

27 October 2020

## NOTICE OF ANNUAL GENERAL MEETING

**Notice is hereby given that the Annual General Meeting of Shareholders of Argo Exploration Limited (“Argo” or the “Company”) will be held virtually via a webinar conferencing facility at 10.30am (AEDT) on Friday, 27 November 2020 (“Annual General Meeting”, “AGM” or “Meeting”).**

In accordance with subsection 5(1)(f) of the Corporations (Coronavirus Economic Response) Determination (No.3) 2020 made by the Commonwealth Treasurer on 5 May 2020, the Company will not be dispatching physical copies of the Notice of Meeting. Instead the Notice of Meeting and accompanying explanatory statement (Meeting Materials) including the Company’s 2020 Annual Report are being made available to shareholders electronically. This means that:

- You can access the Meeting Materials and Argo’s 2020 Annual Report online at the Company’s website: <http://argoexploration.com.au/> or at the Company’s share registry’s voting website <https://www.advancedshare.com.au/Investor-Login> by logging in.
- A complete copy of the Meeting Materials and Argo’s 2020 Annual Report has been posted to the Company’s ASX Market announcements page at [www.asx.com.au](http://www.asx.com.au) under the Company’s ASX code “AXT”.
- If you have provided an email address and have elected to receive electronic communications from the Company, you will receive an email to your nominated email address with a link to an electronic copy of the Meeting materials and the voting instruction form.
- You can also download AXT’s 2020 Annual Report from the link: <http://argoexploration.com.au/company-reports/>

If you would like to receive electronic communications from the Company in the future, please update your communication elections online at <https://www.advancedshare.com.au/Investor-Login>. If you have not yet registered, you will need your shareholder information including SRN/HIN details.

If you are unable to access the Meeting Materials online please contact our share registry Advanced Share Registry at [admin@advancedshare.com.au](mailto:admin@advancedshare.com.au) or by phone at 1300 113 258 (within Australia) or +61 8 9389 8033 (outside Australia) between 9:00am and 5:00pm (AEDT) Monday to Friday, or the Company on +61 3 9692 7222, to arrange a copy.

As a result of the potential health risks and the Governments restrictions in response to the COVID-19 pandemic, the Meeting will be held via a webinar conferencing facility. Details of how to register to attend the Meeting are contained in the Meeting Materials. The Company strongly recommends to Shareholders to lodge a directed proxy as soon as possible in advance of the meeting even if they are planning to attend the meeting online.

Yours sincerely,



Melanie Leydin  
Company Secretary  
Argo Exploration Limited

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**ARGO EXPLORATION LIMITED**  
**ACN 120 917 535**

# **Notice of Annual General Meeting**

## **Explanatory Statement and Proxy Form**

Date of Meeting:  
**Friday, 27 November 2020**

Time of Meeting:  
**10:30am (AEDT)**

Due to the ongoing COVID-19 pandemic, the meeting will be held virtually via a webinar conferencing facility. If you are a shareholder who wishes to attend and participate in the virtual meeting, please register in advance as per the instructions outlined in this Notice of Meeting. Shareholders are strongly encouraged to lodge their completed proxy forms in accordance with the instructions in this Notice of Meeting.

Following recent modifications brought to the Corporations Act 2001 and the Corporations Regulations 2001 under the Corporations (Coronavirus Economic Response) Determination (No.3) 2020, **no hard copy** of the Notice of Annual General Meeting and Explanatory Statement will be circulated. A Notice of Access and Proxy Form will be delivered by mail providing instruction on how to vote and attend the meeting. The Notice of Meeting has been given to those entitled to receive by use of one or more technologies. The Notice of Meeting is also available on the Australian Stock Exchange Announcement platform and on the Company's website <http://argoexploration.com.au/>.

*This Notice of Annual General Meeting and Explanatory Statement should be read in its entirety. If shareholders are in doubt as to how they should vote, they should seek advice from their accountant, solicitor or other professional advisor without delay*

# ARGO EXPLORATION LIMITED

ACN 120 917 535

Registered office: Level 4, 100 Albert Road, South Melbourne, Victoria 3205

## NOTICE OF ANNUAL GENERAL MEETING

**Notice is hereby given that the Annual General Meeting of Members of Argo Exploration (“Argo” or the “Company”) will be held virtually via a webinar conferencing facility at 10:30am (AEDT) on Friday, 27 November 2020 (“Annual General Meeting” or “Meeting”)**

The health and safety of members and personnel, and other stakeholders, is the highest priority and the Company is acutely aware of the current circumstances resulting from COVID-19. While the COVID-19 situation remains volatile and uncertain, based on the best information available to the Board at the time of the Notice, the Company intends to conduct a poll on all resolutions in the Notice of Annual General Meeting.

Shareholders are strongly encouraged to submit their proxies as early as possible and in any event prior to the cut-off for proxy voting as set out in the Notice. To lodge your proxy, please follow the directions below or on your personalised proxy form which will be provided along with a copy of the Notice, delivered to you by email or post (depending on your communication preferences).

Shareholders attending the AGM virtually will be able to ask questions and the Company has made provision for Shareholders who register their attendance before the start of the meeting to also cast their votes on the proposed resolutions at the AGM as part of the Poll voting. The virtual meeting can be attended using the following details:

**When:** Friday, 27 November 2020 at 10.30am (Melbourne Time)  
**Topic:** Argo Exploration Limited | Annual General Meeting

**Register in advance for this webinar:**

[https://us02web.zoom.us/webinar/register/WN\\_aa2GZ-LOQeu5NNwsdUjrKg](https://us02web.zoom.us/webinar/register/WN_aa2GZ-LOQeu5NNwsdUjrKg)

After registering, you will receive a confirmation email containing information about joining the meeting. The Company strongly recommends its shareholders to lodge a directed proxy as soon as possible in advance of the meeting even if they are planning to attend the meeting online.

The Company is happy to accept and answer questions submitted prior to the meeting by email to [mleydin@leydinfreyer.com.au](mailto:mleydin@leydinfreyer.com.au). Where a written question is raised in respect of the key management personnel of the Company or the resolutions to be considered at the meeting, the Company will address the relevant question during the course of the meeting or by written response after the Meeting (subject to the discretion of the Company not to respond to unreasonable and/or offensive questions). If the situation in relation to COVID-19 were to change in a way that affected the position above, the Company will provide a further update ahead of the Meeting by releasing an announcement to ASX.

Any shareholders who wish to attend the AGM online should therefore monitor the Company’s website and its ASX announcements for any updates about the AGM. If it becomes necessary or appropriate to make alternative arrangements for the holding or conducting of the meeting, the Company will make further information available through the ASX website at [asx.com.au](http://asx.com.au) (ASX: AXT) and on its website at <http://argoexploration.com.au/>.

# ARGO EXPLORATION LIMITED

ACN 120 917 535

Registered office: Level 4, 100 Albert Road, South Melbourne, Victoria 3205

## AGENDA

The Explanatory Statement and proxy form which accompany and form part of this Notice, includes defined terms and describes in more detail the matters to be considered. Please consider this Notice, the Explanatory Statement and the proxy form in their entirety.

### ORDINARY BUSINESS

#### Receipt and Consideration of Accounts & Reports

To receive and consider the Financial Report of the Company and the Directors' Report (including the Remuneration Report) and Auditor's Report as set out in the Company's Annual Report for the year ended 30 June 2020.

