EMMERSON RESOURCES LIMITED
ACN 117 086 745
NOTICE OF GENERAL MEETING

TIME: 10.00am (AWST)
DATE: 24 August 2020
PLACE: The Meeting will be conducted as a virtual meeting.

The business of the Meeting affects your shareholding and your vote is important.

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

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 10.00am (AWST) on 22 August 2020.
BUSINESS OF THE MEETING

AGENDA

1. RESOLUTION 1 – RATIFICATION OF PRIOR ISSUE OF PLACEMENT SHARES AND TRANCHE 1 PLACEMENT OPTIONS

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

“That, for the purposes of Listing Rule 7.4 and for all other purposes, approval is given for the Company to ratify the issue of 35,250,000 Placement Shares and 20,000,000 Tranche 1 Placement Options on the terms and conditions set out in the Explanatory Statement.”

Voting Exclusion Statement:
The Company will disregard any votes cast in favour of the Resolution by or on behalf of a person who participated in the issue being approved, namely participants in the Placement or an associate of that person (or those persons).
However, this does not apply to a vote cast in favour of the Resolution by:
(a) a person as a proxy or attorney for a person who is entitled to vote on the Resolution, in accordance with the directions given to the proxy or attorney to vote on the Resolution in that way; or
(b) the Chair as proxy or attorney for a person who is entitled to vote on the Resolution, 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.

2. RESOLUTION 2 – ISSUE OF TRANCHE 2 PLACEMENT OPTIONS

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

“That, for the purposes of Listing Rule 7.1 and for all other purposes, approval is given for the Company to issue 15,250,000 Tranche 2 Placement Options on the terms and conditions set out in the Explanatory Statement.”

Voting Exclusion Statement:
The Company will disregard any votes cast in favour of the Resolution by or on behalf of a person who is expected to participate in, or who will obtain a material benefit as a result of, the proposed issue (except a benefit solely by reason of being a holder of ordinary securities in the Company) namely participants in the Placement or an associate of that person (or those persons).
However, this does not apply to a vote cast in favour of the Resolution by:
(a) a person as a proxy or attorney for a person who is entitled to vote on the Resolution, in accordance with the directions given to the proxy or attorney to vote on the Resolution in that way; or
(b) the Chair as proxy or attorney for a person who is entitled to vote on the Resolution, 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.

3. RESOLUTION 3 – ISSUE OF SPP OPTIONS

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

“That, for the purposes of Listing Rule 7.1 and for all other purposes, approval is given for the Company to issue up to 10,000,000 SPP Options on the terms and conditions set out in the Explanatory Statement.”

Voting Exclusion Statement:
The Company will disregard any votes cast in favour of the Resolution by or on behalf of a person who is expected to participate in, or who will obtain a material benefit as a result of, the proposed issue (except a benefit solely by reason of being a holder of ordinary securities in the Company) namely participants in the SPP or an associate of that person (or those persons). However, this does not apply to a vote cast in favour of the Resolution by:

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

(b) the Chair as proxy or attorney for a person who is entitled to vote on the Resolution, 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.

4. RESOLUTION 4 – ISSUE OF SHARES TO NT BULLION

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

“That, for the purposes of Listing Rule 7.1 and for all other purposes, approval is given for the Company to issue 12,987,013 Shares to NT Bullion, on the terms and conditions set out in the Explanatory Statement.”

Voting Exclusion Statement:
The Company will disregard any votes cast in favour of the Resolution by or on behalf of a person who is expected to participate in, or who will obtain a material benefit as a result of, the proposed issue (except a benefit solely by reason of being a holder of ordinary securities in the Company) namely NT Bullion or an associate of that person (or those persons). However, this does not apply to a vote cast in favour of the Resolution by:

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

(b) the Chair as proxy or attorney for a person who is entitled to vote on the Resolution, 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.

5. RESOLUTION 5 – ISSUE OF OPTIONS TO RELATED PARTY – MR ANDREW MCILWAIN

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

“That, for the purposes of section 195(4) and section 208 of the Corporations Act, Listing Rule 10.11 and for all other purposes, approval is given for the Company to issue 2,000,000 Options to Andrew McIlwain (or his nominee) on the terms and conditions set out in the Explanatory Statement.”

Voting Exclusion Statement:
The Company will disregard any votes cast in favour of the Resolution by or on behalf of Andrew McIlwain (or his nominee) and any other person who will obtain a material benefit as a result of the issue of the securities (except a benefit solely by reason of being a holder of ordinary securities in the Company) or an associate of that person or those persons. However, this does not apply to a vote cast in favour of the Resolution by:
(a) a person as proxy or attorney for a person who is entitled to vote on the Resolution, in accordance with directions given to the proxy or attorney to vote on the Resolution in that way; or
(b) the Chair as proxy or attorney for a person who is entitled to vote on the Resolution, 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, custodial or other fiduciary capacity on behalf of a beneficiary provided the following conditions are met:
   (i) the beneficiary provides written confirmation to the holder that the beneficiary is not excluded from voting, and is not an associate of a person excluded from voting, on the Resolution; and
   (ii) the holder votes on the Resolution in accordance with directions given by the beneficiary to the holder to vote in that way.

Voting Prohibition Statement:
In accordance with section 224 of the Corporations Act, a vote on this Resolution must not be cast (in any capacity) by or on behalf of a related party of the Company to whom the Resolution would permit a financial benefit to be given, or an associate of such a related party (Resolution 5 Excluded Party). However, the above prohibition does not apply if the vote is cast by a person as proxy appointed by writing that specifies how the proxy is to vote on the Resolution and it is not cast on behalf of a Resolution 5 Excluded Party.

In accordance with section 250BD of the Corporations Act, a person appointed as a proxy must not vote, on the basis of that appointment, on this Resolution if:
(a) the proxy is either:
   (i) a member of the Key Management Personnel; or
   (ii) a Closely Related Party of such a member; and
(b) the appointment does not specify the way the proxy is to vote on this Resolution.

