

Musgrave Minerals Limited

ABN 12 143 890 671

NOTICE OF ANNUAL GENERAL MEETING
EXPLANATORY MEMORANDUM
PROXY FORM

Date of Meeting

18 November 2021

Time of Meeting

10.00am (WST)

Place of Meeting

The Kings Park Room
Level 1, Quest West Perth
54 Kings Park Road
West Perth, Western Australia, 6005

YOUR ANNUAL REPORT IS AVAILABLE ONLINE, SIMPLY VISIT:

<http://www.musgraveminerals.com.au>

Please read this Notice of General Meeting and Explanatory Memorandum carefully and in its entirety. If Shareholders are in doubt as to how to vote, they should seek advice from their suitably qualified advisor prior to voting.

Due to the ongoing COVID-19 Pandemic, the Company is taking precautions to facilitate an in-person Meeting in accordance with COVID-19 restrictions. If the situation in relation to COVID-19 changes in a way affecting the ability to facilitate an in-person Meeting as currently proposed, the Company will provide a further update ahead of the Meeting by way of an announcement on the ASX market announcements platform.

Shareholders are encouraged to vote by lodging the proxy form attached to the Notice.

NOTICE IS HEREBY GIVEN that the Annual General Meeting of Shareholders of Musgrave Minerals Limited will be held at The Kings Park Room, 18 November 2021 at 10.00am (WST), for the purpose of transacting the business referred to in this Notice of Annual General Meeting (“Notice”).

The Explanatory Memorandum to this Notice of Meeting provides additional information on matters to be considered at the Meeting. The Explanatory Memorandum and Proxy Form form part of this Notice of Meeting. Terms and abbreviations used in this Notice and Explanatory Memorandum are defined in Schedule 1 of the Explanatory Memorandum.

Shareholders are urged to vote by attending the Meeting in person or by returning a completed Proxy Form. Instructions on how to complete a Proxy Form are set out in the Explanatory Memorandum.

Proxy Forms must be received by no later than 10.00am (WST) on 16 November 2021.

AGENDA

ANNUAL REPORT

To receive and consider the financial statements of the Company and the reports of the Directors and Auditors for the financial year ended 30 June 2021.

RESOLUTION 1 – ELECTION OF DIRECTOR – MR BRETT LAMBERT

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

"That, for the purposes of clause 9.2 of the Constitution and for all other purposes, Mr Brett Lambert be elected as a Director of the Company."

RESOLUTION 2 – RE-ELECTION OF DIRECTOR – MR JOHN PERCIVAL

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

"That, Mr John Percival, being a Director of the Company who retires in accordance with clause 6.1 of the Company's Constitution, be re-elected as a Director of the Company."

RESOLUTION 3 – REMUNERATION REPORT (NON-BINDING)

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

"That for the purposes of section 250R(2) of the Corporations Act and for all other purposes, Shareholders adopt the Remuneration Report set out in the Directors' Report for the year ended 30 June 2021."

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

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

However, a person (the voter) described above may cast a vote on this Resolution as a proxy if the vote is not cast on behalf of a person described above and either:

- (a) the voter is appointed as a proxy by writing that specifies the way the proxy is to vote on this Resolution; or
- (b) the voter is the Chair and the appointment of the Chair as proxy:
 - (i) does not specify the way the proxy is to vote on this Resolution; and
 - (ii) expressly authorises the Chair to exercise the proxy even though this Resolution is connected directly or indirectly with the remuneration of a member of the Key Management Personnel.

RESOLUTION 4 – APPROVAL OF 10% PLACEMENT FACILITY

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

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

RESOLUTION 5 – APPROVAL OF PROPORTIONAL TAKEOVER PROVISIONS

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

"That, the existing proportional takeover provisions set out in rule 162 of the Constitution of the Company (as last approved by shareholders) be renewed for a further period of three (3) years, with effect from the date of the Meeting, in accordance with section 648G of the Corporations Act."

RESOLUTION 6 – APPROVAL OF ISSUE OF OPTIONS TO DIRECTOR – MR ROBERT WAUGH

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

"That for the purposes of ASX Listing Rule 10.11, section 208 of the Corporations Act and for all other purposes, approval is given for the Directors to issue to Mr Robert Waugh or his nominee, up to 1,500,000 Director Options on the terms and conditions set out in the Explanatory Memorandum."

Voting Exclusion: The Company will disregard any votes cast on this Resolution by Mr Waugh (and 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), or any associates of 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 of the Meeting as proxy or attorney for a person who is entitled to vote on the Resolution, in accordance with a direction given to the Chair to vote on the Resolution as the Chair decides; or
- (c) a holder acting solely in a nominee, trustee, custodial or other fiduciary capacity on behalf of a beneficiary provided the following conditions are met:
 - (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.

Restriction on proxy voting by Restricted Voters: 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 a Director of the Company; 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.

However, the above prohibition does not apply if:

- (c) the proxy is the Chair of the Meeting; and
- (d) the appointment expressly authorises the Chair to exercise the proxy even if this Resolution is connected directly or indirectly with the remuneration of a member of the Key Management Personnel for the Company.

Where the Chair is the related party the subject of the Resolution or is an associate of the related party, the Chair cannot cast undirected proxies in respect of the Resolution.

RESOLUTION 7 – APPROVAL OF ISSUE OF OPTIONS TO DIRECTOR – MR GRAHAM ASCOUGH

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

“That for the purposes of ASX Listing Rule 10.11, section 208 of the Corporations Act and for all other purposes, approval is given for the Directors to issue to Mr Graham Ascough or his nominee, up to 750,000 Director Options on the terms and conditions set out in the Explanatory Memorandum.”

Voting Exclusion: The Company will disregard any votes cast on this Resolution by Mr Ascough (and 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), or any associates of 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 of the Meeting as proxy or attorney for a person who is entitled to vote on the Resolution, in accordance with a direction given to the Chair to vote on the Resolution as the Chair decides; or
- (c) a holder acting solely in a nominee, trustee, custodial or other fiduciary capacity on behalf of a beneficiary provided the following conditions are met:
 - (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.

Restriction on proxy voting by Restricted Voters: 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 a Director of the Company; 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.

However, the above prohibition does not apply if:

- (c) the proxy is the Chair of the Meeting; and
- (d) the appointment expressly authorises the Chair to exercise the proxy even if this Resolution is connected directly or indirectly with the remuneration of a member of the Key Management Personnel for the Company.

Where the Chair is the related party the subject of the Resolution or is an associate of the related party, the Chair cannot cast undirected proxies in respect of the Resolution.