*Note: Except for as set out in Resolution 1, there is no requirement for shareholders to approve these reports. Accordingly, no resolution will be put to shareholders on this item of business.*

#### Resolution 1: Adoption of Remuneration Report

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

*"That for the purpose of section 250R(2) of the Corporations Act 2001 and for all other purposes, the Remuneration Report (included in the Directors' report) for the financial year ended 30 June 2020 be adopted."*

#### Resolution 2: Re-election of Mr Christopher Martin as a Director of the Company

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

*"That Mr Christopher Martin, who retires by rotation as a Director in accordance with the Constitution of the Company, and being eligible offers himself for re-election, be re-elected as a Director of the Company."*

#### Resolution 3: Ratification of Prior Issue of 12,000,000 Fully Paid Ordinary Shares

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

*"That for the purpose of ASX Listing Rule 7.4 and for all other purposes, shareholders approve, ratify and confirm the allotment and issue on or about 30 April 2020 of 12,000,000 fully paid ordinary shares in the Company at an issue price of \$0.01 (1 cent) per share as described in the Explanatory Statement."*

#### Resolution 4: Approval of Issue of Shares to Director – Mr Andrew Van Der Zwan (or his nominee)

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

*That for the purpose of ASX Listing Rule 10.11 and for all other purposes, shareholder approval is given for the Company to issue Mr Andrew Van Der Zwan (or his nominee), a Director of the Company, up to 5,000,000 fully paid ordinary shares in the event Mr Van Der Zwan decides to take shares in lieu of a physical cash payment in relation to 100% of directors fees for the period 1 January 2016 to 31 August 2017, and on the basis set out in the Explanatory Statement.*

**SPECIAL BUSINESS:**

**Resolution 5: Renewal of Proportional Takeover Bid provision in the Constitution**

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

*“That, for the purposes of Section 648G(4) of the Corporations Act 2001(Cth) and for all other purposes the members of the company approve the renewal of Clause 36 of the Company’s Constitution.”*

**Resolution 6: Approval to Amend the Company’s Constitution**

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

*“That, for the purposes of Section 136(2) of the Corporations Act and for all other purposes, approval is given that the constitution of Argo Exploration Limited is amended in the manner set out in the Explanatory Statement, with effect from the conclusion of the meeting.”*

**Resolution 7: Approval of 10% Placement Facility**

To consider and, if thought fit, 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 Statement”*

**By order of the Board**



**Melanie Leydin**  
**Company Secretary**  
Melbourne  
27 October 2020

## Notes

1. **Entire Notice:** The details of the resolution contained in the Explanatory Notes accompanying this Notice of Meeting should be read together with, and form part of, this Notice of Meeting.
2. **Record Date:** The Company has determined that for the purposes of the Annual General Meeting, shares will be taken to be held by the persons who are registered as holding the shares at 7.00pm on the day 48 hours before the date of the Annual General Meeting. Only those persons will be entitled to vote at the Annual General Meeting and transfers registered after that time will be disregarded in determining entitlements to attend and vote at the Annual General Meeting.
3. **Proxies**
  - a. Votes at the Annual General Meeting may be given personally or by proxy, attorney or representative.
  - b. Each shareholder has a right to appoint one or two proxies.
  - c. A proxy need not be a shareholder of the Company.
  - d. If a shareholder is a company it must execute under its common seal or otherwise in accordance with its constitution or the Corporations Act.
  - e. Where a shareholder is entitled to cast two or more votes, the shareholder may appoint two proxies and may specify the proportion of number of votes each proxy is appointed to exercise.
  - f. If a shareholder appoints two proxies, and the appointment does not specify the proportion or number of the shareholder's votes, each proxy may exercise half of the votes. If a shareholder appoints two proxies, neither proxy may vote on a show of hands.
  - g. A proxy must be signed by the shareholder or his or her attorney who has not received any notice of revocation of the authority. Proxies given by corporations must be signed in accordance with corporation's constitution and Corporations Act.
  - h. If you sign the proxy form and do not appoint a proxy, you will have appointed the Chair of the meeting as your proxy.
  - i. To be effective, proxy forms must be received by the Company's share registry (Advanced Share Registry Limited) no later than 48 hours before the commencement of the Annual General Meeting, this is no later than 10:30am (AEDT) on Wednesday, 25 November 2020. Any proxy received after that time will not be valid for the scheduled meeting.

## 4. Corporate Representative

Any corporate shareholder who has appointed a person to act as its corporate representative at the Meeting should provide that person with a certificate or letter executed in accordance with the Corporations Act authorising him or her to act as that company's representative. The authority may be sent to the Company and/or registry in advance of the Meeting or handed in at the Meeting when registering as a corporate representative.

## 5. How the Chair will vote Undirected Proxies

Subject to the restrictions set out in Note 6 below, the Chair of the meeting will vote undirected proxies in favour of all of the proposed resolutions. In exceptional circumstances, the Chair may change his or her voting intention on the Resolution, in which case an ASX announcement will be made. Shareholders may also choose to direct the Chair to vote against the Resolution or to abstain from voting.

## 6. Voting Exclusion Statement:

### Resolution 1

In accordance with sections 250R(4) and 250BD(1) of the Corporations Act, a vote must not be cast (in any capacity, including as a proxy), and the Company will disregard any votes purported to be cast, on this resolution by, or on behalf of, a member of the Key Management Personnel, details of whose remuneration are included in the remuneration report, or a Closely Related Party of such a member (**KMP voter**), unless the KMP voter is casting a vote on this resolution on behalf of a person who is not a KMP voter (including as a proxy) and either:

- (a) the KMP voter is appointed as a proxy by writing that specifies the way the proxy is to vote on the resolution; or
- (b) the KMP voter is the Chair of the meeting and the appointment of the Chair as proxy:
  - a. does not specify the way the proxy is to vote on the resolution; and
  - b. expressly authorises the chair to exercise the proxy even if the resolution is connected directly or indirectly with the remuneration of a member of the key management personnel for the Company or the consolidated entity.

If you appoint the Chairman as your proxy and you do not direct the Chairman how to vote, you will be expressly authorising the Chairman to exercise the proxy even if the relevant resolution is connected directly or indirectly with the remuneration of a member of the Key Management Personnel for the Company

If the Chair of the Meeting is appointed as a proxy for a person who is permitted to vote on this Resolution, the Chair will vote any proxies which do not indicate on their Proxy Form the way the Chair must vote, in favour of this Resolution. In exceptional circumstances, the Chair may change his or her voting intention on the Resolution, in which case an ASX announcement will be made. Shareholders may also choose to direct the Chair to vote against the Resolution or to abstain from voting.

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

### Resolution 2

There are no voting exclusions on this resolution.

### Resolution 3

The Company will disregard any votes cast in favour of this Resolution by or on behalf of any person who participated in the relevant issue or any associate(s) of such person(s).

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

- (a) a person as a 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.

#### **Resolution 4**

The Company will disregard any votes cast in favour of Resolution 4 by or on behalf of:

- (a) Mr Andrew Van Der Zwan (or his nominee) or any person(s) who will obtain a material benefit as a result of the proposed issues of securities (except a benefit solely by reason of being a holder of ordinary securities in the entity);
- (b) an associate of any of the persons referred to in the preceding paragraph (a).

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 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.

Furthermore, a vote must not be cast as proxy on any of these Resolutions by a member of the Key Management Personnel (as defined by the Corporations Act) or a closely related party of Key Management Personnel.

