



## NOTICE OF ANNUAL GENERAL MEETING (2022)

Dear Shareholder,

Castle Minerals Limited (ASX: CDT) ("Castle" or the "Company") is convening its Annual General Meeting of Shareholders to be held on Wednesday, 16 November 2022 at 9.30am (WST) ("AGM") at the offices of BDO (Boab Room) located at Level 9, Mia Yellagonga Tower 2, 5 Spring Street, Perth WA 6000.

If you have elected to receive notices by email, the Company's share registry will email you with a link to view the 2022 AGM Notice, as well as provide instructions on how to vote. If you have not elected to receive notices from the Company by email, a copy of your notice and personalised proxy form will be posted to you.

You may vote by attending the AGM in person, by proxy or by appointing an authorised representative.

We encourage shareholders to participate in the AGM and engage with the Board by:

- (1) lodging a directed proxy vote in advance of the meeting by following the instructions on the proxy form. Proxy forms for the meeting should be lodged before 9.30am (WST) on Monday, 14 November 2022;
- (2) lodging questions in advance of the AGM by emailing questions to the Company Secretary at [styants@castleminerals.com](mailto:styants@castleminerals.com) by 5.00pm (WST) on Monday, 14 November 2022; and
- (3) registering your attendance at the AGM with the Company Secretary at [styants@castleminerals.com](mailto:styants@castleminerals.com) by 5.00pm (WST) Monday, 14 November 2022. Please include details of your holder name, address, HIN or SRN for planning purposes.

The 2022 AGM Notice is important and should be read in its entirety. If you are in doubt as to the course of action you should follow, you should consult your professional adviser.

If you have any difficulties obtaining a copy of the 2022 AGM Notice or proxy form please contact the Company's share registry, Automic on <https://automic.com.au/> (webchat), 1300 288 664 (phone within Australia) or +61 2 9698 5414 (phone overseas).

Yours sincerely

**Jade Styants**

Company Secretary

14 October 2022

**Principal and Registered Office** Suite 9 / 11 Ventnor Avenue West Perth, Western Australia 6005 | **Postal** PO Box 437 West Perth, Western Australia 6872

**Contact** [admin@castleminerals.com](mailto:admin@castleminerals.com) | [www.castleminerals.com](http://www.castleminerals.com) | **Telephone** +61 8 93227018

**Board:** **Chairman**, Michael Atkins | **Managing Director**, Stephen Stone | **Non-Executive Director**, James Guy | **Company Secretary**, Jade Styants

**Capital Structure** Ordinary Shares: 999.3M | Listed Options: 107.3M | Unlisted Options: 19.5M | **ASX Code** CDT | **ACN** 116 095 802



## **Notice of Annual General Meeting and Explanatory Statement**

Annual General Meeting will be held at the offices  
of BDO (Boab Room) located at Level 9,  
Mia Yellagonga Tower 2, 5 Spring Street, Perth WA 6000  
on Wednesday, 16 November 2022 at 9.30am (WST).

**The business of the Meeting affects your shareholding and your vote is important. This Notice of Annual General Meeting 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 prior to voting.**

The Directors have determined pursuant to Regulation 7.11.37 of the Corporations Regulations 2001 (Cth) that the persons eligible to vote at the Meeting are those who are registered Shareholders at 5:00pm (WST) on Monday, 14 November 2022.

## **NOTICE OF ANNUAL GENERAL MEETING**

Notice is given that the Annual General Meeting of shareholders of Castle Minerals Limited (the "Company") will be held at 9.30am (WST) on Wednesday, 16 November 2022 at the offices of BDO (Boab Room) located at Level 9, Mia Yellagonga Tower 2, 5 Spring Street, Perth WA 6000.

### **ITEMS OF BUSINESS**

#### **ANNUAL REPORT**

To receive and consider the Annual Report of the Company and its controlled entities for the year ended 30 June 2022, which includes the Financial Report, the Directors' Report and the Auditor's Report.

**Note: Except as set out in Resolution 1 (Adoption of Remuneration Report) there is no requirement for Shareholders to vote on a resolution or adopt these reports. Accordingly, no resolution will be put to Shareholders on this item of business.**

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#### **RESOLUTION 1: ADOPTION OF REMUNERATION REPORT**

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

*"That, for the purpose of section 250R(2) of the Corporations Act and for all other purposes, approval is given for the adoption of the Remuneration Report as contained in the Company's annual financial report for the financial year ended 30 June 2022."*

**Note: the vote on this Resolution is advisory only and does not bind the Directors or the Company**

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#### **RESOLUTION 2: RE-ELECTION OF DIRECTOR – MICHAEL ATKINS**

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

*"That, for the purpose of clause 11.3 of the Constitution and for all other purposes, Michael Atkins, a Director, retires, and being eligible, is re-elected as a Director."*

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#### **RESOLUTION 3: APPROVAL OF 10% PLACEMENT CAPACITY**

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

*"That, for the purpose of Listing Rule 7.1A and for all other purposes, approval is given for the issue of equity securities totalling up to 10% of the Shares on issue in the Company, calculated in accordance with the formula prescribed in Listing Rule 7.1A.2 and on the terms and conditions set out in the Explanatory Statement."*

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#### **RESOLUTION 4: RATIFICATION OF PRIOR ISSUE OF SHARES (LR7.1)**

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

*"That, for the purposes of ASX Listing Rule 7.4 and for all other purposes, Shareholders approve and ratify the prior issue by the Company on 17 January 2022 of 76,901,697 Shares at an issue price of \$0.03 per share on the terms and conditions set out in the Explanatory Statement."*

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#### **RESOLUTION 5: RATIFICATION OF PRIOR ISSUE OF SHARES (LR7.1A)**

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

*"That, for the purposes of ASX Listing Rule 7.4 and for all other purposes, Shareholders approve and ratify the prior issue by the Company on 17 January 2022 of 43,098,303 Shares at an issue price of \$0.03 per share on the terms and conditions set out in the Explanatory Statement."*

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#### **RESOLUTION 6: RATIFICATION OF PRIOR ISSUE OF NEW OPTIONS (LR7.1)**

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

*"That, for the purposes of ASX Listing Rule 7.4 and for all other purposes, Shareholders approve and ratify the prior issue by the Company of 40,000,000 New Options (exercisable at \$0.055 each and expiring on 31 December 2024) attached to the fully paid ordinary shares, issued on 19 January 2022 to intuitional and sophisticated investors, under the terms and conditions set out in the Explanatory Statement."*

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#### **RESOLUTION 7: RATIFICATION OF PRIOR ISSUE OF PEAK OPTIONS (LR7.1)**

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

*"That, for the purpose of ASX Listing Rule 7.4 and for all other purposes, Shareholders approve and ratify the Company to issue 15,000,000 Peak Options to Peak Asset Management (or it's nominee) on the terms and conditions set out in the Explanatory Statement."*

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#### **RESOLUTION 8: ADOPTION OF THE EMPLOYEE SECURITIES INCENTIVE PLAN**

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

*"That, for the purposes of Listing Rule 7.2 (Exception 13(b)) and for all other purposes, approval is given for the Company to adopt an employee incentive scheme titled Employee Securities Incentive Plan (**Plan**) and for the issue of securities under that Plan, on the terms and conditions set out in the Explanatory Statement."*

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**RESOLUTION 9: ISSUE OF DIRECTORS OPTIONS TO MR MICHAEL ATKINS (DIRECTOR) UNDER EMPLOYEE SECURITIES INCENTIVE PLAN**

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

*"That, subject to the passing of Resolution 8, for the purpose of sections 195(4) and 208 of the Corporations Act and ASX Listing Rule 10.14 and for all other purposes, Shareholders approve and authorise the Company to issue 4,000,000 Director Options under the Plan, and the issue of Shares on exercise of those Director Options, to Chairman Mr Michael Atkins on the terms and conditions set out in the Explanatory Statement."*

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**RESOLUTION 10: ISSUE OF DIRECTORS OPTIONS TO MR STEPHEN STONE (DIRECTOR) UNDER EMPLOYEE SECURITIES INCENTIVE PLAN**

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

*"That, subject to the passing of Resolution 8, for the purpose of sections 195(4) and 208 of the Corporations Act and ASX Listing Rule 10.14 and for all other purposes, Shareholders approve and authorise the Company to issue 16,000,000 Director Options under the Plan, and the issue of Shares on exercise of those Director Options, to Managing Director Mr Stephen Stone on the terms and conditions set out in the Explanatory Statement."*

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**RESOLUTION 11: ISSUE OF DIRECTORS OPTIONS TO MR JAMES GUY (DIRECTOR) UNDER EMPLOYEE SECURITIES INCENTIVE PLAN**

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

*"That, subject to the passing of Resolution 8, for the purpose of sections 195(4) and 208 of the Corporations Act and ASX Listing Rule 10.14 and for all other purposes, Shareholders approve and authorise the Company to issue 8,000,000 Director Options under the Plan, and the issue of Shares on exercise of those Director Options, to Non-Executive Director Mr James Guy on the terms and conditions set out in the Explanatory Statement."*

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**RESOLUTION 12: APPROVAL OF PROPORTIONAL TAKEOVER PROVISIONS**

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

*"That, for the purposes of section 648G of the Corporations Act and for all other purposes, the proportional takeover provisions contained in Part 26 of the Company's Constitution (and produced in Annexure D) be renewed for a period of three years, with effect from the date of this Meeting."*

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Dated: 14 October 2022

By order of the Board

**Jade Styants**  
**Company Secretary**

## **VOTING EXCLUSIONS**

The Company will disregard any votes cast in favour of the resolution by or on behalf of any person specified below in relation to that resolution and an associate of any such person when determining the result of the resolution except where the vote is cast by a person as a proxy for a person who is entitled to vote in accordance with the directions on the proxy form or it is cast by the Chairman as a proxy for a person who is entitled to vote in accordance with a direction on the proxy form to vote as the proxy decides.

### **RESOLUTION 1: ADOPTION OF REMUNERATION REPORT**

In accordance with section 250R of the Corporations Act, a vote in favour of this Resolution 1 must not be cast (in any capacity) by, or on behalf of, a member of the Key Management Personnel whose remuneration details are included in the remuneration report, or a Closely Related Party of such a member. However, a 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 proxy in writing and the proxy form specifies how the proxy is to vote;  
or
- b) the voter is the Chair voting an undirected proxy which expressly authorises the Chair to exercise the proxy on a resolution connected with the remuneration of a member of the Key Management Personnel.

### **RESOLUTION 3: APPROVAL OF 10% PLACEMENT CAPACITY**

The Company will disregard any votes cast in favour of this resolution by or on behalf of any person who is expected to participate in, or who will obtain a material benefit as a result of, the proposed issue (except a benefit solely by reason of being a holder of ordinary securities in the Company) or any associates of that person or those persons.

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

- a) a person as a proxy or attorney for a person who is entitled to vote on the resolution, in accordance with directions given to the proxy or attorney to vote on the resolution in that way;
- 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 the directions given by the beneficiary to the holder to vote in that way.

#### **RESOLUTION 4, 5 & 6: RATIFICATION OF PRIOR ISSUE OF SHARES AND OPTIONS**

The Company will disregard any votes cast in favour of these resolutions (respectively and separately) by or on behalf of any person who participated in the issue of these shares and/or options or any of associates of those persons.