RESOLUTION 8 – APPROVAL OF ISSUE OF OPTIONS TO DIRECTOR – MRS KELLY ROSS

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

“That for the purposes of ASX Listing Rule 10.11, section 208 of the Corporations Act and for all other purposes, approval is given for the Directors to issue to Mrs Kelly Ross or her nominee, up to 500,000 Director Options on the terms and conditions set out in the Explanatory Memorandum.”

Voting Exclusion: The Company will disregard any votes cast on this Resolution by Mrs Kelly Ross (and her 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), or any associates of 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 of the Meeting as proxy or attorney for a person who is entitled to vote on the Resolution, in accordance with a direction given to the Chair to vote on the Resolution as the Chair decides; or
- (c) a holder acting solely in a nominee, trustee, custodial or other fiduciary capacity on behalf of a beneficiary provided the following conditions are met:
 - (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.

Restriction on proxy voting by Restricted Voters: 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 a Director of the Company; 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.

However, the above prohibition does not apply if:

- (c) the proxy is the Chair of the Meeting; and
- (d) the appointment expressly authorises the Chair to exercise the proxy even if this Resolution is connected directly or indirectly with the remuneration of a member of the Key Management Personnel for the Company.

Where the Chair is the related party the subject of the Resolution or is an associate of the related party, the Chair cannot cast undirected proxies in respect of the Resolution.

RESOLUTION 9 – APPROVAL OF ISSUE OF OPTIONS TO DIRECTOR – MR JOHN PERCIVAL

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

“That for the purposes of ASX Listing Rule 10.11, section 208 of the Corporations Act and for all other purposes, approval is given for the Directors to issue to Mr John Percival or his nominee, up to 500,000 Director Options on the terms and conditions set out in the Explanatory Memorandum.”

Voting Exclusion: The Company will disregard any votes cast on this Resolution by Mr Percival (and 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), or any associates of 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 of the Meeting as proxy or attorney for a person who is entitled to vote on the Resolution, in accordance with a direction given to the Chair to vote on the Resolution as the Chair decides; or
- (c) a holder acting solely in a nominee, trustee, custodial or other fiduciary capacity on behalf of a beneficiary provided the following conditions are met:
 - (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.

Restriction on proxy voting by Restricted Voters: 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 a Director of the Company; 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.

However, the above prohibition does not apply if:

- (c) the proxy is the Chair of the Meeting; and
- (d) the appointment expressly authorises the Chair to exercise the proxy even if this Resolution is connected directly or indirectly with the remuneration of a member of the Key Management Personnel for the Company.

Where the Chair is the related party the subject of the Resolution or is an associate of the related party, the Chair cannot cast undirected proxies in respect of the Resolution.

RESOLUTION 10 – APPROVAL OF ISSUE OF OPTIONS TO DIRECTOR – MR BRETT LAMBERT

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

“That for the purposes of ASX Listing Rule 10.11, section 208 of the Corporations Act and for all other purposes, approval is given for the Directors to issue to Mr Brett Lambert or his nominee, up to 500,000 Director Options on the terms and conditions set out in the Explanatory Memorandum.”

Voting Exclusion: The Company will disregard any votes cast on this Resolution by Mr Lambert (and 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), or any associates of 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 of the Meeting as proxy or attorney for a person who is entitled to vote on the Resolution, in accordance with a direction given to the Chair to vote on the Resolution as the Chair decides; or
- (c) a holder acting solely in a nominee, trustee, custodial or other fiduciary capacity on behalf of a beneficiary provided the following conditions are met:
 - (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.

Restriction on proxy voting by Restricted Voters: 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 a Director of the Company; 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.

However, the above prohibition does not apply if:

- (c) the proxy is the Chair of the Meeting; and
- (d) the appointment expressly authorises the Chair to exercise the proxy even if this Resolution is connected directly or indirectly with the remuneration of a member of the Key Management Personnel for the Company.

Where the Chair is the related party the subject of the Resolution or is an associate of the related party, the Chair cannot cast undirected proxies in respect of the Resolution.

Other Business

To transact any other business which may be properly brought before the meeting in accordance with the Company's Constitution and the Corporations Act.

By Order of the Board.



PATRICIA FARR
Company Secretary
22 September 2021

EXPLANATORY MEMORANDUM

1. INTRODUCTION

This 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 Level 1, Quest West Perth, 54 Kings Park Road, West Perth, Western Australia on 18 November 2021 at 10.00am (WST). The purpose of this Explanatory Memorandum is to provide information to Shareholders in deciding how to vote on the Resolutions set out in the Notice.

This Explanatory Memorandum should be read in conjunction with and forms part of the accompanying Notice, and includes the following:

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

Please contact the Company Secretary on +61 8 9324 1061 if you wish to discuss any matter concerning the meeting.

2. ACTION TO BE TAKEN BY SHAREHOLDERS

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

2.1 Voting in person

A shareholder that is an individual may attend and vote in person at the meeting. If you wish to attend the meeting, please bring the enclosed proxy form to the meeting to assist in registering your attendance and number of votes. Please arrive 20 minutes prior to the start of the meeting to facilitate this registration process.

2.2 Voting by proxy

If you do not wish to attend the meeting, you may appoint a proxy to attend and vote on your behalf. A body corporate may also appoint a proxy. A proxy need not be a shareholder. If a representative of a corporate proxy is to attend the meeting, you must ensure that the appointment of the representative is in accordance with section 250D of the Corporations Act. The corporate representative should bring to the meeting evidence of his or her appointment, including any authority under which the appointment is signed. A form of the certificate may be obtained from the Company's share registry.

You are entitled to appoint up to 2 proxies to attend the meeting and vote on your behalf and may specify the proportion or number of votes that each proxy is entitled to exercise. If you do not specify the proportion or number of votes that each proxy is entitled to exercise, each proxy may exercise half of the votes. If you wish to appoint a second proxy, an additional proxy form may be obtained by telephoning the Company's share registry or you may copy the enclosed proxy form. To appoint a second proxy, you must follow the instructions on the proxy form.

Sections 250BB and 250BC of the Corporations Act apply to voting by proxy, and provide 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 chairman of the meeting, who must vote the proxies as directed.

If the proxy has two or more appointments that specify different ways to vote on a resolution, the proxy must not vote on that resolution on a show of hands.

To be valid, your proxy form (and any power of attorney under which it is signed) must be received at an address given below by 10.00am (WST) on 16 November 2021. Any proxy form received after that time will not be valid for the scheduled meeting.