However, a person described in the preceding paragraph above (a "**Restricted Voter**") may cast a vote on Resolution 4 as a proxy if:

- a. The Restricted Voter is appointed as a proxy by writing that specifies the way the proxy is to vote on the Resolution(s); or
- b. The Chairman is the Restricted Voter and the written appointment of the Chairman as proxy does not specify the way the proxy is to vote on the Resolution(s) and expressly authorises the Chairman to exercise the proxy even though the Resolution(s) is or are connected with the remuneration of a member of the Key Management Personnel.

If you appoint the Chairman as your proxy and you do not direct the Chairman how to vote, you will be expressly authorising the Chairman to exercise the proxy even if the relevant resolution is connected directly or indirectly with the remuneration of a member of the Key Management Personnel for the Company

#### **Resolution 5**

There are no voting exclusions on this resolution.

#### **Resolution 6**

There are no voting exclusions on this resolution.

#### **Resolution 7**

As at the date of dispatch of this Notice, the Company is not proposing to make an issue of Equity Securities under Listing Rule 7.1A.2 and, therefore, a voting exclusion statement on this Resolution is not currently required by Listing Rule 7.3A.7.

### **7. Special Resolution**

Resolutions 5, 6 and 7 are proposed as special resolutions. For a special resolution to be passed, at least 75% of the votes validly cast on the resolution by shareholders (by number of shares) must be in favour of the resolution.

### **8. Enquiries**

Shareholders are invited to contact the Company Secretary, Melanie Leydin on +61 3 9692 7222 if they have any queries in respect of the matters set out in these documents.

# EXPLANATORY STATEMENT

## Purpose of Information

This Explanatory Statement ("**Statement**") accompanies and forms part of the Company's Notice of Annual General Meeting ("**Notice**") for the 2020 Annual General Meeting ("**Meeting**") will be held virtually via a webinar conferencing facility at 10.30am (AEDT) on Friday, 27 November 2020.

The Notice incorporates, and should be read together, with this Statement.

## Receipt and consideration of Accounts & Reports

A copy of the Annual Report for the financial year ending 30 June 2020 which incorporates the Company's financial report, reports of the Directors (including the Remuneration Report and the auditors) is not enclosed as there is no longer a requirement for the Company to incur the printing and distribution cost associated with doing so for all shareholders. You may obtain a copy free of charge in hard copy form by contacting the Company by phone at +61 3 9692 7222, and you may request that this occurs on a standing basis for future years.

Alternatively, you may access the Annual Report at the Company's website: <http://argoexploration.com.au/> or via the Company's announcement platform on ASX. Except for as set out in Resolution 1, no resolution is required on these reports.

Shareholders will have the opportunity to ask questions about or make comments on, the 2020 Annual Report and the management of the Company. The auditor will be invited to attend, to answer questions about the audit of the Company's 2020 Annual Financial Statements.

## Resolution 1: Adoption of Remuneration Report

### **Background**

Section 250R(2) of the Corporations Act requires that a resolution to adopt the Remuneration Report must be put to the vote at the Annual General Meeting. The vote on this Resolution is advisory only and does not bind the Directors or the Company.

The Remuneration Report is set out in the Directors' Report in the Company's 2020 Annual Report. The Remuneration Report sets out the Company's remuneration arrangements for the Directors and senior management of the Company.

In accordance with Section 250SA of the Corporations Act 2001, Shareholders will be provided with a reasonable opportunity to ask questions concerning, or make comments on, the Remuneration Report at the Annual General Meeting.

The Corporations Act requires the Company to put a resolution to Shareholders that the In accordance with Division 9 of Part 2G.2 of the Corporations Act, if twenty five (25%) per cent 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 (a "spill resolution") that another meeting be held within 90 days at which all of the Company's Directors (other than the Managing Director) must go up for re-election.

It is noted that at the Company's last Annual General Meeting, the votes cast against the Remuneration Report represented less than twenty five (25%) per cent of the total votes cast and accordingly, a spill resolution will not under any circumstances be required for the Annual General Meeting.

The Directors 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.

### **Board Recommendation**

Noting that each Director has a personal interest in their own remuneration from the Company (as such interests are described in the Remuneration Report) and, as described in the voting exclusions on this resolution (set out in the Notice of AGM), that each Director (or any Closely Related Party of a Director) is excluded from voting their shares on this resolution, the Directors unanimously recommend that shareholders vote in favour of Resolution 1 to adopt the Remuneration Report.

### ***Voting Exclusions***

Refer to Note 6 for voting exclusions.

### **Resolution 2: Re-election of Mr Christopher Martin as a Director of the Company**

#### ***Background***

The Constitution of the Company requires that at every Annual General Meeting, one-third or the number nearest one-third (rounded upwards) of the Directors (excluding the Managing Director), shall retire from office and provides that such Directors are eligible for re-election at the meeting.

Mr Martin retires by rotation and, being eligible, offers himself for re-election.

Mr Martin has a Bachelor of Business (Banking & Finance), and over 20 years' experience in the equities markets. He has acted as an independent Consultant to Argo Exploration Ltd since its inception.

#### ***Board Recommendation***

The Board (with Mr Martin abstaining) recommends that shareholders vote in favour of the re-election of Mr Martin.

### ***Voting Exclusions***

There are no voting exclusions on this resolution.

### **Resolution 3: Ratification of Prior Issue of 12,000,000 Fully Paid Ordinary Shares**

The Company is seeking Shareholder approval pursuant to ASX Listing Rule 7.4 to ratify the prior issue on 30 April 2020 ("Issue Date") of 12,000,000 fully paid ordinary shares to investors under a Placement as described in the Company's ASX announcement dated 30 April 2020 ("the Issue"). An Appendix 2A in relation to this issue was lodged with the ASX on 30 April 2020.

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.

The Issue does not fit within any of these exceptions referred to above and, as it has not yet been approved by the Company's 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 Issue Date.

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 into the future without having to obtain shareholder approval for such issues under Listing Rule 7.1.

To this end, Resolution 3 seeks shareholder approval to the Issue under and for the purposes of Listing Rule 7.4.

If Resolution 3 is passed, the Issue will be excluded in calculating The Company's 15% limit in Listing Rule 7.1, effectively increasing the number of equity securities it can issue without shareholder approval over the 12 month period following the Issue Date.

If Resolution 3 is not passed, the Issue will be included in calculating the Company's 15% limit in Listing Rule 7.1, effectively decreasing the number of equity securities it can issue without shareholder approval over the 12 month period following the Issue Date.

ASX Listing Rule 7.5 requires that the following information be provided to shareholders for the purpose of obtaining shareholder approval pursuant to ASX Listing Rule 7.4:

- (a) 10,000,000 shares were issued to Kensington Trust Singapore Limited <ATO IS&P (FNS) Retirement Fund – FN29> and 2,000,000 shares were issued to Mr Darren Peter Gordon <The Gordon Family A/C> who are investors;
- (b) the number and class of securities issued were 12,000,000 fully paid ordinary shares in the Company, voluntary escrowed for 12 months from the date of issue until 30 April 2021;
- (c) the shares were issued on 30 April 2020;
- (d) the shares were issued at an issue price of \$0.01 (1 cent) per share;
- (e) funds raised from the Placement will be used for general working capital purposes.

### **Board Recommendation**

The Board unanimously recommends that shareholders vote in favour of this Resolution.

### **Voting Exclusions**

Refer to Note 6 for voting exclusions.