Provided the Chair is not a Resolution 5 Excluded Party, the above prohibition does not apply if:
(a) the proxy is the Chair; and
(b) the appointment expressly authorises the Chair to exercise the proxy even though this Resolution is connected directly or indirectly with remuneration of a member of the Key Management Personnel.
6. **RESOLUTION 6 – ISSUE OF OPTIONS TO RELATED PARTY – DR ALLAN TRENCH**

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

“That, for the purposes of section 195(4) and section 208 of the Corporations Act, Listing Rule 10.11 and for all other purposes, approval is given for the Company to issue 2,000,000 Options to Dr Allan Trench (or his nominee) on the terms and conditions set out in the Explanatory Statement.”

**Voting Exclusion Statement:**
The Company will disregard any votes cast in favour of the Resolution by or on behalf of Dr Allan Trench (or his nominee) and any other person who will obtain a material benefit as a result of the issue of the securities (except a benefit solely by reason of being a holder of ordinary securities in the Company) or an associate of that person or those persons. However, this does not apply to a vote cast in favour of the Resolution by:

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

(b) the Chair as proxy or attorney for a person who is entitled to vote on the Resolution, 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, custodial or other fiduciary capacity on behalf of a beneficiary provided the following conditions are met:

(i) the beneficiary provides written confirmation to the holder that the beneficiary is not excluded from voting, and is not an associate of a person excluded from voting, on the Resolution; and

(ii) the holder votes on the Resolution in accordance with directions given by the beneficiary to the holder to vote in that way.

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

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

(a) the proxy is either:

(i) a member of the Key Management Personnel; or

(ii) a Closely Related Party of such a member; and

(b) the appointment does not specify the way the proxy is to vote on this Resolution.

Provided the Chair is not a Resolution 6 Excluded Party, the above prohibition does not apply if:

(a) the proxy is the Chair; and

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

7. **RESOLUTION 7 – ISSUE OF OPTIONS TO RELATED PARTY – MR ROB BILLS**

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

“That, for the purposes of section 195(4) and section 208 of the Corporations Act, Listing Rule 10.11 and for all other purposes, approval is given for the Company to issue 4,500,000 Options to Rob Bills (or his nominee) on the terms and conditions set out in the Explanatory Statement.”
Voting Exclusion Statement:
The Company will disregard any votes cast in favour of the Resolution by or on behalf of Rob Bills (or his nominee) and any other person who will obtain a material benefit as a result of the issue of the securities (except a benefit solely by reason of being a holder of ordinary securities in the Company) or an associate of that person or those persons. However, this does not apply to a vote cast in favour of the Resolution by:
(a) a person as proxy or attorney for a person who is entitled to vote on the Resolution, in accordance with directions given to the proxy or attorney to vote on the Resolution in that way; or
(b) the Chair as proxy or attorney for a person who is entitled to vote on the Resolution, in accordance with a direction given to the Chair to vote on the Resolution as the Chair decides; or
(c) a holder acting solely in a nominee, trustee, custodial or other fiduciary capacity on behalf of a beneficiary provided the following conditions are met:
   (i) the beneficiary provides written confirmation to the holder that the beneficiary is not excluded from voting, and is not an associate of a person excluded from voting, on the Resolution; and
   (ii) the holder votes on the Resolution in accordance with directions given by the beneficiary to the holder to vote in that way.

Voting Prohibition Statement:
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 (Resolution 7 Excluded Party). However, the above prohibition does not apply if the vote is cast by a person as proxy appointed by writing that specifies how the proxy is to vote on the Resolution and it is not cast on behalf of a Resolution 7 Excluded Party.

In accordance with section 250BD of the Corporations Act, a person appointed as a proxy must not vote, on the basis of that appointment, on this Resolution if:
(a) the proxy is either:
   (i) a member of the Key Management Personnel; or
   (ii) a Closely Related Party of such a member; and
(b) the appointment does not specify the way the proxy is to vote on this Resolution.

Provided the Chair is not a Resolution 7 Excluded Party, the above prohibition does not apply if:
(a) the proxy is the Chair; and
(b) the appointment expressly authorises the Chair to exercise the proxy even though this Resolution is connected directly or indirectly with remuneration of a member of the Key Management Personnel.

Dated: 24 July 2020

By order of the Board

Paul Mason
Company Secretary
Emmerson Resources Limited
Voting in person
You will not be able to attend the Meeting in person. Accordingly, you are strongly encouraged to participate in the virtual Meeting by attending as outlined below and by submitting your Proxy Form to record your vote on the Resolutions.

Although you will not be able to attend in person, you will be able to ask questions of the Directors through the processes outlined in this Notice. Shareholders are asked to submit questions as soon as possible, and preferably at least two (2) Business Days prior to commencement of the Meeting.

Voting by proxy
To vote by proxy, please complete and sign the enclosed Proxy Form and return by the time and in accordance with the instructions set out on the Proxy Form.

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

- each Shareholder has a right to appoint a proxy;
- the proxy need not be a Shareholder of the Company; and
- a Shareholder who is entitled to cast two (2) or more votes may appoint two (2) proxies and may specify the proportion or number of votes each proxy is appointed to exercise. If the member appoints two (2) proxies and the appointment does not specify the proportion or number of the member’s votes, then in accordance with section 249X(3) of the Corporations Act, each proxy may exercise one-half of the votes.

Shareholders and their proxies should be aware that:

- if proxy holders vote, they must cast all directed proxies as directed; and
- any directed proxies which are not voted will automatically default to the Chair, who must vote the proxies as directed.

In light of the limitations on indoor gatherings, it is strongly recommended that the chair is appointed as your proxy to ensure the proxy will be in attendance at the Meeting.

Virtual participation in the Meeting
A live webcast of the Meeting will be offered to allow Shareholders to view the Meeting online.

Shareholders will receive a meeting ID and Shareholder ID for the Meeting on their Proxy Form which can be used to log-in to the Meeting on www.advancedshare.com.au/virtual-meeting. Shareholders will be able to use the portal to ask questions prior to and during the Meeting, and to live vote on matters being considered at the Meeting, although Shareholders are encouraged to vote on Resolutions via proxy as described above.

Should you wish to discuss the matters in this Notice of Meeting please do not hesitate to contact the Company Secretary on +61 8 9381 7838.
EXPLANATORY STATEMENT

This Explanatory Statement has been prepared to provide information which the Directors believe to be material to Shareholders in deciding whether or not to pass the Resolutions which are the subject of the business of the Meeting.