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

- a) a person as a proxy or attorney for a person who is entitled to vote on the resolutions, in accordance with directions given to the proxy or attorney to vote on the resolutions in that way;
- b) the Chair of the meeting as proxy or attorney for a person who is entitled to vote on the resolutions, in accordance with a direction given to the Chair to vote on the resolutions 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 resolutions in accordance with the directions given by the beneficiary to the holder to vote in that way.

#### **RESOLUTION 7: RATIFICATION OF PRIOR ISSUE OF PEAK OPTIONS**

The Company will disregard any votes cast in favour of this resolution by or on behalf of Peak (or its nominee) or any associates of Peak.

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;
- 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 the directions given by the beneficiary to the holder to vote in that way.

### **RESOLUTION 8: ADOPTION OF THE EMPLOYEE SECURITIES INCENTIVE PLAN**

The Company will disregard any votes cast in favour of this resolution by or on behalf of a person who is eligible to participate in the Employee Securities Incentive Scheme, being current employees, directors or contractors of the Company 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 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;
- 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 the directions given by the beneficiary to the holder to vote in that way.

Members of Key Management Personnel and any Closely Related Party of such Key Management Personnel will not be entitled to vote undirected proxies on Resolution 8, other than the Chair, provided he is expressly authorised in the proxy form to vote in accordance with his stated voting intentions. Please note that if the Chair of the meeting is your proxy (or becomes your proxy by default), by completing the attached proxy form, you will expressly authorise the Chair to exercise your proxy on Resolution 8 even though it is connected directly or indirectly with the remuneration of a member of Key Management Personnel for the Company, which includes the Chair.

### **RESOLUTION 9, 10 AND 11: ISSUE OF DIRECTOR OPTIONS**

The Company will disregard any votes cast in favour of these resolutions by:

- a) Michael Atkins, Stephen Stone and James Guy (or their respective nominees) and any associates of those persons (respectively and separately);
- b) a person referred to in rule 10.14.1, 10.14.2 or 10.14.3 who is eligible to participate in the Plan and any associates of those persons; and
- c) any other person who will obtain a material benefit as a result of the issue of the Director Options (except a benefit solely by reason of being a holder of ordinary securities in the entity).

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;



- 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 the directions given by the beneficiary to the holder to vote in that way.

Members of Key Management Personnel and any Closely Related Party of such Key Management Personnel will not be entitled to vote undirected proxies on Resolution 9, 10 or 11.

Please note that by completing the attached proxy form, if the Chair of the meeting is your proxy or becomes your proxy by default, any undirected proxies on Resolutions 9, 10 or 11 will be disregarded.

## **PROXY AND VOTING INSTRUCTIONS**

Voting on all proposed Resolutions at the Meeting will be conducted by poll.

A shareholder entitled to attend and vote at the Meeting may appoint one or two proxies to attend and vote on their behalf. A shareholder can direct its proxy to vote for or against, or to abstain from voting on, each Resolution by marking the appropriate box in the voting directions section of the proxy form.

If a proxy is not directed on how to vote on an item of business, the proxy may vote or abstain from voting on that resolution as they think fit.

If a proxy is instructed to abstain from voting on an item of business, they are directed not to vote on the shareholder's behalf on the poll and the shares that are the subject of the proxy appointment will not be counted in calculating the required majority.

Shareholders who return their proxy forms with a direction on how to vote but do not nominate the identity of their proxy will be taken to have appointed the Chairman of the Meeting as their proxy to vote on their behalf.

If a proxy form is returned but the nominated proxy does not attend the meeting, or does not vote on the Resolution, the Chairman of the Meeting will act in place of the nominated proxy and vote in accordance with any instructions.

Proxy appointments in favour of the Chairman of the Meeting, the secretary or any Director that do not contain a direction on how to vote will be used where possible to support each of the Resolutions proposed in this Notice of Annual General Meeting.

The proxy form must be signed by the member or his/her attorney duly authorised in writing or, if the member is a corporation, in a manner permitted by the Corporations Act 2001. A proxy given by a foreign corporation must be executed in accordance with the laws of that corporation's place of incorporation.

**Details on how to lodge your proxy are set out on the proxy form. Proxy forms should be returned to the Company's share registry in accordance with the instructions on the proxy form by 9.30am (WST) on Monday, 14 November 2022.**

### **Corporate Representatives**

Any corporation that is a shareholder of the Company may authorise (by a form of execution authorised by the laws of that corporation's place of incorporation, or in any other manner satisfactory to the Chairman) a natural person to act as its representative at any general meeting.

### **Voting Entitlement**

The Company has determined that for the purposes of the Meeting, shares will be taken to be held by the persons who are registered as holding the shares at 5:00pm (WST) on Monday, 14 November 2022. Accordingly, transfers registered after that time will be disregarded in determining entitlements to attend and vote at the Annual General Meeting.

### **Chair's voting intentions**

The Chair of the meeting intends to vote undirected proxies in favour of each Resolution, with the exception of Resolutions 9, 10 and 11 for which undirected proxies will be disregarded.

## **EXPLANATORY STATEMENT**

### **ANNUAL REPORT**

In accordance with section 317 of the Corporations Act 2001 (Cth), the Annual Report which includes the Financial Report, the Directors' Report and the Auditor's Report for the financial year ended 30 June 2022 will be tabled at the Meeting. There is no requirement for Shareholders to approve the Annual Report.

Shareholders will be offered the following opportunities to:

- (a) discuss the Annual Report;
- (b) ask questions or make comment on the business and management of the Company; and
- (c) ask the auditor questions about the conduct of the audit, preparation and content of the Auditor's Report and the independence of the auditor in relation to the conduct of the audit.

Written questions to the Chairman about the management of the Company, or to the Company's auditor about:

- (a) the preparation and the content of the Auditor's Report;
- (b) the conduct of the audit;
- (c) accounting policies by the Company in relation to the preparation of the financial statements; and
- (d) the independence of the auditor in relation to the conduct of the audit,

may be submitted in advance of the AGM by emailing any questions to the Company Secretary at [styants@castleminerals.com](mailto:styants@castleminerals.com) by 5.00pm (WST) on Monday, 14 November 2022, to be answered at the Meeting.

### **RESOLUTION 1: REMUNERATION REPORT**

Section 250R(2) of the Corporations Act provides that the Company is required to put the Remuneration Report to the vote of Shareholders. The Directors' Report contains the Remuneration Report (pages 11 – 14 of the 2022 Annual Report) which sets out the remuneration policy for the Company and reports the remuneration arrangements in place for the executive Directors, specified executives and non-executive Directors.

Section 250R(3) of the Corporations Act provides that Resolution 1 is advisory only and does not bind the Directors or the Company. However, the Directors will take into account Shareholders views on this Resolution when planning the Company's remuneration policies going forward.

The Chairman intends to exercise all undirected proxies in favour of Resolution 1. If the Chairman of the Meeting is appointed as your proxy and you have not specified the way the Chairman is to vote on Resolution 1, by signing and returning the Proxy Form, the Shareholder is considered to have provided the Chairman with an express authorisation for the Chairman to vote the proxy in accordance with the Chairman's intention.

The Directors recommend that Shareholders vote in favour of Resolution 1.

## **RESOLUTION 2: RE-ELECTION OF MICHAEL ATKINS**

**Michael Atkins**, B.Comm, FAICD

Mr Michael Atkins has been a Non-Executive Chairman of the Company since 18 January 2016. The Board has assessed Mr Michael Atkins as independent pursuant to the Company's Policy on independence of Directors.

The biographical details of Mr Michael Atkins are set out in the 2022 Annual Report.

### **Current and previous (last three years) ASX listed directorships:**

Mr Michael Atkins is currently chairman of Legend Mining Ltd, and non-executive director of SRG Global Limited and Warrego Energy Limited, all ASX listed companies. Mr Michael Atkins was non-executive Chairman of Azumah Resources Limited until his resignation in December 2019 and has not held any other former public company directorships in the last three years other than those set out above.

Listing Rule 14.4 and clause 11.3 of the Constitution requires that at the Company's annual general meeting in every year, one-third of the Directors for the time being, or, if their number is not a multiple of 3, then the number nearest one-third, shall retire from office, provided always that no Director (except a Managing Director) shall hold office for a period in excess of 3 years, or until the third annual general meeting following his or her appointment, whichever is the longer, without submitting himself or herself for re-election.

The Directors to retire at an annual general meeting are those who have been longest in office since their last election, but, as between persons who became Directors on the same day, those to retire shall (unless they otherwise agree among themselves) be determined by drawing lots.

A Director who retires by rotation under clause 11.3 of the Constitution is eligible for re-election.

The Company currently has three (3) Directors including one (1) Managing Director, and accordingly one (1) director must retire. Mr Michael Atkins retires by rotation and seeks re-election.

The Directors, other than Mr Michael Atkins, recommend that Shareholders vote in favour of Resolution 2.

## **RESOLUTION 3: APPROVAL OF 10% PLACEMENT CAPACITY**

### **General**

Resolution 3 seeks shareholder approval by way of special resolution for the Company to have the additional 10% capacity provided for in ASX Listing Rule 7.1A to issue equity securities without shareholder approval.

If Resolution 3 is passed, the Company will be able to issue equity securities up to the combined limited under ASX Listing Rules 7.1 and 7.1A without any further shareholder approval.

The effect of Resolution 3 will be to allow the Directors to issue equity securities up to 10% of the Company's fully paid ordinary securities on issue at the time of the issue under the 10% Placement Capacity during the period up to 12 months after the Meeting, without subsequent Shareholder approval and without using the Company's 15% annual placement capacity granted under Listing.

If Shareholders approve Resolution 3, the number of equity securities the eligible entity may issue under the 10% Placement Capacity will be determined in accordance with the formula prescribed in ASX Listing Rule 7.1A.2 (as set out below under clause 3.3 (c)).

If Resolution 3 is not passed, the Company will not be able to access the additional 10% capacity to issue equity securities without shareholder approval as 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 ASX Listing Rule 7.1.

The Directors of the Company believe that Resolution 3 is in the best interests of the Company and unanimously recommend that Shareholders vote in favour of this Resolution.

Resolution 3 is a special resolution. Accordingly, at least 75% of votes cast by Shareholders present and eligible to vote at the Meeting must be in favour of Resolution 3 for it to be passed.

### **Summary of ASX Listing Rule 7.1A**

Broadly speaking, and subject to a number of exceptions, ASX 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 ASX Listing Rule 7.1A, however, an eligible entity may seek Shareholder approval, by way of a special resolution at its annual general meeting, to allow the eligible entity to issue equity securities up to 10% of its issued capital at the time of the issue over a period up to 12 months after the annual general meeting (**10% Placement Capacity**), in addition to the eligible entities 15% annual placement capacity, thereby increasing the limit overall to 25%.

An eligible entity is one that, as at the date of the relevant annual general meeting:

- (a) is not included in the S&P/ASX 300 Index; and
- (b) has a market capitalisation of less than \$300,000,000.

The Company is an eligible entity as it is not included in the S&P/ASX 300 Index and has a current market capitalisation of approximately \$24 million.