### **Resolution 4: Approval of Issue of Shares to Director – Mr Andrew Van Der Zwan (or his nominee)**

#### **Background**

Resolution 4 seeks shareholder approval for the purpose of Listing Rule 10.11 and all other purposes for the issue of up to 5,000,000 Shares to Mr Andrew Van Der Zwan, a Non-Executive Director of the Company, as consideration for up to 100% of his outstanding directors' fees for the period 1 January 2016 to 31 August 2017.

All Non-Executive Director fees are currently being accrued rather than paid in cash.

The Company seeks shareholder approval of this resolution to enable Mr Van Der Zwan to elect to take shares in lieu of the Company making physical cash payments for the relevant parts of the outstanding amounts owing to Mr Van Der Zwan. In the event Mr Van Der Zwan elects to take such shares, the liabilities of the Company will be reduced by \$60,000.

The deemed issue price of the shares is \$0.012 (1.2 cents) per share, which represents a 20% premium to the last placement price of \$0.01 (1 cent) per share.

It is the view of Directors that the proposed issue of Shares pursuant to Resolution 4 fall within the exception under section 211 of the Corporations Act (reasonable remuneration) given the circumstances of the Company and the position held by Mr Van Der Zwan. Accordingly, the Company is not seeking shareholder approval under section 208 of the Corporations Act, although shareholder approval must be obtained pursuant to ASX Listing Rule 10.11.

The following is a table of the outstanding Directors' fees payable to Mr Van Der Zwan for the period 1 January 2016 to 31 August 2017 proposed to be settled by the issue of Shares and the number of Shares that may be issued to Mr Van Der Zwan if approval pursuant to Resolution 4 is provided and Mr Van Der Zwan elects to take shares in lieu of all fees accrued to 31 August 2017:

| <b>Director</b>        | <b>Total Monthly Fees Accrued to 31 August 2017</b> | <b>No. of shares to be issued if approval is provided*</b> |
|------------------------|---|--|
| Mr Andrew Van Der Zwan | \$60,000  | 5,000,000  |
| <b>Totals</b>          | <b>\$60,000</b>                                     | <b>5,000,000</b>   |

*\*the number of shares to be issued if approval is provided is 250,000 shares per month for period 1 January 2016 to 31 August 2017*

## **ASX Listing Rule 10.11**

As noted above, the Company is proposing to make issues of fully paid ordinary shares to Mr Andrew Van Der Zwan to settle outstanding directors fees payable (“the Issue”).

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, which includes a director of the company;
- 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 Issues fall within Listing Rule 10.11.1 and do not fall within any of the exceptions in Listing Rule 10.12. Those issues therefore require the approval of the Company’s shareholders under Listing Rule 10.11.

Resolution 4 seeks the required shareholder approval to the Issue under and for the purposes of Listing Rule 10.11.

If Resolution 4 is passed, the Company will be able to proceed with the Issue and settle the relevant outstanding directors fees payable to Mr Van Der Zwan, as noted above.

If Resolution 4 is not passed, the Company will not be able to proceed with the Issue and will need to seek alternatives to settling the outstanding directors fees payable to Mr Van Der Zwan, as applicable, which may include cash payments.

ASX Listing Rule 10.13 sets out a number of matters which must be included in a notice of meeting proposing an approval under ASX Listing Rule 10.11. For the purposes of ASX Listing Rule 10.13, the following information is provided in relation to Resolution 4:

- (a) the name of the person is:
  - Mr Andrew Van Der Zwan; and
- (b) Mr Van Der Zwan is a related party by virtue of being a Director of the Company;
- (c) the securities to be issued are:
  - (i) 5,000,000 fully paid ordinary shares to Mr Van Der Zwan (or his nominee);
- (d) the Shares will be issued not later than one month after the date of the Annual General Meeting (or such later date as permitted by any ASX waiver or modification of the Listing Rules) and it is anticipated that the allotment will occur on the same date;
- (e) the Shares will be issued as satisfaction for \$60,000 in unpaid directors’ fees, which represents 100% of Mr Van Der Zwan’s Directors’ fees for the period 1 January 2016 to 31 August 2017, at a deemed issue price of \$0.012 (1.2 cents) per share, which represents a 20% premium to the last placement price of \$0.01 (1 cent) per share;
- (f) there will not be any funds raised through the issue of the Shares, but the Company will reduce its liabilities by \$60,000; and
- (g) Mr Van Der Zwan’s current total remuneration package is:
  - \$36,000 per annum, including statutory superannuation;

## ***Board Recommendation***

The Board (with Mr Van Der Zwan abstaining) recommends that shareholders vote in favour of this Resolution.

## ***Voting Exclusions***

Refer to Note 6 for voting exclusions.

## **Resolution 5: Renewal of Proportional Takeover Bid provision in the Constitution**

### ***Background***

Clause 36 of the Company's Constitution contains provisions dealing with member approval requirements if there was to be any proportional takeover bids for the Company's securities (Proportional Bid Provisions).

A "proportional takeover bid" means an off-market bid for a specified proportion of the Company's securities held by each shareholder in a class for which a takeover bid has been made. It is not a bid for all securities held by all members of that class, only part of the securities each holds.

Part 6.5 Subdivision 5C of the Corporations Act provides that these Proportional Bid Provisions cease to apply at the end of 3 years from their adoption (or last renewal), but that they may be renewed by special resolution of the members. The Board believes it is appropriate that the Proportional Bid Provisions of the Company's Constitution (Clause 36) be renewed.

In seeking the members' approval for the renewal of the Proportional Bid Provisions, the Corporations Act requires the below information to be provided to members.

### ***Effect of provisions proposed to be renewed***

Clause 36 of the Constitution provides where offers have been made under a proportional off-market bid in respect of a class of securities of the Company ("bid class securities"), the registration of a transfer giving effect to a contract resulting from the acceptance of an offer made under the proportional off-market bid is prohibited unless and until a resolution (in this clause 36 referred to as a "prescribed resolution") to approve the proportional off-market bid is passed in accordance with the provisions of this Constitution.

A person (other than the bidder or a person associated with the bidder) who, as at the end of the day on which the first offer under the proportional off-market bid was made, held bid class securities is entitled to vote on a prescribed resolution and, for the purposes of so voting, is entitled to one vote for each of the bid class securities.

A prescribed resolution is to be voted on at a meeting, convened and conducted by the Company, of the persons entitled to vote on the prescribed resolution.

A prescribed resolution that has been voted on is to be taken to have been passed if the proportion that the number of votes in favour of the prescribed resolution bears to the total number of votes on the prescribed resolution is greater than one half, and otherwise is taken to have been rejected.

### ***Reason for the resolution***

Clause 36 of the Constitution is required to be renewed as more than 3 years have passed since the last renewal of the Constitution. Section 648(G)(1) of the Corporations Act provides that Proportional Bid Provisions such as provided in Clause 36 cease to apply at the end of 3 years from their adoption (or their last renewal). Section 648(G)(4) enables the members to approve a renewal of Proportional Bid Provisions.

The Directors believe that the members should continue to have the choice of considering whether to accept a bid for what might become control of the Company without the members having the opportunity to dispose of all of their securities (rather than just some of their securities, as would be the case under a proportional takeover bid). To preserve this choice, Clause 36 needs to be renewed. If Clause 36 is renewed and any proportional takeover bid (if any) is subsequently approved by members, each member will still have the right to make a separate decision whether that member wishes to accept the (proportional takeover) bid for their own securities.