Online	At www.investorvote.com.au
By mail	Share Registry – Computershare Investor Services Pty Limited, GPO Box 242, Melbourne, Victoria, 3001, Australia
By fax	1800 783 447 (within Australia) +61 3 9473 2555 (outside Australia)
By mobile	Scan the QR Code on your proxy form and follow the prompts
Custodian voting	For Intermediary Online subscribers only (custodians) please visit www.intermediaryonline.com to submit your voting intentions

2.3 Corporate representatives

Shareholders who are body corporate may appoint a person to act as their corporate representative at the Meeting by providing that person with a certificate or letter executed in accordance with the Corporations Act authorising him or her to act as the body corporate's representative. The authority may be sent to the Company and/or registry in advance of the Meeting or handed in at the Meeting when registering as a corporate representative.

An appointment of corporate representative form is available from the website of the Company's share registry (www.computershare.com.au).

2.4 Eligibility to vote

The Directors have determined that, pursuant to Regulations 7.11.37 and 7.11.38 of the Corporations Regulations 2001 (Cth) that the persons eligible to vote at the Annual General Meeting are those who are registered holders of Shares at 4.00pm (WST) on 16 November 2021.

3. ANNUAL REPORT

The first item of the Notice of Meeting deals with the presentation of the 2021 Annual Report, including the Financial Report for the year ended 30 June 2021 together with the Directors' Declaration and Report in relation to that financial year and the Auditor's Report on the Company's financial statements. Shareholders should consider these documents and raise any matters of interest with the Directors when this item is being considered. The reports are available on the Company's website at www.musgraveminerals.com.au

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

Shareholders will be given a reasonable opportunity at the Meeting to ask questions and make comments on the accounts and on the business, operations and management of the Company and ask the auditor questions about the conduct of the audit and the preparation and content of the auditor's report.

The Chair will also provide Shareholders a reasonable opportunity to ask the Company's auditor questions relevant to:

- the conduct of the audit;
- the preparation and content of the independent audit report;
- the accounting policies adopted by the Company in relation to the preparation of the financial statements; and
- the independence of the auditor in relation to the conduct of the audit.

In addition to taking questions at the Meeting, written questions to the Company's auditor about:

- the content of the Auditor's Report to be considered at the Meeting; and
- the conduct of the audit of the annual financial report to be considered at the Meeting, may be submitted no later than 5 business days before the Meeting to the Company Secretary at the Company's registered office.

4. RESOLUTION 1 – ELECTION OF DIRECTOR – MR BRETT LAMBERT

4.1 Introduction

In accordance with clause 9.2 of the Constitution, on 4 February 2021, the Directors appointed Mr Brett Lambert as a Non-Executive Director of the Company. In accordance with clause 9.2 of the Constitution, Mr Lambert holds office only until this Annual General Meeting and therefore offers himself for re-election.

4.2 Background

Details of this candidate are as follows:

Brett Lambert
BAppSc (Mining Engineering)
Non-Executive Director
Age 61

Mr Lambert is a mining engineer and experienced company director. He has over 35 years' involvement in the Australian and international resources industry encompassing mining operations, project development, business development and corporate administration.

Mr Lambert is a graduate of the Western Australian School of Mines and commenced his professional career with Western Mining Corporation (WMC) in 1983. He was a member of the senior management team at WMC's Mt Magnet gold operations that initiated the transition to large scale open pit mining and construction of the current Checker processing plant.

Post WMC, Mr Lambert held executive roles with a number of junior and mid-tier resource companies where his responsibilities included overseeing several resource projects through feasibility study, development and commissioning.

Mr Lambert has served as a director of companies listed on the Australian Securities Exchange, London's AIM market, the Toronto Stock Exchange and the Stock Exchange of Thailand.

4.3 Board Recommendation

The Directors unanimously support the reelection of Mr Brett Lambert as a Director of the Company (with Mr Lambert abstaining).

The Chair intends to vote undirected proxies in favour of Resolution 1.

5. RESOLUTION 2 – RE-ELECTION OF DIRECTOR – MR JOHN PERCIVAL

5.1 Introduction

Resolution 2 seeks approval for the re-election of Mr John Percival as a Director of the Company with effect from the end of the Meeting.

Mr Percival is required to retire pursuant to the rotation of Directors' rule in clause 6.1 of the Company's Constitution. That clause provides that at each Annual General Meeting one-third of the Directors (other than the Managing Director), or, if their number is not a multiple of three, then the nearest to but not more than one-third of the Directors must retire from office.

Mr Percival retires from office in accordance with this requirement and, being eligible, has offered himself for re-election as a Director of the Company.

5.2 Background

Details of this candidate are as follows:

Mr John Percival
Non-Executive Director
Age 77

Mr Percival has been involved in investment and merchant banking for over 25 years including 15 years as Investment Manager of Barclays Bank New Zealand Ltd. In addition, he has extensive experience in stockbroking, corporate finance and investment management.

In 1995 Mr Percival was appointed to the Board of Goldsearch Limited and was an Executive Director from 2000 to 2014. In May 2014, Goldsearch changed direction and Mr Percival resigned his executive position.

Mr Percival was appointed a Director of Musgrave Minerals on 26 May 2010. Mr Percival is also a member of the Audit Committee.

5.3 Board Recommendation

The Directors unanimously support the re-election of Mr John Percival as a Director of the Company (with Mr Percival abstaining).

The Chair intends to vote undirected proxies in favour of Resolution 2.

6. RESOLUTION 3 – REMUNERATION REPORT (NON-BINDING)

In accordance with section 250R(2) of the Corporations Act the Company is required to present to its Shareholders the Remuneration Report as disclosed in the Company's 2021 Annual Report. Section 250R(3) of the Corporations Act expressly provides that the vote is advisory only and is not binding on the Directors or the Company. The Remuneration Report is set out in the Company's 2021 Annual Report, a copy of which is available on the Company's website (www.musgraveminerals.com.au).

The Remuneration Report sets out the Company's remuneration arrangements for Directors and senior management of the Company. The Remuneration Report is part of the Directors' Report contained in the Company's 2021 Annual Report.

A reasonable opportunity will be provided at this Meeting for discussion of the Remuneration Report at the Annual General Meeting.

The Board will consider the outcome of the vote and comments made by Shareholders on the Remuneration Report at the Meeting when reviewing the Company's remuneration policies.

Under the Corporations Act, if 25% or more of votes that are cast are voted against the adoption of the Remuneration Report at two consecutive annual general meetings, Shareholders will be required to vote at the second of those annual general meetings on a resolution that a further meeting is held at which all of the Company's Directors (other than the Managing Director) must go up for re-election.