#### **a) Shareholder approval**

The ability to issue equity securities under the 10% Placement Capacity is subject to shareholder approval by way of special resolution at an annual general meeting.

#### **b) Equity securities**

Any equity securities issued under the 10% Placement Capacity must be in the same class as an existing quoted class of equity securities of the Company.

The Company, as at the date of this Notice, has on issue four classes of equity securities, being the Shares (ASX Code: CDT), listed options (ASX Code: CDTO, CDTOA) and unlisted options.

### c) Formula for calculating 10% Placement Capacity

ASX Listing Rule 7.1A.2 provides that an eligible entity which has obtained the approval of its holders of Shares under ASX Listing Rule 7.1A may, during the period of approval, issue or agree to issue 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 at the commencement of the relevant period,
- (a) plus the number of Shares issued in the relevant period under an exception in ASX 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 ASX Listing 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 these rules to have been approved, under ASX Listing Rule 7.1 or ASX Listing Rule 7.4,
  - (c) plus the number of Shares issued in the relevant period under an agreement to issue securities within ASX Listing 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 these rules to have been approved, under ASX Listing Rule 7.1 or ASX Listing Rule 7.4,
  - (d) plus the number of any other Shares issued in the relevant period with approval under ASX Listing Rule 7.1 or ASX Listing Rule 7.4,
  - (e) plus the number of partly paid shares that became fully paid in the relevant period,
  - (f) 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 ASX Listing Rule 7.1A.2 in the relevant period where the issue or agreement has not been subsequently approved by the holders of the Shares under ASX Listing Rule 7.4.

For the purpose of this clause 3.3(c) "relevant period" means:

- a) If the entity has been admitted to the official list for 12 months or more, the 12 month period immediately preceding the date of the issue or agreement; or
- b) If the entity has been admitted to the official list for less than 12 months, the period from the date the entity was admitted to the official list to the date immediately preceding the date of the issue or agreement.

### (d) ASX Listing Rule 7.1 and ASX Listing Rule 7.1A

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

As at the date of this Notice, the Company has:

- (i) the following securities on issue:
  - a) 999,344,651 Shares;
  - b) 107,281,277 listed options and
  - c) 19,500,000 unlisted options.
- (ii) the capacity to issue:
  - a) 22,250 Shares under ASX Listing Rule 7.1; and
  - b) 44,850,995 Shares under ASX Listing Rule 7.1A.

The actual number of equity securities that the Company will have the capacity to issue under ASX Listing Rule 7.1A will be calculated at the date of issue of the equity securities in accordance with the formula prescribed in ASX Listing Rule 7.1A.2 (as detailed in section 3.2(c) above).

### **Specific information required by ASX Listing Rule 7.1A**

Pursuant to and in accordance with the ASX Listing Rule 7.3A, the information below is provided in relation to Resolution 3:

#### **(a) Period for which the 7.1A mandate is valid (10% Placement Capacity Period)**

Shareholder approval of the 10% Placement Capacity under ASX Listing Rule 7.1A is valid from the date of the 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 meeting at which the approval is obtained;
- (ii) the time and date of the Company's next annual general meeting; or
- (iii) the date of approval by Shareholders of any transaction under ASX Listing Rule 11.1.2 (a significant change to the nature or scale of the Company's activities) or ASX Listing Rule 11.2 (disposal of the Company's main undertaking),

**(10% Placement Capacity Period).**

#### **(b) Minimum Issue Price**

In accordance with ASX Listing Rule 7.1A.3, any equity securities issued must be in an existing quoted class of the Company and issued for a cash consideration per equity securities. The minimum price at which the equity securities may be issued is 75% of the volume weighted average market price of equity securities in that class, calculated over the 15 ASX 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 entity and the recipient of the equity securities; or
- (ii) if the equity securities are not issued within 10 ASX trading days of the date in paragraph (i) above, the date on which the equity securities are issued.

#### **(c) Use of funds**

The Company intends to use any funds raised from the issue of equity securities under the 7.1A Mandate to progress exploration at the Company's Western Australia and Ghanaian projects, provide greater flexibility to respond to new opportunities and for working capital purposes.

#### (d) Risk of Economic and Voting Dilution

If Resolution 3 is approved by Shareholders and the Company issues equity securities under the 10% Placement Capacity, 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 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 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 ASX Listing Rule 7.1A.2 as at the date of this Notice.

The table shows:

- (i) two examples where variable "A" has increased by 50% and 100%. Variable "A" is based on the number of Shares the Company has on issue at the date of this Notice. 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 ASX Listing Rule 7.1 that are approved at a future Shareholders' meeting; and
- (ii) 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 ASX Listing Rule 7.1A.2	Dilution			
		\$0.012 50% decrease in Issue Price	\$0.024 Issue Price	\$0.036 50% increase in Issue Price
999,344,651 <b>(Current Variable A)</b>	10% voting dilution	99,934,465 Shares	99,934,465 Shares	99,934,465 Shares
	Funds raised	\$1,199,214	\$2,398,427	\$3,597,641
1,499,016,976 <b>(50% increase in current Variable A)</b>	10% voting dilution	149,901,697 Shares	149,901,697 Shares	149,901,697 Shares
	Funds raised	\$1,798,820	\$3,597,641	\$5,396,461
2,248,525,465 <b>(100% increase in current Variable A)</b>	10% voting dilution	224,852,546 Shares	224,852,546 Shares	224,852,546 Shares
	Funds raised	\$2,698,231	\$5,396,461	\$8,094,692

The table above uses the following assumptions:

1. The "Current Variable A" are the Shares on issue as at 14 October 2022.
2. The "Issue Price" in the table is the closing price of the Shares on the ASX on 13 October 2022.
3. The Company issues the maximum number of equity securities under the 10% Placement Capacity.



4. No options are exercised into Shares before the date of issue of the equity securities.
5. 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.
6. The calculations above do not show the dilution that any one particular Shareholder will be subject to. All Shareholders should consider the dilution caused to their own shareholding depending on their specific circumstances.
7. This table only shows the effect of issue of equity securities under ASX Listing Rule 7.1A and does not set out any dilution pursuant to approvals under the 15% placement capacity under ASX Listing Rule 7.1.

**(e) Allocation policy**

The Company's allocation policy for the issue of equity securities will be dependent on the prevailing market conditions at the time of any proposed issue pursuant to the 10% Placement Capacity.

The Company will determine the allottees at the time of the issue under the 10% Placement Capacity, having regard to the following factors:

- (i) the purpose of the issue;
- (ii) alternative methods for raising funds available to the Company at that time, including, but not limited to, an entitlement issue or other offer where existing Shareholders may participate;
- (iii) the effect of the issue of the equity securities on the control of the Company;
- (iv) the circumstances of the Company, including, but not limited to, the financial position and solvency of the Company;
- (v) prevailing market conditions; and
- (vi) advice from corporate, financial and broking advisers (if applicable).

**(f) Previous approval under Listing Rule 7.1A**

The Company previously obtained Shareholder approval under ASX Listing Rule 7.1A at its annual general meeting held on 30 November 2021 ("Previous Approval").

In accordance with ASX Listing Rule 7.3A.6 the total number of equity securities issued by the Company in the 12 months preceding the date of this Notice pursuant to the Previous Approval is 43,098,303 Shares ("Previous Issue"). The aggregate ASX Listing Rule 7.1A placement capacity at the time of issuing the Previous Issue is set out below:

Date of AGM approving additional placement capacity under ASX Listing Rule 7.1A	30 November 2021
Date of Issue	17 January 2022
<b>A1</b> Total number of Shares on issue at the commencement of the relevant period.	732,500,818

<b>A3</b> Number of fully paid Shares issued in the relevant period on the conversion of convertible securities within rule 7.2 exception 9 where: (a) the convertible securities were issued or agreed to be issued before the commencement of the relevant period; or (b) the issue of, or agreement to issue, the convertible securities was approved or taken to be approved under rule 7.1 or 7.4.	20,000,000
<b>A5</b> Number of any other Shares issued in the relevant period with approval under rule 7.1 or 7.4.	126,843,833
<b>A</b> Total A1 + A3 + A5	879,344,651
<b>ASX Listing Rule 7.1A capacity = A x 10%</b>	87,934,465

The Previous Issue represents:

- (i) 4.9% of the equity securities on issue at the date of allotment of the Previous Issue; and
- (ii) 5.9% of the total number of equity securities on issue at the commencement of the 12-month period prior to the date of the Meeting .

Further details of the issue of equity securities by the Company pursuant to ASX Listing Rule 7.1A.2 during the 12-month period preceding the date of the Meeting are set out below.

The following information is provided in accordance with ASX Listing Rule 7.3A.6 (b) in respect of the Previous Issue:

<b>Date of Issue</b>	17 January 2022
<b>Date of Appendix 2A</b>	17 January 2022
<b>Basis upon which recipients were identified or selected</b>	The placement participants were identified through a bookbuild process which involved the lead manager 'Peak Asset Management' seeking expressions of interest to participate in the capital raising from its network of institutional, sophisticated and professional investors, focusing on investors who they consider will hold the Shares for an extended period and who are acceptable to the Company. None of the participants are related parties of the Company or 'material investors' under ASX Guidance Note 21.
<b>Number and Class of Equity Securities Issued</b>	43,098,303 Shares <sup>2</sup>
<b>Issue Price and Discount</b> <sup>1</sup>	\$0.03 per Share (at a discount of 19.52%)
<b>Total Cash Consideration and Use of Funds</b>	<p><b>Amount raised:</b> \$1,292,949.09</p> <p><b>Amount spent:</b> nil</p> <p><b>Amount remaining:</b> \$1,292,949.09</p> <p><b>Use of funds:</b> The net proceeds of the placement will enable Castle to advance several of its projects into the drilling phase with the ultimate intention of confirming 'flag-ship' status at one or more of these assets. A proportion of the funds raised will be used for general working capital purposes.</p>

Notes:

1. For the purpose of this table the discount is the price at which the equity securities were issued and the discount that the issue price represented to the fifteen-day volume weighted average price on the ASX of \$0.036 per share up to 7 January 2022, being the closing market price on the date of the issue agreement.
2. Fully paid ordinary shares in the capital of the Company (ASX Code: CDT).

### **Other specific information required by ASX Listing Rule 7.3A**

The allottees of the equity securities to be issued under the 10% Placement Capacity have not yet been determined. However, the allottees of equity securities could consist of current Shareholders or new investors (or both), none of whom will be related parties or Associates of a related party of the Company.

A voting exclusion statement is included in the Notice. 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. No existing Shareholder's votes will therefore be excluded under the voting exclusion in the Notice.

## **RESOLUTION 4, 5 & 6: RATIFICATION OF PRIOR ISSUE OF SHARES AND OPTIONS**

### **General**

On 17 January 2022, the Company issued 120,000,00 Shares in the Company ("**Placement Shares**") to professional and sophisticated investors at an issue price of \$0.03 per share to raise \$3,600,000 before costs.

Each Placement Share was issued an attaching listed option on 19 January 2022 exercisable at \$0.055 each, expiring on 31 December 2023 ("**New Options**") on a 1:3 basis.