### ***Awareness of current acquisition proposals***

As at the date of these Explanatory Notes, none of the Directors are aware of any proposal for any person to acquire (or increase the extent of) a substantial interest in the Company from its current level.

### ***Advantages and disadvantages of the Proportional Bid Provisions since last renewed***

As there have been no takeover bids made for any of the shares in the Company since the last renewal of the Proportional Bid Provisions, there has been no application of Clause 36. It may be argued that the potential advantages and disadvantages described below have also applied for the period since adoption of Clause 36.

### ***Potential advantages and disadvantages of the proposed resolution for both directors and shareholders***

An advantage to the directors of renewing the Proportional Bid Provisions is that the Board will be able to assess the member's acceptance or otherwise of a proportional takeover bid should one be made.

As stated above, renewing Clause 36 provides the members with the choice of considering whether to accept a bid for what might become control of the Company without the members having the opportunity to dispose of all of their securities (rather than just some of their securities, as would be the case under a proportional takeover bid). If Clause 36 is not renewed, members will not have this opportunity.

On the other hand, it may be argued that the renewal of Clause 36 may make proportional takeover bids more difficult to succeed and therefore effectively discourage proportional takeover bids being made and reduce the freedom for members to sell some of their securities.

### ***Board Recommendation***

Balancing the above advantages and disadvantages, the Board is of the view that the advantages of renewing the Proportional Bid Provisions outweigh any disadvantages and unanimously recommend the renewal. Accordingly, shareholder approval is sought pursuant to this Resolution.

### ***Voting Exclusions***

There are no voting exclusions for this Resolution.

## **Resolution 6: Approval to Amend the Company's Constitution**

### ***Background***

As part of the Company's regular review of its operations to streamline administration, minimise costs and incorporate recent regulatory updates, the Company proposes to amend the Constitution as set out below.

The amendments are proposed in order to bring the provisions of the Constitution in line with recent technological and Listing Rule updates and will assist the Company to more effectively and efficiently communicate with Shareholders as well as utilise various electronic platforms and tools to hold and conduct Shareholder meetings.

Section 136(2) of the Corporations Act states that a company may "modify or repeal its constitution, or provision of its constitution, by special resolution". Accordingly, this Resolution 6 is proposed as a special resolution.

### ***Proposed Amendments***

By Resolution 6, the Company seeks Shareholder approval for the purposes of Section 136(2) of the Corporations Act, and for all other purposes, to amend the Constitution of the Company in the following manner:

1. Amend the definition of "ASX" from "Australian Stock Exchange Limited" to "ASX Limited" in clause 1.1.
2. Replace clause 2.11 with the following (as mandated by Listing Rule 15.12):

#### ***2.11 Restricted Securities***

For so long as the Company has any Restricted Securities on issue, the following apply:

- (a) A holder of Restricted Securities must not dispose of, or agree or offer to dispose of, the securities during the escrow period applicable to those securities except as permitted by the Listing Rules or ASX.
- (b) If the Restricted Securities are in the same class as Listed Securities, the holder will be taken to have agreed in writing that the Restricted Securities are to be kept on the Company's issuer sponsored sub-register and are to have a holding lock applied for the duration of the escrow period applicable to those securities.
- (c) The Company will refuse to acknowledge any disposal (including, without limitation, to register any transfer) of Restricted Securities during the escrow period applicable to those securities except as permitted by the Listing Rules or ASX.
- (d) A holder of Restricted Securities will not be entitled to participate in any return of capital on those securities during the escrow period applicable to those securities except as permitted by the Listing Rules or ASX.
- (e) If a holder of Restricted Securities breaches a restriction deed or a provision of the Company's Constitution restricting a disposal of those securities, the holder will not be entitled to any dividend or distribution, or to exercise any voting rights, in respect of those securities for so long as the breach continues.

3. Insert the following wording into clause 11.4 between "two or more venues simultaneously" and "using any technology" such that the last sentence of clause 11.4 reads as follows:

*A general meeting may be held at two or more venues simultaneously, including by way of virtual or hybrid meeting, using any technology that gives the Shareholders as a whole a reasonable opportunity to participate.*

4. Insert the following as a new clause 11.9:

**11.9 Use of technology at general meetings**

*If the technology used in accordance with clause 11.4 encounters a technical difficulty, whether before or during the meeting, which results in a Shareholder not being able to participate in the meeting, the chairman may, subject to the Corporations Act and this Constitution, allow the meeting to continue or may adjourn the meeting either for such reasonable period as may be required to fix the technology or to such other time and location as the chairman deems appropriate.*

5. Insert the following as new clauses 12.25 and 12.26:

**12.25 Direct Voting**

*The Directors may determine that at any general meeting of the Company or of any class of Shareholders, a Shareholder who is entitled to attend and vote on a resolution at that meeting is entitled to a direct vote in respect of that resolution. A direct vote includes a vote delivered to the Company by post, fax or other electronic means approved by the Directors. The Directors may prescribe regulations, rules and procedures in relation to direct voting, including specifying the form, method and timing of giving a direct vote at a meeting in order for the vote to be valid.*

**12.26 Conduct of general meetings**

- (a) *If a separate meeting place is linked to the main place of a meeting of Shareholders by an instantaneous communication device which, by itself or in conjunction with other arrangements:*
  - (i) *gives the general body of Shareholders in the separate meeting place a reasonable opportunity to participate in proceedings in the main place;*
  - (ii) *enables the chairman to be aware of proceedings in the other place; and*

- (iii) enables the Shareholders in the separate meeting place to vote on a show of hands or on a poll,

a Shareholder present at the separate meeting place is taken to be present at the meeting of Shareholders and is entitled to exercise all rights as if she or he was present at the main place.

- (b) If, before or during the meeting, any technical difficulty occurs where one or more of the matters set out in clause 12.26(a) is not satisfied, the chairman of the meeting may:

- (i) adjourn the meeting until the difficulty is remedied; or
- (ii) continue to hold the meeting in the main place (and any other place which is linked under clause 12.26(a)) and transact business, and no Shareholder may object to the meeting being held or continuing.

- (c) Nothing in this clause 12.26 is to be taken to limit the powers conferred on the chairman of the meeting by law.

5. Insert as the following as a new clause 16.5:

**16.5 Failure in instantaneous communication device**

*If a failure in any instantaneous communication device prevents any of the conditions in clause 16.1 from being satisfied, as a result of which one or more Directors cease to participate in the meeting, the chairman may adjourn the meeting until the difficulty is remedied or may, where a quorum of Directors remains present, continue with the meeting. If, as a result of the technical difficulty, a quorum of Directors is not present, then the meeting is suspended until the conditions set out in clause 16.1 are satisfied again. If the conditions set out in clause 16.1 are not satisfied within 15 minutes from the time the meeting was interrupted, the meeting is deemed to have terminated.*