The Chair intends to vote undirected proxies in favour of Resolution 3.

7. RESOLUTION 4 – APPROVAL OF 10% PLACEMENT FACILITY

7.1 General

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

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

An 'eligible entity' means an entity which is not included in the S&P/ASX 300 Index and which has a market capitalisation of \$300 million or less. The Company is an eligible entity for these purposes.

This Resolution seeks shareholder approval by way of special resolution for the Company to have the additional 10% capacity provided for in Listing Rule 7.1A to issue Equity Securities without shareholder approval.

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

If this Resolution is not passed, the Company will not be able to access the additional 10% capacity to issue Equity Securities and will remain subject to the 15% limit on issuing Equity Securities without shareholder approval set out in Listing Rule 7.1.

7.2 Formula for calculating 10% Placement Facility

Listing Rule 7.1A.2 provides that eligible entities which have obtained shareholder approval at an annual general meeting may issue or agree to issue, during the period of the approval, a number of Equity Securities calculated in accordance with the following formula:

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

Where:

'A' is the number of Shares on issue 12 months immediately preceding the date of issue or agreement ("relevant period"):

- (A) plus the number of Shares issued in the 12 months under an exception in Listing Rule 7.2 other than exception 9, 16 or 17;
- (B) plus the number of Shares issued in the relevant period on the conversion of convertible securities within Listing Rule 7.2 exception 9 where:
 - (1) the convertible securities were issued or agreed to be issued before the commencement of the relevant period; or

-
- (2) the issue of, or agreement to issue, the convertible securities was approved, or taken under the Listing Rules to have been approved, under Listing Rule 7.1 or Listing Rule 7.4;
 - (C) plus the number of Shares issued in the relevant period under an agreement to issue Shares within Listing Rule 7.2 exception 16 where:
 - (1) the agreement was entered into before the commencement of the relevant period; or
 - (2) the agreement or issue was approved, or taken under the Listing Rules to have been approved, under Listing Rule 7.1 or Listing Rule 7.4;
 - (D) plus the number of any other Shares issued in the relevant period with approval under Listing Rule 7.1 or Listing Rule 7.4;
 - (E) less the number of Shares cancelled in the relevant period.

'D' is 10%

'E' is the number of Equity Securities issued or agreed to be issued under Listing Rule 7.1A.2 in the relevant period where the issue or agreement has not been subsequently approved by Shareholders under Listing Rule 7.4.

Note that 'A' has the same meaning in Listing Rule 7.1 when calculating an entity's 15% placement capacity.

7.3 Technical Information required by ASX Listing Rule 7.3A

(a) 10% Placement Period

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

- (i) the date that is 12 months after the date of the annual general meeting at which the approval is obtained;
- (ii) the time and date of the Company's next annual general meeting; or
- (iii) the time and date of the approval by shareholders of a transaction under Listing Rules 11.1.2 (a significant change to the nature or scale of activities) or 11.2 (disposal of main undertaking),

(10% Placement Period).

(b) Minimum Issue Price

Any Equity Securities issued under Listing Rule 7.1A must be in an existing class of quoted Equity Securities and issued for a cash consideration per security that is not less than 75% of the VWAP of Equity Securities in the same class calculated over the 15 Trading Days immediately before:

- (i) the date on which the price at which the Equity Securities are to be issued is agreed; or
- (ii) if the Equity Securities are not issued within 10 Trading Days of the date in paragraph (i) above, the date on which the Equity Securities are issued.

(c) Use of funds raised

The Company intends to use funds raised from the issue of any Equity Securities issued under Listing Rule 7.1A towards the ongoing costs associated with the exploration of its existing projects and to investigate additional acquisitions to complement these projects. Funds raised will be used to meet cash payments in connection with these projects or any additional acquisitions, while also being used to fund subsequent exploration activities associated with any new acquisitions.

(d) Statement of risk of economic and voting dilution

If this Resolution is approved by Shareholders and the Company issues Equity Securities under the 10% Placement Facility, the existing Shareholders' voting power in the Company will be diluted as shown in the below table. There is a risk that:

- (i) the market price for the Company's Equity Securities may be significantly lower on the date of the issue of the Equity Securities than on the date of the Meeting; and
- (ii) the Equity Securities may be issued at a price that is at a discount to the market price for those Equity Securities on the issue date.

The table below shows the dilution of existing Shareholders on the basis of the current market price of Shares and the current number of ordinary securities for variable "A" calculated in accordance with the formula in Listing Rule 7.1A(2) as at the date of this Notice.

The table also shows:

- (iii) two examples where variable "A" has increased, by 50% and 100%. Variable "A" is based on the number of ordinary securities the Company has on issue. The number of ordinary securities on issue may increase as a result of issues of ordinary securities that do not require Shareholder approval (for example, a pro rata entitlements issue) or future specific placements under Listing Rule 7.1 that are approved at a future Shareholders' meeting; and
- (iv) two examples of where the issue price of ordinary securities has decreased by 50% and increased by 100% as against the current market price.

*Variable 'A' in Listing Rule 7.1A2		Issue Price		
		\$0.1350 50% decrease in Issue Price	\$0.27 Issue Price	\$0.54 100% increase in Issue Price
Current Variable A 533,222,949 Shares	10% voting dilution	53,322,294 Shares	53,322,294 Shares	53,322,294 Shares
	Funds raised	\$7,198,509	\$14,397,019	\$28,794,038
50% increase in current Variable A 799,834,423 Shares	10% voting dilution	79,983,442 Shares	79,983,442 Shares	79,983,442 Shares
	Funds raised	\$10,797,764	\$21,595,529	\$43,191,058
100% increase in current Variable A 1,066,445,898 Shares	10% voting dilution	106,644,589 Shares	106,445,898 Shares	106,445,898 Shares
	Funds raised	\$14,397,019	\$28,794,039	\$57,588,078

*The number of Shares on issue (variable 'A' in the formula) could increase as a result of the issue of Shares that do not require Shareholder approval (such as under a pro rata rights issue) or that are issued with Shareholder approval under Listing Rule 7.1.