1. BACKGROUND TO RESOLUTIONS 1 TO 3

1.1 Capital Raising

As announced on 2 July 2020, the Company is undertaking a capital raising to raise up to $4,525,000 (Capital Raising), comprising:

(a) a placement to sophisticated and professional investors of 35,250,000 Shares with an issue price of $0.10 per Share (Placement Shares), together with one (1) free attaching Option for every one (1) Share subscribed for and issued (being, up to 35,250,000 Options) (Placement Options), to raise up to $3,525,000 (before costs) (Placement); and

(b) a share purchase plan (SPP) offer to eligible shareholders of up to $30,000 worth of Shares at an issue price of $0.10 per Share (SPP Shares), together with one (1) free attaching Option for every one (1) SPP Share subscribed for and issued (SPP Options), to raise up to $1,000,000 (before costs) (SPP Offer).

The funds raised under the Capital Raising will be applied towards accelerating exploration across the Company’s five New South Wales projects. Specifically, to undertake further exploration and drill testing across some of the Company’s new targets at Kadungle, Kiola and Wellington, plus first pass drilling of the historic Sebastopol Goldfield in New South Wales – the subject of a recently announced strategic alliance with Longreach Mineral Exploration.

The Placement Shares and 20,000,000 Placement Options were issued on 13 July 2020 under the Company’s available placement capacity under Listing Rule 7.1. Resolution 1 seeks ratification of the Placement Shares and 20,000,000 Placement Options.

Resolution 2 seeks Shareholder approval to issue the remaining 15,250,000 Placement Options to subscribers under the Placement.

Resolution 3 seeks Shareholder approval for the issue of SPP Options to eligible Shareholders participating in the SPP.

1.2 Lead manager and broker to Capital Raising

Hartleys Limited (ACN 104 195 057) (Hartleys) has been appointed as lead manager and broker to the Capital Raising on the following terms:

(a) Fees: The Company has agreed to pay Hartleys the following fees in respect of its services as lead manager and broker to the Capital Raising:

   (i) a monthly retainer of $5,000 for a period of 12 months; and

   (ii) a capital raising fee of up to 6% (plus GST) of the total amount raised under the Capital Raising (being a fee of up to $271,500). Note this percentage fee payable to Hartleys will be reduced to
2.5% where funds are raised from certain subscribers under the Capital Raising as set out in the mandate.

(b) **Expenses:** Hartleys is entitled to be reimbursed for all out-of-pocket expenses incurred during its engagement in connection with services provided. Hartleys will obtain the Company’s approval in advance for any expense item above $2,000.

(c) **Term:** The mandate will remain in place until 24 June 2021, unless terminated earlier (Term).

(d) **Right of First Refusal:** The Company will offer Hartleys first right to act as lead or joint lead manager in respect of any capital raising undertaken during the Term. The Company will, upon settlement of any capital raising, pay Hartleys a fee of 6% of the gross amount raised pursuant to the capital raising.

The mandate otherwise contains terms and conditions typical for a mandate of its nature, including confidentiality, intellectual property protection and indemnities.

2. **RESOLUTION 1 – RATIFICATION OF PRIOR ISSUE OF PLACEMENT SHARES AND TRANCHE 1 PLACEMENT OPTIONS**

2.1 **General**

As set out in Section 1.1 above, the Company issued 35,250,000 Placement Shares at an issue price of $0.10 per Share and 20,000,000 free attaching Placement Options (Tranche 1 Placement Options) pursuant to the Company’s placement capacity under ASX Listing Rule 7.1 on 13 July 2020.

Resolution 1 seeks Shareholder ratification pursuant to ASX Listing Rule 7.4 for the issue of the Placement Shares and Tranche 1 Placement Options to participants under the Placement (Ratification).

2.2 **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 securities it had on issue at the start of that 12 month period.

The issue of the Placement Shares and Tranche 1 Placement Options does not fit within any of these exceptions and, as it has not yet been approved by Shareholders, it effectively uses up part of the 15% limit in Listing Rule 7.1, reducing the Company’s capacity to issue further equity securities without Shareholder approval under Listing Rule 7.1 for the 12 month period following the date of issue of the Placement Shares and Tranche 1 Placement Options.

2.3 **Listing Rule 7.4**

Listing Rule 7.4 allows the shareholders of a listed company to approve an issue of equity securities after it has been made or agreed to be made. If they do, the issue is taken to have been approved under Listing Rule 7.1 and so does not reduce the company’s capacity to issue further equity securities without shareholder approval under that rule.
The Company wishes to retain as much flexibility as possible to issue additional equity securities in the future without having to obtain Shareholder approval for such issues under Listing Rule 7.1. Accordingly, the Company is seeking Shareholder ratification pursuant to Listing Rule 7.4 for the issue of the Placement Shares and Tranche 1 Placement Options.

2.4 Technical information required by Listing Rule 14.1A

If Resolution 1 is passed, the Placement Shares and Tranche 1 Placement Options will be excluded in calculating the Company’s 15% limit in Listing Rule 7.1 effectively increasing the number of equity securities the Company can issue without Shareholder approval over the 12 month period following the date of issue of the Placement Shares and Tranche 1 Placement Options.

If Resolution 1 is not passed, the Placement Shares and Tranche 1 Placement Options will be included in calculating the Company’s 15% limit in Listing Rule 7.1, effectively decreasing the number of equity securities that the Company can issue without Shareholder approval over the 12 month period following the date of issue of the Placement Shares and Tranche 1 Placement Options.