6. Replace clause 25.1 with the following:

**25.1 Service**

*A notice may be given by the Company to any Shareholder by:*

- (a) *servicing it on the Shareholder personally;*
- (b) *sending it by post to the Shareholder's address in the Register of Shareholders or an alternative address nominated by the Shareholder;*
- (c) *unless the Shareholder has requested otherwise, sending the notice (and any accompanying material) to an electronic address the Shareholder has supplied to the Company for the giving of notices or by other electronic means determined by the Directors acting reasonably and previously notified to Shareholders; or*
- (d) *subject to compliance with the Corporations Act and the Listing Rules, unless the Shareholder has requested otherwise, sending to:*
  - (i) *an electronic address the Shareholder has supplied to the Company for the giving of notices, a URL from which the notice and other material can be viewed or downloaded; or*
  - (ii) *the Shareholder's address in the Register of Shareholder or an alternative address nominated by the Shareholder, a letter or postcard setting out a URL from which the notice and other material can be viewed or downloaded.*
- (e) *For the purposes of this clause 25.1, the fact that a Shareholder has supplied an electronic address for the giving of notices does not require the Company to give any notice to that person by electronic means.*

7. Replace clause 25.2 with the following:

**25.2 Deemed receipt of Notice**

*A notice to a person by the Company is taken to have been effected:*

- (a) if it is delivered personally – on that day;
- (b) if it is sent by post – on the day after the date of its posting;
- (c) if it is sent by electronic means – on the day after the date it is sent;
- (d) if it is made available on the Company's website and/or the ASX Market Announcements Platform – on the date the notice becomes available for viewing and downloading by a member of the public; or
- (e) if it is given by a manner authorised under clause 25.1(d) – on the date nominated by the Company (acting reasonably) in the notice.

8. Replace clause 25.7 with the following:

**25.7 Incorrect Address**

(a) Where:

- (i) a Shareholder does not have a registered address in the Register of Shareholders; or
- (ii) the Company has reasonable grounds to believe that a Shareholder is not known at the Shareholder's registered address in the Register of Shareholders (including where the Company has made enquiry at the registered address as to the Shareholder's whereabouts, and receives no response or a response indicating that the Shareholder's whereabouts are unknown),

*the Company may give any notice to that Shareholder by exhibiting the notice at the Registered Office of the Company or (whilst the Company has Listed Securities) publishing the notice on the Company's page of the ASX Market Announcements Platform for at least 48 hours.*

- (b) Where the Company gives a notice under clause 25.7(a), service of notice is to be taken to be effected when the notice was first so exhibited.

**Board Recommendation**

The Board recommends that shareholders vote in favour of this Resolution.

**Voting Exclusions**

There are no voting exclusions on this Resolution.

**Resolution 7: Approval of 10% Placement Facility**

**Background**

Listing Rule 7.1A enables an eligible entity to issue Equity Securities up to 10% of its issued share capital through placements over a 12-month period after the Annual General Meeting ("**10% Placement Facility**"). The 10% Placement Facility is in addition to the Company's 15% placement capacity under Listing Rule 7.1.

An eligible entity for the purposes of Listing Rule 7.1A is an entity that is not included in the S&P/ASX 300 Index and has a market capitalisation of \$300 million or less. The Company is, at the date of this Notice, an eligible entity.

The Company is seeking shareholder approval by way of a special resolution to have the ability, if required, to issue Equity Securities under the 10% Placement Facility. The effect of this Resolution will be to allow the Directors to issue Equity Securities under Listing Rule 7.1A during the 10% Placement Period (as described below) without using the Company's 15% placement capacity under Listing Rule 7.1.

If Resolution 7 is passed, the number of Equity Securities permitted to be issued under the 10% Placement Facility will be determined in accordance with the formula prescribed in Listing Rule 7.1A.2 (see below) and the Company will be able to issue Equity Securities from the 10% Placement Facility, as noted below, without any further shareholder approval.

If Resolution 7 is not passed, the Company will not be able to access the additional 10% capacity to issue Equity Securities without shareholder approval provided for in Listing Rule 7.1A and will remain subject to the 15% limit on issuing Equity Securities without shareholder approval set out in Listing Rule 7.1.

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

#### *(a) Shareholder approval*

The ability to issue Equity Securities under the 10% Placement Facility is subject to shareholder approval by way of a special resolution at an annual general meeting. This means it requires approval of 75% of the votes cast by shareholders present and eligible to vote (in person, by proxy, by attorney or, in the case of a corporate shareholder, by a corporate representative).

#### *(b) Equity Securities*

Any Equity Securities issued under the 10% Placement Facility must be in the same class as an existing quoted class of Equity Securities of the Company and must be issued for cash consideration.

The Company, as at the date of the Notice, has on issue one class of quoted Equity Securities, being fully paid ordinary shares.

#### *(c) 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 12-month period after the date of the Annual General Meeting, a number of Equity Securities calculated in accordance with the following formula:

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

- A** is the number of shares on issue at the commencement of the “relevant period” (which, for the Company, is the 12 month period immediately preceding the date of the issue or agreement):
- (A) plus the number of fully paid shares issued in the relevant period under an exception in Listing Rule 7.2, other than exception 9, 16 or 17;
  - (B) plus the number of fully paid shares issued in the relevant period on the conversion of convertible securities within rule 7.2 exception 9 where:
    - (i) the convertible securities were issued or agreed to be issued before the commencement of the relevant period; or
    - (ii) the issue of, or agreement to issue, the convertible securities was approved, or taken under the Listing Rules to have been approved, under rule 7.1 or rule 7.4;
  - (C) plus the number of fully paid shares issued in the relevant period under an agreement to issue securities within rule 7.2 exception 16 where:
    - (i) the agreement was entered into before the commencement of the relevant period; or
    - (ii) the agreement or issue was approved, or taken under the Listing Rules to have been approved, under rule 7.1 or rule 7.4;
  - (D) plus the number of fully paid shares issued in the relevant period with approval under Listing Rules 7.1 or 7.4;
  - (E) plus the number of partly paid shares that became fully paid in the relevant period;
  - (F) less the number of fully paid shares cancelled in the relevant period.

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

**D** is 10%

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

(d) *Listing Rule 7.1 and Listing Rule 7.1A*

The ability of an entity to issue Equity Securities under Listing Rule 7.1A is in addition to the entity's 15% placement capacity under Listing Rule 7.1.

The actual number of Equity Securities that the Company will have capacity to issue under Listing Rule 7.1A will be calculated at the date of issue of the Equity Securities in accordance with the formula prescribed in Listing Rule 7.1A.2 (refer above).

(e) *Nature of consideration for issue and Minimum Issue Price*

The Equity Securities issued under Listing Rule 7.1A must be issued for a cash consideration per security which must be not less than 75% of the VWAP of Equity Securities in the same class calculated over the 15 trading days on which trades in that class were recorded immediately before:

- (i) the date on which the price at which the Equity Securities are to be issued is agreed by the Company and the recipient of the securities; 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.

(f) *10% Placement Period*

Shareholder approval of the 10% Placement Facility under Listing Rule 7.1A commences on the date of the Annual General Meeting at which the approval is obtained and expires on the first to occur of the following:

- (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;
- (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).**

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

Pursuant to and in accordance with Listing Rule 7.3A, information is provided in relation to the approval of the 10% Placement Facility as follows:

(a) The period for which the Shareholder approval of the 10% Placement Facility under Listing Rule 7.1A commences on the date of the Annual General Meeting at which the approval is obtained, being 27 November 2020, and expires on the first to occur of the following:

- (i) the date that is 12 months after the date of the Annual General Meeting at which the approval is obtained, being 27 November 2021;
- (ii) the time and date of the Company's next annual general meeting;
- (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).

