology, which utilises the Black-Scholes-Merton model, to estimate the fair value of the Tranche 1, and Tranche 2 Rights. The valuation under the BSOP methodology is discussed in Annexure 2.</p> <p>We have used the Monte Carlo Simulation (MCS) Methodology, which utilises the Binomial Option Pricing Model, to estimate the fair value of the Tranche 3 Rights. The valuation under the MCS methodology is discussed in Annexure 2.</p>
AG B5	<p>The entity shall consider factors that knowledgeable, willing market participants would consider in selecting the option pricing model to apply. For example, many employee options have long lives, are usually exercisable during the period between vesting date and the end of the options' life, and are often exercised early. These factors should be considered when estimating the grant date fair value of the options. For many entities, this might preclude the use of the Black-Scholes-Merton formula, which does not allow for the possibility of exercise before the end of the option's life and may not adequately reflect the effects of expected early exercise. It also does not allow for the possibility that expected volatility and other model inputs might vary over the option's life. However, for share options with relatively short contractual lives, or that must be exercised within a short period of time after vesting date, the factors identified above may not apply. In these instances, the Black-Scholes-Merton formula may produce a value that is substantially the same as a more flexible option pricing model.</p> <p>For the Tranche 1, and Tranche 2 Rights, we consider these instruments to be sufficiently simple enough for the BSOP methodology to be an appropriate pricing model to use in their valuation. Further, there is substantial empirical evidence (including a paper<sup>1</sup> by the author of the Black-Scholes-Merton model) showing that the value a European call option (one that can be exercised only on expiry) and an American call option (one that can be exercised prior to expiry) are the same. A difference in values between an American and European option arise only in certain circumstances, such as the presence</p>



Table A4-1: AASB 2 – Share Based Payment

AASB Paragraph	Comment
	<p>of significant financial frictions, or prior to a significant dividend payment. Therefore, we consider the effect of early exercise on the value of the Rights to be immaterial.</p> <p>For the Tranche 3 Rights, given that they can be exercised for nil consideration, we consider that they would be exercised immediately after satisfaction of the vesting criteria, being achievement of the performance hurdle, which could occur at any point before expiry. Consequently, we consider the MCS Methodology to be the most appropriate method to value the Rights as it allows more flexibly to: (i) examine the impact around the potential of early exercise; and (ii) evaluate the performance hurdle during the vesting period, and not just at expiry of the Rights.</p> <p>(1) "Theory of Rational Option Price" (Robert Merton, published 1973) showed that an American call option (one that can be exercised before expiry) on a non-dividend paying stock should not be exercised prematurely.</p>
AG B6	<p>All option pricing models take into account, as a minimum, the following factors:</p> <ul style="list-style-type: none"> <li>(a) the exercise price of the option;</li> <li>(b) the life of the option;</li> <li>(c) the current price of the underlying shares;</li> <li>(d) the expected volatility of the share price;</li> <li>(e) the dividends expected on the shares (if appropriate); and</li> <li>(f) the risk-free interest rate for the life of the option.</li> </ul> <p>The above factors are taken into account in the valuation of the Rights (See Annexure 2).</p>
AG B7	<p>Other factors that knowledgeable, willing market participants would consider in setting the price shall also be taken into account (except for vesting conditions and reload features that are excluded from the measurement of fair value in accordance with paragraphs 19-22).</p> <p>Based on our instructions, there are no other factors a knowledgeable, willing market participant would consider in setting the price of the Rights.</p>
	<p><u>Expected volatility – Unlisted Entities</u></p>
AG B27 – B29	<p>An unlisted entity will not have historical information to consider when estimating expected volatility. Some factors to consider instead are set out below.</p> <p>In some cases, an unlisted entity that regularly issues options or shares to employees (or other parties) might have set up an internal market for its shares. The volatility of those share prices could be considered when estimating expected volatility.</p> <p>Alternatively, the entity could consider the historical or implied volatility of similar listed entities, for which share price or option price information is available, to use when estimating expected volatility. This would be appropriate if the entity has based the value of its shares on the share prices of similar listed entities.</p> <p>As the Company is listed this clause is not applicable to the Rights. See Annexure 2 for our discussion on volatility.</p>

Table A4-1: AASB 2 – Share Based Payment

AASB Paragraph	Comment
AG B34 & B35	<p>Conversely, if the employees are not entitled to dividends or dividend equivalents during the vesting period (or before exercise, in the case of an option), the grant date valuation of the rights to shares or options should take expected dividends into account. That is to say, when the fair value of an option grant is estimated, expected dividends should be included in the application of an option pricing model. When the fair value of a share grant is estimated, that valuation should be reduced by the present value of dividends expected to be paid during the vesting period.</p> <p>Option pricing models generally call for expected dividend yield. However, the models may be modified to use an expected dividend amount rather than a yield. An entity may use either its expected yield or its expected payments. If the entity uses the latter, it should consider its historical pattern of increases in dividends. For example, if an entity's policy has generally been to increase dividends by approximately 3 per cent per year, its estimated option value should not assume a fixed dividend amount throughout the option's life unless there is evidence that supports that assumption.</p> <p>The Company has not paid any dividends recently and is assumed to continue this trend for the term of the Rights. As such, this clause is not applicable to the valuation of the Rights.</p>

## 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 **2:00pm (AWST) on Monday, 9 October 2023.**

# 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.

## PARTICIPATING IN THE MEETING

### Corporate Representative

If a representative of a corporate securityholder or proxy is to participate in the meeting you will need to provide the appropriate "Appointment of Corporate Representative". A form may be obtained from Computershare or online at [www.investorcentre.com/au](http://www.investorcentre.com/au) and select "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: 182865**

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.