The Placement Shares and New Options were issued as follows:

- a) 76,901,697 Placement Shares and 40,000,000 New Options were issued pursuant to the Company's ASX Listing Rule 7.1 placement capacity; and
- b) 43,098,303 Placement Shares were issued pursuant to the Company's ASX Listing Rule 7.1A placement capacity. The Company's ASX Listing Rule 7.1A mandate was approved at its annual general meeting held on 30 November 2021.

The Company is applying the net proceeds of the placement towards advancing several of its projects into the drilling phase with the ultimate intention of confirming 'flag-ship' status at one or more of these assets. A proportion of the funds raised will be used for general working capital purposes.

The Company engaged the services of Peak to manage the issue of the Placement Shares. The Company has paid Peak a fee of \$216,000 (being 6% of the amount raised under the issue of the Placement Shares) plus 15,000,000 options exercisable at \$0.055, expiring on 31 December 2024 (the subject of Resolution 7 in this Notice).

The placement participants were identified through a bookbuild process, which involved Peak seeking expressions of interest to participate in the capital raising from non-related parties of the Company.

### **Summary of Listing Rules 7.1**

Broadly speaking, and subject to a number of exceptions, ASX Listing Rule 7.1 limits the amount of equity securities that a listed company can issue without the approval of its shareholders over any

12 month period to 15% of the fully paid ordinary securities it had on issue at the start of that 12 month period.

The issue of the Placement Shares does not fit within any of these exceptions and, as it has not yet been approved by Shareholders, it effectively uses up the 15% limit in ASX Listing Rules 7.1, reducing the Company's capacity to issue further equity securities without Shareholder approval under ASX Listing Rule 7.1 for the 12 month period following the date of issue of the Placement Shares. ASX 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 ASX Listing Rule 7.1 and so does not reduce the company's capacity to issue further equity securities without shareholder approval under that rule.

Castle 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 ASX Listing Rule 7.1.

To this end, Resolutions 4, 5 & 6 seeks approval to the Placement Shares and New Options under and for the purposes of ASX Listing Rule 7.4.

If Resolution 4, 5 & 6 are passed, the issue of the Placement Shares and New Options will be excluded in calculating the Company's 15% limit in ASX Listing Rule 7.1, effectively increasing the number of equity securities it can issue without Shareholder approval over the 12-month period following the Placement Shares and New Options issue date.

If Resolution 4, 5 & 6 are not passed, the issue of the Placement Shares and New Options will be included in calculating the Company's 15% limit in ASX 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.

#### **Summary of ASX Listing Rule 7.4**

ASX Listing Rule 7.4 sets out an exception to ASX Listing Rule 7.1. It provides that where a company in general meeting ratified the previous issue of securities made pursuant to ASX Listing Rule 7.1 (and provided that the previous issue did not breach ASX Listing Rule 7.1) these securities will be deemed to have been made with shareholder approval for the purpose of ASX Listing Rule 7.1.

#### **Specific information requirement by ASX Listing Rule 7.5**

Pursuant to and in accordance with ASX Listing Rule 7.5, the following information is provided in relation to Resolution 4, 5 & 6:

**(a) Basis upon which the recipients of the Placement Shares and New Options were identified or selected:**

The Placement Shares and New Options participants were identified and selected through a bookbuild process which involved the lead manager 'Peak Asset Management' seeking expressions of interest to participate in the capital raising from its network of institutional, sophisticated and professional investors, focusing on investors who they consider will hold the securities for an extended period and who were acceptable to the Company.

None of the participants are related parties of the Company or 'material investors' under ASX Guidance Note 21.

**(b) Details on the Placement Shares issued:**

The Company issued 120,000,000 Shares on 17 January 2022. The Placement Shares issued were all fully paid ordinary shares in the capital of the Company issued on the same terms and conditions as the Company's existing Shares.

The issue price was \$0.03 per Placement Share. The Company has not and will not receive any other consideration for the issue of the Placement Shares.

**(c) Details on the New Options issued:**

The Company issued 40,000,000 Options on 19 January 2022. The New Options were attaching to the Placement Share and issued for no consideration. The Company has not and will not receive any other consideration for the issue of the New Options.

The rights and liabilities attaching to these New Options are set out in Annexure A.

**(d) Use of funds:**

The Company is applying the net proceeds of the placement towards advancing several of its projects into the drilling phase with the ultimate intention of confirming 'flag-ship' status at one or more of these assets. A proportion of the funds raised will be used for general working capital purposes.

**(e) Summary of material terms of agreement:**

A summary of the material terms of the 'Engagement Letter – Castle Minerals Limited' between the Company and Peak dated 7 January 2022 (**Engagement Letter**), the Placement Shares and New Options were issued under, has been set out below:

On 12 January 2022 the Company announced that it had engaged Peak as corporate advisor and lead manager to the placement, the subject of Resolution 4, 5 & 6, to raise a minimum of A\$3,000,000 at a price of A\$0.03 each, through the issue of 100,000,000 ordinary shares in the Company by way of private placement, with any oversubscriptions at the discretion of the Company. Each share will include a 1 for 3 option with an exercise price of A\$0.055 and an expiry date of 31 December 2024.

Under the Engagement Letter the Company will use reasonable endeavours to have the Options quoted on the ASX, subject to:

- (a) meeting necessary minimum spread requirements of 50 Option holders, which spread will be the responsibility of Peak;
- (b) shareholder approval (if any required); and
- (c) any other requirements of the ASX or their Listing Rules or other statutory requirements.

If for any reason the spread requirement is not met, or for any other reason outside of the control of the Company, the Options will remain unlisted.

Pursuant to the Engagement Letter, the Company agreed to:

- i) pay Peak a Capital Raising Fee of 6% for all monies raised in respect to the Placement Shares; and
- ii) issue to Peak (or its nominees), 15,000,000 listed options exercisable at \$0.055 each on or before the 31 December 2024 as partial consideration for the capital raising and corporate advisory services (the subject of Resolution 7).

The Engagement Letter contains additional provisions, including warranties and indemnities in respect of the Company, which are considered standard for agreements of this nature.

**(f) Voting exclusion:**

A voting exclusion statement is included in this Notice of Meeting.

**RESOLUTION 7: RATIFICATION OF PRIOR ISSUE OF PEAK OPTIONS**

The Company issued 15,000,000 listed Options to Peak (or its nominee), on the terms set out in Annexure A, in part consideration for corporate advisor and lead manager services provided in connection with the placement announced on ASX on 12 January 2022 ("**Peak Options**").

**Summary of Listing Rules 7.1**

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

The issue of the Placement Shares does not fit within any of these exceptions and, as it has not yet been approved by Shareholders, it effectively uses up the 15% limit in ASX Listing Rules 7.1, reducing the Company's capacity to issue further equity securities without Shareholder approval under ASX Listing Rule 7.1 for the 12 month period following the date of issue of the Placement Shares. ASX 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 ASX Listing Rule 7.1 and so does not reduce the company's capacity to issue further equity securities without shareholder approval under that rule.

Castle 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 ASX Listing Rule 7.1.

To this end, Resolutions 7 seeks approval to the Peak Options under and for the purposes of ASX Listing Rule 7.4.

**Specific information required by ASX Listing Rule 14.1A**

If Resolution 7 is passed, the issue of the Peak Options will be excluded in calculating the Company's 15% limit in ASX Listing Rule 7.1, effectively increasing the number of equity securities it can issue without Shareholder approval over the 12-month period following the Peak Option issue date.

If Resolution 7 is not passed, the issue of the Peak Options will be included in calculating the Company's 15% limit in ASX 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.

## Summary of ASX Listing Rule 7.4

ASX Listing Rule 7.4 sets out an exception to ASX Listing Rule 7.1. It provides that where a company in general meeting ratified the previous issue of securities made pursuant to ASX Listing Rule 7.1 (and provided that the previous issue did not breach ASX Listing Rule 7.1) these securities will be deemed to have been made with shareholder approval for the purpose of ASX Listing Rule 7.1.

## Specific information requirement by ASX Listing Rule 7.5

Pursuant to and in accordance with ASX Listing Rule 7.3, the following information is provided in relation to Resolution 7:

- (a) the Company issued 15,000,000 Peak Options to Peak (or its nominee), who is not a related party of the Company on 19 January 2022;
- (b) the Peak Options were issued at a nil issue price as part consideration to Peak for corporate advisory and lead manager services to the placement announced to ASX on 12 January 2022. The Company has not and will not receive any other consideration for the issue of the Placement Shares;
- (c) the purpose of the issue of the Peak Options is to satisfy the Company's obligations under the 'Engagement Letter – Castle Minerals Limited' between the Company and Peak dated 7 January 2022;
- (d) the rights and liabilities attaching to the Peak Options are set out in Annexure A;
- (e) a summary of the material terms of the 'Engagement Letter – Castle Minerals Limited' between the Company and Peak dated 7 January 2022 ("**Engagement Letter**"), the Peak Options were issued under, has been set out below:

On 12 January 2022 the Company announced that it had engaged Peak as corporate advisor and lead manager to the placement, the subject of Resolution 4, 5 & 6, to raise a minimum of A\$3,000,000 at a price of A\$0.03 each, through the issue of 100,000,000 ordinary shares in the Company by way of private placement, with any oversubscriptions at the discretion of the Company. Each share will include a 1 for 3 option with an exercise price of A\$0.055 and an expiry date of 31 December 2024.

Under the Engagement Letter the Company will use reasonable endeavours to have the Options quoted on the ASX, subject to:

- (a) meeting necessary minimum spread requirements of 50 Option holders, which spread will be the responsibility of Peak;
- (b) shareholder approval (if any required); and
- (c) any other requirements of the ASX or their Listing Rules or other statutory requirements.

If for any reason the spread requirement is not met, or for any other reason outside of the control of the Company, the Options will remain unlisted.

Pursuant to the Engagement Letter, the Company agreed to:

- iii) pay Peak a Capital Raising Fee of 6% for all monies raised in respect to the Placement Shares; and

- iv) issue to Peak (or its nominees), 15,000,000 listed options exercisable at \$0.055 each on or before the 31 December 2024 as partial consideration for the capital raising and corporate advisory services (the subject of Resolution 7).

The Engagement Letter contains additional provisions, including warranties and indemnities in respect of the Company, which are considered standard for agreements of this nature; and

- (f) a voting exclusion statement is included in this Notice of Meeting.

## **RESOLUTION 8: ADOPTION OF THE EMPLOYEE SECURITIES INCENTIVE PLAN**

Resolution 8 seeks Shareholder approval for the adoption of the employee incentive scheme titled 'Employee Securities Incentive Plan' (**Plan**) and for the issue of securities under the Performance Rights Plan in accordance with Listing Rule 7.2 (Exception 13(b)).

The objective of the Performance Rights Plan is to attract, motivate and retain key employees and the Company considers that the adoption of the Plan and the future issue of securities under the Plan will provide selected participants with the opportunity to participate in the future growth of the Company.

### **Summary of Listing Rules 7.1 and 7.2 (Exception 13(b))**

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

Listing Rule 7.1 limits the amount of equity securities that a listed company can issue without the approval of its shareholders over any 12 month period to 15% of the fully paid ordinary shares it had on issue at the start of that period.

Listing Rule 7.2 (Exception 13(b)) provides that Listing Rule 7.1 does not apply to an issue of securities under an employee incentive scheme if, within three years before the date of issue of the securities, the holders of the entity's ordinary securities have approved the issue of equity securities under the scheme as exception to Listing Rule 7.1.