The table has been prepared on the following assumptions:

- (i) The Company issues the maximum number of Equity Securities available under the 10% Placement Facility.
- (ii) No Options are exercised into Shares before the date of the issue of the Equity Securities.
- (iii) The 10% voting dilution reflects the aggregate percentage dilution against the issued Share capital at the time of issue. This is why the voting dilution is shown in each example as 10%.
- (iv) The table does not show an example of dilution that may be caused to a particular Shareholder by reason of placements under the 10% Placement Facility, based on that Shareholder's holding at the date of the Meeting.
- (v) The table shows only the effect of issues of Equity Securities under Listing Rule 7.1A, not under the 15% placement capacity under Listing Rule 7.1.
- (vi) The issue of Equity Securities under the 10% Placement Facility consists only of Shares.
- (vii) The issue price is \$0.27, being the last closing price of the Shares on ASX as at 21 September 2021.

(e) Allocation Policy for issues under Listing Rule 7.1A

The Company's allocation policy is dependent on the prevailing market conditions at the time of any proposed issue pursuant to the 10% Placement Facility. The identity of the recipients of Equity Securities will be determined on a case-by-case basis having regard to the factors including but not limited to the following:

- (i) the methods of raising funds that are available to the Company, including but not limited to, rights issues or other issues in which existing security holders can participate;
- (ii) the effect of the issue of the Equity Securities on the control of the Company;
- (iii) the financial situation and solvency of the Company; and
- (iv) advice from corporate, financial and broking advisers (if applicable).

The recipients under the 10% Placement Facility have not been determined as at the date of this Notice but may include existing substantial Shareholders and/or new Shareholders who are not related parties or associates of a related party of the Company.

- (f) The Company previously obtained approval from its Shareholders pursuant to ASX Listing Rule 7.1A at its annual general meeting held on 19 November 2020 (Previous Approval). The Company has not issued any Equity Securities pursuant to the Previous Approval.
- (g) At the date of the Notice, the Company has not approached any particular existing Shareholder or security holder or an identifiable class of existing security holder to participate in the issue of the Equity Securities.

Resolution 4 is a **special resolution**.

7.4 Board recommendation

The Directors recommend that shareholders vote in favour of Resolution 4.

8. RESOLUTION 5 – APPROVAL OF PROPORTIONAL TAKEOVER PROVISIONS

8.1 General

The partial takeover provisions set out in rule 162 of the Company's Constitution were last renewed by Shareholders of the Company at the 2018 Annual General Meeting for a period of three years.

The provisions prohibit the registration of transfers of shares acquired under the proportional takeover bid unless a resolution is passed by shareholders approving the bid. As provided in rule 162.9, the provisions cease to have effect after three years unless renewed. Accordingly, it is appropriate to consider renewing the proportional takeover provisions by reinserting rule 162, in the form last approved by shareholders at the 2018 Annual General Meeting.

The Corporations Act requires that the following information be provided to shareholders when they are considering the renewal of proportional takeover provisions in a constitution.

8.2 What is a Proportional Takeover Bid?

A proportional takeover bid involves the bidder offering to buy a proportion only of each shareholder's shares in the Company. This means that control of the Company may pass without members having the chance to sell all their shares to the bidder. It also means the bidder may take control of the Company without paying an adequate amount for gaining control.

In order to deal with this possibility, a company may provide in its constitution that:

- In the event of a proportional takeover bid being made for the shares in the Company, members are required to vote by ordinary resolution and collectively decide whether to accept or reject the offer; and
- The majority decision of the Company's members will be binding on all individual members.

The Directors consider that members should be able to vote on whether a proportional takeover bid ought to proceed given such a bid might otherwise allow control of the Company to change without members being given the opportunity to dispose of all of their shares for a satisfactory control premium. The Directors also believe that the right to vote on a proportional takeover bid may avoid members feeling pressure to accept the bid even if they do not want it to succeed.

8.3 What is the effect of the proportional takeover approval provisions?

If a proportional takeover bid is made, the Directors must ensure that members vote on a resolution to approve the bid more than 14 days before the bid closes.

The vote is decided on a simple majority. Each person who, as at the end of the day on which the first offer under the bid was made, held bid class securities is entitled to vote. However, the bidder and their associates are not allowed to vote.

If the resolution is not passed, transfer which would have resulted from the acceptance of a bid will not be registered and the bid will be taken to have been withdrawn. If the bid is approved (or taken to have been approved), the transfers must be registered if they comply with the Corporations Act and the Company's Constitution.

The bid will be taken to have been approved if the resolution is not voted on within the deadline specified under the Corporations Act.

The proportional takeover provisions do not apply to full takeover bids and only apply for three years after the date they are renewed. The provisions may be refreshed for a further three year period, but only by a special resolution passed by members.

8.4 Potential advantages and disadvantages

While the renewal of rule 162 will allow the Directors to ascertain members views on a proportional takeover bid, it does not otherwise offer any advantage or disadvantage to the Directors who remain free to make their own recommendation as to whether the bid should be accepted.

The provisions in rule 162 ensure that all members have an opportunity to study a proportional bid proposal and vote on the bid at a general meeting. This is likely to ensure a potential bidder structures its offer in a way which is attractive to a majority of members, including appropriate pricing. Similarly, knowing the view of the majority of members may help individual members assess the likely outcome of the proportional takeover when determining whether to accept or reject the offer.

However, it is also possible that the inclusion of such provisions in the Constitution may discourage proportional takeover bids, and may reduce any speculative element in the market price of the Company's shares arising from the possibility of a takeover offer being made. The inclusion of the provisions may also be considered to constitute an unwarranted additional restriction of the ability of members to freely deal with their shares.

The Board considers that the potential advantages for members of the proportional takeover approval provisions outweigh the potential disadvantages.

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

Resolution 5 is a **special resolution**.

8.5 Director's Recommendation

The Directors recommend that shareholders vote in favour of Resolution 5.

The Chair intends to vote undirected proxies in favour of Resolution 5.

8. RESOLUTIONS 6 to 10 – ISSUES OF OPTIONS TO DIRECTORS

8.1 General

The Company is proposing to issue Options to Mr Robert Waugh (Managing Director), Mr Graham Ascough (Non-Executive Chairman), Mrs Kelly Ross, Mr John Percival and Mr Brett Lambert (each Non-Executive Directors) as a component of their remuneration, in order to keep cash payments to a minimum and to provide incentives linked to the performance of the Company.

The Board has resolved, subject to obtaining Shareholder approval, to issue a total of 3,750,000 Director Options to the Directors (**Related Parties**) on the terms and conditions set out below.

Under section 208 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 grant of the Director Options to the Related Parties requires the Company to obtain Shareholder approval because the grant of Director Options constitutes giving a financial benefit, and as a Director, each Director is a related party of the Company. The Company will not issue the Director Options unless Shareholder approval is granted.