2.5 Technical 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 Resolution 1:

(a) the Placement Shares and Tranche 1 Placement Options were issued to professional and sophisticated investors who are clients of Hartleys. The recipients were identified through a bookbuild process, which involved Hartleys seeking expressions of interest to participate in the Placement from non-related parties of the Company. None of the recipients are related parties of the Company;

(b) 35,250,000 Placement Shares and 20,000,000 Tranche 1 Placement Options were issued;

(c) the Placement Shares were all fully paid ordinary shares in the capital of the Company issued on the same terms and conditions as the Company’s existing Shares;

(d) the Tranche 1 Placement Options were issued to participants in the Placement on the terms and conditions set out in Schedule 1;

(e) the Placement Shares and Tranche 1 Placement Options were issued on 13 July 2020;

(f) the issue price per Placement Share was $0.10 and the issue price of the Tranche 1 Placement Options was nil as they were issued free attaching with the Placement Shares on a one (1) for one (1) basis. The Company has not and will not receive any other consideration for the issue of the Placement Shares or the Tranche 1 Placement Options (other than in respect of funds received on exercise of the Options);

(g) the purpose of the Placement was to raise $3,525,000 which will generally be applied towards accelerating exploration across the Company’s five NSW projects. Specifically, to undertake further exploration and drill testing across targets at Kadungle, Kiola and Wellington, plus first pass drilling of the historic Sebastopol Goldfield;
the Placement Shares and Tranche 1 Placement Options were not issued under an agreement;

the Placement Shares and Tranche 1 Placement Options are not being issued under, or to fund, a reverse takeover; and

a voting exclusion statement is included in Resolution 1 of this Notice.

3. RESOLUTION 2 – ISSUE OF TRANCHE 2 PLACEMENT OPTIONS

3.1 General

As set out in Section 1.1 above, the Company proposes to issue the remaining Placement Options being, 15,250,000 Placement Options, under the Placement (Tranche 2 Placement Options), subject to Shareholder approval, which is being sought pursuant to this Resolution 2.

3.2 ASX Listing Rule 7.1

As summarised in Section 2.2 above, subject to a number of exceptions, Listing Rule 7.1 limits the amount of equity securities that a listed company can issue without the approval of its shareholders over any 12 month period to 15% of the fully paid ordinary securities it had on issue at the start of that 12 month period.

The proposed issue of the Tranche 2 Placement Options does not fall within any of the exceptions in Listing Rule 7.2 and exceeds the 15% limit in Listing Rule 7.1. It therefore requires the approval of Shareholders under Listing Rule 7.1.

3.3 Technical information required by Listing Rule 14.1A

If Resolution 2 is passed, the Company will be able to proceed with the issue of the Tranche 2 Placement Options. In addition, the issue of the Tranche 2 Placement Options will be excluded from the calculation of the number of equity securities that the Company can issue without Shareholder approval under Listing Rule 7.1.

If Resolution 2 is not passed, the Company will not be able to proceed with the issue of the Tranche 2 Placement Options.

Resolution 2 seeks Shareholder approval for the purposes of Listing Rule 7.1 for the issue of the Tranche 2 Placement Options.

3.4 Technical 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 Resolution 2:

(a) the Tranche 2 Placement Options will be issued to professional and sophisticated investors who are clients of Hartleys. The recipients were identified through a bookbuild process, which involved Hartleys seeking expressions of interest to participate in the Placement from non-related parties of the Company. None of the recipients are related parties of the Company;

(b) the maximum number of Tranche 2 Placement Options to be issued is 15,250,000;
(c) the terms and conditions of the Tranche 2 Placement Options are set out in Schedule 1;

(d) the Tranche 2 Placement Options will be issued 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) and it is intended that issue of the Tranche 2 Placement Options will occur on the same date;

(e) the issue price of the Tranche 2 Placement Options will be nil as the Tranche 2 Placement Options are being issued free attaching to the Placement Shares on a one (1) for (1) basis. The Company will not receive any other consideration for the issue of the Tranche 2 Placement Options (other than in respect of funds received on exercise of the Options);

(f) the purpose of the issue of the Tranche 2 Placement Options is to satisfy the Company’s obligations under the Placement;

(g) the Tranche 2 Placement Options are not being issued under an agreement;

(h) the Tranche 2 Placement Options are not being issued under, or to fund, a reverse takeover; and

(i) a voting exclusion statement is included in Resolution 2 of the Notice.

4. RESOLUTION 3 – ISSUE OF SPP OPTIONS

4.1 General

As set out in Section 1.1 above, the Company intends to issue up to 10,000,000 SPP Shares at an issue price of $0.10 per SPP Share and up to 10,000,000 free-attaching SPP Options to raise up to $1,000,000 (before costs). As Listing Rule 7.2 Exception 5 does not extend to Options issued under a SPP, the issue of the SPP Options is subject to Shareholder approval, which is being sought pursuant to this Resolution 3.

4.2 ASX Listing Rule 7.1

As summarised in Section 2.2 above, subject to a number of exceptions, Listing Rule 7.1 limits the amount of equity securities that a listed company can issue without the approval of its shareholders over any 12 month period to 15% of the fully paid ordinary securities it had on issue at the start of that 12 month period.

The proposed issue of the SPP Options does not fall within any of the exceptions in Listing Rule 7.2 and exceeds the 15% limit in Listing Rule 7.1. It therefore requires the approval of Shareholders under Listing Rule 7.1.

4.3 Technical information required by Listing Rule 14.1A

If Resolution 3 is passed, the Company will be able to proceed with the issue of the SPP Options under the terms of the SPP. In addition, the issue of the SPP Options will be excluded from the calculation of the number of equity securities that the Company can issue without Shareholder approval under Listing Rule 7.1.

If Resolution 3 is not passed, the Company will not be able to proceed with the issue of the SPP Options.
Resolution 3 seeks Shareholder approval for the purposes of Listing Rule 7.1 for the issue of the SPP Options.

4.4 Technical 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 Resolution 3:

(a) the SPP Options will be issued to Shareholders eligible to participate in the SPP Offer, none of whom are related parties of the Company;

(b) the maximum number of SPP Options to be issued is 10,000,000;

(c) the SPP Options will be issued on the terms and conditions set out in Schedule 1;

(d) the SPP Options will be issued 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) and it is intended that issue of the SPP Options will occur on the same date;

(e) the issue price of the SPP Options will be nil as the SPP Options are issued free attaching to SPP Shares on a one (1) for one (1) basis. The Company will not receive any other consideration for the issue of the SPP Options (other than in respect of funds received on exercise of the Options);

(f) the purpose of the issue of the SPP Options is to satisfy the Company’s obligations under the SPP under which the Company is seeking to raise $1,000,000 (before costs);

(g) the SPP Options are not being issued under an agreement;

(h) the SPP Options are not being issued under, or to fund, a reverse takeover; and

(i) a voting exclusion statement is included in Resolution 3 of the Notice.