Exception 13(b) is only available if and to the extent that the number of equity securities issued under the scheme does not exceed the maximum number set out in the entity's notice of meeting dispatched to shareholders in respect of the meeting at which shareholder approval was obtained pursuant to Listing Rule 7.2 (Exception 13(b)).

Exception 13(b) also ceases to be available if there is a material change to the terms of the scheme from those set out in the notice of meeting.

If Resolution 8 is passed, the Company will be able to issue securities under the Plan to eligible participants over a period of 3 years. The issue of any securities to eligible participants under the Plan (up to the maximum number of securities stated in section (c) below) will be excluded from the calculation of the number of equity securities that the Company can issue without Shareholder approval under Listing Rule 7.1.

If Resolution 8 is not passed, then:



- (a) any issue of securities under the Plan will be included in calculating the Company's 15% limit in ASX 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; and
- (b) the Company will consider alternative methods to incentivise and retain key management personnel.

For the avoidance of doubt, the Company must seek Shareholder approval under Listing Rule 10.14 in respect of any future issues of securities under the Plan to a related party or a person whose relationship with the company or the related party is, in ASX's opinion, such that approval should be obtained.

Resolutions 9 to 11 are conditional upon this Resolution 8 being approved.

### 9.1 Technical information required by Listing Rule 7.2 (Exception 13)

Pursuant to and in accordance with Listing Rule 7.2 (Exception 13), the following information is provided in relation to Resolution 8:

- (a) a summary of the key terms and conditions of the Plan is set out in Annexure B;
- (b) the Company has not issued any securities under the Plan as this is the first time that Shareholder approval is being sought for the adoption of the Plan. Should Resolution 8 be passed, Resolutions 9 to 11 seek approved for the issue of a total of 28,000,000 Directors Options under the Plan;
- (c) the maximum number of securities to be issued under the Plan, following Shareholder approval of Resolution 8 which includes the Directors Options proposed to be issued under Resolutions 9 to 11, unless otherwise approved by Shareholders, is 49,967,232 securities (being 5% of the number of the Company's fully paid ordinary shares on issue at the date of this Notice – 999,344,651 Shares); and
- (d) a voting exclusion statement is included in this Notice of Meeting.

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

## RESOLUTIONS 9, 10 & 11: ISSUE OF DIRECTOR OPTIONS

### General

Subject to the passing of Resolution 8, Resolutions 9, 10 and 11 seek Shareholder approval pursuant to ASX Listing Rule 10.14, for the grant of a total of 17,500,000 options ("**Director Options**") to the following related parties on the terms set out in Annexure C to incentivise them:

Name	Position	Maximum Number of Director Option
Mr Michael Atkins	Non-Executive Chairman	4,000,000
Mr Stephen Stone	Managing Director	16,000,000
Mr James Guy	Non-Executive Director	8,000,000
<b>Total</b>		<b>28,000,000</b>

If Resolutions 9, 10 and 11 are passed, a total of 28,000,000 Director Options would be issued. Assuming the Director Options are exercised and no other Shares are issued this will increase the number of Shares currently on issue from 999,344,651 to 1,027,344,651, with the effect that the shareholding of existing Shareholders would be diluted by an aggregate of 2.73%, comprising 0.39% by Mr Atkins, 1.56% by Mr Stone and 0.78% by Mr Guy.

If Resolution 9, 10 and 11 are not approved, the Company may not issue the Directors Options to the Directors and the Company will consider alternative methods to incentivise and retain key management personnel.

Each Director declines to make a recommendation to Shareholders in relation to Resolutions 9, 10 and 11, due to their material personal interest in the outcome of the Resolutions on the basis that each Director is to be issued Director Options should Resolutions 9, 10 and 11 be passed.

### **Chapters 2D of the Corporations Act**

Section 195(1) of the Corporations Act provides that a director who has a "material personal interest" in a matter being considered at a directors' meeting must not be present while the matter is being considered or vote on the matter.

Section 195(4) of the Corporations Act provides that where there are insufficient directors to form a quorum at a directors' meeting because of section 195(1), the directors may call a Meeting of shareholders to consider the matter. The Directors are unable to form a quorum to consider any matters relating to the proposed issue of Directors under Resolutions 9, 10 and 11, as Mr Michael Atkins, Mr Stephen Stone and Mr James Guy being all of the Directors of the Company, have a material personal interest in the outcome of the Resolutions. Therefore, the Company is seeking Shareholder approval under section 195(4) of the Corporations Act to deal with the matter.

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

Section 208 of the Corporations Act provides that a public company, or an entity that the public company controls, to give a financial benefit to a related party of the public company, the public company or entity must:

- (a) obtain the approval of the public company's members in the manner set out in sections 217 to 227 of the Corporations Act; and
- (b) give the benefit within 15 months following such approval,

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

The issue of Director Options to the Directors pursuant to Resolutions 9, 10 and 11 constitutes giving a financial benefit, and Mr Michael Atkins, Mr Stephen Stone and Mr James Guy are related parties of the Company by virtue of being Directors.

As it is proposed that Director Options will be issued to all Directors, the Directors have been unable to form a quorum to consider whether one of the exceptions set out in sections 210 to 216 of the Corporations Act applies to the issue of Director Options. Accordingly, Shareholder approval is sought for the purposes of section 208 of the Corporations Act.

### **ASX Listing Rule 10.11, 10.12 and 10.14**

ASX Listing Rule 10.11 requires shareholder approval to be obtained where an entity issues, or agrees to issue, securities to a related party, or a person whose relationship with the entity or a related party is, in ASX's opinion, such that approval should be obtained unless an exception in ASX Listing Rule 10.12 applies.

ASX Listing Rule 10.12, exception 8 provides that approval under ASX Listing Rule 10.11 is not required where securities are to be issued to a person under an employee incentive scheme with approval under ASX Listing Rule 10.14.

ASX Listing Rule 10.14 provides that an entity must not permit any of the following persons to acquire equity securities under an employee incentive scheme without the approval of the holders of its ordinary securities: a director of the entity, an associate of a director of the entity or a person whose relationship with the entity of referred to in ASX Listing Rules 10.14.1 to 10.14.12 is such that, in ASX's option, the acquisition should be approved by security holders.

Accordingly, Resolutions 9, 10 and 11 seek the required Shareholder approval for the issue of the 28,000,000 Director Options under the Plan and for the purposes of Chapter 2E of the Corporations Act and Listing Rule 10.14.

If each of Resolutions 9, 10 and 11 are passed, then the Company will be able to proceed with the issue of Directors Options to the Directors under the Plan within three years after the date of the Meeting. As approval pursuant to Listing Rule 7.1 is not required for the issue of the Directors Options (because approval is being obtained under Listing Rule 10.14), the issue of the Directors Options will not use up any of the Company's 15% annual placement capacity.

If each of Resolutions 9, 10 and 11 are not passed, then the Company will not be able to proceed with the issue of Directors Options to the Directors under the Plan and many have to consider alternative arrangements for the incentives offered to the Directors.

### **Technical information required by ASX Listing Rule 10.15 and section 219 of the Corporations Act (in respect to Resolutions 9, 10 and 11):**

Pursuant to and in accordance with the requirements of ASX Listing Rule 10.15 and section 219 of the Corporations Act, the following information is provided in relation to Resolutions 9, 10 and 11 for the proposed grant of Director Options being issued to the Directors under the Plan:

1. the Director Options are being issued to Michael Atkins (Resolution 9), Stephen Stone (Resolution 10) and James Guy (Resolution 11) who falls within the category set out in ASX Listing Rule 10.14.1 as Michael Atkins, Stephen Stone and James Guy are each a related party of the Company by virtue of being a Director;
2. the maximum number of Director Options (being the nature of the financial benefit being provided) to be issued on the date of issue is 28,000,000 as follows:

<b>Name</b>	<b>Position</b>	<b>Maximum Number of Director Options</b>
Mr Michael Atkins	Non-Executive Chairman	4,000,000
Mr Stephen Stone	Managing Director	16,000,000
Mr James Guy	Non-Executive Director	8,000,000
<b>Total</b>		<b>28,000,000</b>

3. the Directors total current remuneration package for year ending 30 June 2023 is as follows:

<b>Related Party</b>	<b>Annual Salary (\$)</b>	<b>Time Commitment</b>	<b>Fees for Additional Time</b>
Michael Atkins (Director)	80,000	~2 days per month	\$1,500 per day in excess of 2 days per month
Stephen Stone (Director) <sup>A</sup>	252,000	90% of his available time during normal business hours	n/a
James Guy (Director) <sup>B</sup>	40,000	~2 days per month	n/a

A) In addition to Mr Guy's non-executive director fee a total of \$135,320 was invoiced by James Guy & Associates Pty Ltd for the year ended 30 June 2022, a business of which Mr Guy is principal. James Guy & Associates Pty Ltd provided geological consulting services to the Company. The amounts paid were at usual commercial rates with fees charged on an hourly basis and is expected to remain materially similar for the year ended 30 June 2023.

B) Short term incentive plan is in place for the Managing Director to earn a discretionary annual incentive award, delivered in the form of cash up to 100% of fixed remuneration subject to achievement of objectives.

4. as this is the first time that the Shareholder approval is being sought for the adoption of the Plan, no securities have been previously issued under the Plan.

5. the material terms of the Directors Options are set out below. Each Directors Option:

(a) is an unquoted security;

(b) will be granted for nil cash consideration;

(c) on exercise will convert into one Share;

(d) will have an exercise price of 120% of the Market Value; and

(e) will lapse at 5.00pm, Western Standard Time on the last date of the 30<sup>th</sup> month after the date of grant of the Directors Options.

6. the other terms and conditions of the Director Options are set out in Annexure C.

7. the Company has chosen to grant the Directors Options to the Directors as they were no immediate dilutionary impact on Shareholders, the Directors Options provide incentive to the Directors aligned to Shareholder interests while preserving cash and the issue of the Directors Options does not result in any significant opportunity costs or foregone benefits for the Company.

8. the trading history of the Shares on ASX in the 12 months before the date of this Notice is set out below:

	<b>Price</b>	<b>Date</b>
Highest	\$0.068	04/04/2022
Lowest	\$0.014	12/10/2021
Last	\$0.024	13/10/2022

9. the securities and rights in the Company in which the Directors have a direct or indirect interest at the date of this Notice of Meeting are set out below. The table does not include the Director Options to be issued to the Directors being the subject of Resolutions 9, 10 and 11:

Related Party	Ordinary Shares		Options (ex \$0.015, exp 30/06/2023)	
	Direct	Indirect	Direct	Indirect
Michael Atkins (Director)	12,107,107	8,734,082 <sup>1</sup>	2,000,000	-
Stephen Stone (Director)	-	51,961,627 <sup>2</sup>	-	8,000,000 <sup>2</sup>
James Guy (Director)	-	4,818,990 <sup>3</sup>	-	4,000,000 <sup>3</sup>

Notes:

- 8,734,082 Shares held by Windamurah Pty Ltd <Atkins Super Fund AC >.
- 23,202,193 Shares held by Stepstone Pty Ltd; 8,259,434 Shares and 8,000,000 unlisted options held by Stephen Stone ATF Pearlstone Family Trust; and 20,500,000 Shares held by Gladstone Super Pty Ltd <Gladstone Superannuation A/C>.
- 800,000 Shares held by James Guy & Associates Pty Ltd; 2,268,990 Shares held by James Guy ATF Guy Family Trust; and 1,750,000 Shares and 4,000,000 unlisted options held by JACFUND Pty Ltd <J and C Superannuation Fund>.