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

- (a) a related party;
- (b) a person who is, or was at any time in the six months prior to the issue or agreement, a substantial (30%+) holder in the company;
- (c) a person who is, or was at any time in the six months prior to 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 the right or expectation to do so;
- (d) an associate of a person referred to in paragraphs (a) to (c) above; or
- (e) a person whose relationship with the company or a person referred to in a 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 grant of Director Options to the Related Parties requires the Company to obtain Shareholder approval because as Directors, the Related Parties are related parties of the Company, and the issue does not fall within any of the exceptions in Listing Rule 10.12. Resolutions 6 to 10 seeks the required Shareholder approval for the purposes of Listing Rule 10.11.

If Resolutions 6 to 10 are passed, the Company will be able to proceed with the issue of Director Options to the Related Parties. If Resolutions 6 to 10 are not passed, the Company will not be able to proceed with the issue of Director Options to the relevant Related Party.

The offer of Director Options to the Related Parties forms part of the Company's long term incentive objectives to encourage Directors to have a greater involvement in the achievement of the Company's objectives and to provide an incentive to strive to that end by participating in the future growth and prosperity of the Company through share ownership.

The number of Director Options to be issued to Directors is determined based on factors such as length of service, continuity of executive management, significant contribution to the Company's success and to provide ongoing equity incentives to advance the Company and its assets. Furthermore, the grant of Director Options, is viewed as a cost effective and efficient reward and incentive of the Company as opposed to alternative forms of incentive, such as the payment of additional cash compensation to Directors.

8.2 Information required pursuant to Chapter 2E of the Corporations Act and ASX Listing Rule 10.11

Pursuant to and in accordance with the requirements of Sections 217 to 227 of the Corporations Act and ASX Listing Rule 10.13, the following information is provided in relation to the proposed grant of Director Options:

- (a) The persons to whom the Director Options will be issued are Mr Robert Waugh, Mr Graham Ascough, Mrs Kelly Ross, Mr John Percival and Mr Brett Lambert who fall within the category of persons in Listing Rule 10.11.1 as they are each a related party of the Company by virtue of being a Director.
- (b) The maximum number of Director Options (being the nature of the financial benefit being provided) to be granted to the Related Parties is set out below:

Related Party	Maximum number	Exercise Price	Expiry date
Mr Robert Waugh	1,500,000	The higher of 45 cents or 50% greater than the Meeting date 5 day VWAP	18/11/2024
Mr Graham Ascough	750,000	The higher of 45 cents or 50% greater than the Meeting date 5 day VWAP	18/11/2024
Mrs Kelly Ross	500,000	The higher of 45 cents or 50% greater than the Meeting date 5 day VWAP	18/11/2024
Mr John Percival	500,000	The higher of 45 cents or 50% greater than the Meeting date 5 day VWAP	18/11/2024
Mr Brett Lambert	500,000	The higher of 45 cents or 50% greater than the Meeting date 5 day VWAP	18/11/2024

- (c) The Director Options will be granted to the Related Parties no later than 1 month after the date of the Meeting (or such later date as permitted by any ASX waiver or modification of the ASX Listing Rules) and it is anticipated the Director Options will be issued on one date.
- (d) The Director Options will vest and become exercisable on 18 November 2022;
- (e) The Director Options will be granted for nil cash consideration, accordingly no funds will be raised.
- (f) The full terms and conditions of the Director Options are set out in Annexure A.
- (g) The value of the Director Options and the pricing methodology is set out in Annexure B.
- (h) The relevant interests of the Related Party in securities of the Company are set out below:

Director	Number of Shares	Number of Options
Mr Robert Waugh	4,300,000	1,000,000 exercisable at \$0.1275 expiring 16/11/2021 3,000,000 exercisable at \$0.1045 expiring 26/11/2022 1,500,000 exercisable at \$0.932 expiring 20/08/2023
Mr Graham Ascough	1,841,172	1,500,000 exercisable at \$0.1275 expiring 16/11/2021 1,500,000 exercisable at \$0.932 expiring 20/08/2023
Mrs Kelly Ross	1,581,492	1,000,000 exercisable at \$0.932 expiring 20/08/2023
Mr John Percival	600,000	1,000,000 exercisable at \$0.1275 expiring 16/11/2021 800,000 exercisable at \$0.932 expiring 20/08/2023
Mr Brett Lambert	-	1,000,000 exercisable at \$0.56 expiring 24/06/2024

- (i) the remuneration from the Company to the Related Party for the previous financial year and the proposed remuneration and emoluments for the current financial year are set out below:

Related Party	Current Financial Year	Previous Financial Year
Mr Robert Waugh	\$318,002	\$383,634
Mr Graham Ascough	\$74,647	\$68,250
Mrs Kelly Ross	\$54,314	\$51,739
Mr John Percival	\$54,314	\$51,739
Mr Brett Lambert	\$54,314	\$20,895

- (j) if the Director Options granted to the Related Parties are exercised, a total of 3,750,000 Shares would be issued. This will increase the number of Shares on issue from 533,222,949 to 536,972,949 (assuming that no other Options are exercised and no other Shares are issued) with the effect that the shareholding of existing Shareholders would be diluted by an aggregate of 0.70%, comprising 0.28% by Robert Waugh, 0.14% by Graham Ascough, 0.09% by Kelly Ross, 0.09% by John Percival and 0.09% by Brett Lambert.

The market price for Shares during the term of the Director Options would normally determine whether or not the Director Options are exercised. If, at any time any of the Director Options are exercised and the Shares are trading on ASX at a price that is higher than the exercise price of the Director Options, there may be a perceived cost to the Company.

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

	Price	Date
Highest	\$0.615	12 October 2020
Lowest	\$0.25	21 September 2021
Last	\$0.27	21 September 2021

- (l) the primary purpose of the grant of Director Options to the Related Parties is to provide cost effective consideration to the Related Parties for their ongoing commitment and contribution to the Company in their respective roles as Directors. The Board does not consider that there are any significant opportunity costs to the Company or benefits foregone by the Company in issuing the Director Options upon the terms proposed.

- (m) Mr Waugh declines to make a recommendation to Shareholders in relation to Resolution 6 due to his personal interest in the outcome of the Resolution, on the basis that he is to be granted Director Options in the Company should the Resolution be passed. However, in respect of Resolutions 7, 8, 9 and 10, Mr Waugh recommends that Shareholders vote in favour of those Resolutions for the following reasons:

- (i) the grant of the Director Options to the Related Parties will align the interests of the Related Parties with those of Shareholders;
- (ii) the grant of the Related Party Options is a reasonable and appropriate method to provide cost effective remuneration as the non-cash form of this benefit 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; and
- (iii) it is not considered that there are any significant opportunity costs to the Company or benefits foregone by the Company in granting the Related Party Options upon the terms proposed.