5. RESOLUTION 4 – ISSUE OF SHARES TO NT BULLION

5.1 General

As announced on 28 April 2020 and 12 June 2020, the Company has entered into a strategic alliance with NT Bullion Pty Ltd (ACN 635 247 988) (NT Bullion) for the Company’s Northern Project Area at Tennant Creek. In connection with the strategic alliance, the Company and NT Bullion entered into a subscription agreement dated 28 April 2020 (as varied on 9 June 2020) pursuant to which the Company agreed to issue, and NT Bullion agreed to subscribe for, $2,000,000 worth of Shares in the Company at an issue price of $0.154 per Share, being 12,987,013 Shares (NT Bullion Shares) (Subscription Agreement).

The issue of the NT Bullion Shares is subject to Shareholder approval, which is being sought pursuant to this Resolution 4.

5.2 Summary of Subscription Agreement

The material terms and conditions of the Subscription Agreement are summarised below.
(a) \textbf{(Conditions Precedent):} Completion was subject to and conditional on the satisfaction or waiver of the following conditions precedent:

(i) NT Bullion paying to the Company a deposit of $200,000 by 23 April 2020;

(ii) the delivery of a duly executed exploration earn-in and joint venture agreement to the Company;

(iii) the delivery of a duly executed Northern Mines joint venture agreement; and

(iv) the Company obtaining any third party approvals required by the Company to complete its obligations under the Subscription Agreement,

(together, the \textbf{Conditions Precedent}).

The Conditions Precedent under the Subscription Agreement have been satisfied.

(b) \textbf{(Subscription and Issue):} The Company has agreed to issue, subject to Shareholder approval, and NT Bullion agreed to subscribe for Shares at an price of $0.154 per Share, to raise up to $2,000,000 \textbf{(Subscription Amount)}.

(c) \textbf{(Voluntary Escrow):} The Company and NT Bullion agree that the NT Bullion Shares shall be subject to a voluntary escrow period of 12 months from the date of issue and NT Bullion consents to the Company placing a holding lock on the NT Bullion Shares.

The Subscription Agreement otherwise contained provisions considered standard for agreements of this nature (including representations and warranties).

5.3 \textbf{ASX Listing Rule 7.1}

As summarised in Section 2.2 above, subject to a number of exceptions, Listing Rule 7.1 limits the amount of equity securities that a listed company can issue without the approval of its shareholders over any 12 month period to 15% of the fully paid ordinary securities it had on issue at the start of that 12 month period.

The proposed issue of the NT Bullion Shares does not fall within any of the exceptions in Listing Rule 7.2 and exceeds the 15% limit in Listing Rule 7.1. It therefore requires the approval of Shareholders under Listing Rule 7.1.

5.4 \textbf{Technical information required by Listing Rule 14.1A}

If Resolution 4 is passed, the Company will be able to proceed with the issue of the NT Bullion Shares. In addition, the issue of the NT Bullion Shares will be excluded from the calculation of the number of equity securities that the Company can issue without Shareholder approval under Listing Rule 7.1.

If Resolution 4 is not passed, the Company will not be able to proceed with the issue of the NT Bullion Shares.

Resolution 4 seeks Shareholder approval for the purposes of Listing Rule 7.1 for the issue of the NT Bullion Shares.
5.5 Technical 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 Resolution 4:

(a) the NT Bullion Shares will be issued to NT Bullion, who is not a related party of the Company;

(b) the maximum number of NT Bullion Shares to be issued is 12,987,013 Shares. The NT Bullion Shares issued will be fully paid ordinary shares in the capital of the Company issued on the same terms and conditions as the Company’s existing Shares;

(c) the NT Bullion Shares will be issued 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) and it is intended that issue of the NT Bullion Shares will occur on the same date;

(d) the issue price of the NT Bullion Shares will be $0.154 per NT Bullion Share. The Company will not receive any other consideration for the issue of the NT Bullion Shares;

(e) the purpose of the issue of the NT Bullion Shares is to satisfy the Company’s obligations under the Subscription Agreement and to raise capital, which the Company intends to apply towards exploration on the Company’s projects at Tennant Creek and in New South Wales and generation of new projects;

(f) the NT Bullion Shares are being issued to NT Bullion under the Subscription Agreement. A summary of the material terms of the Subscription Agreement is set out in Section 5.2;

(g) the NT Bullion Shares are not being issued under, or to fund, a reverse takeover; and

(h) a voting exclusion statement is included in Resolution 4 of the Notice.

6. RESOLUTIONS 5 TO 7 – ISSUE OF OPTIONS TO RELATED PARTIES

6.1 General

The Company has agreed, in part to recognise the voluntary reduction in fees and salaries and to align remuneration with the Company’s performance, and subject to obtaining Shareholder approval, to issue an aggregate of 8,500,000 Options (Related Party Options) to Mr Andrew McIlwain, Dr Alan Trench and Mr Rob Bills (or their nominees) (together, the Related Parties) on the terms and conditions set out below.

Resolutions 5 to 7 seek Shareholder approval for the issue of the Related Party Options to the Related Parties.

6.2 Chapter 2E of the Corporations Act

For a public company, or an entity that the public company controls, to give a financial benefit to a related party of the public company, the public company or entity must:
(a) obtain the approval of the public company’s members in the manner set out in sections 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 issue of Related Party Options to the Related Parties constitutes giving a financial benefit and each of the Related Parties is a related party of the Company by virtue of being a Director.

As the Related Party Options are proposed to be issued to all of the Directors, the Directors are unable to form a quorum to consider whether one of the exceptions set out in sections 210 to 216 of the Corporations Act applies to the issue of the Related Party Options. Accordingly, Shareholder approval for the issue of Related Party Options to the Related Parties is sought in accordance with Chapter 2E of the Corporations Act.

6.3 **Listing Rule 10.11**

Listing Rule 10.11 provides that unless one of the exceptions in Listing Rule 10.12 applies, a listed company must not issue or agree to issue equity securities to:

10.11.1 a related party;

10.11.2 a person who is, or was at any time in the 6 months before the issue or agreement, a substantial (30%+) holder in the company;

10.11.3 a person who is, or was at any time in the 6 months before the issue or agreement, a substantial (10%+) holder in the company and who has nominated a director to the board of the company pursuant to a relevant agreement which gives them a right or expectation to do so;

10.11.4 an associate of a person referred to in Listing Rules 10.11.1 to 10.11.3; or

10.11.5 a person whose relationship with the company or a person referred to in Listing Rules 10.11.1 to 10.11.4 is such that, in ASX’s opinion, the issue or agreement should be approved by its shareholders,

unless it obtains the approval of its shareholders.