10. the relevant interest of the Directors in the securities of the Company are set out below:

Related Party	Shareholding on Date of Issue of this Notice of Meeting	Maximum Shares assuming exercise of options subject to Resolutions 9, 10, 11	Shareholding assuming approval of Resolutions 9, 10, 11	% of Fully diluted equity securities assuming resolutions 9, 10, 11 approved under this Notice
Michael Atkins (Director)	20,841,189	4,000,000	24,841,189	0.39%
Stephen Stone (Director)	51,961,627	16,000,000	67,961,627	1.56%
James Guy (Director)	4,818,990	8,000,000	12,818,990	0.78%

11. the value of the Director Options using a Black Scholes methodology is set out as follows (assumes the grant date of the Directors Options was 13 October 2022):

Details	Input
Share price (as at 13 October 2022)	\$0.024
Exercise Price	\$0.03
Risk Free Rate (RBA 2 year Australian government bond rate)	3.25%
Volatility (Annualised)	100%
Start Date	13 October 2022
Expiry Date	30 April 2025
<b>Value per Option</b>	<b>\$0.01308</b>

Using the Black Scholes value per option (as calculated in the table above), the total value attributed to the financial benefit being provided by each director is provided below:

<b>Related Party</b>	<b>Maximum Number of Director Options</b>	<b>Total Value of Options</b>
Michael Atkins (Director)	4,000,000	\$52,320
Stephen Stone (Director)	16,000,000	\$209,280
James Guy (Director)	8,000,000	\$104,640
<b>Total</b>	<b>28,000,000</b>	<b>\$366,240</b>

12. the Directors Options will be granted to each Related Party no later than 1 years after the date of the Meeting and it is anticipated the Director Options will be issued on one date.
13. the Director Options will be granted for nil cash consideration; accordingly no funds will be raised from the issue of Director Options. Any funds raised on the exercise of the Director Options will be used for working capital purposes.
14. a summary of the key terms and conditions of the Plan is set out in Annexure B.
15. no loan will be made available by the Company in connection with the issuance of the Directors Options to the Directors.
16. details of any securities issued under the Plan will be published in the annual report of the Company relating to the period in which they were issued, along with a statement that approval for the issue was obtained under listing rule 10.14.
17. any additional persons covered by listing rule 10.14 who become entitled to participate in an issue of securities under the Plan after resolutions 9, 10 and 11 are approved and who were not named in this Notice of Meeting will not participate until Shareholder approval has been obtained under that rule.
18. a voting exclusion statement is included in this Notice of Meeting.

## **RESOLUTIONS 12: APPROVAL OF PROPORTIONAL TAKEOVER PROVISIONS**

### **Background**

The Constitution currently contains proportional takeover approval provisions requiring Shareholders to approve any takeover offer for only a proportion of each Shareholder's Shares (Part 26). These provisions are designed to assist Shareholders to receive proper value for their Shares if a proportional takeover bid is made for the Company.

In accordance with the Corporations Act and the Constitution, the proportional takeover approval provisions expire three years from their adoption, or if renewed, from the date of renewal. The Company last renewed its proportional takeover provisions on 14 November 2019, accordingly Part 26 of the Constitution will cease to operate from 14 November 2022 unless it is renewed prior to that time.

Renewal of the proposed proportional takeover provisions must be approved by a special resolution, requiring approval of 75% of the votes cast by Shareholders present and eligible to vote (in person, by proxy, by attorney or, in the case of a corporate Shareholder, by a corporate representative). If renewed, the proposed proportional takeover provisions will be in exactly the same terms as the existing provisions and will have effect for a three year period commencing on 16 November 2022.

Part 26 is set out in full in Appendix 4 of this Notice.

### **Effect**

If a proportional takeover bid is made, the Directors must:

- (a) convene a general meeting no less than 14 days before the end of the bid period; and
- (b) allow Shareholders to vote on a resolution to approve the proportional takeover bid.

The bidder and its associates are not allowed to vote on the resolution.

If the bid is rejected, binding acceptances are required to be rescinded, and all unaccepted offers and offers failing to result in binding contracts are taken to have been withdrawn.

If the bid is approved, the transfers resulting from the bid may be registered provided they comply with other provisions of the Corporations Act and the Constitution.

If no resolution is voted on by the above deadline, a resolution approving the bid is taken to have been passed. The proportional takeover provisions do not apply to full takeover bids and will only apply until 16 November 2025, unless again renewed by Shareholders.

### **Reasons for Renewal**

As a proportional takeover bid involves an offer for only a proportion of each Shareholder's Shares, a bidder may acquire control of the Company:

- (a) without Shareholders having the chance to sell all their Shares, leaving them as part of a minority interest in the Company; and
- (b) without payment of an adequate control premium.

The Board considers that the proportional takeover provisions should be renewed as they lessen the risk of a bidder obtaining control without adequately compensating existing Shareholders as they allow Shareholders to decide collectively whether a proportional takeover bid is acceptable and appropriately priced.

### **Potential Advantages and Disadvantages**

#### Advantages

Renewal of the proportional takeover provisions provide Shareholders:

- (a) the right to decide whether a proportional takeover bid should proceed;
- (b) protection from being locked in as a minority Shareholder;
- (c) increased bargaining power; and
- (d) the view of majority of Shareholders which may assist individual Shareholders to decide whether to accept or reject an offer under a proportional takeover bid.

### Disadvantages

Renewal of the proportional takeover provisions may:

- (a) discourage proportional takeover bids;
- (b) reduce Shareholders' opportunities to sell Shares at a premium;
- (c) restrict the ability of individual Shareholders to deal with their Shares as they see fit; and
- (d) reduce the likelihood of a proportional takeover bid succeeding.

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

### **Knowledge of Acquisition Proposals**

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

The Directors of the Company believe that Resolution 12 is in the best interests of the Company and unanimously recommend that Shareholders vote in favour of this Resolution.



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## GLOSSARY

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**\$** means Australian dollars.

**Annual General Meeting, AGM or Meeting** means the meeting convened by the Notice.

**ASX** means ASX Limited.

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

**Board** means the current board of directors of the Company.

**Chair** means the person appointed to chair the Meeting convened by this Notice.

**Chairman** means the chairman of the Company as defined in the Constitution.

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

**Company or Castle** means Castle Minerals Limited (ACN 116 095 802).

**Constitution** means the Company's constitution.

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

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

**Director Options** means an unlisted option to acquire a Share on the terms and conditions in Annexure C.

**Explanatory Statement** means the explanatory statement accompanying the Notice.

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

**Market Value**, in respect to a Directors Option, means the volume weighted average price per Share traded on the ASX over the five (5) trading days immediately preceding the date of grant of the Directors Options

**New Options** means a listed option to acquire a Share on the terms and conditions in Annexure B.

**Notice or Notice of Meeting or Notice of Annual General Meeting** means this notice of annual general meeting including the Explanatory Statement and the Proxy Form.

**Peak or Peak Asset Management** means Copeak Pty Ltd (ACN 607 161 900), trading as Peak Asset Management.

**Peak Options** means a listed option to acquire a Share on the terms and conditions in Annexure B.

**Placement Shares** has the meaning given to that term in the section of the Explanatory Statement in respect of Resolution 4, 5 & 6.

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

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

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

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

**WST** means Western Standard Time as observed in Perth, Western Australia.

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**ANNEXURE A – RIGHTS AND LIABILITIES ATTACHED TO THE NEW OPTIONS AND PEAK OPTIONS**

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<b>Entitlement</b>	Each option entitles the holder to subscribe for one share in the Company upon exercise of the option.
<b>Exercise Price</b>	Subject to any reconstruction of capital, the amount payable upon exercise of each option will be \$0.055.
<b>Expiry Date</b>	Each option will expire at 5.00pm (Perth, Western Australian time) on 31 December 2024. An option not exercised before the option Expiry Date will automatically lapse on the option Expiry Date.
<b>Exercise Period</b>	The Options are exercisable at any time on or prior to the option Expiry Date.
<b>Notice of Exercise</b>	The Company will provide to each option holder a notice that is to be completed when exercising the options ("Notice of Exercise"). The options may be exercised any time before the Expiry Date by providing the Company the Notice of Exercise accompanied by payment in full of the Exercise Price for each option being exercised in Australian currency by electronic funds transfer or other means of payment acceptable to the Company.
<b>Exercise Date</b>	A Notice of Exercise is only effective on and from the later of the date of receipt of the Notice of Exercise and the date of receipt of payment of the Exercise Price for each option being exercised in cleared funds.
<b>Timing of issue of Shares on exercise</b>	<p>Within 5 Business Days after the Exercise Date, the Company will:</p> <ul style="list-style-type: none"> <li>(a) allot and issue the number of Shares required under the terms and conditions in respect to the number of options specified in the Notice of Exercise and for which cleared funds have been received by the Company;</li> <li>(b) if required, give ASX a notice that complies with section 708A(5)(e) of the Corporations Act, or, if the Company is unable to issue such a notice, lodge with ASIC a prospectus prepared in accordance with the Corporations Act and do all such things necessary to satisfy section 708A(11) of the Corporations Act to ensure that an offer for sale of the Shares does not require disclosure to investors; and</li> <li>(c) if admitted to the Official List of the ASX at the time, apply for official quotation on ASX of the shares pursuant to the exercise of the Options.</li> </ul>

	<p>If a notice delivered under clause (b) above is not effective for any reason to ensure that an offer for sale of the shares does not require disclosure to investors, the Company must, within 20 Business Days after becoming aware that the notice is ineffective, lodge with ASIC a prospectus prepared in accordance with the Corporations Act and do all such things necessary to satisfy section 708A(11) of the Corporations Act to ensure that an offer for sale of the shares does not require disclosure to investors.</p>
<b>Shares issued on exercise</b>	<p>Shares issued on exercise of the options will rank equally with the then issued shares of the Company.</p>
<b>Quotation of shares issued on exercise</b>	<p>If admitted to the Official List of the ASX at the time, application will be made by the Company to ASX for quotation of the shares issued upon exercise of the options.</p>
<b>Reconstruction of capital</b>	<p>If at any time the issued capital of the Company is reconstructed (including consolidation, subdivision, reduction or return of capital), 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.</p>
<b>Participation in new issues</b>	<p>There are no participation rights or entitlements inherent in the options and holders will not be entitled to participate in new issues of capital offered to shareholders during the currency of the options without exercising the options.</p>
<b>Change in exercise price</b>	<p>An option does not confer the right to a change in Exercise Price or a change in the number of underlying securities over which the options can be exercised.</p>
<b>Transferability</b>	<p>The options are transferable subject to the terms of the Corporations Act and the ASX Listing Rules and to any restriction or escrow arrangements imposed by ASX or under applicable Australian securities laws.</p>