- (n) Mr Ascough declines to make a recommendation to Shareholders in relation to Resolution 7 due to his personal interest in the outcome of the Resolution, on the basis that he is to be granted Director Options in the Company should the Resolution be passed. However, in respect of Resolutions 6, 8,

9 and 10 Mr Ascough recommends that Shareholders vote in favour of those Resolutions for the following reasons:

- (i) the grant of the Director Options to the Related Parties will align the interests of the Related Parties with those of Shareholders;
- (ii) the grant of the Related Party Options is a reasonable and appropriate method to provide cost effective remuneration as the non-cash form of this benefit 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; and
- (iii) it is not considered that there are any significant opportunity costs to the Company or benefits foregone by the Company in granting the Related Party Options upon the terms proposed.

(o) Mrs Ross declines to make a recommendation to Shareholders in relation to Resolution 8 due to her personal interest in the outcome of the Resolution, on the basis that she is to be granted Director Options in the Company should the Resolution be passed. However, in respect of Resolutions 6, 7, 9 and 10, Mrs Ross recommends that Shareholders vote in favour of those Resolutions for the following reasons:

- (i) the grant of the Director Options to the Related Parties will align the interests of the Related Parties with those of Shareholders;
- (ii) the grant of the Related Party Options is a reasonable and appropriate method to provide cost effective remuneration as the non-cash form of this benefit 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; and
- (iii) it is not considered that there are any significant opportunity costs to the Company or benefits foregone by the Company in granting the Related Party Options upon the terms proposed.

(p) Mr Percival declines to make a recommendation to Shareholders in relation to Resolution 9 due to his personal interest in the outcome of the Resolution, on the basis that he is to be granted Director Options in the Company should the Resolution be passed. However, in respect of Resolutions 6, 7, 8 and 10, Mr Percival recommends that Shareholders vote in favour of those Resolutions for the following reasons:

- (i) the grant of the Director Options to the Related Parties will align the interests of the Related Parties with those of Shareholders;
- (ii) the grant of the Related Party Options is a reasonable and appropriate method to provide cost effective remuneration as the non-cash form of this benefit 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; and
- (iii) it is not considered that there are any significant opportunity costs to the Company or benefits foregone by the Company in granting the Related Party Options upon the terms proposed.

(q) Mr Lambert declines to make a recommendation to Shareholders in relation to Resolution 10 due to his personal interest in the outcome of the Resolution, on the basis that he is to be granted Director Options in the Company should the Resolution be passed. However, in respect of Resolutions 6, 7, 8 and 9, Mr Lambert recommends that Shareholders vote in favour of those Resolutions for the following reasons:

- (i) the grant of the Director Options to the Related Parties will align the interests of the Related Parties with those of Shareholders;
- (ii) the grant of the Related Party Options is a reasonable and appropriate method to provide cost effective remuneration as the non-cash form of this benefit 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; and
- (iii) it is not considered that there are any significant opportunity costs to the Company or benefits foregone by the Company in granting the Related Party Options upon the terms proposed.

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- (r) In forming their recommendations, each Director considered the experience of each other Director, the current market price of Shares and the current market practices when determining the basis of issue of the Director Options.
 - (s) 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 Resolutions 6 to 10.

Approval pursuant to ASX Listing Rule 7.1 is not required in order to issue the Director Options to the Related Party as approval is being obtained under ASX Listing Rule 10.11. Accordingly, the issue of Director Options to the Related Party will not be included in the 15% calculation of the Company's annual placement capacity pursuant to ASX Listing Rule 7.1.

SCHEDULE 1 DEFINITIONS

In this Notice and Explanatory Memorandum:

10% Placement Facility	has the meaning given in section 7.1 of this Explanatory Memorandum.
10% Placement Period	has the meaning given in section 7.2(f) of this Explanatory Memorandum.
Annual General Meeting or Meeting or AGM	Annual General Meeting of Shareholders or any meeting adjourned thereof, convened by the Notice.
Annual Report or 2021 Annual Report	the Company's annual report including the reports of the Directors and the auditor and the financial statements of the Company of the year ended 30 June 2021 which can be downloaded from the Company's website at www.musgraveminerals.com.au
ASX	means ASX Limited or the Australian Securities Exchange operated by ASX Limited, as the context requires.
ASX Listing Rules or Listing Rules	the Listing Rules of the ASX.
Board	means the board of Directors.
Business Day	means Monday to Friday inclusive, except New Year's Day, Good Friday, Easter Monday, Christmas Day, Boxing Day, and any other day that ASX declares is not a business day.
Chair	means the chair of the Meeting.
Closely Related Party	<ul style="list-style-type: none">• a spouse or child of the member;• a child of the member's spouse;• a dependent of the member or the member's spouse;• 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;• a company the member controls; or• a person prescribed by the Corporations Regulations 2001 (Cth).
Company or Musgrave Minerals	means Musgrave Minerals Limited ABN 12 143 890 671.
Constitution	means the constitution of the Company as amended.
Corporations Act	means the <i>Corporations Act 2001</i> (Cth) as amended.
Director	means a director of the Company.
Equity Securities or equity securities	has the same meaning given in the Listing Rules.
ESOP	Has the meaning given in section 8.1 of the Explanatory Memorandum
Explanatory Memorandum	means this explanatory memorandum.

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.
Listing Rules	means the listing rules of the ASX.
Notice	means this notice of meeting.
Option	means an option to acquire a Share.
Proxy Form	means the proxy form attached to this Notice.
Remuneration Report	means the remuneration report of the Company included in the Directors' Report section of the Company's Annual Report.
Resolution	means a resolution set out in the Notice.
Share	means a fully paid ordinary share in the capital of the Company.
Shareholder	means a holder of a Share.
Trading Days	means a day determined by ASX to be a trading day in accordance with the Listing Rules.
VWAP	means volume weighted average price as defined in the Listing Rules.
WST	means Western Standard Time.