The issue of Related Party Options falls within Listing Rule 10.11.1 and does not fall within any of the exceptions in Listing Rule 10.12. It therefore requires the approval of Shareholders under Listing Rule 10.11.

Resolutions 5 to 7 seek the required Shareholder approval for the issue of the Related Party Options under and for the purposes of Chapter 2E of the Corporations Act and Listing Rule 10.11.

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

If Resolutions 5 to 7 are passed, the Company will be able to proceed with the issue of the Related Party Options to the Related Parties within one month after the date of the Meeting (or such later date as permitted by any ASX waiver or modification of the Listing Rules). As approval pursuant to Listing Rule 7.1 is not required for the issue of the Related Party Options (because approval is being
obtained under Listing Rule 10.11), the issue of the Related Party Options will not use up any of the Company’s 15% annual placement capacity.

If Resolution 5 to 7 are not passed, the Company will not be able to proceed with the issue of the Related Party Options.

6.5 Technical Information required by Listing Rule 10.13 and section 219 of the Corporations Act

Pursuant to and in accordance with Listing Rule 10.13 and section 219 of the Corporations Act, the following information is provided in relation to Resolutions 5 to 7:

(a) the Related Party Options will be issued to the following persons:
   (i) Mr Andrew McIlwain (or his nominee) pursuant to Resolution 5;
   (ii) Dr Allan Trench (or their nominee) pursuant to Resolution 6; and
   (iii) Mr Rob Bills (or their nominee) pursuant to Resolution 7,
   each of whom falls within the category set out in Listing Rule 10.11.1 by virtue of being a Director;

(b) the maximum number of Related Party Options to be issued to the Related Parties (being the nature of the financial benefit proposed to be given) is 8,500,000 comprising:
   (i) 2,000,000 Related Party Options to Mr Andrew McIlwain (or his nominee) pursuant to Resolution 5;
   (ii) 2,000,000 Related Party Options to Dr Allan Trench (or his nominee) pursuant to Resolution 6; and
   (iii) 4,500,000 Related Party Options to Mr Rob Bills (or his nominee) pursuant to Resolution 7;

(c) the terms and conditions of the Related Party Options are set out in Schedule 2;

(d) the Related Party Options will be issued no later than 1 month after the date of the Meeting (or such later date to the extent permitted by any ASX waiver or modification of the Listing Rules) and it is intended that issue of the Related Party Options will occur on the same date;

(e) the issue price of the Related Party Options will be nil. The Company will not receive any other consideration in respect of the issue of the Related Party Options (other than in respect of funds received on exercise of the Related Party Options);

(f) the purpose of the issue of the Related Party Options is in part to recognise the voluntary reduction in fees and salaries as announced to ASX on 7 April 2020 and to provide a performance linked incentive component in the remuneration package for the Related Parties to align the interests of the Related Parties with those of Shareholders, to motivate and reward the performance of the Related Parties in their roles as Directors and to provide a cost effective way from the Company to remunerate the Related Parties, which will allow the Company to spend a greater
proportion of its cash reserves on its operations than it would if alternative cash forms of remuneration were given to the Related Parties;

(g) the Related Party Options are unquoted Options. The Company has agreed to issue the Related Party Options to the Related Parties subject to Shareholder approval for the following reasons:

(i) the Related Party Options are unquoted; therefore, the issue of the Related Party Options has no immediate dilutionary impact on Shareholders;

(ii) the deferred taxation benefit which is available to the Related Parties in respect of an issue of Options is also beneficial to the Company as it means the Related Parties are not required to immediately sell the Related Party Options to fund a tax liability (as would be the case in an issue of Shares where the tax liability arises upon issue of the Shares) and will instead, continue to hold an interest in the Company; and

(iii) it is not considered that there are any significant opportunity costs to the Company or benefits foregone by the Company in issuing the Related Party Options on the terms proposed;

(h) the number of Related Party Options to be issued to each of the Related Parties has been determined based upon a consideration of:

(i) current market standards and/or practices of other ASX listed companies of a similar size and stage of development to the Company;

(ii) the remuneration of the Related Parties; and

(iii) incentives to attract and ensure continuity of service of the Related Parties who have appropriate knowledge and expertise, while maintaining the Company's cash reserves.

The Company does not consider that there are any significant opportunity costs to the Company or benefits foregone by the Company in issuing the Related Party Options upon the terms proposed;

(i) the total remuneration package for each of the Related Parties for the previous financial year and the proposed total remuneration package for the current financial year are set out below:

<table>
<thead>
<tr>
<th>Related Party</th>
<th>Current Financial Year</th>
<th>Previous Financial Year</th>
</tr>
</thead>
<tbody>
<tr>
<td>Mr Andrew McIlwain</td>
<td>145,312^1</td>
<td>$64,673</td>
</tr>
<tr>
<td>Dr Allan Trench</td>
<td>106,878^2</td>
<td>$31,043</td>
</tr>
<tr>
<td>Mr Rob Bills</td>
<td>553,950^3</td>
<td>$338,553</td>
</tr>
</tbody>
</table>

Notes:

1. Comprising Directors’ fees of $73,912 and share-based payments of $71,400 (being the value of the Related Party Options). Fees for the previous financial year were reduced for the period from April 2020 to June 2020 as announced to ASX on 7 April 2020.
2. Comprising Directors’ fees of $35,478 and share-based payments of $71,400 (being, the value of the Related Party Options). Fees for the previous financial year were reduced for the period from April 2020 to June 2020 as announced to ASX 7 April 2020.

3. Comprising Directors’ salary of $368,300, a superannuation payment of $25,000 and share-based payments of $160,650 (being the value of the Related Party Options). Salary for the previous financial year was reduced for the period from April 2020 to June 2020 as announced to ASX 7 April 2020.