You may elect to receive meeting-related documents, or request a particular one, in electronic or physical form and may elect not to receive annual reports. To do so, contact Computershare.

☐ **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.

# 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 General Meeting of Auteco Minerals Ltd to be held at Quest Kings Park, 54 Kings Park Road, West Perth, WA 6005 on Wednesday, 11 October 2023 at 2:00pm (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 7a, 7b, 7c and 7d (except where I/we have indicated a different voting intention in step 2) even though Resolutions 7a, 7b, 7c and 7d are connected directly or indirectly with the remuneration of a member of key management personnel, which includes the Chairman.

If the Chairman is a person referred to in the voting prohibition statement applicable to a Resolution under s 224 of the Corporations Act 2001 (Cth), the Chairman will only be able to cast a vote as proxy for you on the relevant Resolution if you are entitled to vote and have specified your voting intention in the Proxy Form. Shareholders are therefore encouraged to specify their voting intention for every Resolution in the Proxy Form.

**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 7a, 7b, 7c and 7d 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	Approval of issue of Consideration Shares	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	5	Ratification of prior issue of MOFN Shares	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
2a	Ratification of agreement to issue Tranche 1 Placement Shares under Listing Rule 7.1	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	6	Ratification of prior issue of February Placement Shares	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
2b	Ratification of agreement to issue Tranche 1 Placement Shares under Listing Rule 7.1A	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	7a	Approval of issue of Director Performance Rights to Raymond Shorrocks	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
3	Approval of issue of Tranche 2 Placement Shares	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	7b	Approval of issue of Director Performance Rights to Michael Naylor	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
4a	Approval of issue of Director Placement Shares to Raymond Shorrocks	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	7c	Approval of issue of Director Performance Rights to Stephen Parsons	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
4b	Approval of issue of Director Placement Shares to Michael Naylor	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	7d	Approval of issue of Director Performance Rights to Kevin Tomlinson	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
4c	Approval of issue of Director Placement Shares to Stephen Parsons	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	8	Approval of amendment of Constitution	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
4d	Approval of issue of Director Placement Shares to Kevin Tomlinson	<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

Sole Director & Sole Company Secretary

Securityholder 2

Director

Securityholder 3

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

AUT

302224A



Computershare



11 September 2023

Dear Shareholder

### **General Meeting – Notice and Proxy Form**

Notice is given that the General Meeting (**Meeting**) of Shareholders of **AuTECO Minerals Ltd (ASX:AUT)** (**Company**) will be held as follows:

**Time and date:** 2:00pm (Perth time) on Wednesday, 11 October 2023

**Location:** The Quest Kings Park, 54 Kings Park Road, West Perth WA 6005

### **Notice of Meeting**

In accordance with the *Corporations Act 2001* (Cth) the Company will not be dispatching physical copies of the Notice of Meeting unless individual shareholders have made a valid election to receive documents in hard copy. Instead, the Notice of Meeting and accompanying explanatory statement (**Meeting Materials**) are being made available to shareholders electronically and can be viewed and downloaded from:

- the Company's website at <https://www.autecominerals.com/>; and
- the ASX market announcements page under the Company's code "AUT".

If you have nominated an email address and have elected to receive electronic communications from the Company, you will also receive an email to your nominated email address with a link to an electronic copy of the Notice of Meeting.

### **Voting at the Meeting or by proxy**

Shareholders can vote by attending the Meeting in person, by proxy or by appointing an authorised representative. Shareholders are encouraged to vote by lodging a proxy form.

Proxy forms can be lodged:

**Online:** [www.investorvote.com.au](http://www.investorvote.com.au) (control number: 182865) or use your mobile device to scan the personalised QR code

**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

Your proxy voting instruction must be received by 2:00pm (Perth time) on Monday, 9 October 2023, being not less than 48 hours before the commencement of the Meeting. Any proxy voting instructions received after that time will not be valid for the Meeting.

If you have questions about your Proxy Form or difficulties accessing the Notice of Meeting, please contact Computershare Investor Services on 1300 850 505 (within Australia) or +61 3 9415 4000 (outside Australia).

The Meeting Materials should be read in their entirety. If shareholders are in doubt as to how they should vote, they should seek advice from their professional advisers prior to voting.

Authorised for release by:

Maddison Cramer  
Joint Company Secretary  
**AuTECO Minerals Ltd**