(b) The Equity Securities will be issued at an issue price of not less than 75% of the VWAP for the Company's Equity Securities in the same class calculated over the 15 trading days on which trades in that class were recorded immediately before:

- (i) the date on which the price at which the Equity Securities are to be issued is agreed by the Company and the recipient of the securities; 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) The purposes for which the funds raised by an issue of Equity Securities under rule 7.1A.2 may be used by the Company include:
- (i) consideration for the acquisition(s) of the new assets and investments, including the expenses associated with such acquisition(s); and
  - (ii) continued expenditure on the Company's current business and/or general working capital.
- (d) 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 table below (in the case of Listed Options, only if the Listed Options are exercised). Shareholders may also be exposed to economic risk and voting dilution, including the following:
- (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 Annual General Meeting; and
  - (ii) the Equity Securities may be issued at a price that is at a discount to the market price for the Company's Equity Securities on the issue date,

which may have an effect on the amount of funds raised by the issue of the Equity Securities.

The below table shows the dilution of existing Shareholders on the basis of the market price of Shares as at 21 October 2020 (**Current Share Price**) 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:

- two examples where variable "A" has increased, by 50% and 100%. Variable "A" is based on the number of ordinary securities the Company has on issue. The number of ordinary securities on issue may increase as a result of issues of ordinary securities that do not require Shareholder approval (for example, a pro rata entitlements issue or scrip issued under a takeover offer) or future specific placements under Listing Rule 7.1 that are approved at a future Shareholders' meeting; and
- 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 7.1A.2                                  |                                | Issue Price                                       |                                   |  |
|--|--------------------------------|---|-----------------------------------|--|
|  |                                | \$0.007<br>50% decrease in<br>Current Share Price | \$0.014<br>Current Share<br>Price | \$0.028<br>100% increase in<br>Current Share Price |
| <b>Current Variable A</b><br>194,970,000 Shares                      | <b>10% Voting<br/>Dilution</b> | 19,497,000 Shares                                 |                                   |  |
|  | <b>Funds raised</b>            | \$136,479   | \$272,958                         | \$545,916  |
| <b>50% increase in current<br/>Variable A</b><br>292,455,000 Shares  | <b>10% Voting<br/>Dilution</b> | 29,245,500 Shares                                 |                                   |  |
|  | <b>Funds raised</b>            | \$204,719   | \$409,437                         | \$818,874  |
| <b>100% increase in current<br/>Variable A</b><br>389,940,000 Shares | <b>10% Voting<br/>Dilution</b> | 38,994,000 Shares                                 |                                   |  |
|  | <b>Funds raised</b>            | \$272,958   | \$545,916                         | \$1,091,832  |

The table has been prepared on the following assumptions:

- The Company issues the maximum number of Equity Securities available under the 10% Placement Facility.
- 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%.
- 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 Annual General Meeting.
- The table shows only the effect of issues of Equity Securities under Listing Rule 7.1A, not under the 15% placement capacity under Listing Rule 7.1.
- The issue of Equity Securities under the 10% Placement Facility consists only of Shares.
- The Current Share Price is \$0.014 being the closing price of the Shares on ASX on 21 October 2020.

- (e) 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 allottees of Equity Securities will be determined on a case-by-case basis having regard to relevant 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 allottees under the 10% Placement Facility have not been determined as at the date of this Notice but may include existing substantial Shareholders, subject to compliance with Listing Rule 10.11, and/or new Shareholders who are not related parties or associates of a related party of the Company.

- (f) The Company:
- (i) has not issued, nor agreed to issue, any Equity Securities under Rule 7.1A.2 in the 12 month period preceding the date of the Meeting; and
  - (ii) had not agreed, before the 12 month period referred to in the preceding paragraph, to issue any Equity Securities under rule 7.1A.2 where such securities remain unissued as at the date of the Meeting.

### ***Directors Recommendations***

The Directors of the Company believe that this Resolution is in the best interests of the Company and unanimously recommend that Shareholders vote in favour of this Resolution.

### ***Voting Exclusions***

Refer to Note 6 for voting exclusions.

## GLOSSARY

The following terms have the following meanings in this Explanatory Statement:

“\$” means Australian Dollars;

“**10% Placement Facility**” has the meaning as defined in the Explanatory Statement for Resolution 7;

“**10% Placement Period**” has the meaning as defined in the Explanatory Statement for Resolution 7;

“**Annual Report**” means the Directors’ Report, the Financial Report, and Auditor’s Report, in respect to the year ended 30 June 2020;

“**ASX**” means ASX Limited ABN 98 008 624 691 or the Australian Securities Exchange, as the context requires;

“**Auditor’s Report**” means the auditor’s report on the Financial Report;

“**AEDT**” means Australian Eastern Daylight Time;

“**Board**” means the Directors acting as the board of Directors of the Company or a committee appointed by such board of Directors;

“**Chairman**” means the person appointed to chair the Meeting of the Company convened by the Notice;

“**Closely Related Party**” means:

- (a) a spouse or child of the member; or
- (b) has the meaning given in section 9 of the Corporations Act.

“**Company**” means Argo Exploration Limited ACN 120 917 535;

“**Constitution**” means the constitution of the Company as at the date of the Meeting;

“**Convertible Security**” means a security of the Company which is convertible into shares;

“**Corporations Act**” means the Corporations Act 2001 (Cth);

“**Director**” means a Director of the Company;

“**Directors Report**” means the annual directors’ report prepared under Chapter 2M of the Corporations Act for the Company and its controlled entities;

“**Equity Security**” has the same meaning as in the Listing Rules;

“**Explanatory Statement**” means the explanatory statement which forms part of the Notice;

“**Financial Report**” means the annual financial report prepared under Chapter 2M of the Corporations Act for the Company and its controlled entities;

“**Key Management Personnel**” means persons having authority and responsibility for planning, directing and controlling the activities of the Company, directly or indirectly, including any Director (whether executive or otherwise) of the Company;

“**Listing Rules**” means the Listing Rules of the ASX;

“**Meeting**” has the meaning given in the introductory paragraph of the Notice;

“**Notice**” means this Notice of Meeting including the Explanatory Statement;

“**Proxy Form**” means the proxy form attached to the Notice;

“**Remuneration Report**” means the remuneration report which forms part of the Directors’ Report of the Company for the financial year ended 30 June 2020 and which is set out in the 2020 Annual Report.

“**Resolution**” means a resolution referred to in the Notice;

“**Section**” means a section of the Explanatory Statement;

“**Share**” means a fully paid ordinary share in the capital of the Company;

“**Shareholder**” means shareholder of the Company;

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

“**VWAP**” means volume weighted average price.

## LODGE YOUR PROXY APPOINTMENT ONLINE



### ONLINE PROXY APPOINTMENT

[www.advancedshare.com.au/investor-login](http://www.advancedshare.com.au/investor-login)



### MOBILE DEVICE PROXY APPOINTMENT

Lodge your proxy by scanning the QR code below, and enter your registered postcode.

It is a fast, convenient and a secure way to lodge your vote.

## 2020 ANNUAL GENERAL MEETING PROXY FORM

I/We being shareholder(s) of Argo Exploration Limited and entitled to attend and vote hereby:

### APPOINT A PROXY

The Chair of the meeting **OR**



**PLEASE NOTE:** If you leave the section blank, the Chair of the Meeting will be your proxy.

or failing the individual(s) or body corporate(s) named, or if no individual(s) or body corporate(s) named, the Chair of the Meeting, as my/our proxy to act generally at the meeting on my/our behalf, including 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 the Company to be held virtually via a webinar conferencing facility on 27 November 2020 at 10:30am (AEDT) and at any adjournment or postponement of that Meeting.