(j) the value of the Related Party Options and the pricing methodology is set out in Schedule 3;

(k) the Related Party Options are not being issued under an agreement;

(l) the relevant interests of the Related Parties in securities of the Company as at the date of this Notice are set out below:

<table>
<thead>
<tr>
<th>Related Party</th>
<th>Shares1</th>
<th>Options</th>
</tr>
</thead>
<tbody>
<tr>
<td>Mr Andrew McIlwain</td>
<td>4,519,927</td>
<td>Nil</td>
</tr>
<tr>
<td>Dr Allan Trench</td>
<td>36,000</td>
<td>Nil</td>
</tr>
<tr>
<td>Mr Rob Bills</td>
<td>7,746,225</td>
<td>Nil</td>
</tr>
</tbody>
</table>

Notes:
1. Fully paid ordinary shares in the capital of the Company (ASX: ERM).

(m) if the Related Party Options issued to the Related Parties are exercised, a total of 8,500,000 Shares would be issued. This will increase the number of Shares on issue from 460,603,874 (being the total number of Shares on issue as at the date of this Notice) to 469,103,874 (assuming that no Shares are issued and no convertible securities vest or are exercised) with the effect that the shareholding of existing Shareholders would be diluted by an aggregate of 1.81%, comprising 0.4% by Mr Andrew McIlwain, 0.4% by Dr Allan Trench and 0.95% by Mr Rob Bills;

The market price for Shares during the term of the Related Party Options would normally determine whether the Related Party Options are exercised. If, at any time any of the Related Party Options are exercised and the Shares are trading on ASX at a price that is higher than the exercise price of the Related Party Options, there may be a perceived cost to the Company.

(n) the trading history of the Shares on ASX in the 12 months before the date of this Notice is set out below:

<table>
<thead>
<tr>
<th></th>
<th>Price</th>
<th>Date</th>
</tr>
</thead>
<tbody>
<tr>
<td>Highest</td>
<td>$0.155</td>
<td>4 September 2020</td>
</tr>
<tr>
<td>Lowest</td>
<td>$0.06</td>
<td>13 March 2020</td>
</tr>
<tr>
<td>Last</td>
<td>$0.10</td>
<td>21 July 2020</td>
</tr>
</tbody>
</table>

(o) each Director has a material personal interest in the outcome of Resolutions 5 to 7 on the basis that all of the Directors (or their nominees) are to be issued Related Party Options should Resolutions 5 to 7 be
passed. For this reason, the Directors do not believe that it is appropriate to make a recommendation on Resolutions 5 to 7 of this Notice;

(p) the Board is not aware of any other information that is reasonably required by Shareholders to allow them to decide whether it is in the best interests of the Company to pass Resolutions 5 to 7; and

(q) a voting exclusion statement is included in Resolutions 5 to 7 of the Notice.
GLOSSARY

$ means Australian dollars.

ASIC means the Australian Securities and Investments Commission.

ASX means ASX Limited (ACN 008 624 691) or the financial market operated by ASX Limited, as the context requires.

ASX Listing Rules or Listing Rules means the Listing Rules of ASX.

Board means the current board of directors of the Company.

Chair means the chair of the Meeting.

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

(a) a spouse or child of the member;
(b) a child of the member’s spouse;
(c) a dependent of the member or the member’s spouse;
(d) anyone else who is one of the member’s family and may be expected to influence the member, or be influenced by the member, in the member’s dealing with the entity;
(e) a company the member controls; or
(f) a person prescribed by the Corporations Regulations 2001 (Cth) for the purposes of the definition of ‘closely related party’ in the Corporations Act.

Company means Emmerson Resources Limited (ACN 117 086 745).

Constitution means the Company’s constitution.

Corporations Act means the Corporations Act 2001 (Cth).

Directors means the current directors of the Company.

Explanatory Statement means the explanatory statement accompanying the Notice.

Hartleys means Hartleys Limited (ACN 104 195 057) (AFSL 230052).

Key Management Personnel 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.

Meeting means the meeting convened by the Notice.

Notice or Notice of Meeting means this notice of meeting including the Explanatory Statement and the Proxy Form.

NT Bullion means NT Bullion Pty Ltd (ACN 635 247 988).
**Option** means an option to acquire a Share.

**Optionholder** means a holder of an Option.

**Placement** has the meaning in Section 1.1.

**Placement Options** has the meaning in Section 1.1.

**Placement Shares** has the meaning in Section 1.1.

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

**Resolutions** means the resolutions set out in the Notice, or any one of them, as the context requires.

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

**Shareholder** means a holder of a Share.

**SPP** means a share purchase plan.

**SPP Shares** has the meaning in Section 1.

**SPP Options** has the meaning in Section 1.

**WST** means Western Standard Time as observed in Perth, Western Australia.
SCHEDULE 1 – TERMS AND CONDITIONS OF OPTIONS

(a) Entitlement
Each Option entitles the holder to subscribe for one Share upon exercise of the Option.

(b) Exercise Price
Subject to paragraph (i), the amount payable upon exercise of each Option will be $0.16 (Exercise Price).

(c) Expiry Date
Each Option expires at 5:00 pm (WST) on 9 July 2023 (Expiry Date). An Option not exercised before the Expiry Date will automatically lapse on the Expiry Date.

(d) Exercise Period
The Options are exercisable at any time on or prior to the Expiry Date (Exercise Period).

(e) Notice of Exercise
The Options may be exercised during the Exercise Period by notice in writing to the Company in the manner specified on the Option certificate (Notice of Exercise) and payment of the Exercise Price for each Option being exercised in Australian currency by electronic funds transfer or other means of payment acceptable to the Company.

(f) Exercise Date
A Notice of Exercise is only effective on and from the later of the date of receipt of the Notice of Exercise and the date of receipt of the payment of the Exercise Price for each Option being exercised in cleared funds (Exercise Date).

(g) Timing of issue of Shares on exercise
Within 15 Business Days after the Exercise Date, the Company will:

(i) issue the number of Shares required under these terms and conditions in respect of the number of Options specified in the Notice of Exercise and for which cleared funds have been received by the Company;

(ii) if required, give ASX a notice that complies with section 708A(5)(e) of the Corporations Act, or, if the Company is unable to issue such a notice, lodge with ASIC a prospectus prepared in accordance with the Corporations Act and do all such things necessary to satisfy section 708A(11) of the Corporations Act to ensure that an offer for sale of the Shares does not require disclosure to investors; and

(iii) if admitted to the official list of ASX at the time, apply for official quotation on ASX of Shares issued pursuant to the exercise of the Options.