ANNEXURE A – DIRECTOR OPTIONS TERMS AND CONDITIONS

The Director Options (Director Options) entitle the holder to subscribe for Shares on the following terms and conditions:

- (a) Each Director Option gives the Optionholder the right to subscribe for one Share.
- (b) The Director Options will expire at 5.00pm (WST) on 18 November 2024 (Expiry Date). Any Director Option not exercised before the Expiry Date will automatically lapse on the Expiry Date.
- (c) The amount payable upon exercise of each Director Option will be set at the price that is the higher of either:
 - 45 cents; or
 - 50% greater than the 5 day VWAP of the Shares on ASX 5 days prior to the day that Shareholder approval is obtained for the grant of the Director Options.
- (d) The Options will vest and become exercisable on 18 November 2022;
- (e) The Director Options held by each Optionholder may be exercised in whole or in part, and if exercised in part, multiples of 1,000 must be exercised on each occasion.
- (f) An Optionholder may exercise their Director Options by lodging with the Company, before the Expiry Date:
 - (i) a written notice of exercise of Director Options specifying the number of Director Options being exercised; and
 - (ii) a cheque or electronic funds transfer for the Exercise Price for the number of Director Options being exercised,(Exercise Notice).
- (g) An Exercise Notice is only effective when the Company has received the full amount of the Exercise Price in cleared funds.
- (h) Within 10 Business Days of receipt of the Exercise Notice accompanied by the Exercise Price, the Company will issue the number of Shares required under these terms and conditions in respect of the number of Director Options specified in the Exercise Notice.
- (i) The Director Options are not transferable.
- (j) All Shares issued upon the exercise of Director Options will upon issue rank pari passu in all respects with other Shares.
- (k) The Company will not apply for quotation of the Director Options on ASX. However, the Company will apply for quotation of all Shares issued pursuant to the exercise of Director Options on ASX on or before the issue date of those Shares. To the extent any Shareholder or regulatory approval is required by the Company for the issue of any Shares the subject of any exercise notice (Approval), the Company shall use its best endeavours to seek the Approval and upon receipt, the Company will issue the relevant Shares within five (5) Business Days following Approval.
- (l) 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.

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- (m) There are no participating rights or entitlements inherent in the Director Options and Optionholders will not be entitled to participate in new issues of capital offered to Shareholders during the currency of the Director Options. However, the Company will ensure that for the purposes of determining entitlements to any such issue, the record date will be at least 5 Business Days after the issue is announced. This will give Optionholders the opportunity to exercise their Director Options prior to the date for determining entitlements to participate in any such issue.
 - (n) A Director Option does not confer the right to a change in exercise price or a change in the number of underlying securities over which the Director Option can be exercised.

ANNEXURE B – VALUATION OF DIRECTORS OPTIONS

The Director Options to be issued to the Directors pursuant to Resolutions 6 to 10 have been valued independently by Stantons Corporate Finance Pty Ltd using the Black and Scholes option valuation methodology.

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

Assumptions:	
Valuation date	15 September 2021
Market price of Shares (closing price)	\$0.29 being the closing price as at 14 September 2021
Director Options	
- Number of Director Options	3,750,000
- Exercise price*	\$0.45
- Expiry date	18 November 2024 (38 months)
Risk free interest rate	0.6219%
Volatility	75%
Indicative value per Director Option	\$0.1134
Total value of Director Options	\$425,085
Mr Robert Waugh	
- Number of Director Options	1,500,000
- Value of Director Options	\$170,034
Mr Graham Ascough	
- Number of Director Options	750,000
- Value of Director Options	\$85,017
Mrs Kelly Ross	
- Number of Director Options	500,000
- Value of Director Options	\$56,678
Mr John Percival	
- Number of Director Options	500,000
- Value of Director Options	\$56,678
Mr Brett Lambert	
- Number of Director Options	500,000
- Value of Director Options	\$56,678

* The actual exercise price of the Director Options will be based on the price that is the higher of either 45 cents or 50% greater than 5 day VWAP of the Shares on the ASX 5 days prior to the day that Shareholder approval is obtained.

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



MGV

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Online:

www.investorcentre.com/contact



YOUR VOTE IS IMPORTANT

For your proxy appointment to be effective it must be received by **10:00am (AWST) on Tuesday, 16 November 2021.**

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 and select "Printable Forms".

Lodge your Proxy Form:

XX

Online:

Lodge your vote online at www.investorvote.com.au using your secure access information or use your mobile device to scan the personalised QR code.

Your secure access information is



Control Number: 999999

SRN/HIN: I9999999999

PIN: 99999

For Intermediary Online subscribers (custodians) go to www.intermediaryonline.com

By Mail:

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

By Fax:

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



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

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

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



I 9999999999

I ND

Proxy Form

Please mark to indicate your directions

Step 1 Appoint a Proxy to Vote on Your Behalf

XX

I/we being a member/s of Musgrave Minerals Limited hereby appoint

the Chairman of the Meeting **OR**

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

or failing the individual or body corporate named, or if no individual or body corporate is named, the Chairman of the Meeting, as my/our proxy to act generally at the meeting on my/our behalf and to vote in accordance with the following directions (or if no directions have been given, and to the extent permitted by law, as the proxy sees fit) at the Annual General Meeting of Musgrave Minerals Limited to be held at The Kings Park Room, Level 1, Quest West Perth, 54 Kings Park Road, West Perth, WA 6005 on Thursday, 18 November 2021 at 10:00am (AWST) and at any adjournment or postponement of that meeting.

Chairman authorised to exercise undirected proxies on remuneration related resolutions: Where I/we have appointed the Chairman of the Meeting as my/our proxy (or the Chairman becomes my/our proxy by default), I/we expressly authorise the Chairman to exercise my/our proxy on Resolutions 3, 6, 7, 8, 9 and 10 (except where I/we have indicated a different voting intention in step 2) even though Resolutions 3, 6, 7, 8, 9 and 10 are connected directly or indirectly with the remuneration of a member of key management personnel, which includes the Chairman.

Important Note: If the Chairman of the Meeting is (or becomes) your proxy you can direct the Chairman to vote for or against or abstain from voting on Resolutions 3, 6, 7, 8, 9 and 10 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
Resolution 1	Election of Director – Mr Brett Lambert	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	Resolution 7	Approval of Issue of Options to Director – Mr Graham Ascough	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Resolution 2	Re-Election of Director – Mr John Percival	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	Resolution 8	Approval of Issue of Options to Director – Mrs Kelly Ross	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Resolution 3	Remuneration Report (Non-Binding)	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	Resolution 9	Approval of Issue of Options to Director – Mr John Percival	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Resolution 4	Approval of 10% Placement Facility	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	Resolution 10	Approval of Issue of Options to Director – Mr Brett Lambert	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Resolution 5	Approval of Proportional Takeover Provisions	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>					
Resolution 6	Approval of Issue of Options to Director – Mr Robert Waugh	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>					

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

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

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

Update your communication details (Optional)

Mobile Number Email Address

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