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## ANNEXURE B – EMPLOYEE SECURITIES INCENTIVE PLAN

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The material terms and conditions of the Employee Securities Incentive Plan (**Plan**) are summarised below:

- (1) **Eligibility Participant** means a person that:
  - (a) is either:
    - (i) an 'eligible participant' (as that term is defined in ASIC Class Order 14/1000) in relation to the Company or an Associated Body Corporate for an Invitation made while that Class Order remains in effect; or
    - (ii) an 'ESS participant' (as that term is defined in Division 1A of Part 7.12 of the Corporations Act) in relation to the Company; and
  - (b) has been determined by the Board to be eligible to participate in the Plan from time to time,

**(Participant).**
- (2) **Security** means a security in the capital of the Company granted under the Plan, including a Share, option, performance right or other convertible security.
- (3) The **purpose** of the Plan is to:
  - (a) assist in the reward, retention and motivation of Eligible Participants;
  - (b) link the reward of Eligible Participants to Shareholder value creation; and
  - (c) align the interests of Eligible Participants with shareholders of the group by providing an opportunity to Eligible Participants to receive an equity interest in the Company in the form of Securities.
- (4) **Offer:** The Board may, from time to time, at its absolute discretion, make a written offer to any Eligible Participant to apply for Performance Rights, upon the terms set out in the Performance Rights Plan and upon such additional terms and conditions as the Board determines.
- (5) **Invitation:** Following determination that an Eligible Participant may participate in the Plan, the Board may at any time and from time to time make an Invitation to that Eligible Participant, upon the terms set out in the Plan and such additional terms and conditions as the Board determines including as to:
  - (a) the number of Securities for which that Eligible Participant may apply;
  - (b) the grant date;
  - (c) the amount payable (if any) for the grant of each Security or how such amount is calculated;
  - (d) the exercise price (if any);
  - (e) the vesting conditions (if any);
  - (f) disposal restrictions attaching to the Shares (if any);
  - (g) whether cashless exercise of the Securities is permitted;
  - (h) the method by which Shares will be delivered to the Participant after the valid exercise of an option or convertible security (if applicable); and

- (i) any other supplementary terms and conditions.
- (6) **Plan limit:** No Security may be offered, granted, vested or exercised, and no Share may be issued or transferred, if to do so would contravene any Applicable Laws. In particular, for Invitations made while ASIC Class Order 14/1000 remains in effect, the Company must have reasonable grounds to believe, when making an Invitation, that the total number of Shares that may be issued, or acquired upon exercise of convertible securities offered, under an Invitation, when aggregated with the number of Shares issued or that may be issued as a result of offers made in reliance on ASIC Class Order 14/1000 at any time during the previous 3 year period under:
- (i) an employee incentive scheme covered by ASIC Class Order 14/1000; or
  - (ii) an ASIC exempt arrangement of a similar kind to an employee incentive scheme,
- but disregarding any offer made or securities issued in the capital of the Company by way of or as a result of:
- (iii) an offer to a person situated at the time of receipt of the offer outside Australia;
  - (iv) an offer that did not need disclosure to investors because of section 708 of the Corporations Act (exempts the requirement for a disclosure document for the issue of securities in certain circumstances to investors who are deemed to have sufficient investment knowledge to make informed decisions, including professional investors, sophisticated investors and senior managers of the Company); or
  - (v) an offer made under a disclosure document,
- would not exceed 5% (or such other maximum permitted under any Applicable Law) of the total number of Shares on issue at the date of the Invitation.
- (7) **Consideration:** Where monetary consideration is payable by the Eligible Participant, and in respect to convertible securities where the Exercise Price on exercise of those convertible securities is greater than zero, the Company must reasonably believe when making an Invitation:
- (i) the total number of Shares that are, or are covered by the Securities that may be issued under an Invitation; and
  - (ii) the total number of Shares that are, or are covered by the Securities that have been issued, or could have been issued in connection with the Plan in reliance on Division 1A of Part 7.12 at any time during the previous 3 year period prior to the date the Invitation is made,
- does not exceed:
- (iii) if the Constitution specifies an issue cap percentage, that percentage; or
  - (iv) 5% (or such other maximum permitted under any Applicable Law).
- (8) **Terms of convertible securities**
- (a) **Vesting:** A convertible security will vest when a vesting notice in respect of that convertible security is given to the Participant.
  - (b) **Restriction of dealing:** Unless in Special Circumstances (defined below) with the consent of the Board (which may be withheld in its absolute discretion), or the relevant dealing is effected by force of law on death or legal incapacity to the

Participant's legal personal representative, a Participant may not sell, assign, transfer, grant a Security Interest over, collateralise a margin loan against, utilise for the purposes of short selling, enter into a derivative with reference to, or otherwise deal with a convertible security that has been granted to them. The convertible security is forfeited immediately on purported sale, assignment, transfer, dealing or grant of a Security Interest other than in accordance with these Rules.

**Special Circumstances** means:

- (a) a Participant ceasing to be an Eligible Participant due to:
  - (i) death or Total or Permanent Disability of a Participant; or
  - (ii) Retirement or Redundancy of a Participant;
- (b) a Participant suffering severe financial hardship whereby Participant is unable to provide themselves, their family or other dependents with basic necessities such as food, accommodation and clothing, including as a result of family tragedy, financial misfortune, serious illness, impacts of natural disaster and other serious or difficult circumstances ; or
- (c) any other circumstance as determined by the Board to constitute "Special Circumstances" at the time of grant of the Convertible Security or stated to be "Special Circumstances" in the terms of the relevant Offer made to and accepted by the Participant.
- (c) **Prohibition on hedging:** A Participant must not enter into any arrangement for the purpose of hedging their economic exposure to a convertible security that has been granted to them.
- (d) **Listing:** Unless determined otherwise by the Board in its absolute discretion, a convertible security granted under the Plan will not be quoted on the ASX or any other recognised exchange.
- (9) **Exercise of convertible securities:** A convertible security may not be exercised unless and until that convertible security has vested in accordance with clause 8 above, or such earlier date on which the Participant is entitled to exercise that convertible security in accordance with these Rules.

To exercise a convertible security, the Participant must:

- (i) deliver a signed notice of exercise; and
- (ii) subject to clause 8, pay the exercise price (if any) to or as directed by the Company,

at any time prior to the earlier of:

- (i) any date specified in the vesting notice; and
- (ii) the expiry date.

If the Participant does not deliver a signed Notice of Exercise and, subject to clause 8,) pay the exercise price to or as directed by the Company in relation to a Convertible Security by the requisite date, that convertible security will automatically be forfeited.

- (10) **Cashless exercise of convertible securities:** At the time of exercise of the convertible securities, subject to Board approval at that time, the Participant may elect not to be required to provide payment of the exercise price for the number of convertible securities specified in a notice of exercise but that on exercise of those convertible securities the Company will transfer or allot to the Participant that number of Shares equal in value to the positive difference between the then market value of the Shares at the time of exercise and the exercise price that would otherwise be payable to exercise those convertible securities (with the number of Shares rounded down to the nearest whole Share).
- (11) **Forfeiture of convertible securities:**
- (a) **Eligible Participant Leaves:** Where a Participant who holds convertible securities ceases to be a Participant, all unvested convertible securities will automatically be forfeited by the Participant.
- (b) **Fraudulent or dishonest actions:** Where the Board determines that a Participant has:
- (i) acted fraudulently or dishonestly; or
  - (ii) acted negligently or acted in contravention of a Group policy, including but not limited to the any one or more of the following anti-bribery and anti-corruption policy, board charter, continuous disclosure policy, code of conduct, securities trading policy, and in particular, where a Participant engages in trading during a blackout period or otherwise trades in a manner that may contravene the insider trading provisions in the Corporations Act, social media policy and statement of values; or
- (b) wilfully breached his or her duties to the Group, including but not limited to breaching a material term of an employment, executive services or consultancy agreement (or equivalent),
- the Board will deem all unvested convertible securities held by that Participant to have been forfeited.
- (c) **Failure to satisfy vesting conditions:** Unless otherwise stated in the Invitation, a convertible security which has not yet vested will be forfeited immediately on the date that the Board determines (acting reasonably and in good faith) that any applicable vesting conditions have not been met or cannot be met by the relevant date.
- (d) **Insolvency:** Unless otherwise stated in the Invitation or determined by the Board, a convertible security held by a Participant in accordance with these Rules will be forfeited immediately on the date that the Participant becomes Insolvent.
- (e) **Other forfeiture events:** Unless as otherwise set out in these Rules, any convertible securities which have not yet vested will be automatically forfeited on the expiry date.
- (f) **Discretion to determine that the convertible securities are not forfeited:** the Board may decide (on any conditions which it thinks fit) that some or all of the Participant's convertible securities will not be forfeited at that time, but will be forfeited at the time and subject to the conditions it may specify by written notice to the Participant, at the time of grant of the convertible securities.
- (g) **Voluntary forfeiture:** A Participant may by written notice to the Company voluntarily forfeit their convertible securities for no consideration.
- (12) **Change of Control Event means:**
- (a) a change in Control of the Company;

- (b) where members of the Company approve any compromise or arrangement for the purpose of, or in connection with, a scheme for the reconstruction of the Company or its amalgamation with any other body corporate or bodies corporate (other than a scheme that does not involve a change in the ultimate beneficial ownership of the Company), which will, upon becoming effective, result in any person (either alone or together with its Associates) owning more than fifty per cent (50%) of Issued Capital;
- (c) where a person becomes the legal or the beneficial owner of, or has a Relevant Interest in, more than fifty per cent (50%) of Issued Capital;
- (d) where a person becomes entitled to acquire, hold or has an equitable interest in more than fifty per cent (50%) of Issued Capital; and
- (e) where a Takeover Bid is made to acquire more than fifty per cent (50%) of Issued Capital (or such lesser number of Shares that when combined with the Shares that the bidder (together with its Associates) already owns will amount to more than 50% of Issued Capital) and the Takeover Bid becomes unconditional and the bidder (together with its Associates) has a Relevant Interest in more than 50% of Issued Capital,

but, for the avoidance of doubt, does not include any internal reorganisation of the structure, business and/or assets of the Group.

**Control** has the same meaning as in section 50AA of the Corporations Act.

If a Change of Control Event occurs, or the Board determines that such an event is likely to occur, the Board may in its discretion determine the manner in which any or all of the Participant's convertible securities will be dealt with, including, without limitation, in a manner that allows the Participant to participate in and/or benefit from any transaction arising from or in connection with the Change of Control Event.

- (13) **Shares to rank equally:** All Shares will rank pari passu in all respects with the Shares of the same class for the time being on issue except for any rights attaching to the Shares by reference to a record date prior to the date of the allotment or transfer of the Shares.
- (14) **Listing:** If Shares are in the same class as Shares which are listed on the ASX, the Company will apply for quotation of the Shares issued (or any unquoted Shares transferred) within the time required by the Listing Rules after the date of allotment.
- (15) **Dividends:** A Participant will be entitled to any dividends declared and distributed by the Company on the Shares which, at the closing date for determining entitlement to such dividends, are standing to the account of the Participant.
- (16) **Voting rights:** A Participant may exercise any voting rights attaching to Shares held by the Participant.
- (17) **Disposal restriction on Shares:** If the Invitation provides that any Shares are subject to any restrictions as to the disposal or other dealing by a Participant for a period, the Board may implement any procedure it deems appropriate to ensure the compliance by the Participant with this restriction, including but not limited to imposing an ASX Holding Lock (where applicable) on the Shares.
- (18) **Adjustment of convertible securities:**
  - (a) **Reorganisation:** If there is a reorganisation of the issued share capital of the Company (including any subdivision, consolidation, reduction, return or cancellation of such issued capital of the Company), the rights of each Participant holding convertible securities will



be changed to the extent necessary to comply with the Listing Rules applicable to a reorganisation of capital at the time of the reorganisation.