**Chair authorised to exercise undirected proxies on remuneration related resolutions:** Where I/we have appointed the Chair of the Meeting as my/our proxy (or the Chair becomes my/our proxy by default), I/we expressly authorise the Chair to exercise my/our proxy on Resolutions 1 & 4 (except where I/we have indicated a different voting intention below) even though these resolutions are connected directly or indirectly with the remuneration of a member(s) of key management personnel, which includes the Chair. I/we acknowledge the Chair of the Meeting intends to vote all undirected proxies available to them in favour of each Resolution.

### VOTING DIRECTIONS

#### Resolutions

|   | For                      | Against                  | Abstain*                 |
|---|--------------------------|--------------------------|--------------------------|
| 1 Adoption of Remuneration Report   | <input type="checkbox"/> | <input type="checkbox"/> | <input type="checkbox"/> |
| 2 Re-election of Mr Christopher Martin as a Director of the Company                 | <input type="checkbox"/> | <input type="checkbox"/> | <input type="checkbox"/> |
| 3 Ratification of Prior Issue of 12,000,000 Fully Paid Ordinary Shares              | <input type="checkbox"/> | <input type="checkbox"/> | <input type="checkbox"/> |
| 4 Approval of Issue of Shares to Director – Mr Andrew Van Der Zwan (or his nominee) | <input type="checkbox"/> | <input type="checkbox"/> | <input type="checkbox"/> |
| 5 Renewal of Proportional Takeover Bid provision in the Constitution                | <input type="checkbox"/> | <input type="checkbox"/> | <input type="checkbox"/> |
| 6 Approval to Amend the Company's Constitution                                      | <input type="checkbox"/> | <input type="checkbox"/> | <input type="checkbox"/> |
| 7 Approval of 10% Placement Facility  | <input type="checkbox"/> | <input type="checkbox"/> | <input type="checkbox"/> |



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

### SIGNATURE OF SHAREHOLDERS – THIS MUST BE COMPLETED

Shareholder 1 (Individual)

Joint Shareholder 2 (Individual)

Joint Shareholder 3 (Individual)

Sole Director and Sole Company Secretary

Director/Company Secretary (Delete one)

Director

This form should be signed by the shareholder. If a joint holding, all the shareholder should sign. If signed by the shareholder's attorney, the power of attorney must have been previously noted by the registry or a certified copy attached to this form. If executed by a company, the form must be executed in accordance with the company's constitution and the Corporations Act 2001 (Cth).

Email Address



Please tick here to agree to receive communications sent by the company via email. This may include meeting notifications, dividend remittance, and selected announcements.

## HOW TO COMPLETE THIS SHAREHOLDER PROXY FORM

**IF YOU WOULD LIKE TO ATTEND AND VOTE AT THE MEETING, PLEASE BRING THIS FORM WITH YOU.  
THIS WILL ASSIST IN REGISTERING YOUR ATTENDANCE.**

### CHANGE OF ADDRESS

This form shows your address as it appears on Company's share register. If this information is incorrect, please make the correction on the form. Shareholders sponsored by a broker should advise their broker of any changes.

### APPOINTMENT OF A PROXY

If you wish to appoint the Chair as your proxy, mark the box in Step 1. If you wish to appoint someone other than the Chair, please write that person's name in the box in Step 1. A proxy need not be a shareholder of the Company. A proxy may be an individual or a body corporate.

### DEFAULT TO THE CHAIR OF THE MEETING

If you leave Step 1 blank, or if your appointed proxy does not attend the Meeting, then the proxy appointment will automatically default to the Chair of the Meeting.

### VOTING DIRECTIONS – PROXY APPOINTMENT

You may direct your proxy on how to vote by placing a mark in one of the boxes opposite each resolution of business. All your shares will be voted in accordance with such a direction unless you indicate only a portion of voting rights are to be voted on any resolution by inserting the percentage or number of shares you wish to vote in the appropriate box or boxes. If you do not mark any of the boxes on a given resolution, your proxy may vote as they choose to the extent they are permitted by law. If you mark more than one box on a resolution, your vote on that resolution will be invalid.

### PROXY VOTING BY KEY MANAGEMENT PERSONNEL

If you wish to appoint a Director (other than the Chair) or other member of the Company's key management personnel, or their closely related parties, as your proxy, you must specify how they should vote on Resolutions 1 & 4, by marking the appropriate box. If you do not, your proxy will not be able to exercise your vote for Resolutions 1 & 4.

**PLEASE NOTE:** If you appoint the Chair as your proxy (or if they are appointed by default) but do not direct them how to vote on a resolution (that is, you do not complete any of the boxes "For", "Against" or "Abstain" opposite that resolution), the Chair may vote as they see fit on that resolution.

### APPOINTMENT OF A SECOND PROXY

You are entitled to appoint up to two persons as proxies to attend the meeting and vote on a poll. If you wish to appoint a second proxy, an additional Proxy Form may be obtained by telephoning Advanced Share Registry Limited or you may copy this form and return them both together.

To appoint a second proxy you must:

- On each Proxy Form state the percentage of your voting rights or number of shares applicable to that form. If the appointments do not specify the percentage or number of votes that each proxy may exercise, each proxy may exercise half your votes. Fractions of votes will be disregarded; and
- Return both forms together.

### COMPLIANCE WITH LISTING RULE 14.11

In accordance with Listing Rule 14.11, if you hold shares on behalf of another person(s) or entity/entities or you are a trustee, nominee, custodian or other fiduciary holder of the shares, you are required to ensure that the person(s) or entity/entities for which you hold the shares are not excluded from voting on resolutions where there is a voting exclusion. Listing Rule 14.11 requires you to receive written confirmation from the person or entity providing the voting instruction to you and you must vote in accordance with the instruction provided.

By lodging your proxy votes, you confirm to the company you are in compliance with Listing Rule 14.11.

### CORPORATE REPRESENTATIVES

If a representative of a nominated corporation is to attend the meeting the appropriate "Certificate of Appointment of Corporate Representative" should be produced prior to admission in accordance with the Notice of Meeting. A Corporate Representative Form may be obtained from Advanced Share Registry.

### SIGNING INSTRUCTIONS ON THE PROXY FORM

#### Individual:

Where the holding is in one name, the security holder must sign.

#### Joint Holding:

Where the holding is in more than one name, all of the security holders should sign.

#### Power of Attorney:

If you have not already lodged the Power of Attorney with Advanced Share Registry, please attach the original or 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 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.

### LODGE YOUR PROXY FORM

This Proxy Form (and any power of attorney under which it is signed) must be received at an address given below 10:30am (AEDT) on 25 November 2020, being not later than 48 hours before the commencement of the Meeting. Proxy Forms received after that time will not be valid for the scheduled meeting.



#### ONLINE PROXY APPOINTMENT

[www.advancedshare.com.au/investor-login](http://www.advancedshare.com.au/investor-login)



#### BY MAIL

Advanced Share Registry Limited  
110 Stirling Hwy, Nedlands WA 6009; or  
PO Box 1156, Nedlands WA 6909



#### BY FAX

+61 8 6370 4203



#### BY EMAIL

[admin@advancedshare.com.au](mailto:admin@advancedshare.com.au)



#### IN PERSON

Advanced Share Registry Limited  
110 Stirling Hwy, Nedlands WA 6009



#### ALL ENQUIRIES TO

Telephone: +61 8 9389 8033