If a notice delivered under (g)(ii) for any reason is not effective to ensure that an offer for sale of the Shares does not require disclosure to investors, the Company must, no later than 20 Business Days after becoming aware of such notice being ineffective, lodge with ASIC a prospectus prepared in accordance with the Corporations Act and do all such things necessary to satisfy section 708A(11) of the Corporations Act to ensure that an offer for sale of the Shares does not require disclosure to investors.
(h) **Shares issued on exercise**

Shares issued on exercise of the Options rank equally with the then issued shares of the Company.

(i) **Reconstruction of capital**

If at any time the issued capital of the Company is reconstructed, all rights of an Optionholder are to be changed in a manner consistent with the Corporations Act and the ASX Listing Rules at the time of the reconstruction.

(j) **Participation in new issues**

There are no participation rights or entitlements inherent in the Options and holders will not be entitled to participate in new issues of capital offered to Shareholders during the currency of the Options without exercising the Options.

(k) **Change in exercise price**

An Option does not confer the right to a change in Exercise Price or a change in the number of underlying securities over which the Option can be exercised.

(l) **Transferability**

The Options are transferable subject to any restriction or escrow arrangements imposed by ASX or under applicable Australian securities laws.
SCHEDULE 2 – TERMS AND CONDITIONS OF RELATED PARTY OPTIONS

(m) **Entitlement**

Each Option entitles the holder to subscribe for one Share upon exercise of the Option.

(n) **Exercise Price**

Subject to paragraph (u), the amount payable upon exercise of each Option will be $0.14 (Exercise Price).

(o) **Expiry Date**

Each Option will expire at 5:00 pm (WST) on 31 December 2023 (Expiry Date). An Option not exercised before the Expiry Date will automatically lapse on the Expiry Date.

(p) **Exercise Period**

The Options are exercisable at any time on or prior to the Expiry Date (Exercise Period).

(q) **Notice of Exercise**

The Options may be exercised during the Exercise Period by notice in writing to the Company in the manner specified on the Option certificate (Notice of Exercise) and payment of the Exercise Price for each Option being exercised in Australian currency by electronic funds transfer or other means of payment acceptable to the Company.

(r) **Exercise Date**

A Notice of Exercise is only effective on and from the later of the date of receipt of the Notice of Exercise and the date of receipt of the payment of the Exercise Price for each Option being exercised in cleared funds (Exercise Date).

(s) **Timing of issue of Shares on exercise**

Within five Business Days after the Exercise Date, the Company will:

(i) issue the number of Shares required under these terms and conditions in respect of the number of Options specified in the Notice of Exercise and for which cleared funds have been received by the Company;

(ii) if required, give ASX a notice that complies with section 708A(5)(e) of the Corporations Act, or, if the Company is unable to issue such a notice, lodge with ASIC a prospectus prepared in accordance with the Corporations Act and do all such things necessary to satisfy section 708A(11) of the Corporations Act to ensure that an offer for sale of the Shares does not require disclosure to investors; and

(iii) if admitted to the official list of ASX at the time, apply for official quotation on ASX of Shares issued pursuant to the exercise of the Options.
If a notice delivered under (s)(ii) for any reason is not effective to ensure that an offer for sale of the Shares does not require disclosure to investors, the Company must, no later than 20 Business Days after becoming aware of such notice being ineffective, lodge with ASIC a prospectus prepared in accordance with the Corporations Act and do all such things necessary to satisfy section 708A(11) of the Corporations Act to ensure that an offer for sale of the Shares does not require disclosure to investors.

(t) **Shares issued on exercise**

Shares issued on exercise of the Options rank equally with the then issued shares of the Company.

(u) **Reconstruction of capital**

If at any time the issued capital of the Company is reconstructed, all rights of an Optionholder are to be changed in a manner consistent with the Corporations Act and the ASX Listing Rules at the time of the reconstruction.

(v) **Participation in new issues**

There are no participation rights or entitlements inherent in the Options and holders will not be entitled to participate in new issues of capital offered to Shareholders during the currency of the Options without exercising the Options.

(w) **Change in exercise price**

An Option does not confer the right to a change in Exercise Price or a change in the number of underlying securities over which the Option can be exercised.

(x) **Transferability**

The Options are transferable subject to any restriction or escrow arrangements imposed by ASX or under applicable Australian securities laws.
**SCHEDULE 3 – VALUATION OF RELATED PARTY OPTIONS**

The Related Party Options to be issued to the Related Parties pursuant to Resolutions 5 to 7 have been valued by internal management.

Using the Black & Scholes option model and based on the assumptions set out below, the Related Party Options were ascribed the following value:

<table>
<thead>
<tr>
<th>Assumptions:</th>
<th></th>
</tr>
</thead>
<tbody>
<tr>
<td>Valuation date</td>
<td>6 July 2020</td>
</tr>
<tr>
<td>Market price of Shares</td>
<td>10.5 cents</td>
</tr>
<tr>
<td>Exercise price</td>
<td>14 cents</td>
</tr>
<tr>
<td>Expiry date (length of time from issue)</td>
<td>3.5 years</td>
</tr>
<tr>
<td>Risk free interest rate</td>
<td>0.21%</td>
</tr>
<tr>
<td>Volatility (discount)</td>
<td>59%</td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>Indicative value per Related Party Option</th>
<th>3.57 cents</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Total Value of Related Party Options</strong></td>
<td>$303,450</td>
</tr>
<tr>
<td>- Andrew McIlwain (Resolution 5)</td>
<td>$71,400</td>
</tr>
<tr>
<td>- Allan Trench (Resolution 6)</td>
<td>$71,400</td>
</tr>
<tr>
<td>- Rob Bills (Resolution 7)</td>
<td>$160,650</td>
</tr>
</tbody>
</table>

**Note**: The valuation noted above is not necessarily the market price that the Related Party Options could be traded at and is not automatically the market price for taxation purposes.