- (b) **Bonus Issue:** If Shares are issued by the Company pro rata to shareholders generally by way of bonus issue (other than an issue in lieu of dividends or by way of dividend reinvestment), the holder of convertible securities is entitled, upon exercise of the convertible securities, to receive, in addition to the Shares in respect of which the convertible securities are exercised and without the payment of any further consideration, an allotment of as many additional Shares as would have been issued to a shareholder who, on the date for determining entitlements under the bonus issue, held Shares equal in number to the Shares in respect of which the convertible securities are exercised.

Additional Shares to which the holder of convertible securities becomes so entitled will, as from the time Shares are issued pursuant to the bonus issue and until those additional Shares are allotted, be regarded as Shares in respect of which the convertible securities are exercised for the purposes of subsequent applications of clause 15.2(a), and any adjustments which, after the time just mentioned, are made under clause 15.1 to the number of Shares will also be made to the additional Shares.

- (c) **Rights Issue:** Unless otherwise determined by the Board, a holder of convertible securities does not have the right to participate in a pro rata issue of Shares made by the Company or sell renounceable rights.

- (19) **Trust:** The Board may, in its discretion, use an employee share trust or other mechanism for the purposes of holding Shares and Shares before or after the exercise of a convertible security or delivering any Shares arising from exercise of a convertible security under the Plan on such terms and conditions as determined by the Board. For the avoidance of doubt, the Board may do all things necessary for the establishment, administration, operation and funding of an employee share trust.

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## ANNEXURE C – TERMS & CONDITIONS OF DIRECTOR OPTIONS

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1. Each Directors Options shall be issued for no consideration.
2. The exercise price of each Directors Options will be 120% of the Market Value ("**Exercise Price**").
3. Each Directors Options entitles the holder to subscribe for one Share in the Company upon the payment of the Exercise Price per Share subscribed for.
4. The Directors Options will lapse at 5.00pm, Western Standard Time on the last date of the 30<sup>th</sup> month after the date of grant of the Directors Options ("**Expiry Date**").
5. The Directors Options may be transferred at any time in accordance with the Corporations Act, the SCH Business Rules and/or the ASX Listing Rules;
6. There are no participating rights or entitlements inherent in these Directors Options and holders of the Directors Options will not be entitled to participate in new issues of capital that may be offered to shareholders during the currency of the Director Options.
7. Director Option holders have the right to exercise their Directors Options prior to the date of determining entitlements to any capital issues to the then existing shareholders of the Company made during the currency of the Directors Options, and will be granted a period of at least 10 business days before the record date to exercise the Directors Options.
8. In the event of any re-organisation (including reconstruction, consolidation, subdivision, reduction or return of capital) of the issued capital of the Company, the Directors Options will be re-organised as required by the ASX Listing Rules, but in all other respects the terms of exercise will remain unchanged.
9. The Directors Options shall be exercisable at any time until the Expiry Date ("**Exercise Period**") by the delivery to the registered office of the Company of a notice in writing ("**Notice**") stating the intention of the Director Option holder to exercise all or a specified number of Directors Options held by them accompanied by an Director Option certificate and a direct deposit payable to the Company for the subscription monies for the Shares as directed by the Company. The Notice and the direct deposit must be received by the Company during the Exercise Period. An exercise of only some Directors Options shall not affect the rights of the Director Option holder to the balance of the Directors Options held by it.
10. The Company shall allot the resultant Shares and deliver a statement of shareholdings with a holders' identification number within 5 business days of exercise of the Directors Options.
11. The Shares allotted shall rank, from the date of allotment, equally with the existing ordinary shares of the Company in all respects.
12. Quotation of the Directors Options on ASX will not be sought. However, the Company will apply to ASX for official quotation of Shares issued on the exercise of Directors Options.

**PART 26. Proportional takeover approval provisions****Interpretation**

26.1 In this Clause 26:

- (a) Associate in relation to another person has the meaning given to that term in the Corporations Act for the purposes of subdivision C of Chapter 6.5 of the Corporations Act;
- (b) Bidder means a person making an offer for Shares under a Proportional Bid;
- (c) Proportional Bid means a proportional takeover bid as defined in section 9 of the Corporations Act; and
- (d) Relevant Day, in relation to a Proportional Bid, means the day that is 14 days before the last day of the bid period.

**Transfers prohibited without approval**

26.2 Where a Proportional Bid in respect of shares included in a class of shares in the Company has been made:

- (a) the registration of a transfer giving effect to a contract resulting from the acceptance of an offer made under the Proportional Bid is prohibited unless and until a resolution (Approving Resolution) to approve the Proportional Bid is passed, or is deemed to have been passed, in accordance with subdivision C of Chapter 6.5 of the Corporations Act;
- (b) a Member (other than the Bidder or an Associate of the Bidder) who, as at the end of the day on which the first offer under the Proportional Bid was made, held shares included in the bid class is entitled to vote on an Approving Resolution and, for the purposes of so voting, is entitled to 1 vote for each such share;
- (c) neither the Bidder nor an Associate of the Bidder may vote on an Approving Resolution;
- (d) an Approving Resolution must be voted on at a meeting of the Members entitled to vote on the resolution which has been convened and conducted by the Company; and
- (e) an Approving Resolution is passed if more than 50% of the votes cast on the resolution by Members present and entitled to vote on the resolution are in favour of the resolution.

**Meetings**

26.3

- (a) The provisions of this Constitution relating to a general meeting of the Company apply, with such modifications as the circumstances require, in relation to a meeting that is convened for the purposes of this Clause 26.
- (b) The Directors of the Company must ensure that the Approving Resolution is voted on in accordance with this clause before the Relevant Day.
- (c) Where an Approving Resolution is voted on in accordance with this clause, then before the Relevant Day, the Company must:
  - (i) give to the Bidder; and
  - (ii) serve on ASX,

a written notice stating that a resolution to approve the Proportional Bid has been voted on and that the resolution has been passed or has been rejected, as the case requires.

### **Deemed approval**

26.4 Where, as at the end of the day before the Relevant Day in relation to a Proportional Bid, no Approving Resolution to approve the Proportional Bid has been voted on in accordance with this clause, an Approving Resolution to approve the Proportional Bid is, for the purposes of this clause, deemed to have been passed under this clause 26.

### **Proportional Bid rejected**

26.5 Where an Approving Resolution is voted on and is rejected then:

- (a) despite section 652A of the Corporations Act, all offers under the Proportional Bid that have not, as at the end of the Relevant Day, resulted in binding contracts are deemed to be withdrawn at the end of the Relevant Day;
- (b) the Bidder must immediately, after the end of the Relevant Day, return to each Member any documents that were sent by the Member to the Bidder with the acceptance of the offer;
- (c) the Bidder may rescind and must, as soon as practicable after the end of the Relevant Day, rescind each contract resulting from the acceptance of an offer made under the Proportional Bid; and
- (d) a Member who has accepted an offer made under the Proportional Bid is entitled to rescind the contract (if any) resulting from that acceptance.

### **Duration of clause**

26.6 This clause 26 ceases to have effect on the later to occur of:

- (a) the third anniversary of its adoption; or
- (b) the third anniversary of its most recent renewal effected under the Corporations Act.

If you are attending the meeting in person, please bring this with you for Securityholder registration.

Holder Number:

Your proxy voting instruction must be received by **9.30am (WST) on Monday, 14 November 2022**, being **not later than 48 hours** before the commencement of the Meeting. Any Proxy Voting instructions received after that time will not be valid for the scheduled Meeting.

## SUBMIT YOUR PROXY

Complete the form overleaf in accordance with the instructions set out below.

### YOUR NAME AND ADDRESS

The name and address shown above is as it appears on the Company's share register. If this information is incorrect, and you have an Issuer Sponsored holding, you can update your address through the investor portal: <https://investor.automic.com.au/#/home> Shareholders sponsored by a broker should advise their broker of any changes.

### STEP 1 – APPOINT A PROXY

If you wish to appoint someone other than the Chair of the Meeting as your proxy, please write the name of that Individual or body corporate. A proxy need not be a Shareholder of the Company. Otherwise if you leave this box blank, the Chair of the Meeting will be appointed as your proxy by default.

### DEFAULT TO THE CHAIR OF THE MEETING

Any directed proxies that are not voted on a poll at the Meeting will default to the Chair of the Meeting, who is required to vote these proxies as directed. Any undirected proxies that default to the Chair of the Meeting will be voted according to the instructions set out in this Proxy Voting Form, including where the Resolutions are connected directly or indirectly with the remuneration of KMP.

### STEP 2 - VOTES ON ITEMS OF BUSINESS

You may direct your proxy how to vote by marking one of the boxes opposite each item 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 item 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 the items of business, your proxy may vote as he or she chooses. If you mark more than one box on an item your vote on that item will be invalid.

### APPOINTMENT OF SECOND PROXY

You may appoint up to two proxies. If you appoint two proxies, you should complete two separate Proxy Voting Forms and specify the percentage or number each proxy may exercise. If you do not specify a percentage or number, each proxy may exercise half the votes. You must return both Proxy Voting Forms together. If you require an additional Proxy Voting Form, contact Automic Registry Services.

### SIGNING INSTRUCTIONS

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

**Joint holding:** Where the holding is in more than one name, all Shareholders 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 Proxy Voting Form when you return it.

**Companies:** To be signed in accordance with your Constitution. Please sign in the appropriate box which indicates the office held by you.

**Email Address:** Please provide your email address in the space provided.

**By providing your email address, you elect to receive all communications despatched by the Company electronically (where legally permissible) such as a Notice of Meeting, Proxy Voting Form and Annual Report via email.**

### CORPORATE REPRESENTATIVES

If a representative of the corporation is to attend the Meeting the appropriate 'Appointment of Corporate Representative' should be produced prior to admission. A form may be obtained from the Company's share registry online at <https://automic.com.au>.

### Lodging your Proxy Voting Form:

#### Online:

Use your computer or smartphone to appoint a proxy at <https://investor.automic.com.au/#/login>

or scan the QR code below using your smartphone

**Login & Click on 'Meetings'. Use the Holder Number as shown at the top of this Proxy Voting Form.**



#### BY MAIL:

Automic  
GPO Box 5193  
Sydney NSW 2001

#### IN PERSON:

Automic  
Level 5, 126 Phillip Street  
Sydney NSW 2000

#### BY EMAIL:

[meetings@automicgroup.com.au](mailto:meetings@automicgroup.com.au)

#### BY FACSIMILE:

+61 2 8583 3040

All enquiries to Automic:

**WEBCHAT:** <https://automicgroup.com.au/>

**PHONE:** 1300 288 664 (Within Australia)  
+61 2 9698 5414 (Overseas)

